



COALITION ON HUMAN NEEDS

The Human Needs Report

February 18, 2020

SPECIAL EDITION: *President Trump's FY21 Budget Request*

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President Trump's FY21 Budget Slashes Critical Human Needs Programs

The Trump Administration released its [Fiscal Year 2021 budget](#) on Feb. 10. From slashing housing assistance, Medicaid, SNAP/food stamps, education, Social Security, and other basic needs programs, to proposing harsh work reporting requirements for several federal programs, to completely eliminating programs like home heating and cooling assistance for low-income people and food delivery to low-income seniors, President Trump's FY21 budget would push millions of Americans into or deeper into poverty and leave them without the assistance they need. At the same time, the budget permanently extends the 2017 individual **tax cuts** which were scheduled to expire in 2025. While the White House estimates this will cost \$1.4 trillion over 10 years, the [Tax Policy Center](#) estimates the cost as \$3 trillion over 10 years.

Overall, the Trump budget proposes large cuts to funding for FY21 domestic and international annually-appropriated (discretionary) programs below FY20 enacted levels. In doing so, the budget walks away from the bipartisan budget deal agreed to by Congress and the president last year. While the previously enacted bipartisan budget deal allocates a \$5 billion increase for domestic and international annually-appropriated programs for FY21 above FY20 levels, the Trump budget would cut these programs by \$51

billion below the agreement and \$46 billion below FY20 levels, to \$590 billion in base discretionary dollars. This equates to cuts of to 7 percent below FY20, or 9 percent when adjusting for inflation. By the end of the 10-year window projected in the budget, nondefense discretionary funding would be 38 percent below the FY20 level, after adjusting for inflation. The [Center on Budget and Policy Priorities](#) points out that under the President's budget, domestic and international discretionary funding would shrink by 2030 to 1.6 percent of the economy, a level not seen since Calvin Coolidge was president nearly 100 years ago.

The cuts to mandatory programs include reductions over 10 years of \$1 trillion to **Medicaid and the Affordable Care Act subsidies**, \$182 billion to the **Supplemental Nutrition Assistance Program (SNAP)**, \$21 billion to the **Temporary Assistance for Needy Families (TANF) program**, and more than \$75 billion to **Social Security** disability programs.

The budget includes a previously-endorsed plan for paid parental leave which would be paid for by parents "borrowing against" future Social Security benefits. While advocates have long favored paid family leave (both for newborn and adopted children and for other forms of relative caregiving), they do not support requiring parents to give up later retirement benefits in order to manage staying home with their newborns or adoptees.

On the defense side, the Trump budget sticks to the spending caps agreed to in the bipartisan budget deal for defense spending by proposing \$69 billion for the uncapped Overseas Contingency Operations (OCO) fund, in addition to the capped funding of \$671.5 billion for defense spending for FY21, leading to a total defense-related budget allocation of \$740.5 billion. The Trump budget would increase Pentagon spending each year through FY25, and then hold it flat through FY30 at \$808 billion. Despite five years of flat spending (unrealistic if the past is any guide), military spending would still have risen about 15 percent over 10 years, adjusted for inflation.

The budget also relies on what many experts believe to be unrealistic expectations for economic growth, giving it a rosier scenario than most economists would predict for revenues and deficits.

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 [statement](#) notes, "President Trump calls his proposal, 'A Budget for America's Future.' But the future he envisions is bleak indeed. He proposed less health care, less food for Americans in need, large cuts to Social Security disability benefits, and other harmful cuts, ranging from affordable housing to heating and cooling assistance to student loans and so much more." Even as some members of President Trump's own party reject his budget, some proposals it contains are ones advocates have seen before from previous GOP budgets and legislation, and they may be a sign of proposals to come in future budgets and spending bills. Moreover, the Trump Administration is intent on implementing some of its restrictive policy proposals, such as cutting and capping Medicaid funding and inserting harmful work reporting requirements, through rule changes they assert do not require Congressional action. 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, Temporary Assistance for Needy Families, 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.

[CHN’s FY21 Budget and Appropriations resource page](#) is constantly updated with helpful resources and analyses of the Trump budget from many expert organizations, including resources on health, nutrition, housing, fair revenues, and more. The Coalition on Human Needs also hosted a webinar on President Trump’s budget on Feb. 13; a recording of the webinar will be added to the resource page as soon as it is available.

For more information on congressional FY21 budget and appropriations work, see the [January 28 Human Needs Report](#). Stay tuned to upcoming *Human Needs Reports* for additional analysis of as the FY21 federal budget and appropriations process moves forward.

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Select Trump Administration FY21 Departmental Budget Requests

The Coalition on Human Needs compiled information from the President’s FY21 budget request for select government departments that most directly impact low-income and other disadvantaged populations, including the Departments of Agriculture, Education, Health and Human Services, Housing and Urban Development, and Labor, as well as other areas of note.

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 proposed budget would cut USDA’s base discretionary budget by roughly 14 percent from FY20 to FY21, according to [USDA’s own](#) FY21 budget summary. (We note that the Trump budget overview shows an 8 percent reduction.) The discretionary side of USDA spending includes programs like WIC and the Commodity Supplemental Food Program; mandatory spending within USDA includes SNAP and most child nutrition programs.

President Trump’s budget calls for massive cuts to the **Supplemental Nutrition Assistance Program (SNAP/food stamps)** of roughly \$182 billion, or nearly 30 percent, over 10 years. These cuts are achieved in part by reviving the widely ridiculed proposal from his FY19 and FY20 budgets to replace some of the debit card assistance SNAP recipients currently receive with boxes of non-perishable food items (so-called “Harvest boxes”) that would be administratively costly, inefficient, stigmatizing, and

would not allow families to choose the foods they need. In addition, the budget eliminates **SNAP nutrition education** funding and the **Commodity Supplemental Food Program**, which distributes food boxes to low-income home-bound seniors. These proposals are on top of [multiple attacks against SNAP by the Administration](#), including a recently finalized rule change (subject to litigation in opposition filed by 15 attorneys general plus the City of New York), to take flexibility away from states that sought to exempt certain SNAP beneficiaries without dependents from a three-month time limit on assistance if they could not work a steady 20 hours per week. Such a change is estimated to take benefits from nearly 700,000 people; another proposed rule change would take free school meals from 1 million kids. If implemented, these regulatory attacks would cut SNAP by an additional \$50 billion over 10 years.

According to the [Food Research & Action Center](#), the President's fiscal year 2020 budget cuts **school meals programs** by \$1.7 billion over the next 10 years. It reduces the number of schools eligible to implement the **Community Eligibility Program**, an option that allows high-poverty schools or school districts to make free school meals available to all students, reducing the administrative costs in places where nearly all students would qualify.

The budget includes \$5.5 billion in funding for the **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**, which constitutes an 8.3 percent (\$500 million) reduction in WIC funding from the FY20 appropriated level. The President's budget also rejects the expansion of WIC's **Breastfeeding Peer Counselor Program** that was included in the spending deal that passed in December. Instead of supporting funding at \$90 million, the President's budget calls for a return to the \$60 million funding levels last seen in fiscal year 2019. According to research by CHN, funding for WIC has been cut by nearly 31 percent from FY10 to FY20 when taking inflation into account.

For more information, see pieces from the [Food Research & Action Center](#), the [National WIC Association](#), 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, would flat-fund or cut various K-12 programs, and diverts billions of dollars into support for private K-12 schools. The proposed budget would cut the Department of Education's budget by \$5.6 billion, or 7.8 percent below the FY20 level, to \$66.6 billion.

The President's proposal would slash federal student financial aid programs for higher education by \$170 billion over 10 years, eliminate **Subsidized Stafford loans**, and eliminate **Public Service Loan Forgiveness** (which help people who go to work for government or non-profits). The budget would also eliminate the **GEAR UP** program, which supports low-income students from high school into their first year of college, and **Federal Supplemental Education Opportunity Grants** that augment Pell Grants for

more than a million of the neediest college students. The **TRIO** program would be turned into a block grant to states, with funding cut by 13 percent.

The annually-appropriated funding for **Pell Grants** would support a maximum annual grant of \$6,345, flat funded from FY20, and would be frozen for the next decade. (By 2030, if the value of the maximum grant were just to keep up with inflation, it would have to rise to just under \$8,000.) The budget would expand Pell eligibility to certain short-term certification programs and for incarcerated prisoners due to be released within five years. The **Federal Work Study** program would be cut by more than half, from \$1.2 billion to \$500 million. Funding for **adult education and family literacy state grants** that help foundation skills and English literacy instruction to over 1.5 million individuals are flat-funded from FY20. The Trump budget does increase some funds for vocational education. **Perkins career and technical education state grants**, which support post-secondary education for more than 12 million students, receive a \$680 million, or 53 percent, increase over FY20. Vocational Rehabilitation State Grants would rise from nearly \$3.4 billion in FY20 to \$3.67 billion in FY21.

In **K-12 education programs**, the budget would eliminate and consolidate 29 federal elementary and secondary education programs into a single block grant, the total of which would equal \$4.7 billion less for these programs in FY21 compared to FY20. Separate funding streams for **Title I** low-income schools would be eliminated and consolidated in this block grant, as would funding for **migrant education, education for homeless children and youth, literacy grants, rural education**, and many other programs. Funding for **21st Century Community Learning Centers**, which provide before-school, after-school, and summer school programs for nearly 2 million children, would also be eliminated as part of the consolidation into a single block grant. The Trump budget includes a small 0.8 percent increase for **K-12 special education (IDEA programs)**. It level-funds the modest \$20.1 million appropriation for the **Special Olympics**; funding for this program had been eliminated in previous Trump budget requests. The budget includes a proposal to implement a **private school scholarship tax credit** of up to \$45 billion over 10 years, an increased effort to subsidize private K-12 school attendance that critics say would divert resources from improving education for low-income students.

According to research by CHN, many of the programs slated for cuts have suffered cuts and declining value for years. Funding for 21st Century Community Learning Centers, for example, has been cut by 10.5 percent from FY10 to FY20 when taking inflation into account. Funding for rural education has similarly been cut by 11.3 percent over this same time period.

The Center for American Progress has [state-by-state impacts](#) of some of the K-12 cuts in the Trump budget. For more information, see 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. The President's proposal cuts the HHS discretionary budget by roughly 9 percent for FY21.

Several important 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, the **Social Services Block Grant (SSBG)**, which funds services for low-income children, families, and seniors, and the **Low Income Home Energy Assistance Program (LIHEAP)**, which provides heating and cooling assistance to about 6 million low-income households.

The Trump budget proposes \$1 trillion in cuts to **Medicaid** and **the Affordable Care Act (ACA)** subsidies over 10 years. The budget would eliminate the ACA's enhanced federal matching funding for states' Medicaid expansion to low-income adults, which would almost certainly lead states to end Medicaid coverage for most of the 13 million people who gained access to it through the ACA. Medicaid would also be taken away from adults who can't document sufficient weekly work hours, which could cause millions more people to lose coverage. The budget proposes various ways of achieving Medicaid cuts, such as increased documentation requirements to prove immigration/citizenship status and making it harder for some seniors and people with disabilities to qualify for Medicaid without selling their homes. The budget assumes \$844 billion over ten years in reduced health care spending, totally unspecified and labelled "President's health reform vision allowance." After three years in office and promising to replace the Affordable Care Act with something "[beautiful](#)," the Administration still has not shared anything much about the President's vision except that it would cut an enormous amount.

The budget includes no protections for people with pre-existing conditions, which could cause millions more people to become uninsured, and would increase costs and otherwise impede access to health care for millions more. The Center on Budget and Policy Priorities estimates that 20 million individuals in total could lose health coverage over the 10 year period of the budget.

As Medicaid is the largest payer of mental health care, cuts to Medicaid would also detrimentally affect access to mental health care and substance use treatment and would more than offset any small increases to specific programs. For example, while the budget includes an investment in behavioral health, it amounts to less than 1.5 percent of cuts to Medicaid and the ACA.

These cuts come on top of [numerous Medicaid attacks](#) from the Trump Administration, including a [new proposal to dismantle Medicaid by encouraging states to accept capped funding in exchange for expanded authority to cut benefits or eligibility](#), as well as numerous attacks on the Affordable Care Act, including a pending lawsuit to strike down the ACA.

The budget also proposes about [\\$750 billion](#) in reduced **Medicare** spending over 10 years, including lower payments to certain health care providers. Some of the savings to Medicare are offset by shifting payments for hospitals' uncompensated care (for low-income patients) and for graduate medical

education to the federal general fund instead of the Medicare revenues funding stream, leaving a [net reduction](#) of about \$500 billion. While some of the proposals included here have had bipartisan support in the past, the budget does not take into account the significant damage to Medicare beneficiaries that would occur should the lawsuit to overturn the ACA succeed (for example, drug coverage would worsen and patients would again have to pay a share of the cost of preventive services).

The **Temporary Assistance for Needy Families (TANF)** program is cut by roughly \$21 billion over 10 years. The basic block grant, which had been flat-funded since TANF's inception in 1996, is cut by \$1.5 billion in FY 2021. The logic of the TANF block grant cut is that states could shift that proportion of funding to the Social Services Block Grant, but since the Trump budget would terminate SSBG entirely, there would be no possibility of transfer. In addition, the TANF Contingency Fund is eliminated with a cut of \$608 million from FY20 to FY21. Originally designed for states to tap if economic conditions cause an increase in eligible families, the Contingency Fund has not proved usable for most states.

The budget includes a one-time \$1 billion investment for states to encourage private sector investment in **child care**, but the proposal would require states to roll back basic protections that keep children safe to get the funding. **Head Start** and the **Child Care Development Block Grant** are level funded at FY20 levels. However, as noted elsewhere in this *Human Needs Report*, funding for the 21st Century Community Learning Centers afterschool program, as well as the Social Services Block Grant, which provides child care, senior care and other family services, is slated for elimination.

The **Child Support Enforcement Program** would be receive an increase of \$56 million for FY21. It 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 [Families USA](#), 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

According to the [National Low Income Housing Coalition](#), the Administration proposes to cut HUD's budget by \$8.6 billion, or 15.2 percent below 2020 enacted levels.

President Trump's budget would slash or eliminate many critical low-income housing programs and increase rents and impose harmful work reporting requirement on struggling families. The proposal would eliminate essential housing and community development programs like the **National Housing Trust Fund**, which supports construction of rental housing for low-income renters such as seniors, veterans, people with disabilities, and households that have experienced homelessness, and the **Public Housing Capital Fund**, which is needed to maintain units. Also 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. The budget cuts funding for the **Native American Housing Block Grant** by 7 percent (\$46 million) and for **public housing operating funds** by 21 percent (\$977 million) from FY20 to FY21.

In addition, the proposed HUD budget cuts funding for the **Housing Choice Voucher** program by \$5 billion (not including inflationary adjustments) from FY20 to FY21 and repurposes some of these funds in block grants for Moving to Work public housing agencies. With these changes, more than 160,000 families who currently receive rental assistance could be at risk of losing their assistance and their ability to afford their home. Funding for **Project-Based Rental Assistance** increases by \$72 million, though it is unclear if this amount will be sufficient to renew all existing contracts.

The budget would also impose harmful rent increases and harsh work reporting 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, triple minimum rents paid by some, and eliminate deductions that help seniors and people with disabilities. The proposal also allows housing providers to impose harsh work reporting requirements, without providing resources to help people gain needed skills or employment. These cuts and harmful policy changes come on top of administrative attempts by HUD to make it harder for people to challenge [discriminatory housing policies and practices](#) and to prohibit [families with mixed immigration status](#) from receiving housing assistance.

A small number of other programs receive modest increases in the budget; the **Healthy Homes and Lead Hazard Control** program receives an increase of \$70 million, or 24.1 percent, and **Housing for People with Disabilities** receives an increase of \$50 million, or 24.8 percent. However, according to research by CHN, funding for Housing for People with Disabilities has been cut by nearly 44 percent from FY10 to FY20 when taking inflation into account. Funding for Choice Neighborhoods has similarly been cut by nearly 27 percent over this same time period.

For more information, see the [National Low Income Housing Coalition](#) and the budget summary from the [Department of Housing and Urban Development](#).

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Department of Labor

The proposed budget would cut the Labor Department's discretionary budget by 10.5 percent, or \$1.3 billion, from FY20 to FY21.

As the [National Skills Coalition](#) reports, the President's budget requests level funding for **Workforce Innovation and Opportunity Act (WIOA) Title I** state formula grants, which help adults and youth with barriers to work gain new skills and find employment. However, language is added requiring a 1.5 percent set-aside for American Indians, Native Hawaiians, and Native Alaskans, in effect requiring more

training to be carried out for the same funding, because of the elimination of **Indian and Native American Programs**, funded in FY20 at \$55 million. The budget would cut \$110 million – or more than 8 percent – from **Dislocated Workers grants**, \$5 million (5.1 percent) from **Reentry Employment Opportunities** and \$10 million (10.6 percent) from **YouthBuild**. It would eliminate funding for **Migrant and Seasonal Farmworkers Programs** (also known as the National Farmworker Jobs Program), which provides workforce and development and employment assistance for migrant and seasonal farmworkers to help them prepare for stable, year-round employment. The **Senior Community Service Employment Program**, which helps low-income senior citizens find work, would also be eliminated. **Job Corps** would be cut by more than 40 percent.

The **Office of Disability Employment Policy** is cut by \$11.4 million, or more than 29 percent, from FY20 to FY21. The budget requests \$200 million for **Apprenticeship programs**, \$25 million more than FY20. Funding for the **Women’s Bureau** is slashed by 75 percent.

These cuts come on top of [multiple attacks against workers](#) put forth by the Trump Administration. In addition, according to research by CHN, many of the programs slated for cuts have suffered cuts and declining value for years. Funding for YouthBuild, for example, has been cut by 23 percent from FY10 to FY20 when taking inflation into account. The Senior Community Service Employment Program has similarly been cut by 59 percent, and the Office of Disability Employment Policy has been cut by nearly 18 percent over this same time period.

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 Trump budget would slash about \$75 billion over the coming decade from **federal disability programs, including Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)**. In addition to this budget proposal requiring approval by Congress, the Trump Administration also recently proposed an administrative rule that would strip [Social Security Disability Insurance](#) benefits from millions of Americans who need it most.

The Trump Administration’s efforts to gut the **Consumer Financial Protection Bureau** continue with this budget proposal. Funding for the **CFPB** would be made subject to the appropriations process (rather than receiving money from the Federal Reserve, as it currently does) in 2022 and then be almost completely zeroed out. Funding for FY21 would be cut back to FY15 levels.

The **Legal Services Corporation** would be eliminated, ending federal support for 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 budget requests \$2 billion for the construction of a **border wall**. It also requests funding for 60,000 **immigrant detention beds**, and hiring more than 4,600 ICE agents. The budget seeks \$126 million to execute the President’s “Remain in Mexico” policy, which has significantly undercut asylum and other humanitarian protections.

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

The budget would require a Social Security number that is valid for employment to claim the **Child Tax Credit**. This would deny this assistance to certain immigrant families, most of whose children are U.S. citizens.

The **Department of Transportation** discretionary budget would see a 13 percent cut. Funding for the **Environmental Protection Agency** would be cut by 26.5 percent.

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