President Trump’s 2019 Budget Proposal

This budget indicates investments in health and human services in the following areas:

- Strengthening efforts to combat opioid epidemic by additional $10 billion over five years
- Prioritizes funding for older Americans to be able to age in place in their communities
- Improve treatment for serious mental health issues
- Continued investment in services to prevent foster home placement by increasing state flexibility and reducing administrative burdens
- Creates child welfare flexible funding option that begins in 2021 at $7 million
- Maintaining child care programs and investment in moving individuals from welfare to work

This budget indicates cuts in the following areas:

- Basic nutrition
- Housing
- Health care

A Closer Look

HHS/Administration for Children and Families:

**Highlights:** Proposed changes to TANF would reduce the block grant by 10% and eliminate the contingency fund while requiring states to spend 30% of the funds on work and work supports and allows for super waiver demos for Welfare to Work Projects.

- One work rate (doesn’t specify level but no more than 90% for two parents)
- Eliminates caseload reduction credit and replaces it with an employment credit
- Requires that states spend 30 percent of funds on work and work supports
- Welfare to Work projects – super waiver demos (goal: streamline and deliver comprehensive service)
Highlights: Significant increases in funding for prevention and child welfare programs in all programs, including a $288M increase in Title IV-E spending.

- Requests $98 million for child abuse prevention programs which is a $1 million increase over FY 2018 CR
- Requests $326 million for child welfare programs which is a $2 million increase over FY 2018 CR
- Requests $8.8 billion for foster care, adoption assistance, guardianship assistance, and independent living programs (authorized by Title IV-E) which is a $288 million increase over FY 2018 CR
- Proposes creation of flexible funding option for states and tribes to expand allowable uses of foster care maintenance and administration payments (excludes training and information systems payments, adoption assistance, and guardianship programs and the Chafee Foster Care Independent Program)
  - Performance incentives component adds 10-year cost of $110 million
- Proposes federal foster care funds allowed to be used for any purposes or services authorized for child welfare spending under title IV-B and IV-E of SSA
- Reauthorizes Promoting Safe and Stable Families through FY 2023 at $385 million per year
  - Includes expansion of Regional Partnership Grants program by $40 million per year with 5-year reauthorization for total cost of $200 million

Key Changes in Office of Community Services include:

- Eliminates the LIHEAP program entirely
- Eliminates SSBG entirely

Office of Child Care requests an increase for Child Care and Development Block Grant by $169 million above previous FY 2018 CR (total discretionary funding investment of $3 billion)

Highlights: Proposed changes in child support include slight reduction in funding ($4 million) but estimated savings will fund technology enhancements, such as extended access to National Directory of New Hires and allow funding for workforce development initiatives for noncustodial parents.

- Achieves $793 million in savings over 10 years for technology enhancement and replacement fund to acquire model child support systems and applications
- Allows for limited use of IV-D funding for workforce development and training activities. Any noncustodial parent owing support is subject to work requirements (state option)

HHS/Centers for Medicare and Medicaid Services

Highlights: Proposed changes to health care would involve repealing and replacing the ACA, including the elimination of Medicaid expansion and phasing out of exchange subsidies, with a market-based health care grant program. Also reiterates the imposition of Medicaid work and community engagement activities.

- Repeals ACA and Medicaid Expansion and instead creates a “Flexible State Grant for Medicaid.” Savings estimated as $679 billion over 10 years
Market-Based Health Care Grant Program: block grant which states use to support various approaches for providing health care services, including those with high medical costs (e.g., pre-existing conditions)

- Exchange subsidies end starting 2021 with significant cut from 2019 to 2020 ($45 billion to $11 billion)
- Grace period for individuals on exchange plans to make premium payments reduced from 90 days to 30 days
- Mandatory appropriation for CSR payments for FY 2018 through end of CY 2019 (no budget impact)
- Mandatory appropriation to fully fund Risk Corridors Programs including exemption from sequestration (budget impact is $812 million in FY 2018)

- Caps the growth in base Medicaid spending
- Reiterates Medicaid work and community engagement activities
- Proposes about $400 billion in savings in other health areas—predominantly Medicare at $235 billion—largely through reducing provider reimbursements (this will likely cause fewer providers to accept Medicare assignment thus decreasing access to care), $60 billion in projected federal drug savings and $50 billion from medical malpractice reforms.

**Department of Agriculture**

**Highlights:** The budget also advances significant changes to the SNAP program reducing benefits by $213 billion over 10 years. Also introduced is the “made in America” food package program where non-perishable food packages would make up half the allowable monthly food allotment and be delivered to participants at their homes. This budget would also eliminate the minimum benefits that largely goes to the elderly and disabled and cap the household (HH) size at 6. It also would expand work requirements.

- Benefits reduced by $213 billion over 10 years – along with other proposals/reductions will cause 4 million recipients to lose benefits
- For HH’s with monthly allotments over $90, it would withhold $25-30 billion annually with half of that being used to instead provide “made in America” food packages to these households and the rest banked as the 10-year savings for the government
- Expands the ABAWD time limit to a broader universe up to age 62 rather than the current age of 49
- Would allow states to time limit benefits for HH’s not working 20 hours weekly with states having the option for providing exceptions such as living in high unemployment areas or having individual good cause reasons
- Eliminate an existing state option to utilize broad based categorical eligibility to allow working families to have additional resources or no resource test and in some cases higher gross income eligibility rules
- Eliminates the SNAP minimum benefit which predominantly goes to the elderly and disabled
- Caps the SNAP monthly allotment at the level of a HH of 6, thus reducing benefits for families with additional children
- Eliminates all spending on SNAP nutrition education
Department of Housing and Urban Development

**Highlights:** Proposed changes to housing programs include nearly $1 billion cut from Section 8 housing program. Budget does maintain funding for homeless programs as well as protects harmless elderly and disabled individuals from program cuts.

- 14 percent cut to HUD, amounting to $6.8 billion below the agency’s current $48 billion spending
- Eliminate the entire fund for public housing capital repairs (Public Housing Capital Fund), a savings of nearly $2 billion a year
- Eliminates HOME Investment Partnerships Program
- Cuts a federal housing subsidy program, known as Section 8 vouchers, by nearly $1 billion
- Eliminate funding for Community Development Block Grants, which play a key role in disaster recovery, as well as grants to states and local governments to increase homeownership for the lowest-income Americans
- Budget requests $33.8 billion across HUD’s rental assistance programs, a decrease of 11.2 percent relative to the 2017 enacted level
- Work requirements among ABA in HUD-assisted households (currently tenants generally required to pay 30% of adjusted income toward rent)
- Budget requests $100 million for the Rental Assistance Demonstration, which supports the redevelopment of Public Housing units through conversion to the Housing Voucher and Project-Based Rental Assistance (PBRA) funding platforms
- The Budget requests funding to evaluate these EnVision Centers, and adjust the program design and improve implementation if needed to achieve better outcomes for individuals and communities. EnVision Centers will provide communities with a centralized hub for HUD’s four pillars of self-sufficiency: 1) Economic Empowerment; 2) Educational Advancement; 3) Health and Wellness; and 4) Character and Leadership. Through partnerships with non-profits, corporations, and State and local governments, these EnVision Centers would leverage private and public resources for maximum community impact
- Budget requests $75 million for the Family Self-Sufficiency program and $10 million for the Jobs-Plus Initiative
- Budget requests $2.4 billion for the Homeless Assistance Grants (HAG) program, equal to the 2017 enacted level
- $1.78 billion to hold “harmless elderly and disabled households” in HUD-assisted housing as rent reform proposals are implemented

Department of Labor

**Highlights:** Proposes additional funding to support workforce development by restoring funding to FY 2017 enacted levels.

- Requests $1.5 billion for workforce development grants, which is the FY 2017 enacted level*
  - $1.336 billion for the Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, Youth, and Employment Service formula grants. This funding would restore the programs to their FY 2017 enacted levels.
  - $120 million for two WIOA national programs: YouthBuild and the Dislocated Worker National Reserve. This funding would restore the programs to FY 2017 enacted levels,
allowing the Department to distribute additional grants to train and serve disadvantaged youth and workers affected by natural disasters and mass layoffs.

**Highlights:** Propose changes to disability programs, mainly from back to work efforts, would result in $70 billion savings.

- Makes changes in SSDI and SSI and projects savings of $70 billion, at least two-thirds of which comes from scoring savings from back to work efforts to reduce the rolls

**Important proposed change in Budget:** *Propose moving mandatory funding for HHS to discretionary funding subject to NDD caps*

Reasoning: activities supported with these mandatory funds are similar to the purposes of other discretionary funding. This change would allow Congress and the Administration to do annual appropriations for these programs potentially having them compete against other programs within NDD for funding. The potentially impacted programs and funding amounts would be:

- $75 million for Promoting Safe & Stable Families account in ACF
- State Health Insurance Assistance Program: $13 million for CMS Program Management account
- $277 million in Payments to States for the Child Care and Development Block Grant account. With an additional $169 million in discretionary funding for this account for a total funding level of $3.006 billion—which is $150 million more than FY 2017 enacted level
- $400 million for Maternal, Infant, and Early Childhood Home Visiting Program account in HRSA
- $85 million for Social Services Block Grant account in ACF
- $10 billion to address opioid epidemic and serious mental illness

**Other proposals in Budget:**

- A total of $1.5 trillion of savings in non-defense discretionary funding over 10 years, $600 billion occurring from the items directly below
- Reducing transportation funding in multiple areas
- An additional unspecified savings of $900 billion over ten years from additional non-defense discretionary funds, predominantly from a two percent reduction in NDD spending annually.