**Policy/Advocacy Update – 11/6/2017**

**Federal Legislation Update:**

**Budget & Appropriations Update (Including THUD) – *Update* –** The week of 9/4, Congress approved a Continuing Resolution (CR) to fund the government through 12/8/17, as part of a package that also suspended the debt ceiling for three months and provided more than $15 billion in emergency funding to address urgent hurricane-related needs.  Because the HUD rental assistance programs are funded on a calendar year basis, the CR will not alter current funding levels for these programs.

According to CBPP: “Congress has begun to negotiate a final 2018 budget agreement — including funding levels for HUD housing and community development programs — with the goal of wrapping things up by early December.  With the number of households struggling to pay rent near [historic highs](https://cbpp.us10.list-manage.com/track/click?u=fcb519d4a06d032e8e2bbf63f&id=ccf886788a&e=b7692ad2d9), and federal rent aid reaching only [1 in 4 eligible households](https://cbpp.us10.list-manage.com/track/click?u=fcb519d4a06d032e8e2bbf63f&id=04ff8141a8&e=b7692ad2d9), one priority for HUD’s 2018 budget is to provide rent aid to at least the same number of households next year as are receiving assistance this year.

Yet the Senate and House fiscal year 2018 funding bills would cut the number of Housing Choice Vouchers (HCV) next year by 40,000 and 120,000, respectively, our [new analysis](https://cbpp.us10.list-manage.com/track/click?u=fcb519d4a06d032e8e2bbf63f&id=e464af26a7&e=b7692ad2d9) of updated program cost data finds, leaving many low-income seniors, people with disabilities, and families with children without needed help to afford housing.  Our blog details the [potential impact in every state](https://cbpp.us10.list-manage.com/track/click?u=fcb519d4a06d032e8e2bbf63f&id=fe8cca9d16&e=b7692ad2d9). (For more on housing vouchers’ impact, be sure to check our [state fact sheets](https://cbpp.us10.list-manage.com/track/click?u=fcb519d4a06d032e8e2bbf63f&id=99fd931992&e=b7692ad2d9)).  To avoid cuts in assistance, Congress should increase funding for voucher renewals in the final 2018 bill.”

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| **HUD / RD PROGRAMS** | **ENACTED FUNDING FY 2017 (IN MILLIONS)** | **FY-18 WHITE HOUSE REQUEST (IN MILLIONS)** | **FY-18 HOUSE SUB-COMMITTEE MARK [7/12/17] (IN MILLIONS)** | **FY-18 SENATE Appropriations Committee Approved [7/31/17] (IN MILLIONS)** | **DIFFERENCE BETWEEN FY-18 SENATE SUB-COMMITTEE MARK AND FY-17 ENACTED (IN MILLIONS)** |
| **Project-Based Section 8** | **$10,816** | **$10,351** | **$11,082** | **$11,507** | **$691** |
| **Tenant-Based Rental Assistance** | **$20,292** | **$19,318** | **$20,487** | **$21,365** | **$1,073** |
| **Homeless Assistance Grants** | **$2,383** | **$2,250** | **$2,383** | **$2,456** | **$73** |
| **HOME** | **$950** | **$-** | **$850** | **$950** | **$-** |
| **CDBG** | **$3,060** | **$-** | **$2,960** | **$3,000** | **$(60)** |

**Effect of the Senate and House FY 18 HUD budget cuts on Maine (per CBPP analysis):**

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| **Number of Families using** **vouchers, 2017** | **Estimated number of** **Vouchers left unfunded under the Senate FY 18 bill** | **Estimated number of** **Vouchers left unfunded under the House FY 18 bill** |
| **12,014** | **-216** | **-637** |

Per CBPP: “The binding funding caps instituted by the Budget Control Act of 2011 (BCA) have constrained funding for non-defense discretionary (NDD) programs, including most of HUD’s budget. With fewer NDD resources to allocate, Congress cut annual HUD program funding by 9 percent, or $4.2 billion, from 2010 to 2017, in inflation-adjusted terms. […]

Yet over the same period, housing voucher program costs also fell 9 percent, [the report finds](https://cbpp.us10.list-manage.com/track/click?u=fcb519d4a06d032e8e2bbf63f&id=c62b4bd856&e=b7692ad2d9), after adjusted for rent inflation in the private market.  Additional resources are clearly needed to sustain aid to the vulnerable households that are currently using housing vouchers, expand the availability of housing vouchers and other rental assistance to reduce homelessness, pay for the repairs needed to maintain public housing in safe and healthy condition, and reverse recent cuts in federal support for affordable housing development.  To achieve these important goals, Congress must raise overall funding for NDD programs, as well as ensure that the additional resources are allocated to the most urgent priorities, including helping more low-income families to afford homes.”

**FY 2018 Budget Resolution – *Update* –** The Senate adopted a fiscal 2018 budget resolution on 10/19, that was amended in hopes of securing support from House republicans and avoiding a conference committee, as doing so would speed up the process considerably. The vote was 51-49. An amendment offered by Senate Budget Chairman Michael B. Enzi would modify the House-passed budget resolution by incorporating a number of changes needed to expedite the tax overhaul work in the House. The Senate approved the amendment, 52-48.

The Senate 2018 budget resolution facilitates $1.5 trillion of deficit-increasing tax cuts over the next decade, likely benefiting those who are most well-off. The resolution also calls for large cuts in health care, assistance programs that help Americans of modest means make ends meet, and funding for a broad swath of public services and investments – including education, scientific research, infrastructure, and more – that support the nation’s economy. The budget resolution includes:

* A fast-track “reconciliation” process that would allow for tax cuts costing $1.5 trillion over ten years that require only a simple majority to pass.
* Budget cuts of $5.8 trillion over the next decade, including cuts to a broad range of basic public services, assistance for low- and moderate-income Americans, and health care.

According to Rollcall.com: Several senators noted that the discretionary toplines in the plan — which would limit FY 2018 defense spending to $549 billion and nondefense to $516 billion — have little meaning since most Democrats as well as Republicans see those limits as too low.

The House voted on 10/26, in a narrow vote, to formally back the Senate’s budget resolution, fast-tracking efforts to advance a tax overhaul with a simple majority in the Senate.

**House Ways & Means Committee – House Republican Tax Bill – *New*:** The House Ways and Means Committee released the GOP tax Plan on 11/2, entitled “The Tax Cuts and Jobs Act.” The Committee began debating this bill on 11/6, and will vote on it sometime that same week. The full House may vote on it as soon as the next week. According to NLIHC President and CEO Diane Yentel: The House Republican tax bill would increase the deficit by at least $1.5 trillion over a decade, a move likely to lead to deep spending cuts to critical social safety net programs including those for affordable housing and community development. The congressional budget resolution that started the process for these tax cuts calls for $5.8 trillion in budget cuts over the next decade, including $800 billion of cuts from the non-defense discretionary side of the budget.

More from NLIHC: The House Republican tax bill would repeal the tax-exempt status of private activity bonds, which are used to finance the construction and rehabilitation of multifamily housing for low income renters. Because the 4% Housing Credit is only available with debt financing from tax-exempt private activity bonds, the Republican bill essentially eliminates the 4% Housing Credit. This will have a severe impact on the construction and preservation of affordable homes throughout the country. Private activity bonds, and with them the 4% credit, are estimated to contribute to upwards of 60% of affordable homes built or preserved each year. All told, the elimination of private activity bonds would mean the loss (not constructed or rehabilitated) of over 80,000 affordable homes each year.

The bill also indirectly hurts the 9% LIHTC program by reducing the corporate tax rate to 20%. Less tax liability for corporations results in the devaluation of tax credits.

According to the National Housing and Rehabilitation Association (NH&RA), the tax bill would also terminate the Rehabilitation Tax Credit aka the “Historic Tax Credit.”

**National Housing Trust Fund – *No New Update*:**  The HTF is the only federal program designed to build and preserve housing affordable to people with the lowest incomes. We must ensure that the program is protected – not eliminated.

**Affordable Care Act (ACA) –Update:** On 9/26 Senate leadership announced that it did not have enough support and thus would not bring the Graham-Cassidy bill to repeal the Affordable Care Act (ACA) to vote.

*Though Congress was unsuccessful in its attempt to repeal the ACA, it ought to be noted that the Congressional budget resolution does target deep cuts to Medicaid, similar in scope and size to the cuts proposed in previously unsuccessful ACA repeal efforts.*

**Senator Collins has introduced the Lower Premiums Through Reinsurance Act of 2017 – *No New Update.*** (jointly sponsored with Sen Nelson, D-FL). This bill would give states some options--including options in the style of Maine's "PL 90" invisible high risk pool that was in effect briefly before the ACA was passed--for stabilizing insurance markets. This bill could work in concert with other reforms that had been considered by the Senate Health committee.

Now is the time to reach out to Senator Collins to thank her for opposing the AHCA, the BCRA, and the Graham-Cassidy bill, and for working on practical bipartisan solutions like the Reinsurance Act.

**S. 743: A Bill to Strengthen the United Stated Interagency Council on Homelessness *No New Update.*** Senators Collins and Reed introduced legislation on 3/28 to strengthen and eliminate the sunset for the U.S. Interagency Council on Homelessness (USICH). Referred to the Senate Committee on Banking, Housing, and Urban Affairs.

**Senate Democrats Unveil Comprehensive Infrastructure Plan, Affordable Housing Included *No New Update.*** Senate Democrats unveiled their infrastructure plan, a $1 trillion plan aiming to create over 15 million jobs, and addresses issues including broadband internet, downtown revitalization, water and sewer, schools, roads and bridges, and also includes investments for public and affordable housing.

**H.R. 161: Services for Ending Long-Term Homelessness Act – *No New Update.*** Sponsored by Representative Hastings (Florida). This bill would amend the Public Health Service Act to establish a grant program to provide supportive services in permanent supportive housing for chronically homeless individuals and families, and for other purposes. Referred to the House Energy and Commerce committee.

**H.R. 948: The Common Sense Housing Investment Act of 2017.** Sponsored by Rep. Keith Ellison. ***No New Update.*** To amend the Internal Revenue Code of 1986 to replace the mortgage interest deduction with a nonrefundable credit for indebtedness secured by a residence, to provide affordable housing to extremely low-income families, and for other purposes.

**H.R. 2076: Ending Homelessness Act of 2017** **– *No New Update.***Introduced on 4/6 by House Financial Services Committee Ranking Member Maxine Waters (D-CA).

**State Legislation Update:** Cloture has occurred. Emergency bills are being considered via Legislative Review, most of which are unlikely to move forward due to the nature of the short session. A list of preliminary bill titles can be found here: <http://legislature.maine.gov/uploads/originals/128th-second-regular-session-preliminary-titles-of-agenc.pdf> The second regular session of the 128th Legislature will begin in January 2018.

**Other items of interest:**

**DHHS 1115 Waiver Application –**DHHS formally submitted its 1115 waiver application to CMS (Centers for Medicare and Medicaid Services). To view the submitted application to CMS visit: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/me/me-mainecare-pa.pdf> To view other related materials submitted by DHHS visit: [http://www.maine.gov/dhhs/oms/rules/demonstration-waivers.shtml](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwODAzLjc2NjE3ODUxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDgwMy43NjYxNzg1MSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3ODg5Mjg4JmVtYWlsaWQ9dmlja2V5QGNob21ob3VzaW5nLm9yZyZ1c2VyaWQ9dmlja2V5QGNob21ob3VzaW5nLm9yZyZmbD0mZXh0cmE9TXVsdGl2YXJpYXRlSWQ9JiYm&&&102&&&http://www.maine.gov/dhhs/oms/rules/demonstration-waivers.shtml?utm_medium=email&utm_source=govdelivery) to view the submitted application, which includes a summary of comments and how the State considered those comments in the development of the final application.

Among the reforms the original waiver application requested are changes for “able-bodied” adults:  Work requirements, monthly premiums, eliminating presumptive eligibility for hospitals, co-pays, charges for missed appointments, “non-emergency” ER visits (where the person is not admitted) results in a copay, asset tests and limitations, eliminating retroactive eligibility.