COALITION ON HUMAN NEEDS

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Another Stopgap Expected as FY20 Spending Bills Creep Forward

With less than a month before the government runs out of funding, the process forward looks rocky. The current stopgap spending bill, known as a Continuing Resolution or CR, provides funding for all government agencies through Nov. 21. When it was passed in late September, just before the start of the new fiscal year on Oct. 1, members of Congress had been hopeful that full FY20 spending bills would be completed by the mid-November date. However, fights over funding for President Trump's border wall and other issues have held up progress.

The full Senate is expected to vote this week on amendments to its first package of spending bills, a "minibus" consisting of four of the required 12 bills: Agriculture; Transportation – Housing and Urban Development (THUD); Commerce, Justice, Science; and Interior – Environment (for details on the Senate THUD spending bill, see this full analysis and updated budget chart from the National Low Income Housing Coalition). While all four of these bills received bipartisan support at the committee level, they are not without controversy. House and Senate appropriators still haven't agreed upon the topline spending limits for each of the 12 bills, known as 302(b) allocations. The House 302(b) allocations were passed before a bipartisan budget deal was agreed to by both the House and Senate, which set overall spending levels lower than the spending levels in many of the House bills. Senate Democrats on the Appropriations Committee opposed the allocations passed along party lines by their Republican colleagues, citing inadequate funding for the Departments of Labor, Health and Human Services, and Education and too much money for the border wall and anti-immigrant enforcement in the Department of Homeland Security spending bill, which would lead to human needs programs being harmed. According to the Center on Budget and Policy Priorities, the Senate Labor-HHS-Education appropriations bill funding would be cut 1.4 percent below its inflation-adjusted 2019 level, a cut of $2.7 billion. The Department of Homeland Security, on the other hand, would receive an inflation-adjusted funding increase of 4.3 percent, or $2.1 billion. Some House leaders reportedly want to see agreement on the 302(b) allocations before the Senate votes on spending bills.

With progress slowed, it is expected that Congress will need to pass a second CR to keep the government open after Nov. 21. While it is possible Congress could pass a short-term CR for a few weeks, it is also possible that they could decide instead to pass a CR extending into February or March to avoid a funding fight and possible government shutdown during an anticipated impeachment trial in the Senate.

In the likely event of another CR, most government agencies and programs will see flat FY19 funding levels during this time; a few so-called 'anomalies,' or adjustments to funding levels, will likely be included for select programs. One such anomaly will be needed for the 2020 Census, which needs a significant increase to stay on target for the mandated decennial count. Seven former Census directors recently penned a letter to House and Senate leaders as well as members of the House and Senate Appropriations Committees urging that Congress enact the full 2020 Census appropriation as soon as possible. "Because we share your goal of a full, fair, and accurate census, as the Constitution requires, we urge you to allocate a full-year appropriation for the 2020 Census as soon as legislatively possible, to avoid disruptions in the launch and steady implementation of robust census operations," the letter states. Sen. Brian Schatz (D-HI) and 24 other senators previously urged appropriators to include full-year funding for the Census Bureau ($8.175 billion, including $7.5 billion for the 2020 Census) up front as part of the existing CR. The current CR does not increase funding, but allows the Census Bureau to spendy "up to the rate for operations necessary to maintain the schedule and deliver the required data." If the CR is extended, more money for the census must be approved if the 2020 Census is not to be jeopardized. Prolonged flat funding in an extended CR is hard on other programs as well, including expected increased costs for subsidized housing.

The CR in place now also includes a package of health care-related funding extensions for community health centers and for the enhanced Medicaid funds for Puerto Rico and other U.S. territories through November 21. In addition, continued authority for the Temporary Assistance for Needy Families program (TANF) must be extended. The expiring extensions will also need to be included if another CR is passed. For more information, see the September 30 *Human Needs Report*.

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Courts Block “Public Charge” Implementation; Trump Issues Harsh Proclamation on Immigrants and Health Care

No fewer than five federal judges earlier this month blocked the Trump Administration from implementing its “Public Charge” proposal, which would have denied visas or green cards to immigrants if they have used certain aid programs such as SNAP, Medicaid, or housing assistance.

U.S. District judges in California, Illinois, Maryland, New York, and Washington ruled against the proposal, which had been set to take effect Oct. 15. Three of the rulings – from Maryland, New York, and Washington -- included nationwide injunctions against the public charge regulations; the other two were more limited in jurisdiction.

The Trump Administration has not announced plans to appeal the rulings, but is expected to do so. Meanwhile, advocates are declaring victory and relief that the new rules will not go into effect any time soon.

Marielena Hincapié, Executive Director of the National Immigration Law Center, said the court orders “will preserve dignity for countless families, who will be able to continue making empowered decisions about their well-being without concern.”

“We have known from day one that this racially motivated public charge rule is unlawful,” she added. “The public charge attack is about sending one message: if you’re not white or you’re not wealthy, you’re not welcome. We will continue to fight to defend children and their families until the public charge rule is ultimately struck down, because it has no place in a country that’s supposed to be the land of freedom and justice for all.”

Olivia Golden, Executive Director of the Center for Law and Social Policy, said the public charge regulations are “rooted in discrimination and racial animus, target lawfully present immigrants, and send the message that only wealthy and white immigrants have a place in the United States.”

“But today, once again, the courts have stepped in to stop this Administration in its attempt to implement a policy that divides us as a nation and damages the lives of millions of immigrants, their families, their children, and their communities,” Golden added. “Today’s ruling means a temporary halt in the implementation of the public charge rule….We encourage immigrants to continue to seek the services they need to take care of their families and ensure their children’s health and economic security.”

Ample evidence exists that the changes included in the public charge proposal have already had the effect the Trump Administration intended – to chase immigrant families into the shadows and convince them not to apply for aid they are eligible to receive. According to the Urban Institute, one in seven adults in immigrant families reported that they or a family member did not participate in a noncash government benefit program in 2018 for fear of risking future green card status as the Administration was preparing to roll out its public charge regulations. This share was even larger (one in five) among adults in low-income immigrant families.

Meanwhile, just days before the updated public charge proposal was to go into effect, President Trump issued a proclamation that will require immigrants outside of the United States to prove they can obtain health insurance before they are issued a visa.

The rule, which is set to take effect Nov. 3, says immigrants must demonstrate they have health insurance within 30 days of entering the country or that they can afford to cover any medical expenses.

The required insurance can be provided by an employer or be purchased individually, and it can be for catastrophic or short-term coverage. However, immigrants would not be able to obtain a visa if they use the Affordable Care Act's subsidies when purchasing coverage. The ACA's subsidies, paid for by the federal government, typically help those purchasing insurance save hundreds or thousands of dollars per year when buying health coverage.

The proclamation effectively creates a health insurance mandate for immigrants – somewhat ironic, given that Trump and the GOP-led Congress repealed the ACA's individual mandate, arguing that its tax penalty was "cruel" and created an unfair burden.

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Trump Administration Escalates Attempt to Cut Nutrition Assistance; Advocates Fight Back

Anti-hunger advocates are fighting the Trump Administration's continued efforts to cut nutrition assistance on two fronts, even as new information has emerged that one U.S. Department of Agriculture proposal would cut benefits more sharply than was previously reported.

On the first front, the Administration has proposed curtailing "broad-based categorical eligibility," which states use to provide SNAP benefits to more low-income households. The comment period for this proposal originally ended in September, but has been extended to Friday, Nov. 1.

The reason for the extension? New USDA data reveals that the proposal could harm as many as 982,000 children, who currently have access to free or reduced price school meals due to their families' eligibility for SNAP. A previous analysis had estimated that just over 500,000 would be affected. Of the 982,000 children, 497,000 would move from free to reduced-price lunch, while 40,000 would completely lose access to free or reduced-price meals. Anti-hunger experts are skeptical that only 40,000 would lose all school meals help. They know that increased paperwork burdens would inevitably cause additional families to lose benefits. As Rep. Bobby Scott noted in a statement, "Even for those who remain eligible, forcing low-income families to navigate the burdensome paperwork will inevitably lead to eligible children losing access to a critical source of daily nutrition." In addition, under the Community Eligibility Provision, nearly 2,000 schools across the country provide free school meals to all their students because more than 40 percent of their students participate in an anti-poverty program, such as SNAP. If fewer families receive SNAP, some communities may not qualify for the program, increasing bureaucratic hurdles and ensuring that some poor children will no longer receive free meals.

Members of the public can submit comments using this portal; advocates are requesting that even if you commented previously, you should consider submitting an additional comment based on the new data. However, USDA will only take into account comments related to the impact of its proposed rule on school meals.

You can read more about this issue in our Sept. 30 *Human Needs Report* and you can read CHN's comments to USDA in opposition to the proposal here.

On the second front, the Administration has proposed a rule that would limit states' discretion in taking households' utility costs into account to determine the amount of SNAP benefits for which they qualify. This rule would cut SNAP by $4.5 billion over five years and would affect about one in every five SNAP households.

Advocates warn that the proposal would exacerbate the struggles many low-income people have in paying for costs of food and utilities; have harmful impacts on health and well-being as well as on the economy. Of the 3.4 million households facing reduced SNAP benefits, 68 percent are families with children, 20 percent are households with seniors, and 29 percent include a person with a disability.

For more information, and to access the portal for leaving comments, go here. The comment period for this proposal ends Monday, Dec. 2.

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Advocates Push for Boosting Low-Income Tax Credits in Year-End Package

Congress routinely passes legislation to continue expired or soon-to-expire tax provisions (largely benefiting businesses, and known as "tax extenders"), often attached to must-pass spending legislation. Details are still fuzzy about what a spending package may look like in the coming weeks and months to keep the government funded (see related article in this *Human Needs Report*). But what is known is that members of Congress are expected to try to add a package of tax cut extenders onto end-of-year spending legislation. Advocates are making the case that any tax package that moves through Congress must include provisions to help low-income families.

The 2017 Tax Cuts and Jobs Act (TCJA) overwhelmingly benefited corporations and wealthy individuals. It largely left out, however, improvements to the Earned Income Tax Credit (EITC) and expanded the Child Tax Credit (CTC), but mostly for the benefit of families with higher incomes. According to the U.S. Census Bureau, the EITC and CTC lifted more than 8.9 million people out of poverty in 2018 and helped millions more just below and above the poverty line. Despite bipartisan support for improving these effective tax credits for low-income working families, the TCJA failed to target assistance to those with the lowest incomes

Since the enactment of the TCJA, several industries have been urging Congress to pass "technical corrections" for some of the business provisions in the TCJA. These "corrections" will add more tax breaks, worth billions, for certain businesses. Advocates are reaching out to members of Congress to ensure that any tax package that passes this year include improvements to the EITC and CTC as well.

The TCJA did include an increase in the CTC from $1,000 to $2,000 per child, and raised to $400,000 the income cut-off for eligibility for a partial credit. But under the law the CTC doesn't start to phase in for low-income families until a tax filer has more than $2,500 in earnings, and it then phases in slowly. As a result, low-income working families with 11.4 million children are receiving only a token CTC increase of $75 or less. Families of 15 million more children are receiving CTC increases that are substantially less than $1,000. And if a family's Child Tax Credit would exceed the federal income tax it owes (a "refundable credit"), the family cannot, under the TCJA, receive more than $1,400 per child as a tax refund.

It has been recognized for a long time that the EITC for low-wage workers who aren't raising children in their homes is often too small even to offset the income and payroll taxes these workers must pay. This is the main reason the federal tax code taxes more than 5 million such workers into, or deeper into, poverty.

Several bills to expand the EITC and CTC have been introduced in Congress this year. The House Ways and Means Committee passed the Economic Mobility Act of 2019 (H.R. 3300), introduced by Committee Chair Richard Neal (D-MA), on June 20. Among other improvements, the bill would, for the next two years, nearly triple the maximum EITC for workers who aren't raising children in their home; make the credit available for people who aren't full-time students starting at age 19 and up to age 66; and provide federal matching funds for Puerto Rico's new EITC and would provide similar matching funds for other U.S. territories. Additionally, the bill would, for the next two years, make the CTC fully refundable so children in households with little or no earnings will benefit from it. It would also introduce a new Young Child Tax Credit (YCTC) worth an additional $1,000 for a child under age 4. The bill would also expand for two years the Child and Dependent Care Tax Credit, which subsidizes child care expenses, and make it refundable. The Center on Budget and Policy Priorities estimates that the legislation would raise the after-tax income of 16 million childless adults. The bill's CTC changes would benefit more than 42 million children.

As reported in the June 17 *Human Needs Report*, the Working Families Tax Relief Act (H.R. 3157/S. 1138) would also expand and improve the EITC and CTC in multiple ways. The Center on Budget and Policy Priorities estimates that the legislation would raise the incomes of 46 million low- and moderate-income households with 114 million people. It would lift 29 million people, including 11 million children, above or closer to the poverty line.

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