**Policy/Advocacy Update – 12/26/2017**

**Federal Legislation Update:**

**Tax Bill – *Update*:** 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, another short-term temporary spending bill, funding the government through 1/19/18, to avoid a government shutdown and provide more time for Congress to negotiate a final 2018 budget agreement.

**House & Senate FY 18 budget & appropriations update** – ***No new update*** – Though another short-term CR appears to be imminent, Congress will likely continue its work towards an omnibus package, which will include appropriations bills, including T-HUD. The Senate and House FY18 funding bills would cut the number of Housing Choice Vouchers (HCV) next year by 40,000 and 120,000, respectively.

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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 # of** **Vouchers eliminated – Senate bill** | **Estimated # of** **Vouchers eliminated – House bill** |
| **12,014** | **-216** | **-637** |

Per CBPP: “The binding funding caps instituted by the Budget Control Act of 2011 (BCA) have constrained funding for 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. […]

**FY 2018 Budget Resolution – No new update –** The Senate House and Senate narrowly adopted a fiscal 2018 budget resolution at the end of October, which calls for $5.8 trillion in program cuts over the coming decade. These include $1.8 trillion in cuts in Medicaid, Medicare, and other entitlement programs and $800 billion in cuts below the already austere sequestration levels in Non-Defense Discretionary (NDD) programs. 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.

**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.

**Senator Collins has introduced the Lower Premiums Through Reinsurance Act of 2017 – *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, most notably the Alexander-Murray bill, an individual market reform bill. Senator Collins believes she has assured passage of these bills from Senate and House leadership, in part for her vote on the tax bill. Both bills are bipartisan, and on their own good policy, however even combined they would not be sufficient to offset the effects of the enacted tax bill.

**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:** Emergency bills were considered via Legislative Review, and appeal. The second regular session of the 128th Legislature, commonly known as the short session, will begin in January 2018.

Bills that were accepted on Legislative Review appeal are:

* LR 2744 An Act To Save Lives and Create the Homeless Opioid User Service Engagement Pilot Project, sponsored by Rep. Gattine.
* LR 2748 An Act To Improve Housing Support in the Bridging Rental Assistance Program, sponsored by Rep. Gattine
* LR 2778 An Act To Stabilize Vulnerable Families, sponsored by Senator Volk

Bills that were carried over from the first session:

* LD 735 "An Act To Authorize a General Fund Bond Issue To Support the Independence of Maine's Seniors,” Sponsored by Senator Amy Volk. **A public hearing in front of the Joint Standing Committee on Appropriations and Financial Affairs has been scheduled for 1/10 at 1:00 pm, State House, Room 228**

**Other items of interest:**

**DHHS 1115 Waiver Application –**DHHS submitted its 1115 waiver application to CMS (Centers for Medicare and Medicaid Services). To view 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.