**Policy/Advocacy Update – 3/5/2018**

**Federal Legislation Update:**

**Tax Bill:** Congress passed, and the President has signed, the Conference Committee tax bill. The revised bill kept LIHTC and other affordable housing programs intact. However, the bill is expected to increase the deficit by $1.46 trillion over a decade (estimates range from $1 to $2.2 trillion), a move likely to lead to deep spending cuts to critical social safety net programs including those for affordable housing, health care, and services. Any budget deficit such as this would have to be offset by drastic cuts to other programs, including on-Defense Discretionary (NDD) programs, including all HUD programs, and entitlement programs like Medicare, Medicaid, and Social Security.

Healthcare and Services:The bill repeals the Affordable Care Act’s (ACA) individual mandate, which is anticipated to leave 13 million people uninsured over the next decade. Additionally, there will likely be cuts to Medicaid and Medicare due to the increase to the budget deficit, and a mechanism known as “PAYGO” which would create sequestration cuts across the board due to the Budget Control Act.

All told, the tax reform legislation provides deep tax cuts to the wealthy and corporations, while low to middle-income people will likely see no benefit, some would see steep tax increases over the next decade.

**Federal FY 18 Budget Update –*Update* –** Congress passed, and the President signed, the Bipartisan Budget Act of 2018 in the early hours of 2/9, ending a very brief shutdown between midnight and when the legislation was signed. The agreement includes a short-term CR, funding the government through 3/23 so Appropriations Committees can negotiate appropriations bill for the remainder of FY 18 and begin the process for FY 19. This two-year budget agreement:

* Increases the spending caps, providing sequestration relief, and lifts the debt limit through 3/1/19. However, there is not parity between Defense and Non-Defense Discretionary sequestration relief, with Defense funding seeing a $80 billion increase in FY 18 and a $85 billion increase in FY 19, compared to NDD which received a $63 million increase for FY 18, and $68 billion increase in FY 19.
* Includes a one-year extension of tax provisions that help families, individuals and small businesses, which expired at the end of 2016 and have bipartisan support.
* Includes an additional four years of authorization for the Children’s Health Insurance Program (CHIP).
* Includes structural reforms to Medicare and cuts to the ACA, and repeals the Independent Payment Advisory Board (IPAB) from the ACA.
* Includes $6 billion over two years in response to the opioid crisis and substance use disorder by funding grants, prevention programs, and law enforcement efforts in vulnerable communities.

**President Trump’s FY 19 Budget –** President Trump unveiled his FY 19 budget request on 2/12. According to the NLIHC the budget slashes federal housing benefits that help millions of low income seniors, people with disabilities, families with children, low-wage workers, veterans, and other vulnerable people afford their homes. The proposal includes severe funding cuts, as well as harmful rent increases and arbitrary work requirements that would leave even more low income people without a stable home, undermining their ability to live with dignity and climb the economic ladder to achieve financial security. The budget would cut HUD by an astounding $8.8 billion or 18.3% compared to the 2017 enacted levels. In an addendum stemming from the bipartisan budget agreement, the President suggests that $2 billion above his request could be added back in for a final proposed cut of $6.8 billion. Such a reduction could lead to at least 200,000 housing vouchers being lost, as well as the elimination of public housing resources and funding used by state and local governments to address their pressing housing and community development needs.

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| **HUD Programs** (*set asides italicized*) (In millions) | **FY17****Final** | **FY18****President** | **FY18****House** | **FY18****Senate** | **FY18****Final (TBD)** | **FY19****President^** |
| **Tenant Based Rental Assistance** | **20,292** | **19,318** | **20,487** | **21,365** |  | **19,315** |
| *Contract Renewals* | *18,355* | *17,584* | *18,710* | *19,370* |  | *17,514* |
| *Tenant Protection Vouchers* | *110* | *60* | *60* | *75* |  | *140* |
| *Administrative Fees* | *1,650* | *1,550* | *1,550* | *1,725* |  | *1,550* |
| *Section 811 Mainstream Vouchers* | *120* | *107* | *150* | *130* |  | *107* |
| *VASH Vouchers* | *40* | *0* | *577\** | *40* |  | *0* |
| *Tribal VASH Vouchers* | *7* | *7* | *7* | *5* |  | *4* |
| *Family Unification* | *10* | *0* | *0* | *20* |  | *0* |
| **Project-Based Rental Assistance** | **10,816** | **10,351** | **11,082** | **11,507** |  | **10,866** |
| **Homeless Assistance Grants** | **2,383** | **2,250** | **2,383** | **2,456** |  | **2,383** |
| **Public Housing Capital Fund** | **1,942** | **628** | **1,850** | **1,945** |  | **0** |
| **Public Housing Operating Fund** | **4,400** | **3,900** | **4,400** | **4,500** |  | **2,841** |
| **Choice Neighborhoods Initiative** | **138** | **0** | **20** | **50** |  | **0** |
| **Family Self Sufficiency** | **75** | **75** | **75** | **75** |  | **75** |
| **HOPWA** | **356** | **330** | **356** | **330** |  | **330** |
| **Community Development Fund** | **3,060** | **0** | **2,960** | **3,060** |  | **0** |
| *CDBG Formula Grants* | *3,000* | *0* | *2,900* | *3,000* |  | *0* |
| **HOME Investment Partnerships** | **950** | **0** | **850** | **950** |  | **0** |
| **Rental Assistance Demonstration** | **0** | **0** | **0** | **4** |  | **100** |

Per CBPP, the President’s FY 19 budget’s effect on Maine would be as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Housing Choice Vouchers cut** | **Public Housing funding cut** | **HOME funding cut** | **CDBG funding cut** |
| -1,100 | -$9,968,681 | -$4,247,302 | -$16,257,573 |

Additionally, according to CBPP the budget:

* Repeals the Affordable Care Act’s coverage expansions and gouges Medicaid deeply on top of that;
* Contains deep cuts in basic nutrition, housing, and income assistance for millions of Americans below or close to the poverty line; more homelessness and hunger would inevitably follow; and
* Eliminate funding for the National Housing Trust Fund

**National Housing Trust Fund –**  The HTF is the only federal program designed to build and preserve housing affordable to people with the lowest incomes. Due to provisions included in the recently enacted tax bill, funding for the HTF is vulnerable. From NLIHC: Nearly 1300 organizations signed onto a letter to Congress urging increased funding to the national Housing Trust Fund (HTF) to at least $3.5 billion annually through comprehensive housing finance reform. Increased funding for the HTF is critically important to addressing homelessness and housing poverty in America. President Trump proposed to eliminate the HTF in his FY19 budget request, released on 2/12. On 2/14, the FHFA announced its decision to protect funding for the HTF in 2018.

* **S. 1835: Lower Premiums Through Reinsurance Act of 2017 – *No New Update.*** Sponsored by Senator Collins. 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.
* **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.
* **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. – *No New Update.*** Sponsored by Rep. Keith Ellison.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).
* ***New* –** On 2/23, Financial Services Committee Ranking Member Maxine Waters requested that the Government Accountability Office (GAO) conduct a study on the state of homelessness in America. Rep. Waters specifically asked that the GAO research how the shortage of affordable housing impacts homelessness, saying the report will “better equip [Congress] in [its] efforts to prevent and end homelessness in this country.” Rep. Waters also identifies several other issues that the report should examine, including factors that increase homelessness and the policies, tools, and funding levels to effectively address those factors; the impact of current programs on various sub-populations, like families with children and individuals with substance-abuse disorders; current methods for estimating homelessness; and the ability of federal programs to utilize non-federal resources.

**State Legislation Update:**

Bills of note:

* LD 1711 An Act To Save Lives and Create the Homeless Opioid User Service Engagement Pilot Project, sponsored by Rep. Gattine. **Work session 3/8 at 1pm.**
* LD 1713 An Act To Improve Housing Support in the Bridging Rental Assistance Program, sponsored by Rep. Gattine.  **Anticipated divided report out of HHS Committee. Amendment review on 3/5, HHS Committee.**
* LD 1771 An Act To Stabilize Vulnerable Families, sponsored by Senator Volk. **HHS Committee voted unanimously OTP.**
* LD 1682 An Act To Ensure the Quality of and Increase Access to Recovery Residences. **Anticipated divided report out of HHS Committee.**
* LD 735 "An Act To Authorize a General Fund Bond Issue To Support the Independence of Maine's Seniors,” Sponsored by Senator Amy Volk. **Public Hearing 1/10.** The bill was amended to include seniors, families, and rehab of existing housing.

**DHHS 1115 Waiver Application** – ***Update*** – On 1/11, the Trump Administration issued guidance to states that allows work requirements as part of the Medicaid program. Though this is not a formal update on Maine’s 1115 Waiver application, one of the reforms included in its application was establishing work requirements for Medicaid recipients.