

The Human Needs Report

Feb. 22, 2022

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One More Stopgap Spending Measure Keeps the Government Open While Work on an FY22 Spending Package Continues

Nearly five months into Fiscal Year 2022, and with only one day to spare until government funding ran out, the Senate passed (65-27) another stopgap spending measure on Feb. 17 and it was signed into law by President Biden on February 18. The bill, known as a Continuing Resolution or CR, will fund government operations through March 11. Several amendments insisted upon by Senate Republicans, including one barring federal funding from being used to enforce federal vaccine mandates, failed without Democratic support. The House previously passed the bill (272-162) on Feb. 8.

Congressional leaders announced earlier in February that a topline framework deal had been reached which will likely allow 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, by March 11. Details of the deal, including topline funding levels for defense and nondefense programs, subcommittee allocations (known as the 302(b) allocations), and any agreements on policy changes (known as riders), have not yet been made public. Senate Appropriations Chair Patrick Leahy

(D-VT) said on Feb. 17 that the deal would contain "the biggest increase in nondefense programs in four years," but he did not give specifics on dollar or percent increases.

Senate Republicans are pushing for "parity," or equal increases for both defense and nondefense programs. Appropriations bills need 60 votes – and therefore some Republican support – to pass in the Senate.

While it is not yet known if parity is part of the negotiated deal in the Senate, reports are that increases in defense spending will exceed the 5 percent boost over the prior year that was included in the national defense authorization law enacted in December. Earlier versions of the FY22 spending bills released by Senate Democrats would increase spending on nondefense (domestic and international) discretionary programs, also known as NDD, by roughly 13 percent over FY21 levels, while funding for defense programs would increase by about 5 percent. The House Democrats' bills would increase NDD spending by about 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 President Biden's FY22 budget request. 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.

Advocates, including more than 350 state, local, and national organizations, are urging Congress to quickly pass an omnibus spending package to increase funding for human needs programs. Under continuing resolutions, which have funded FY22 operations to date, most government agencies and programs see flat funding levels from FY21 spending bills, which were enacted under President Trump. A new CHN analysis found that, out of 192 human needs programs tracked, two-thirds (126) had less funding in FY 2021 than in FY 2010, taking inflation into account. Nearly one-third (60) had shrunk by more than 20 percent.

Relatedly, Department of Health and Human Services officials are reportedly seeking \$30 billion in emergency aid for the ongoing COVID-19 response needs, including vaccines, treatments, and testing. While supplemental funding like this could be added to the FY22 omnibus spending package, it could also move as a stand-alone bill or attached to another bill. Many Republicans object to the funding, which would complicate omnibus negotiations even further if Democrats tried to attach it to the omnibus.

Looking ahead, President Biden is expected to release his FY23 budget request in early March, after he delivers the State of the Union on March 1. The statutory deadline for a president to release his or her budget is the first Monday in February, but there is no penalty for not meeting this deadline, and it has been frequently missed by presidents of both parties.

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Advocates Continue to Push for Measures to Build Back Better

Three months after the Nov. 19 House passage of the historic Build Back Better Act (H.R. 5376), the future of the bill is dim. Opposition to the House-passed bill from Sen. Joe Manchin (D-WV), Sen. Kyrsten Sinema (D-AZ), and all Senate Republicans means that any bill that can pass the Senate will have to be scaled down considerably from the House version. Advocates remain hopeful that the Senate may still be able to pass legislation containing significant pieces of the Build Back Better Act, such as the expansion of the Child Tax Credit and Earned Income Tax Credit, as well as money for Medicaid homeand community-based services (HCBS), housing, health coverage, child care/early childhood education, combating climate change, and more. Some Democrats support a package that contains measures that would ease inflationary pressures on low- and middle-income households, like funding to make child care more affordable and lowering the cost of prescription drugs. However, reports are that there will be no legislative action in the Senate on such a bill until April at the earliest.

Advocates are disappointed by the logjam in the Senate, as the House-passed Build Back Better Act would make major investments to <u>reduce child poverty</u> by 40 percent, expand access to health care, invest in 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. For more details on the legislation, see the Nov. 22 *Human Needs Report*.

New research from <u>Columbia University's Center on Poverty and Social Policy</u> found that 3.7 million more children were in poverty in January, compared to December, due to the absence of the monthly \$250 - \$300 per child Child Tax Credit payment, which expired in December because the Senate failed to act.

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Postal Service Reform Bill Passes the House but is Delayed in the Senate

On Feb. 8, the House passed the Postal Service Reform Act (H.R. 3076) on a strong bipartisan vote of 342-92. The legislation eliminates the George W. Bush Administration and congressional mandate that the Postal Service prefund its retiree health care benefits decades in advance, a requirement asked of no other public or private agency. The requirement has unnecessarily crippled the USPS's finances. According to the American Federation of State, County and Municipal Employees (AFSCME), the new legislation permanently mandates six-day mail delivery, which has been required by temporary, annual appropriation policy riders since the 1980s. It would also integrate postal retirees into Medicare and would enable the USPS to offer non-postal services like fishing licenses that would bring in revenue.

Unfortunately, the bill has been delayed in the Senate because Sen. Rick Scott (R-Fla.) objected to Senate Majority Leader Chuck Schumer's (D-NY) request to fix a technical error in the bill. Schumer has said he hopes to take up the bill in the Senate after the chamber returns from its Presidents' Day recess on Feb. 28.

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House Passes America COMPETES Act

On Feb. 4, the House passed the America Creating Opportunities for Manufacturing, Pre-Eminence in Technology and Economic Strength (COMPETES) Act of 2022 on a mostly party-line vote of <u>222-210</u>. House Education and Labor Committee Chairman Bobby Scott (D-VA) said in a <u>statement</u>, "The America COMPETES Act will connect our nation's students and workers with the skills they need to succeed in high-tech industries while keeping our economy competitive in the years ahead. These investments will allow more K-12 schools to offer their students classes in computer sciences and create low-cost pathways for college STEM credits, and it builds on the bipartisan support for apprenticeships by expanding high-quality Registered Apprenticeship opportunities. Importantly, the jobs created by this legislation include protections to ensure workers are paid a decent wage."

H.R. 4521 will also strengthen America's supply chain, build clean energy solutions, and address the climate crisis. According to the <u>American Immigration Council</u>, the bill also contains several immigration provisions, including providing a direct path to permanent residence for immigrants who earn a Ph.D. in a specified field of science, technology, engineering, or mathematics (STEM).

The House bill will likely need to be pared back to get bipartisan support in the Senate, which passed a narrower bill (S. 1260) last year. House and Senate committees were set to begin informal discussions last week, with formal conference negotiations to resolve key differences expected to begin in March.

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