

FFY 2018 Trump Administration Budget Proposals

On May 23, 2017, the Trump administration released its proposed budget for Federal Fiscal Year (FFY) 2018.

The Trump blueprint outlines a menu of policy and spending options for the House and Senate to consider when the two chambers mark up legislation. The enormous size of the cuts and huge policy changes underlying many of the entitlement and discretionary program proposals likely means that many of them will not be considered by Congress. Which ones Congress will consider, however, will unfold over the summer.

The Trump administration proposes large cuts to Medicaid, SNAP, CHIP, TANF and WIOA and proposes to eliminate the Social Services Block Grant, Community Services Block Grant and the Low Income Home Energy Assistance Program.

Below are highlights of the policy and spending proposals submitted to Capitol Hill.

Human Services Budget Proposals

The Health and Human Services (HHS) Budget in Brief for FFY 2018 may be found at: <https://www.hhs.gov/sites/default/files/fy2018-budget-in-brief.pdf> (108 pp.)

Health Programs

Medicaid (45%-50% Cut): The Trump administration proposes additional cuts of \$610 billion to Medicaid on top of the cuts proposed by the House-passed American Health Care Act. All told, the cost shift to states and counties would amount to between \$1.3- \$1.4 trillion over ten years, which would translate into a 45%-50% cut in the federal contribution in ten years compared to what is projected under current law.

The new cut in the HHS budget would be accomplished in large part by decreasing the inflationary increases under a per-capita cap or block grant. Additional unspecified flexibility would also be given to states to operate Medicaid.

Children's Health Insurance Program (CHIP) (20-25% Cut): CHIP funding expires at the end of FFY 2017. The administration proposes to extend CHIP funding for another two years, through FFY 2019. Savings would be accomplished by ending the 23 percentage point increase in the federal match all states have received since 2015. Without the 23 percentage point boost, the basic match for states is 65% federal and 35% state, with some states provided a higher match given their economic circumstances. States that have served children above 250% of poverty would no longer be able to do so under the Trump proposal.

Human Services Programs

Temporary Assistance for Needy Families (TANF) (10% Cut in Basic Block Grant & Eliminate \$608 Million Contingency Fund): TANF has not been fully reauthorized since 2010. Ten percent would be cut from the block grant in part to fund welfare research. The administration argues the contingency fund does not respond well to economic downturns and should be eliminated.

Foster Care/Child Welfare: There appears to be no significant changes to IV-E Foster Care or child welfare services.

Programs Proposed for Elimination:

- **Social Services Block Grant (SSBG) (\$1.7 billion):** Proposed for termination by the House Ways and Means Committee and Speaker Paul Ryan's budget over the past few years, the administration proposes ending the program on October 1, 2017. The program is typically funded at \$1.7 billion annually and is not subject to the appropriations process.
- **Community Services Block Grant (CSBG) (\$714 million):** Used by many community based organizations to serve low income communities, CSBG has enjoyed relatively bipartisan support in the past. The administration argues that it does not demonstrate results.
- **Low Income Home Energy Assistance Program (LIHEAP) (\$3.4 billion):** The administration argues that many utilities, states and localities offer utility bill assistance and the majority of states prohibit utilities from cutting service in the winter.

Older Americans Act Programs (OAA): The Trump administration requests level funding for OAA programs.

Elder Justice Act (EJA): The Trump administration's budget contains \$7.9 million for federal support of adult protective services initiatives. Authorized at \$100 million annually, the EJA has never received more than \$10 million.

Child Support: The Trump administration essentially proposes level funding, with a proposal to provide federal support to update technology systems used to collect support.

Addressing the Opioid Epidemic: The President proposes \$500 million to expand access to life-saving treatments, including Medication-Assisted Treatment. The funding level is the same as FFY 2017. The FFY 2018 Budget also includes \$24 million to equip first responders with overdose reversing drugs and to train them on their use

Homelessness Programs: While the Trump administration is proposing the elimination of the \$3 billion Community Development Block Grant and the \$950 million HOME Investment Partnership program, it does save Homeless Assistance Programs, proposing to fund them at \$2.25 billion, down from \$2.38 billion in FFY 2017

Child Care and Development Block Grant: The discretionary and mandatory funding programs would be funded at \$5.678 billion - a \$5 million increase.

Head Start: The Trump administration proposes a \$17 million increase, for a FFY 2018 level of \$9.17 billion.

Home Visiting Programs: Requiring reauthorization this year, home visiting would be level-funded at \$400 million.

Food Assistance Proposals

The USDA Budget Brief describing SNAP Cuts for FFY 2018 may be found at: <https://www.usda.gov/sites/default/files/documents/USDA-Budget-Summary-2018.pdf> (SNAP on p. 44)

Supplemental Nutrition Assistance Program (SNAP) (25% Cut by 2023): The Trump administration proposes to require an average state to pick up 25% of the benefit costs by 2023. The state share of costs would be formula based, with unspecified economic indicators and state resources determining the level of a state's contribution.

Other administrative provisions would reduce federal costs and program participants, including narrowing the current broad-based categorical eligibility determinations to only those individuals receiving TANF cash assistance (\$31.1 billion savings over ten years). Strict limits would also be placed on state waivers exempting able-bodied adults without dependents (ABAWD) from work requirements. Waivers would only be granted to counties with an unemployment rate exceeding ten percent averaged over 12 months (\$20.66 billion savings over ten years). And, states would be required to adopt a standardized utility allowance at the 80th percentile of their low-income household's utility costs, saving the federal government \$10.43 billion over ten years

Employment Program Proposals

The Department of Labor Budget in Brief for FFY 2018 may be found at: <https://www.dol.gov/sites/default/files/FY2018BIB.pdf>

The Trump administration notes that its 'Budget significantly decreases Federal support for job training and employment service formula grants, shifting more responsibility for funding these services to States, localities, and employers.' There is no further narrative at this stage outlining the policies behind the proposed cuts.

Cuts include:

- Adult Employment - 40% cut to \$490 million in FFY 2018
- Dislocated Workers - 44% cut to \$699 million in FFY 2018
- Youth Activities - 39% cut to \$608 million in FFY 2018

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