

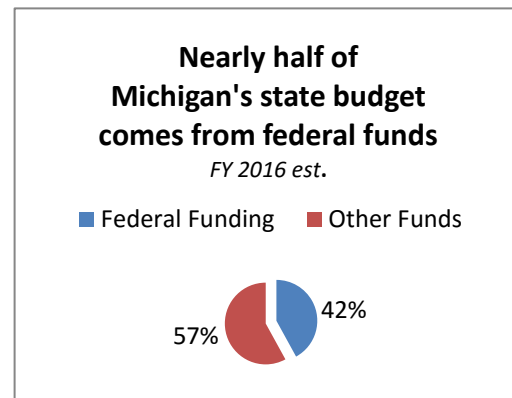


## Trump Cuts Will Hurt Michigan

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; Michigan more than many because federal funding makes up a larger than average share of its state budget (nearly half – 42 per cent).

**Round One: Finish Up Funding for the Current Fiscal Year:** Congress extended funding for appropriations through April 28, frozen for the most part at prior year levels. Funds must be approved through the end of the fiscal year (September 30) to avoid a partial government shutdown. President Trump has complicated this by seeking supplemental funds of about \$34 billion for defense and for the start of Mexican border wall construction. He proposes that a net \$18 billion of this be paid for by cuts to domestic/international programs. On a bipartisan basis, Congressional appropriators have been negative about incorporating substantial new cuts this late in the fiscal year.

**Round Two: Cut Education, Housing, Environment, Etc. to Pay for Pentagon Increase:** The Trump budget as released so far would make unprecedented cuts to services that help low- and middle-income people. President Trump’s initial budget submission only covers annual appropriations, showing funding recommendations for each department, with limited detail. His budget proposes to cut domestic and international programs to pay for a \$54 billion increase in Pentagon spending for FY 2018 (which starts October 1). As compared to this year, the Trump budget proposes to cut the Departments of Agriculture by 21 percent; Health and Human Services by 18 percent, Housing and Urban Development by 13 percent, Education by 14



percent, and Labor by nearly 21 percent. Many programs serving low-income people would be totally eliminated. Terminated programs would include home [heating and cooling assistance](#) for nearly 6.1 million households (more than [460,000 in Michigan](#), with \$157 million lost to the state), [afterschool and summer programs](#) serving 1.8 million children in 2013-2014 (more than [36,000 in Michigan](#), with a loss of \$36 million), community service employment serving 70,000 older Americans, the Legal Services Corporation (more than 71,000 people would lose [legal assistance](#) in Michigan , with \$10.9 million lost), and the Community Services and Community Development Block Grants, which provide anti-poverty and

<b>Federal Funding Helping Michigan: Some Examples (FFY 2016)</b>	<b>Federal Funding</b>
Title I Grants for Low-Income Schools	\$491.2m
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	\$204.1m
Special Education Grants (IDEA)	\$407.6m
Child Care (annually appropriated)	\$50m
Head Start	\$275.8m
Social Services Block Grant	\$49m
Housing Choice Vouchers	\$362m
Community Development Block Grant	\$112.1m

community-building services for millions. In addition, cuts to low-income [housing assistance](#) are estimated to eliminate about 200,000 rental vouchers. [Job training and employment services](#) would be cut by 35 percent, cutting 140,000 job training placements and 7.7 million participants in all forms of employment services. In Michigan, nearly 82,000 people would lose job training/employment services. Education programs are cut for K-12 and for low-income college students; in Michigan, more than 52,000 college students would lose Supplemental Educational Opportunity Grants. These are only a few examples; for more information see CHN’s [First Look](#) at the President’s budget proposal. 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 Michigan because federal funds make up nearly half of the state budget overall. If these funds are cut, the state will have to make up the difference or allow reductions in services. For example, 14 percent of Michigan'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 14 percent, that's a loss of more than \$126 million to Michigan. 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. As a result, Michigan was expected to lose more than [3,600 rental vouchers](#) (from 2012 to 2014) and [2,200 Head Start placements](#) (after one year). 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 Three: 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 possible preview is Medicaid, which would be cut by \$839 billion over the next decade in the House bill to "repeal and replace" the Affordable Care Act. It is possible that cuts similar to those in the health care bill would be included in the full Trump budget. The House repeal bill would phase out the expansion of Medicaid under the ACA (Michigan has opted to expand Medicaid, and since it did so in 2013, its Medicaid enrollment has increased by more than [376,900](#)). The bill would restrict overall federal Medicaid expenditures by establishing a per-person cap, or giving states the option to convert their funding to a block grant. The bill would also allow states to impose work requirements on adult Medicaid recipients. Such changes would destroy Medicaid's current responsiveness during recessions and leave Michigan with less and less federal funding over time to cover the medical needs of poor and near poor people. 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 2012 served 1.6 million people a month in Michigan, including about 600,000 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. Michiganians 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](http://www.chn.org). If you represent an organization, join with more than 1,300 groups nationwide and 30 in Michigan to sign the [SAVE for All letter](#) (also at [www.chn.org](http://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](mailto:jbattistelli@chn.org)**