



# COALITION ON HUMAN NEEDS

## *The Human Needs Report*

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**SPECIAL EDITION:** *President Trump's FY19 Budget Request*

### **The Trump FY19 Federal Budget Slashes Critical Human Needs Programs**

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### **The Trump FY19 Federal Budget Slashes Critical Human Needs Programs**

The Trump administration released its [Fiscal Year 2019 budget](#) request on Monday, Feb. 12. The budget blueprint was crafted before the [Bipartisan Budget Act of 2018](#) was finalized on Feb. 9, so the original budget adheres to austere sequestration-level spending caps. Because the budget deal that passed last week raised these spending caps for FY18 and FY19, the Office of Management and Budget, the department responsible for the Trump administration budget, also released on Feb. 12 an addendum for spending some of the additional money allowed under the new deal for these two years. However, even with the addendum, the



White House proposed to spend \$57 billion less than the new agreement allows for FY 2019, providing lower funding than Congress did for priorities such as child care and other domestic needs. After 2019, the president's budget calls for even deeper cuts to domestic and international non-defense programs.

The original proposed budget, before the addendum, would slash domestic/international appropriations from 3.1 percent of GDP to 1.2 percent in 2028. Entitlement programs, including **Social Security, Medicare, and Medicaid**, would be cut by \$1.66 trillion over a decade. **Social Security Disability Insurance and Supplemental Security Income**, which provide aid to low-income seniors and individuals with disabilities, would be cut by [\\$72 billion](#) over 10 years (for specifics on SSI and SSDI cuts, see [this piece](#) from the Consortium for Citizens with Disabilities). From slashing housing assistance, Medicaid, SNAP/food stamps, college work-study, and other basic needs programs, to [proposing](#) work requirements for several federal programs, to completely eliminating programs like home heating and cooling assistance for low-income people and food packages for low-income seniors, the President Trump's FY19 budget would leave millions of Americans without the assistance they need. On the other hand, the budget for the Pentagon would increase by 13 percent in FY19 compared to FY17.

The budget would seriously weaken the federal capacity to respond to our nation's problems by **cutting the federal workforce**. In addition, there are a number of proposals to reduce benefits for federal employees or increase their share of the cost. There would be a gradual increase in the federal worker's payments towards the retirement system, expected to save \$68.7 billion over 10 years. Retirement benefits would be cut over time by reducing or eliminating cost of living increases, a 10-year benefit cut of \$83.7 billion.

While the President's budget as a whole does not move through Congress or become law, it is a statement of priorities from the White House. As CHN's Feb. 12 [statement](#) notes, the cuts in the budget "show the priorities of the President: slash programs needed by people with low incomes in order to shift resources to the Pentagon and to corporations and high-income people benefiting from the tax cuts." Even as some members of President Trump's own party reject his budget, some proposals it contains are ones advocates have seen before from House Speaker Paul Ryan (R-WI) and previous House GOP budgets, and they may be a sign of proposals to come in future budgets and spending bills. Advocates have committed to fighting proposals like these that will harm low-income families and individuals.

A note on budget terminology: throughout these articles, you will see references to the two main categories of federal spending: "discretionary" and "mandatory." Discretionary spending refers to those programs that require annual appropriations by Congress. Most defense, education, and housing fall into this category, plus many social service, environmental and community development programs. Mandatory spending includes programs like Social Security, Medicare, Medicaid, SNAP/food stamps, and other basic safety net programs that do not require annual appropriations. Instead, Congress authorizes the way they spend money by legislation. Congress can cut or expand these programs by amending the legislation that authorizes them.

While there are too many program cuts and problematic policy changes to mention in this piece, CHN has tried to compile those most damaging to low-income people from the select agency budgets that follow. In addition to the specific resources called out in these articles, **please visit [CHN's FY19 budget resource page](#) throughout the budget and appropriations process for more information and newly added resources.**

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## Select Departmental Budget Requests

The Coalition on Human Needs compiled information from the President's FY19 budget request for select government departments that most directly impact low-income and other disadvantaged populations.

### ***Department of Agriculture:***

In addition to supporting rural and agricultural programs, the Department of Agriculture's budget funds a variety of nutrition assistance programs for people with low incomes. The initial proposed budget would cut USDA's discretionary budget by \$37 billion, or more than 16 percent, from FY17 to FY19. Roughly \$192 million is added back in via the addendum, resulting in a 15.4 percent cut from FY17 to FY19.

President Trump's budget calls for massive cuts to the **Supplemental Nutrition Assistance Program (SNAP)/food stamps** of more than \$213 billion over 10 years, or nearly 30 percent. These cuts are achieved in part by a giant step backwards, replacing about 40 percent of the debit card assistance SNAP recipients currently receive with boxes of non-perishable food items that would be administratively costly, inefficient, stigmatizing and would not allow families to choose the foods they need. USDA estimates the cost of the food boxes will be half their retail price; the savings will not benefit the families, but will reduce the SNAP budget. The Trump plan includes \$250 million to administer this program; however, that amount is not likely to be enough based on the actual costs of administering the existing commodities distribution program, The Emergency Food Assistance Program (TEFAP), especially because the new effort must reach SNAP recipients everywhere in the country, including remote rural areas. The budget would also impose a federal rule cutting off certain low-income working families to whom states have chosen to extend SNAP benefits, worsen the time limits (currently 3 months out of 3 years) on adult SNAP recipients not raising children who do not meet a work requirement, apply those time limits to adults to age 62 (up from 49, as in current law), move the definition of "elderly" from 60 to 63, thus reducing benefits for 60-62 year olds, penalize large families by imposing an arbitrary cap that cuts off benefits after six people are in a household, and eliminate the minimum benefit that particularly supports the nutrition of low-income seniors and people with disabilities. In addition, the budget eliminates the **Commodity Supplemental Food Program**, which distributes food boxes to low-income home-bound seniors, and it eliminates **SNAP nutrition education** funding.

These cuts would [result](#) in eliminating or sharply reducing assistance for tens of millions of seniors, children, people with disabilities, working families, unemployed people, and veterans. According to the [Center on Budget and Policy Priorities](#), extending the harsh 3-month time limit through age 62 alone would affect an additional 2 million people, and by applying this time limit to more people nationwide, up to one million people would be expected to lose assistance. Advocates are concerned that some of these proposals could surface this year in the Farm Bill, which includes the legislation authorizing SNAP. About [44 million people](#) participated in SNAP each month in 2016. Nearly two-thirds were under 18, over 60 or disabled, according to the USDA.

According to [FRAC](#), the president's fiscal year 2019 budget does not propose any direct changes to the federally-funded Child and Adult Care Food Program, which provides meals and snacks for child and adult day care programs (the budget would add \$100.6 million more than in FY 2018). The proposed budget does, however, zero out funding for the **21st Century Community Learning Centers**, the largest federal funding source for operations of afterschool and summer programs. Taking this step would eliminate the funding for afterschool and summer programs that serve 1.7 million children and, by shutting down or shrinking such programs, would have a direct negative domino effect on low-income children's access to nutritious meals and snacks after school and during the summer.

According to the [National WIC Association](#), the president's budget allocates funds for the Special **Supplemental Nutrition Program for Women, Infants, and Children (WIC)** that is "likely to be sufficient to meet projected caseload needs in FY2019," but proposed changes to the SNAP program "would inevitably lead to families losing access to SNAP benefits, which could in turn lead to changes in WIC participation."

For more information, see these pieces from the [Food Research & Action Center](#) (FRAC) and the [Center on Budget and Policy Priorities](#), and the budget summary from the [Department of Agriculture](#).

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### ***Department of Education:***

President Trump's proposed budget would make college more costly for low- and moderate-income students and their families. The initial proposed budget would cut the Department of Education's discretionary budget from \$66.8 billion in FY 2017 to \$59.9 billion in FY 2019, or a 10.3 percent cut. With the addendum funding adding \$1.7 billion, the cut is reduced to 7.4 percent below FY 2017.

The original budget would have cut the federal **TRIO program**, which supports low-income, disabled and first-generation college students, from \$950 million in FY 2017 to \$550 million; the addendum adds back in money to fund it at the FY17 level for FY19. Both the initial budget and the addendum eliminate the **GEAR UP program**, which supports low-income students from high school into their first year of college, also providing some scholarship funds. The proposal also eliminates **Supplemental Education Opportunity Grants** that augment Pell Grants for more than a million of the neediest college students.

The annually-appropriated funding for **Pell Grants** would be frozen at FY17 levels, meaning they would lose value over time as costs increase; however, the mandatory portion of Pell funding would rise slightly, so the overall Pell Grant budget would rise close to 4 percent from FY17 to FY19. The budget would expand Pell eligibility to certain short-term certification programs, and assumes the number of students receiving grants will rise from 7,168,000 to 7,632,000 over the two year period. The maximum annual grant will remain at \$5,920. The **Federal Work Study** program would be cut by 75 percent in the original budget (from just under \$1 billion to \$200 million); with the addendum funding for FY 2019, funding would rise to \$500 million, still cut almost in half. Funding for **adult education state grants** that help foundation skills and English literacy instruction to over 1.5 million individuals is cut by nearly 16 percent. **Perkins career and technical education state grants**, which support post-secondary education for more than 12 million students, rise about half of one percent.

Advocates are concerned that some of these and other proposed cuts could be included in a higher education bill that may move through Congress this year or in the future.

In **K-12 education programs**, the budget ekes out a half of one percent increase for **Title I low-income schools**. It eliminates \$217 million in **literacy programs**. The original budget would have slashed **Impact Aid** for school districts in areas with federal installations such as military bases from \$1.2 billion to \$712 million, but the FY 2019 addendum returns the funding to the FY 2017 level.

The Trump budget more or less level funds **K-12 special education (IDEA programs)**. But it does zero out the modest \$12.5 million appropriation for the **Special Olympics**. A category of K-12 funding called **School Improvement Programs** is cut almost in half, zeroing out grants to support instruction. Included in this category is funding for **21<sup>st</sup> Century Community Learning Centers**, which support before-school, after-school, and summer school programs for nearly 2 million children, which would also be eliminated. The budget includes \$1.5 billion for **school vouchers**.

For more information, see these pieces from the [National Education Association](#) and the [National Skills Coalition](#), and the budget summary from the [Department of Education](#).

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### ***Department of Health and Human Services:***

While the vast majority of the budget for the Department of Health and Human Services (HHS) provides funds for Medicare and Medicaid, the agency covers a wide variety of programs, from the Affordable Care Act and medical research to child care and vital community services for low-income people. Prior to the additional money added back in the addendum, the initial proposed budget would cut the HHS discretionary budget by more than 20 percent, or \$17.6 billion, from FY17 to FY19. Roughly \$15.8 billion is added back in via the addendum, resulting in a 2.1 percent cut from FY17 to FY19.

Several vital programs and services are eliminated in the Trump budget, including the **Community Services Block Grant (CSBG)**, which provides operating expenses for roughly 1,100 poverty-fighting community action agencies, and the **Low Income Home Energy Assistance Program (LIHEAP)**, which provides heating and cooling assistance to about 6 million low-income households. Also eliminated is the **Social Services Block Grant**, which provides child care, senior care and other family services.

The budget proposes massive cuts in **Medicaid**. The budget cuts Medicaid and subsidies for private coverage in the marketplace by [\\$763 billion](#) over 10 years. It eliminates the ACA's Medicaid expansion and its subsidies, and it assumes the **ACA** is repealed and replaced with a bill similar to the [Graham-Cassidy proposal](#) out last year, under which millions of Americans would lose health coverage. The budget would give money to the states in the form of block grants for states to provide health coverage. The grace period for people in the exchanges who miss a premium payment would be reduced from 90 days to 30 days. It also imposes "per capita caps" on Medicaid funding, limiting the payments to states to a fixed per-person amount for seniors, people with disabilities and families with children. The budget proposes various ways of achieving Medicaid cuts, such as increased documentation requirements to prove immigration/citizenship status and allowing states to impose higher co-payments for Emergency Room use.

The budget also assumes cuts in growth of **Medicare** to the tune of \$554 billion over 10 years. **Public health preparedness** would be cut by \$600 million during one of the worst flu seasons in recent years.

The **Temporary Assistance for Needy Families (TANF)** block grant is cut by 10 percent, or more than \$15 billion over 10 years, and the **TANF Contingency Fund** is eliminated, with the total cut for TANF adding up to more than [\\$21 billion](#) over 10 years.

The budget also shifts more than \$10 billion from mandatory to discretionary funding, including funding for programs like the **Maternal and Infant Early Childhood Home Visiting (MIECHV) program**, the **Prevention and Public Health Fund**, and the **Child Care and Development Block Grant (CCDBG)**. Doing so means these programs would be subject to the annual appropriations process and therefore to future cuts and unstable funding as Congress ends up relying on short-term stopgap funding measures to keep the government open when they fail to pass full-year spending bills on time. It also limits the amount of spending that can be allocated to the many various domestic programs, as funding for more programs would need to fit under the same spending cap. By shifting programs from mandatory to discretionary funding for FY 2019, the Trump Administration is undoing some of the increase agreed to in the two-year deal to lift discretionary spending caps, since the reductions in mandatory spending offset some of the discretionary increases.

**Child care funding** is increased, but not nearly as much as the two-year sequester relief deal envisioned. That deal, signed by the President, assumed that discretionary child care funding would nearly double. The Trump budget increases discretionary child care funding by \$150 million from FY 2017 to FY 2019, but some of that increase comes from shifting child care funding from mandatory to discretionary. The addendum also allows an increase in mandatory child care funds, but only enough to replace child care

spending that would be lost because of cuts in TANF and the elimination of the Social Services Block Grant.

Funding for **unaccompanied children fleeing Central American countries** would have been cut down to \$1.148 billion in the original budget, down from \$1.4 billion in FY 2017. The addendum adds \$350 million, anticipating that there will be an increase in such children entering the U.S.

The budget does provide an additional \$5 billion to address the **opioid epidemic and serious mental illness**, on top of \$5 billion that it would move from mandatory to discretionary funding for this purpose.

The **Child Support Enforcement Program** would incorporate a work requirement for noncustodial parents overdue in their child support payments, and would allow limited federal funding to support employment and training services for these parents.

For more information, see [this piece](#) from the Center on Budget and Policy Priorities and the budget summary from the [Department of Health and Human Services](#).

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### ***Department of Housing and Urban Development:***

President Trump's budget would slash or eliminate many critical low-income housing programs and increase rents and impose harmful work requirement on struggling families. Overall, the original budget proposes to cut HUD's discretionary budget by \$8.8 billion, or 18.3 percent, from FY17 to FY19. The addendum adds back in \$2 billion, resulting in a cut of \$6.8 billion or 14.2 percent.

Slated for elimination in the proposal are the **Choice Neighborhoods program**, the **Community Development Block Grant**, and the **HOME Investment Partnership Program**, which together aid low-income communities in improving basic infrastructure, providing services to youth and seniors, rehabilitating housing, and promoting economic development. In addition, the proposed HUD budget would significantly cut funding for **Rental Assistance Programs, including Housing Choice Vouchers, Public Housing, Project-Based Rental Assistance, and Housing for the Elderly and Persons with Disabilities**, and **Grants to Native American Tribes and Alaska Native Villages**. For example, Housing Choice Vouchers would be cancelled for roughly 200,000 low-income households in the President's budget, including for seniors and people with disabilities. While the White House states that additional funds outlined in the addendum would prevent the loss of 200,000 vouchers, both the [National Low Income Housing Coalition](#) and the [Center on Budget and Policy Priorities](#) both estimate that the cuts to the Housing Choice Voucher program, along with inflation and other factors, would lead to the loss of about 200,000 vouchers. All told, public housing funding would be cut by [47 percent](#) compared to FY17, not counting losses due to inflation. The **Housing Trust Fund**, which provides funding to build and preserve housing for households with the lowest incomes, would also be eliminated.

The budget would also impose harmful **rent increases and work requirements**. It would increase the amount of rent paid by non-elderly, non-disabled tenants from 30 percent of adjusted income to 35 percent of gross income, with much higher mandatory minimum rent set. The poorest elderly and disabled families would also see rent increases. The proposal also allows housing providers to impose work requirements, without providing resources to help people gain needed skills or employment. According to the [National Low Income Housing Coalition](#) (NLIHC), the addendum provides additional funds to avoid rent increases on elderly and disabled families in FY19, but there is no assurance that such protection would be afforded in future years. NLIHC's analysis states that HUD plans to send its proposal to cut housing benefits to Congress in March, and that it is expected to be similar to [draft legislation](#) that was leaked in recent weeks.

For more information, see an analysis from the [National Low Income Housing Coalition](#) and their related [chart](#), and see a state-by-state analysis from the [Center on Budget and Policy Priorities](#) and the budget summary from the [Department of Housing and Urban Development](#).

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### ***Department of Labor:***

The initial proposed budget would cut the Labor Department's discretionary budget by more than 21 percent, or \$2.6 billion, from FY17 to FY19. Roughly \$1.5 billion is added back in via the addendum, resulting in a 9.2 percent cut from FY17 to FY19.

While the addendum would restore DOL's basic job training programs for adults and youth back to their FY 2017 levels, it appears that **Job Corps** would be reduced from \$1.7 billion in FY 2017 to just under \$1.3 billion in FY 2019.

The budget eliminates the **Migrant and Seasonal Farmworker Training** program (also known as the National Farmworker Jobs Program), which provides workforce development and employment assistance for migrant and seasonal farmworkers to help them prepare for stable, year-round employment, and the **Senior Community Service Employment Program**, which helps low-income senior citizens find work. Also eliminated is the **Indian and Native American National Grant program**. More than \$1 billion in cuts from FY17 to FY19 are called for in the initial budget request for **Workforce Innovation and Opportunity Act (WIOA) programs**, which help people with barriers to work gain new skills and find employment, as is more than \$25 million in cuts from **YouthBuild**; FY19 funding levels for these programs are restored to FY17 levels via the addendum. The **Office of Disability Employment Policy** is cut by \$11 million from FY17 to FY19. There is, however, an increase in **Apprenticeship programs**, from \$95 million in FY 2017 to \$200 million in FY 2019.

For more information, see an analysis from the [National Skills Coalition](#) and the budget summary from the [Department of Labor](#).

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***Other Areas of Note:***

The budget also contains other moves that advocates oppose for departments not listed above. Funding for the **Consumer Financial Protection Bureau** would be moved under the appropriations process (rather than receiving money from the Federal Reserve, as it currently does) and then be almost completely zeroed out.

The president's blueprint calls for \$3.8 billion in funding for the **Census Bureau** for FY19, a \$2.3 billion increase from FY17 levels. However, as the Census gears up for the 2020 decennial census, advocates believe that this funding amount is still inadequate.

The **Legal Services Corporation** would be eliminated, ending civil legal assistance for low-income people with housing, domestic violence, employment, consumer, or other legal trouble. Also eliminated would be the **Corporation for National and Community Service**, which runs programs including AmeriCorps, VISTA, and Senior Corps.

The **Environmental Protection Agency** would see its budget slashed by 26 percent and its workforce cut by 21 percent under the Trump blueprint; the initial budget proposal, before the spending caps were raised by the Bipartisan Budget Act of 2018, cut the agency's budget by 34 percent.

The budget also requests \$23 billion for **immigration enforcement and border security** for FY19 and \$18 billion for FY 18 and FY19 for a wall along the U.S.-Mexico border. It also proposes [\\$200 billion](#) over the next 10 years for **infrastructure spending**, relying on state and local governments and the private sector to contribute the rest of his proposed \$1.5 trillion in infrastructure spending.

The budget also eliminates the **Corporation for Public Broadcasting**, the **National Endowment for the Arts**, the **National Endowment for the Humanities**, **D.C. Tuition Assistance Grants**, and the **Neighborhood Reinvestment Corporation**.

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