

# The Human Needs Report

July 20, 2020

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### Senate GOP Expected to Release COVID Response Package This Week

Senate Majority Leader Mitch McConnell is expected to release his party's latest coronavirus response package this week. While details are not yet known, the bill is expected to be much smaller (roughly a third of the cost) and less comprehensive than the \$3 trillion HEROES Act passed by the Democratic-led House on May 15.

According to reports, the Senate GOP package is expected to contain some money for state and local governments, but that money may be earmarked for education to get schools reopened. Providing additional money to schools is a bipartisan priority, but advocates are concerned that the Republican plan may not provide the money needed for other support for states, localities, territories, and tribes that are suffering. It is reported that the GOP bill may include \$70 billion for education funding, of which 10 percent would be available for private schools; such diversion of funds would be opposed by Democrats. However, President Trump and some other Republicans have said that additional aid for education should be conditioned on schools reopening in the fall; Democrats resist this idea.

In lieu of other funds for state and local governments, the Republican plan may loosen restrictions on the expenditure of the \$150 billion previously approved by Congress, which could only be used for expenditures related to COVID-19. On July 17, Sen. Schumer pressed for \$1 trillion in state and local aid at a press conference with the American Federation of State, County, and Municipal Employees; AFSCME is a member of CHN. States and localities have lost 1.5 million public jobs through June, and revenues have plummeted.

The Senate GOP plan may also include an extension of the Pandemic Unemployment Compensation that expires in late July, but it is expected to be less than the \$600 per week currently in place and likely will not last as long as the proposal in the HEROES Act, which runs through Jan. 31, 2021. Another round of stimulus checks for low-income people may also be included. Treasury Secretary Steven Mnuchin has reportedly said he wants language in the package that would allow the hardest hit businesses to apply for a second round of funding through the Paycheck Protection Program (PPP), with reports that the Administration may also be seeking another \$150 billion to add to the loan program, which currently has \$100 billion left to give out. (The Coalition on Human Needs has received a loan under the PPP program.) Democrats continue to push for additional priorities in a relief package, such as an extended and expanded eviction moratorium and \$100 billion in rental assistance, expanded low-income tax credits, increased SNAP and other nutrition benefits, and more.

According to <u>The Hill</u>, Sen. McConnell's plan may also include a five-year protection for businesses from lawsuits related to COVID-19, retroactive to December, 2019 and extending to 2024, which many Democrats oppose while instead pushing for stronger worker safety protections. The <u>Trump Admin has</u> <u>threatened to veto</u> a new relief bill if it doesn't include a payroll tax "holiday," despite the fact that such a policy would give billions of dollars to employers while providing no assistance to the 20 million unemployed Americans; Democrats and some Republicans oppose this as well.

On the other side of the aisle, Senate Democrats unveiled a proposal on July 16 that included \$350 billion in child care, job training, health care, and more for minority communities. House Democrats plan to unveil two bills (H.R. 7027 and H.R. 7327) this week focused on providing additional money for child care providers and expenses.

The goal is to have a coronavirus relief package passed by both chambers before the August recess begins. The Senate is currently scheduled to leave DC after the first week in August; the House is scheduled to leave at the end of July, but House Speaker Nancy Pelosi has signaled that she could either keep the chamber in session or call members back to pass legislation if a compromise is reached. For information on pandemic relief packages that Congress has previously passed, see the June 29 Human Needs Report.

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House Moves FY21 Spending Bills to the Floor

The Fiscal Year 2021 spending process moves to the House floor this week. The House Appropriations Committee passed seven of the 12 required spending bills last week (details of these bill are below), after passing the other five the previous week. The bills now move to the House floor to be voted on by the full House. This week, the House is expected to take up a four-bill package (H.R. 7608), often called a minibus, that will consist of the Agriculture, Interior-Environment, Military Construction-Veterans Affairs, and State-Foreign Operations spending bills.

It is expected that most of the remaining eight bills will be taken up by the House next week, either in one or two packages, with the goal of having most bills pass before the August recess begins. The House is scheduled to leave DC at the end of July, though it may remain in session into August if necessary to finish enactment of a COVID-19 response package after working out a final bill with the Senate. All appropriations bills are expected to pass mainly along party lines. The Homeland Security bill is not expected to be taken up by the House in the next few weeks due to funding level controversies among Democrats.

The seven spending bills passed by the House Appropriations Committee last week include Labor-Health and Human Services-Education; Transportation-Housing and Urban Development; Commerce-Justice-Science; Defense; Homeland Security; Financial Services; and Energy-Water. Some of the highlights of these bills are noted below.

# Labor – Health and Human Services – Education:

According to *CQ*, while the bill covering the Departments of Labor, Health and Human Services, and Education (known as the "Labor-H" bill) 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. The \$196.5 billion in overall funding included in the bill would be \$20.8 billion above President Trump's FY21 budget request after accounting for offsets and adjustments. In addition, the bill includes \$24.4 billion in emergency funding, mostly for public health needs related to the coronavirus pandemic, including \$9 billion for the Centers for Disease Control and Prevention, \$5 billion for the National Institutes of Health, and \$5 billion for a permanent "public health emergency fund." The emergency funding also includes \$925 million for a Department of Labor contingency fund to help states cope with higher unemployment insurance workloads.

Despite tight budget caps, advocates were pleased to see important human needs programs received modest increases. Highlights of the bill include: \$103 million for the Reintegration of Ex-Offenders, an increase of \$5 million above FY20 levels and \$10 million above the President's request; \$5.9 billion for the Child Care and Development Block Grant, an increase of \$100 million above current levels; \$10.8 billion for Head Start, an increase of \$150 million; a \$20 million bump to \$957 million for Senior Nutrition Programs; and \$13 billion for Special Education Part B Grants to States, an increase of \$194 million above current levels and \$94 million above the President's request. The maximum Pell Grant would increase by \$150 under the bill, and new language would allow incarcerated individuals to be eligible for the grant.

The bill rejects the Trump budget proposal to combine several elementary and secondary school programs, including Title I for K-12 low-income schools, which would have cut those programs by \$4.7 billion. Instead, the bill provides \$16.6 billion for Title I, an increase of \$254 million over current levels. Also included is \$96 million – a \$4 million increase – for the Migrant and Seasonal Farmworkers program; \$3.8 billion – a \$25 million increase – for the Low Income Home Energy Assistance Program (LIHEAP), which provides heating and cooling assistance to about 6 million low-income households; and an increase of \$13 million to \$1.3 billion for the Nita M. Lowey 21<sup>st</sup> Century Community Learning Centers, recently named for the retiring chair of the House Appropriations Committee, a dedicated <u>human needs champion</u>. The House-passed HEROES Act to respond to the pandemic separately includes additional emergency funding, such as \$7 billion in new child care funds and \$1.5 billion in new funds for the LIHEAP program. These additions would have to be negotiated with the Senate, whose leadership is expected to propose a much smaller bill. *(See COVID Response Package article elsewhere in this issue.)* 

All Republicans on the committee <u>opposed</u> the Labor-H bill. One objection was that the large increases for NIH and CDC are considered emergency spending rather than base spending; in negotiations, it is expected that the Republican-controlled Senate will work to greatly diminish emergency funds as they are outside of the spending caps that were previously agreed upon.

### Transportation – Housing and Urban Development:

The bill covering the Departments of **Transportation and Housing and Urban Development** would provide \$75.9 billion in discretionary funding, a \$1.65 billion or 2.2 percent increase over the current year and \$16.8 billion more than the President's request. Including mandatory funds, the bill would total \$158.3 billion in base funding, plus an additional \$75 billion in emergency funding. According to the National Low Income Housing Coalition, the bill includes overall funding for HUD at \$13 billion above the President's request and at least \$1.5 billion above FY20 levels. The bill likely provides enough funding to renew all existing contracts provided through Housing Choice Vouchers and Project-Based Rental Assistance. It also provides funding increases to most programs over FY20 levels, including the HOME Investment Partnerships (up \$350 million to \$1.7 billion), Community Development Block Grants (CDBG, up \$100 million to \$3.525 billion), Section 811 Housing for People with Disabilities (up \$25 million). The Department of Housing and Urban Development would also get \$49 billion in emergency funds for housing investments through public housing, CDBG, HOME, tribal housing, and other programs. Advocates had sought additional infrastructure investment in the National Housing Trust Fund, which invests in the production of additional affordable housing, but none was included.

The bill also contains a number of provisions aimed at stopping discriminatory and harmful proposals from the Trump Administration, including an anti-transgender rule related to shelters, a rule forcing mixed-status immigrant families out of HUD housing, and proposals to slash benefits through work requirements and rent increases. For more information, see <u>this analysis</u> and this <u>updated budget chart</u> from the National Low Income Housing Coalition.

#### Other bills passed:

The <u>Commerce-Justice-Science bill</u> would establish a \$400 million grant program for initiatives that would provide independent oversight of police departments. The bill would also set criteria for police departments hoping to receive certain funds from the Justice Department to have training in deescalating, elimination of racial profiling and implicit bias, use of force, and intervening if another officer uses excessive force. In addition, departments would be required to prohibit chokeholds and "no knock" warrants for drug cases. The bill also includes \$525 million for Violence Against Women Act programs; \$730 million (a \$61 million increase over current year) for hiring immigration judges and staff to address the immigration case backlog; and \$465 million (a \$25 million increase) for the Legal Services Corporation – a program the President's budget would have eliminated – to provide civil legal assistance for low-income people with housing, domestic violence, employment, consumer, or other legal trouble.

The **Defense bill** includes \$694.6 billion in funding, an increase of \$1.3 billion above FY20 enacted levels but \$3.7 billion less than President Trump's request. This includes \$626.2 billion in base funding and \$68.4 billion in the Overseas Contingency Operations account, which is outside the spending cap for appropriations. The bill includes no money for a border wall and would restrict the Pentagon's ability to redirect funds to the wall project without congressional approval. The bill also includes \$1 million to change the names of military facilities and assets that are named after Confederates.

The Homeland Security bill includes \$48.1 billion in nondefense discretionary funding, equal to the amount enacted for FY20, and \$2.8 billion in defense discretionary spending, \$250 million more than this year. It also includes \$5.1 billion in disaster relief emergency funding and \$215 million for the uncapped Overseas Contingency Operations account. The bill does not include any money for President Trump's border wall or additional border patrol agents and would restrict the transfer of funds from other accounts for that purpose. Several amendments adopted by the committee would increase the number of available visas, while another adopted amendment would prohibit the removal of individuals who are eligible for DACA or Temporary Protected Status. Disagreements on controversial funding levels for Customs and Border Protection and Immigration and Customs Enforcement means this bill likely won't be taken up by the full House.

The **Financial Services bill** funds the Department of the Treasury, the Judiciary, the Executive Office of the President, the Small Business Administration, and other agencies. The bill contains \$67 billion in emergency funds, the majority of which would allow the Federal Communications Commission to expand broadband internet access in underserved areas. It also contains language making DACA recipients eligible for federal employment and creates a commission to identify and recommend name changes or removal of federal property that is inconsistent with the values of diversity, equity, and inclusion. It would also prohibit the use of funds from the Treasury Forfeiture Fund for the construction of a border wall.

The <u>Energy-Water bill</u> includes \$43.5 billion in emergency spending for water and energy infrastructure projects to spur economic recovery. It also includes provisions to prevent money in the bill intended for the U.S. Army Corps of Engineers from going to fund a border wall.

For more information on the five spending bills the House previously passed, including the Agriculture bill that funds many nutrition programs including SNAP food/stamps, school meal programs, the WIC program and more, see the July 13 *Human Needs Report*.

# What's Next:

Appropriations work in the Senate came to a standstill before things even really got going after 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. It is highly unlikely that the Senate will take up the bills the House passes, and some believe that the Senate Appropriations Committee may release but not take up or vote on any of its bills this year. In this case, the committee could release its bills and then proceed directly to negotiations with House appropriators. As previously mentioned, it is expected that the Republicancontrolled Senate will work to greatly diminish the amount of emergency funds included in all of the spending bills, as they are outside of the spending caps that were agreed upon last year.

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 will likely determine whether FY21 spending bills are passed in the lame duck session in December or a CR is extended into January.

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### Defense Authorization Amendments Would Shift Away from Militarization

Both the House and Senate are taking up the National Defense Authorization Act for FY 2021 this week. Different from appropriations, this bill creates the legislative rules the Department of Defense must follow. Advocates seeking a shift towards domestic priorities and away from rapid growth in Pentagon spending have long sought opportunities to support such a move. That opportunity has come in both Senate and House consideration of their defense authorization bills.

Both the House and Senate will get to vote on amendments to limit military spending. They will also get the chance to limit the provision of military hardware to local law enforcement agencies.

The amendments are similar in both Senate and House. In the Senate, the Sanders-Markey amendment (#1788) to the defense bill, S. 4049, would shift \$74 billion, about a 10 percent reduction, from Pentagon expenditures in FY 2021 to a federal grant program to fund health care, housing, child care and educational opportunities for cities and towns experiencing a poverty rate of 25 percent or more. Department of Defense expenditures for salaries and health care for personnel would be exempted

from reductions. The House version is the Lee-Pocan amendment (#526) to its defense authorization bill (H.R. 6359).

The bipartisan Senate amendment to restrict the transfer of weapons of war from the Pentagon to law enforcement agencies is co-sponsored by Senators Schatz (D-HI), Murkowski (R-AK), Harris (D-CA), and Paul (R-KY). Such weapons and equipment, donated from the military through the current "1033" program, have increased the militarized presence of local police departments. Instead of increasing public safety, the use of military rifles, armored vehicles, aircraft and other equipment has been found to make police violence more prevalent without increasing the safety of officers or reducing crime. On the House side, a similar amendment (#622) is offered by Rep. Hank Johnson (D-GA) with many co-sponsors.

The Coalition on Human Needs sent a <u>letter</u> to all members of Congress supporting both these amendments.

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We appreciate your input. Give us your thoughts on our Human Needs Report at limbery@chn.org.