

The Human Needs Report

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Historic Build Back Better Act Passes House

Advocates celebrated the House passage of the historic Build Back Better Act on Nov. 19. The bill (H.R. 5376) will make major investments to reduce child poverty by 40 percent, expand access to health care, expand affordable housing, and promote broadly shared economic security, with special attention to the needs of people with low incomes, communities of color, and immigrant families. All but one Democrat supported with package; Rep. Jared Golden of Maine was the lone Democrat to join all Republicans in opposing the bill. In a <u>statement</u>, CHN's Executive Director Deborah Weinstein said, "The House majority has exercised and called for responsible stewardship of our nation and our future, by making investments that will pay off for years to come, and by insisting that the rich and corporations start to pay their fair share."

There will likely still be changes to the bill made in the Senate, both to comply with strict Senate rules and to ensure all Democrats – including Sens. Joe Manchin (WV) and Kyrsten Sinema (AZ) – and Independents will vote for it. Three provisions that are most likely to change include paid leave, immigration, and taxes; see below for more details. Senate Majority Leader Chuck Schumer said his aim is to see the bill pass the Senate before Christmas. There is speculation that the bill could be on the Senate floor the week of December 6. If changes are indeed made in the Senate, the amended bill will need to pass the House again before President Biden can sign it into law.

Below are just a few of the celebrated provisions in the Build Back Better Act:

Health care: The House-passed bill includes provisions to close the Medicaid coverage gap by providing a pathway to coverage for more than 2 million low-income people in the 12 states that haven't expanded Medicaid under the Affordable Care Act (ACA), through 2025. It also includes \$150 billion for Medicaid home- and community-based services (HCBS), helping some of the 800,000 people currently on waiting lists for home care services. It expands Medicare to include coverage of hearing aids. It also allows the government to negotiate lower prescription drug prices for a subset of drugs in Medicare Part B and Part D and caps some Medicare out-of-pocket drug costs, including a cap on insulin costs to \$35 per month. Nine million people will see reduced health insurance premiums under the Affordable Care Act. For more information, see <u>this piece</u> from Families USA.

Child care and paid leave: The bill provides free universal preschool free for 3- and 4-year-olds (helping families of 6 million children) and lowers the cost of child care, capping child care costs at 7 percent of income for middle class families (affecting 20 million children). The House-passed bill would provide four weeks of paid family and medical leave for all U.S. workers, down from 12 weeks in an earlier proposal. Sen. Manchin has said he opposes this being in the bill, so it remains unclear if this provision will survive the Senate.

Low-income tax credits: The bill extends the American Rescue Plan's Child Tax Credit (CTC) increase (to \$3,000-\$3,600 per child) for one year, affecting 61 million children in 39 million families, and ensures children in the poorest families will be able to claim the full CTC on a permanent basis. It also allows immigrant children with Individual Taxpayer Identification Numbers (ITINs) to qualify for the CTC again and extends for one year the Earned Income Tax Credit (EITC) increase for 17 million low-paid workers not raising children at home, including younger workers and those over 65, who were previously excluded. The Build Back Better legislation would also provide its Child Tax Credit expansions to all the U.S. territories and provides the territories with funds to administer the EITC.

Housing: The bill includes \$150 billion for rental vouchers, public housing maintenance, and the Housing Trust Fund. This includes \$25 billion to expand rental assistance to more than 300,000 additional households with the greatest needs, including \$24 billion for Housing Choice Vouchers; \$65 billion to preserve public housing for more than 2 million residents; and \$15 billion for the national Housing Trust Fund to preserve or build more than 150,000 rental homes affordable to households with extremely low incomes. See <u>the National Low Income Housing Coalition</u> for additional housing investments included in BBBA.

Immigration reform/citizenship: After the Senate Parliamentarian twice ruled that a pathway to citizenship cannot be pursued under the special rules of the reconciliation process, which is being used to allow the Build Back Better Act to be enacted with only a simple majority in the Senate, the House bill contains a "Plan C." The bill will provide five-year work permits and protection from deportation to close

to 7 million undocumented immigrants who have lived in the U.S. for at least a decade. Some advocates are urging the Democratic leadership in the Senate to overturn the Parliamentarian's recommendation if no version of immigration reform is approved for inclusion in the reconciliation bill; others are urging the majority to reject the recommendations against including reforms that provide a pathway to citizenship.

Hunger/food and nutrition: The House bill expands the number of schools that would be able to offer free meals to all students, helping nearly 9 million students; extends Summer EBT nationwide for students who receive free or reduced-price school meals; and provides funding to increase access to healthier foods.

Climate and the environment: The House-passed bill includes \$550 billion to combat climate change, including tax credits to help both people and companies invest in and transition to clean energy solutions. The White House estimates the BBBA will lead to a cut in greenhouse gas emissions roughly 50% lower than 2005 levels. The bill <u>includes</u> a new Clean Energy and Sustainability Accelerator that will invest in environmental justice projects. For example, Native and Indigenous groups will be able to receive millions in aid and grants to help tribes develop climate resilience plans and recover from extreme weather events.

Tax justice/fair revenues: The House bill will require a 15 percent corporate minimum tax to stop wealthy corporations from altogether dodging their fair share of taxes; end some corporate tax breaks that encourage the outsourcing of jobs and the shifting of profits to tax havens; impose a surtax on people making more than \$10 million a year; and improve IRS enforcement of tax laws to close the gap between taxes owed and collected. The bill increases the 2017 tax law's cap on the amount of state and local taxes (SALT) that filers can deduct when calculating their federal taxes from \$10,000 to \$80,000 through 2030. The Senate may replace this provision with an alternative approach to exempt people below a certain income threshold from the \$10,000 cap.

Education: The bill will provide free preschool for all 3- and 4-year-olds over a 10-year period and increase Pell grants, college aid targeted to students with low/moderate incomes. It also invests in colleges that serve large numbers of Black, Indigenous, Latino, and Asian and Pacific Islander students.

Praise for the package from advocates was swift. The Center on Budget and Policy Priorities <u>said</u>, "Today's vote brings us a critical step closer to delivering policy advances that help families meet everyday challenges such as paying rent and putting food on the table, affording child care and preschool, securing health coverage, and paying for college." The Center for Law and Social Policy (CLASP) <u>said</u>, "By sharply reducing poverty, investing in long undervalued caregiving, and increasing access to good jobs and educational opportunities, the legislation offers a once-in-a-generation opportunity to vastly expand economic opportunity and advance racial and gender equity." Feeding America <u>said</u>, "These provisions will provide significant help toward helping children who often do not know where they will get their next meal, particularly in communities of color who suffer disproportionately from hunger." For statements, analyses, state fact sheets, and more about the Build Back Better Act from CHN members and partners, see <u>CHN's Build Back Better resource page</u>. For more information about what was in the initial House version of the Build Back Better Act, see the <u>October 11 Human Need Report</u>. For compromises previously considered in the Senate, see the <u>October 26 Human Needs Report</u>.

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Major Infrastructure Investment Signed Into Law

On Nov. 15 President Biden signed into law the Infrastructure Investment and Jobs Act (IIJA), a \$1.2 trillion bipartisan bill containing \$550 billion in new infrastructure spending. The House passed (228-206) the bill in a late-night session on Friday, Nov. 5, with 13 Republicans joining all but 6 Democrats in supporting the measure; the Senate passed it (69-30) with 19 Republicans joining all Democrats and Independents on August 10. The House had previously tied passage of IIJA (H.R. 3684) to the passage of Build Back Better Act as leverage to get the broader social and climate spending bill passed. An agreement was reached between the progressives and moderates in the evening of Nov. 5 to pass IIJA and postpone a vote on the Build Back Better Act until the week of Nov. 15 (see related article in this *Human Needs Report* for more on this).

The law includes \$65 billion to make high-speed internet more accessible and affordable, especially in low-income and rural areas; \$55 billion towards guaranteeing safe drinking water by replacing the nation's lead service lines, including in Tribal Nations and disadvantaged communities that need it most (additional funding for this purpose is in the Build Back Better Act); \$39 billion in new spending to modernize public transit (in total, the package includes the largest investment in public transit in U.S. history, according to the <u>White House</u>); \$110 billion in new funding for highways, bridges, and roads; \$65 billion to upgrade the nation's power grid and invest in clean energy transmission; \$7.5 billion to build out a national network of electric vehicle chargers in the U.S.; and more.

According to the <u>National Skills Coalition</u>, the law funds workers' access to digital skills in a way that's consistent with the bipartisan Digital Equity Act introduced by Sens. Patty Murray (D-WA) and Rob Portman (R-OH), meaning local areas could support workers' digital reskilling and upskilling necessary to succeed in jobs that are evolving as businesses reopen and expand during our economic recovery. It includes over \$1 billion in occupational-specific skills training grants administered by the Departments of Energy and Transportation. According to Friends Committee on National Legislation, the bill includes a "Reconnecting Communities Program," which would provide \$1 billion in competitive grants to remove or retrofit highways that run through lower income neighborhoods; it also allocates \$11 billion for infrastructure needs in Indian Country, representing the largest investment Tribal Nations have seen in American history.

The Washington Center for Equitable Growth <u>says</u> the law will create millions of good-paying jobs. AFSCME President Lee Saunders said of the bill in a <u>statement</u>, "It will improve quality of life for all of us – everyone who drives on our roads, who rides public transit, who buys goods that pass through our ports, who depends on clean drinking water and a reliable power grid."

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Advocates Push for FY22 Spending Bills Over Long Stopgap Measures

Nearly two months into the fiscal year, and with less than two weeks to go until government funding runs out, Congress is still nowhere close to passing Fiscal Year 2022 spending bills. The current stopgap spending measure, known as a Continuing Resolution or CR, expires Dec. 3. It was enacted on Sept. 30 to avoid a government shutdown on Oct. 1, the start of the government's fiscal year.

Advocates had hoped Congress would use the past two months to pass all twelve of the required FY22 spending bills. That didn't happen, however, and now Congress will need to pass another CR before Dec. 3. The length of the next CR remains unclear. There is some talk that a two-week measure could last until Dec. 17 in an effort to wrap up FY22 appropriations this calendar year, or at least get closer to doing so. Another option is a CR that would last through February or early March 2022.

House and Senate Democrats have released different versions of the spending bills. The House has passed 9 of its 12 subcommittee bills; the Senate has not taken any of its appropriations bills to the floor yet. However, appropriations bills need 60 votes – and therefore some Republican support – to pass in the Senate. As Republicans oppose the funding levels used in the House and Senate bills, Democratic and Republican leaders will need to agree on topline funding levels, subcommittee allocations (known as the 302(b) allocations), and any policy changes (known as riders) to get appropriations bills passed. The Senate bills may serve as a starting point for these negotiations, as those include more defense spending, one or the top priorities for many Republicans.

The Senate Democrats' version of the FY22 spending bills would increase spending on non-defense (domestic and international) discretionary programs, also known as NDD, by roughly <u>13 percent</u> over FY21 levels. Most education and housing programs fall into this category, plus many social service, public health, veterans' services, criminal justice, homeland security, environmental and community development programs. Funding for defense programs would increase by roughly 5 percent over FY21 in the Senate FY22 spending bills. The House Democrats' bills would increase NDD spending by roughly 16 percent and increase defense spending by roughly 2 percent over FY21. The increases in the House bills closely align with the increases called for in <u>President Biden's FY22 budget request</u>. Republicans have called for "parity," or equal increases for both defense and nondefense. The FY22 spending bills are the first ones in a decade that are not limited by the low spending caps for discretionary (annually-appropriated) programs previously required by the Budget Control Act. For more details of the House and Senate Democrats' proposed spending bills, see the <u>Oct. 26 Human Needs Report</u>.

Advocates are urging Congress to pass an "omnibus" spending package, which combines the 12 required appropriations bills covering all government agencies for the rest of the fiscal year in one package,

rather than passing a long-term CR. Under a CR, most government agencies and programs see flat funding levels from FY21 spending bills, which were enacted under President Trump. As CHN <u>noted</u> in a letter to House Appropriations Committee members, flat funding from a prolonged CR would fail people with low incomes by not providing needed increases in human needs programs.

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Mid-December Debt Ceiling Deadline Approaches

Treasury Secretary Janet Yellen <u>said</u> last week that the debt limit must be raised by Dec. 15 to ensure the government can pay all its bills on time. While the debt ceiling increase passed in October was designed to last until Dec. 3, many believed incoming payments from taxes and other accounting tools could buy additional time, perhaps postponing the next debt ceiling deadline to later in December or early January 2022. However, the enactment of the bipartisan infrastructure package (see related article for more on this) requires the Treasury to transfer \$118 billion from general revenues into the Highway Trust Fund; this money counts as borrowing and therefore accelerated the timeline by which another debt ceiling increase is needed. A new <u>estimate</u> released Nov. 22 from <u>Wrightson ICAP</u>, a money market research firm which tracks the debt limit, says it believes the Treasury Department has until the middle of January before the nation hits the borrowing cap.

It remains unclear how another debt ceiling increase will happen. After cooperating to get the temporary increase in the debt limit in October, Senate Minority Leader Mitch McConnell had announced his caucus will not do so again in December. Democrats have been adamant that the bills the Treasury Department needs to pay aren't solely from Democratic debts – they come from the 2017 multi-trillion-dollar Republican tax cuts, the bipartisan American Rescue Plan, and other legislation passed under President Trump and Republican congressional leadership – and that dealing with the debt limit therefore needs to be bipartisan. The Senate Parliamentarian previously notified Senate leadership that Congress can amend its budget resolution to allow a separate new reconciliation bill dealing with the debt limit without any effect on the Build Back Better Act. Minority Leader McConnell has pushed for that approach, to force Democrats to raise the limit on their own. Democrats have opposed using reconciliation for this purpose, in part because they would prefer to suspend the debt ceiling rather than raise it by a specific number. Although this has not been formally determined, a common interpretation is that using reconciliation to raise the debt limit would require an increased debt amount rather than a suspension. Another possibility is that a debt ceiling increase could be attached to the must-pass National Defense Authorization Act currently being taken up in the Senate. Recent press accounts suggest that Leaders Schumer and McConnell have started to talk about ways to accommodate a debt ceiling increase before December 15.

Economists and business leaders overwhelmingly agree that failure to raise the debt ceiling would do catastrophic damage to the U.S. and to economies and markets worldwide. Mark Zandi, Chief Economist at Moody's Analytics, warned that a prolonged impasse over the debt ceiling would cost the economy

up to 6 million jobs, wipe out as much as \$15 trillion in household wealth, and send the unemployment rate roughly to 9 percent, from around 5 percent right now.

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Senate Republicans Block Voting Rights Bill – Again

Republican Senators on Nov. 3 blocked the John Lewis Voting Rights Advancement Act (H.R. 4), a bill that would have restored key provisions stripped from the Voting Rights Act and prevented barriers to the ballot box for Black, Latinx, Indigenous, young, and new Americans. Sixty votes were needed to overcome a procedural hurdle that would have allowed Senators to debate the bill on the floor, but Alaska Sen. Lisa Murkowski was the only Republican to join all 50 Democrats and Independents in voting to advance the measure. The House passed the bill on Aug. 24 along party lines.

Wade Henderson, interim president and CEO of The Leadership Conference on Civil and Human Rights, said in a <u>statement</u>, "Anti-voter senators have yet again attacked the most basic principle of our democracy — equal access to the ballot. By refusing to ensure that we are able to vote freely, they are denying us the right to shape our communities and make decisions for how to tackle the pandemic, access affordable health care, or provide for our families." CHN joined the Leadership Conference and more than <u>130 other organizations</u> in urging senators to support the bill.

The vote came two weeks after Senate Republicans blocked the Freedom to Vote Act (S. 2747), which would have set national standards for early voting and voting by mail, set standards for states that require voter identification, end partisan gerrymandering, limit the influence of dark money so that billionaires can't buy elections, and make Election Day a national holiday. Not a single Republican supported advancing the measure. It was scaled back from the House-passed For the People Act, which was opposed by Sen. Joe Manchin (D-WV), to try to gain his support and that of Republicans.

The bills are in part a response to Republican state legislatures that have this year enacted <u>multiple bills</u> to restrict access to voting, disproportionately affecting people of color, and making it easier to challenge election results.

Some advocates have supported abolishing the filibuster or reforming it to allow certain bills, like voting rights legislation, to pass with only a simple majority instead of the 60-vote supermajority required for most legislation. But Sen. Manchin has repeatedly said he opposes changes to filibuster rules. It would take 50 votes plus Vice President Harris's tie-breaker to modify the filibuster; with no anticipated Republican support, the loss of one Democratic or Independent senator would sink the effort.

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