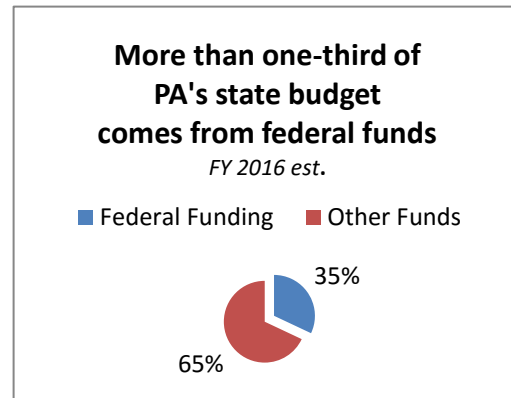




Trump Cuts Will Hurt Pennsylvania

The Trump Administration and Congressional leadership are starting to show their priorities. They want big increases for the Pentagon, gigantic tax cuts for corporations and the wealthy, and deep cuts to human needs programs affecting health care, education, housing, nutrition, and the environment. People in every state need to worry about how the emerging cuts will threaten their economic security and their state’s ability to meet needs; Pennsylvania more than many because federal funding makes up a larger than average share of its state budget (more than one-third).

Round One: Cut Education, Housing, Environment, Etc. to Pay for Pentagon Increase: As rhetoric begins to be replaced by specific proposals, a picture is emerging of unprecedented cuts to services that help low- and middle-income people. President Trump has directed federal agencies to make cuts to pay for a \$54 billion increase in Pentagon spending for FY 2018 (which starts October 1). He also supports increases to veterans’ services, border enforcement and anti-crime spending that could force about \$20 billion more in total reductions to other domestic/international programs. The Trump Administration is expected to send Congress its recommendations for FY 2018 appropriations totals for defense and domestic/international programs on March 16. We will not know for a while how specific programs will be affected. But overall, human needs programs would likely be cut by 15 percent or more in just one year. Total cuts since FY 2010 are likely to exceed 25 percent for all domestic/international appropriations, according to the [Center on Budget and Policy Priorities](#). And that’s just the average. CHN has looked at 164 low-income annually appropriated programs from FYs 2010 to 2016. During these years, taking inflation into account, juvenile justice programs were cut over 40 percent; CDC lead poisoning prevention was cut by more than half; certain substance abuse treatment programs were cut by one-third; and home heating assistance was reduced by nearly 40 percent.



This matters to Pennsylvania because federal funds make up more than one-third of the state budget overall. If

Federal Funding Helping Pennsylvania: Some Examples (FFY 2016)	Federal Funding
Title I Grants for Low-Income Schools	\$578.6m
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	\$215.6m
Special Education Grants (IDEA)	\$434.9m
Child Care (annually appropriated)	\$60.5m
Head Start	\$275.6m
Social Services Block Grant	\$63.2m
Housing Choice Vouchers	\$616.3m
Community Development Block Grant	\$219.9m

these funds are cut, the state will have to make up the difference or allow reductions in services. For example, 18 percent of Pennsylvania’s funding for elementary and secondary education comes from Washington, according to the [National Association of State Budget Officers](#). If Title I funding for low-income K-12 schools and certain special education funding are cut by 10 percent, that’s a loss of more than \$100 million to Pennsylvania. That would not be easy to replace with state or local dollars; low-income children and children with disabilities would suffer.

When the federal cuts known as “sequestration” hit in 2013, rental housing vouchers and Head Start were among the worst-affected programs. In 2013 estimates, Pennsylvania was expected to lose more than 3,800 vouchers and 5,400 Head Start and child care placements. Since then, funding improvements have gradually allowed these programs to undo the 2013 cuts. If the new round of cuts is made in FY 2018, they are likely to be even deeper than the 2013 cuts.

While we still await specific Trump cut proposals, it has been reported that the Administration has been guided by budget plans developed by the Heritage Foundation. These are quite extreme, and include phasing out federal low-income housing assistance by cutting it 10 percent a year until it is eliminated; eliminating Head Start in the same way; and imposing a single funding cap on all means-tested federal programs. The Heritage Foundation [“Blueprint for Reform”](#) also recommends that low-income families who receive a housing subsidy should not also get low-income tax credits.

Round 2: Basic Health, Food, and Anti-poverty Programs Threatened: Although the March 16 partial Trump budget will only cover annual appropriations (aka “discretionary” spending), that does not mean the full Trump budget will not cut basic safety net programs such as Medicaid, SNAP (food stamps), low-income tax credits or Supplemental Security Income (SSI). The complete Trump budget is expected in May, and will detail its approach to these basic anti-poverty programs. One exception is Medicaid, which is included in proposals to “repeal and replace” the Affordable Care Act. Although the President had promised during the campaign not to cut Social Security, Medicare and Medicaid, House Republicans have proposed phasing out the expansion of Medicaid under the ACA (Pennsylvania has opted to expand Medicaid, and since it did so in 2013, its Medicaid enrollment has increased by more than [474,000](#)). Other Medicaid proposals being floated would allow Medicaid expansion states to keep some or all of their extra federal funding, but would restrict overall federal Medicaid expenditures by establishing a per-person cap. Such a change would destroy Medicaid’s current responsiveness during recessions and leave Pennsylvania with less and less federal funding over time to cover the medical needs of poor and near poor people. Specific proposals to “repeal and replace” the Affordable Care Act are of tremendous importance to Pennsylvania. Since the ACA’s enactment in 2010, the uninsured rate in Pennsylvania fell by 37 percent, allowing 479,000 people in the state to gain health insurance. There is tremendous disarray in Congress on how to replace the ACA, but a draft bill with Health Savings Accounts and tax credits, such as President Trump called for in his address to Congress, would provide far less to low- and middle-income people than the ACA. The draft bill (which has been opposed by some Republicans) would provide tax credits that are higher for older people, but that do not vary by income. [ACA subsidies vary by income, age, and by the cost of insurance in a given area.](#) For example, a 27 year old in Harrisburg with an income of a little over \$18,000 a year would get a \$2,000 tax credit in the draft replacement proposal, but would receive an ACA subsidy of \$4,133. Under the replacement proposal, a 61 year old with the same low income would get a \$4,000 tax credit, but would receive a \$12,356 subsidy through ACA. While the details will almost certainly shift in any final replacement proposal, reduced help for people with low/moderate incomes is likely to remain. Much less is known about cuts to other anti-poverty programs, but the Heritage Foundation and past House Republican budget proposals have repeatedly called for massive cuts to [SNAP/food stamps](#), which in 2015 served 1.8 million people a month in Pennsylvania, including about 700,000 children. As with Medicaid, these proposals would set limits on funding so that SNAP could not respond effectively to increased need, and would include work requirements that instead of helping people to find employment would be used to bar receipt of assistance.

How to Fight Back: Congress will have to approve these proposals, and many of them will require 60 votes in the Senate. Pennsylvanians should be in touch with their Congressional delegation, joining with millions of advocates nationwide to oppose cuts to health insurance and other services. To stay informed about proposals facing Congress, sign up for Coalition on Human Needs [emails](#), at www.chn.org. If you represent an organization, join with more than 1,300 groups nationwide and 60 in Pennsylvania to sign the [SAVE for All letter](#) (also at www.chn.org), to stand up for meeting the needs of low-income people and economic growth for all, not just the rich and corporations. **For more information, please contact CHN’s Outreach and Field Manager Joe Battistelli at jbattistelli@chn.org**