



COALITION ON HUMAN NEEDS

The Human Needs Report

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As Deadlines Loom, Action on Pandemic Package Awaits the Senate's Return

In less than two weeks, the moratorium on evictions from federally subsidized or backed rental units will expire; so will the \$600 per week in Pandemic Unemployment Compensation. While the House of Representatives passed its HEROES Act, with more than \$3 trillion to address the pandemic, the Senate did not act before leaving for the July fourth recess. Senators will return on July 20 with little time to come up with its approach for negotiating a bill with the House.

The need for action is urgent. Close to one in five households were not able to pay their rent in the past month according to the most recent Census Bureau's weekly [Household Pulse](#) survey. For Latinx and Black households, it was one in four. The fear is that with local, state, and federal moratoria on evictions ending, there will be a massive surge in evictions without emergency rental assistance. Similarly, [data show](#) alarming numbers of households that report not having enough to eat in the past week – close to one in five Latinx and Black households with children, for example. With surging COVID-19 cases likely to lead to more job loss, the failure of Congress to extend unemployment assistance and provide housing and increased SNAP benefits by the end of July could result in hardship not seen since the Great Depression.

The position of Senate Republicans has shifted in recent weeks. At first, Majority Leader Mitch McConnell (R-KY) was reluctant to take up any bill, wanting a wait and see approach after the enactment of the CARES legislation. He suggested that states with huge revenue shortfalls consider filing for

bankruptcy. He has also made protection of businesses, schools, and health care providers from lawsuits related to COVID-19 a top priority. More recently, with unemployment still high and the COVID-19 caseload surging, he has talked about a \$1 trillion package that might include another direct payment to individuals and families. He has also acknowledged that a new bill could include aid to states and localities, specifically for coronavirus-related costs.

While this is movement, it is still far from the scope of the House's HEROES bill, which includes \$1 trillion for state and local aid alone. Plummeting state and local revenues (expected to be down \$555 billion through FY2022, according to the [Center on Budget and Policy Priorities](#)) and layoffs or furloughs of 1.5 million state and local government workers, coupled with dramatically rising need for services, makes help for states and localities urgent. The HEROES bill also includes another round of an expanded \$1,200 per person payment, extension of the \$600 per week unemployment benefit through the end of this year, \$100 billion in rental assistance for those falling behind in rent as well as an extension of the moratorium on evictions, increased SNAP and other nutrition benefits, improved low-income tax credits and much more. That means there is a lot of ground to cover to get to a final bill.

Senate Democrats have been introducing separate pieces of legislation they would like to see incorporated in a COVID package. Minority Leader Charles Schumer (D-NY) and Senator Ron Wyden (the senior Democrat on the Senate Finance Committee, D-OR) have introduced a bill (S. 4143) to expand and continue unemployment insurance benefits in each state until its unemployment rate drops below 11 percent. Advocates prefer to tie continuation of benefits to economic conditions, rather than the specific date included in the HEROES Act (through the end of the calendar year). In addition, Leader Schumer and Senator Patty Murray (senior on the Health, Education, Labor and Pensions Committee, D-WA) have introduced a bill to provide \$25 billion in emergency spending towards production and distribution of an anti-COVID-19 vaccine.

Another issue advocates hope will be included in the coronavirus package is extension and expansion of paid leave. The House bill would provide up to 80 hours of paid time off related to the pandemic, and would extend this coverage to workers in companies with fewer than 50 or more than 500 employees, who are now excluded. On the Senate side, Senator Bill Cassidy (R-LA) is pushing a proposal he co-sponsored with Senator Kyrsten Sinema (D-AZ) much more narrow in scope: allowing people with a new child (by birth or adoption) to voluntarily "borrow" \$5,000 from later child tax credits, by reducing their \$2,000 per child credit by \$500 for the next ten years. Advocates do not believe this is an adequate response to the need for paid leave.

Previous packages have been negotiated primarily by House Speaker Nancy Pelosi (D-CA) and Secretary of the Treasury Steven Mnuchin. Some Republicans in Congress have been critical of the broad scope of the previous legislation and have been urging Trump Chief of Staff Mark Meadows to take part in the negotiations. While in Congress, Meadows was a founder of the very conservative House Freedom Caucus and has in the past opposed SNAP and other benefits programs.

Advocates have been ramping up activity over the recess to press for inclusion of urgently needed provisions such as included in the HEROES Act. The Coalition on Human Needs has, working with other

groups, encouraged more than 350,000 letters or petitions to Senators seeking a relief package of adequate scope to meet the growing needs, with special attention to preventing hunger and mass evictions.

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House Begins to Move FY21 Spending Bills

The Fiscal Year 2021 spending process was in full swing in the House last week. The 12 House Appropriations Subcommittees passed the FY21 spending bills in their jurisdiction the week of July 6, and the full committee passed five of these bills in the same week (select details of these bills are below).

On July 9, the House Appropriations Committee also approved (29-21, along party lines) the [topline spending limit](#) for each of the 12 required spending bills, known as 302(b) allocations. The allocations for the 12 subcommittees total \$1.298 trillion in discretionary (or annually-appropriated) funding. According to CQ, while the bill covering the Departments of Labor, Health and Human Services, and Education would technically see a 0.1 percent cut from FY20 enacted levels, including unused funds from the Children's Health Insurance Program would provide about \$2.4 billion or 1 percent more for these programs over the current year. In addition, the Labor-HHS-Education bill includes \$24.425 billion in uncapped emergency funding for public health needs related to the coronavirus and for a Department of Labor contingency fund to help states cope with higher unemployment insurance workloads. The bill covering the Departments of Transportation and Housing and Urban Development would see a \$1.65 billion or 2.2 percent increase over the current year. The House 302(b) levels are not binding in the Senate.

Advocates were pleased to see that the spending bills put forth by House Democrats also include \$247 billion in emergency funding that would allow for additional spending above and beyond of the 302(b) allocations, as emergency funding does not count toward the spending caps. This includes \$12.5 billion to meet the rising costs of veterans' health care, money to respond to the pandemic and resulting economic recession, and more. For example, the Department of Housing and Urban Development would get \$49 billion in emergency funds for low-income housing projects and direct rental assistance; the Federal Communications Commission would get \$61 billion in emergency funding to expand broadband access and replace telecommunications equipment. Republicans on the committee objected to the inclusion of this level of emergency spending.

Per a bipartisan budget deal Congress passed last July that set topline spending caps, Congress will have \$10 billion, or 0.08 percent, more in FY21 base discretionary dollars to work with than it did in FY20; \$5 billion more for defense and \$5 billion more for nondefense programs. This total does not include funding deemed emergency spending or war funding that Congress approves outside of the caps. Even before the coronavirus pandemic hit, advocates were concerned that the \$5 billion increase for

nondefense programs will be entirely consumed by rising costs of health care for veterans, leading to flat funding or even cuts in other human needs programs.

As mentioned above, the full House Appropriations Committee passed five of the 12 spending bills last week: Agriculture; Military Construction-Veterans Affairs; Interior-Environment; Legislative Branch; and State-Foreign Operations. Of note in these bills:

The [Agriculture spending bill](#), which includes funding for many nutrition programs including SNAP/food stamps, school breakfast and lunch programs, the WIC program and more, provides \$23.98 billion in discretionary funding, an increase of \$487 million or 2.1 percent above the FY 2020 enacted level. In total, the bill allows for \$153 billion in both discretionary and mandatory funding, an increase of \$331 million above the FY 2020 enacted level. The bill includes language to block [two rules proposed](#) by the Trump Administration that would take away or reduce SNAP benefits for hundreds of thousands of people in need. Also included is \$1.1 billion for expanding rural broadband to give rural school children the ability to get online for school. For a full analysis of the nutrition provisions of the bill, including how they compare to FY20 spending levels and relate to nutrition pieces of the coronavirus response bills already passed by Congress, see [this piece](#) from the Food Research & Action Center and [this piece](#) from the National WIC Association.

The [Military Construction-Veterans Affairs bill](#) includes \$12.5 billion in emergency spending for veterans' health care and \$350 million in the uncapped Overseas Contingency Operations (OCO) account, both outside of the spending caps. The bill would bar President Trump from diverting military construction funds to the border wall and would also block military construction funds from going to installations named after Confederate officers unless the names are first changed.

The [Interior-Environment bill](#) includes funding for programs within the Department of the Interior, the Environmental Protection Agency, and other related agencies, including the Indian Health Service. The bill includes \$36.76 billion in regular appropriations, an increase of \$771 million above the FY 2020 enacted level and \$5.11 billion over the President's 2021 request, rejecting the White House's proposed cuts to the EPA. Additionally, the bill includes \$15 billion in emergency supplemental appropriations for investments in critical infrastructure, such as \$1.5 billion for the Indian Health Service to construct health care facilities, \$500 million for the Bureau of Indian Education for school construction needs, and \$10.2 billion for Clean Water and Drinking Water State Revolving Funds.

The [Legislative Branch](#) bill includes language to permit Dreamers with work authorization under the DACA program to work for Congress and other Legislative Branch agencies. It also includes language directing the removal of statues and busts in the U.S. Capitol of figures who participated in the Confederacy and statues of four white supremacists.

The [State-Foreign Operations bill](#) includes more than \$10 billion in emergency funding for global coronavirus preparedness, response, and relief and also includes \$8 billion in "war on terror" funding in the uncapped OCO account, both outside of the spending caps.

The stated goal is to have the other seven spending bills passed by the full House Appropriations Committee by July 16. To that end, the full Appropriations Committee will take up the [Labor-HHS-Education and Energy-Water bills](#) on Monday, July 13, and will consider [Defense, Commerce-Justice-Science, and Transportation-HUD bills](#) on Tuesday, July 14. The Homeland Security and Financial Services bills will be taken up on Wednesday, July 15. The full House is expected to take up and vote on the bills during the last two weeks of July, with the goal being to pass all or most of the 12 bills before lawmakers begin the August recess. The House spending bills are expected to pass mainly along party lines.

Over in the Senate, appropriations work came to a standstill before things even really got going. Senate Appropriations Committee Chair Richard Shelby (R-AL) and the committee's top-ranking Democrat, Sen. Patrick Leahy (VT), failed to reach an agreement about the types of amendments that could be offered to the spending bills, putting an indefinite pause on spending work in the upper chamber. Similar to action in the House, Senate Democrats want to be able to offer amendments that would provide additional money for COVID-19 responses, as well as policies that address policing reform and other social justice issues; Sen. Shelby does not want to allow these types of amendments. It is highly unlikely that the Senate will take up the bills the House passes, either.

Most believe that an impasse on spending bills will lead to Congress being forced to pass a stop-gap spending bill, known as a Continuing Resolution or CR, to keep the government running once the new fiscal year begins on October 1. A CR would fund government programs at FY20 levels; Congress can include 'anomalies,' or adjustments to funding levels, for select programs if they can agree upon them. Many believe a CR will last until after the November elections; the outcome of the elections may determine whether FY21 spending bills are passed in the lame duck session in December or a CR is extended into January.

A *Human Needs Report* covering the remaining appropriations bills approved in full committee will be published on Monday, July 20.

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