**Policy/Advocacy Update – 2/5/2018**

**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, another short-term temporary spending bill, funding the government through 2/8/18, which reopened the government after a three-day shutdown.

**House & Senate FY 18 budget & appropriations update** – ***No new update*** – Congress will continue negotiations on a final FY 18 spending bill, in hopes of agreeing an omnibus package, which would 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 19 HUD Budget – *New* –** From the NLIHC: Secretary Carson is planning, through his FY19 budget request and accompanying legislation, to propose increasing rent burdens for all people in all HUD-subsidized homes. HUD will also propose allowing minimum work requirements of up to 32 hours a week for some subsidized housing residents. The proposed rent increases target the very poorest people, including seniors and people with disabilities living on fixed incomes and already at significant risk of homelessness. Today, most families receiving federal housing assistance pay 30% of their adjusted income as rent. Under HUD’s proposal, they would instead have to pay 35% of their gross income or the amount earned by working 15 hours a week at federal minimum wage, whichever is higher.

**National Housing Trust Fund – *Update*:**  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: The deadline to sign your organization onto a letter urging Congress to increase funding to the national Housing Trust Fund (HTF) is **Wednesday, 2/7**. [Sign the letter today](https://nlihc.us4.list-manage.com/track/click?u=e702259618becdc3f0451bd5d&id=085d94c6c2&e=ccffea64a3) **telling Congress to expand the national HTF to at least $3.5 billion annually** in comprehensive housing finance reform legislation as part of a broad commitment to access and affordability in the housing market. Increased funding for the HTF is critically important to addressing homelessness and housing poverty in America.

**Senator Collins has introduced the Lower Premiums Through Reinsurance Act of 2017 –**(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:** The second regular session of the 128th Legislature, commonly known as the short session, began the first week of January 2018.

Bills of note:

* LD 1711 An Act To Save Lives and Create the Homeless Opioid User Service Engagement Pilot Project, sponsored by Rep. Gattine. **Public Hearing was held on 1/17.**
* LD 1713 An Act To Improve Housing Support in the Bridging Rental Assistance Program, sponsored by Rep. Gattine – This bill would require a participant in the Bridging Rental Assistance Program (BRAP) to pay the same rent as required of a participant in the Sec. 8 Housing Choice Voucher program. Currently under program rules BRAP participants pay 51% of income for rent, while Sec. 8 voucher participants generally pay 30% of income for rent but can pay up to 40% of income in the first year of their lease. **Public Hearing was held on 1/17.**
* LD 1771 An Act To Stabilize Vulnerable Families, sponsored by Senator Volk. **Public hearing scheduled for Thursday, 2/8 at 1pm in front of the HHS Committee.**
* LD 1682 An Act To Ensure the Quality of and Increase Access to Recovery Residences. **Public Hearing was held on 1/17.**
* LD 735 "An Act To Authorize a General Fund Bond Issue To Support the Independence of Maine's Seniors,” Sponsored by Senator Amy Volk. This bill would provide for a $50 million bond issue for affordable senior housing - $40M for new construction or adaptive reuse of existing structures for multifamily senior housing, with at least one housing facility located in each county; $5M for the rehab of existing affordable senior housing facilities; and $5 for home repair and weatherization of existing homes of low-income seniors. This would be a new bond issue and is in addition to the $15M in bonds for senior housing approved by the voters in 2015. **Public Hearing was held on 1/10.**

**Other items of interest:**

**DHHS 1115 Waiver Application** – ***Update*** – On 1/11, the Trump Administration issued guidance to states that will allow them to institute 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.