After a months-long delay and preview of steep cuts to federal funding in March’s “skinny budget,” President Trump today released his Administration’s first full budget request for funding federal programs next year. Overall, the budget takes an about-face from the spending priorities of the Obama Administration with deep cuts to domestic and safety-net programs, increases in defense spending and tax cuts for higher-income earners and corporations.

The $4.1 trillion budget request includes proposals to cut federal spending by $3.6 trillion over ten years through massive cuts to Medicaid, nutrition and income assistance programs for low-income Americans, as well as cuts to Non-Defense Discretionary (NDD) programs overall. The budget spares Medicare, Social Security and most Older Americans Act (OAA) programs from cuts, but the request would propose eliminating many other key programs that supplement and support the capacity of the Aging Network to serve older adults and caregivers.

Normally, the President’s budget request kicks off the process of setting spending levels for all discretionary programs in Congress, but because of the lengthy delivery delay to lawmakers (common in a first term) and because such deep cuts are not politically palatable to most Members, we expect Congress will reject many of the President’s bolder proposals. Despite this reality, the Administration’s budget still serves as an important framer for the public on its federal investment priorities. It also re-opens larger conversations on our nation’s budget, deficit and debt, some of which Congress and the President will have to resolve before year’s end—issues such as whether to adhere to the budget caps, raise the debt ceiling or pass other tax and spending measures.

The Trump budget proposes to balance the federal budget within 10 years. The significant spending cuts would drive part of that austerity, but the rest of the deficit would be closed by ambitious economic growth projections predicated on tax reforms. In other words, the budget assumes a major boost in economic growth following to-be-legislated tax reform. Economic experts are skeptical of the growth rate used by the Trump Administration for this forecast: 3 percent, a full 50 percent increase over the Congressional Budget Office’s current projections of 1.9 percent.
Additionally, the budget would cut spending on domestic programs by a total of $57 billion to $479 billion in FY 2018, which is $37 billion below “sequester-level” caps established in the Budget Control Act (BCA) for this coming fiscal year. (Unless Congress passes another bipartisan agreement this year to ease the budget caps established under the BCA, they will again kick in at the start of FY 18.)

n4a examined the President's budget with special attention given to programs that help older adults remain in their homes and communities. The following analysis focuses on key programs that serve older Americans and their caregivers, and is accompanied by n4a’s detailed appropriations chart.

Important Note: The budget tables outlined in the Administration’s FY 2018 budget request assume a baseline that reflects the FY 2017 Continuing Resolution, which expired on April 28, and not the final FY 2017 funding bill signed into law earlier this month. There was not time for the Administration’s budget to be adjusted to reflect the final spending measure. These discrepancies are important because some OAA programs, such as Title III B Supportive Services, received increases in the final FY 2017 funding bill that are therefore not reflected in the Administration’s budget request. n4a will work with lawmakers to ensure that those FY 2017 increases form the baseline for their appropriations work in FY 2018.

Discretionary Funding Details

OAA and AoA/ACL Programs

Administration for Community Living (ACL), HHS

Programs serving older Americans under OAA were primarily level funded in this year’s budget, but the overall ACL $1.9 billion request is $129 million (6.3 percent) below FY 2017. The budget largely preserves all the OAA programs administered by the Administration on Aging/ACL, but targets for elimination the State Health Insurance Assistance Program (SHIP) and cuts funding for existing disability programs that were shifted to ACL under the workforce investment reauthorization two years ago.

Older Americans Act Title III Programs

In what can be considered a win for advocates in this incredibly difficult budget environment, funding for OAA Title III B Home and Community-Based Supportive Services ($347 million), III C Nutrition Services ($447 for Congregate and $226 for Home-Delivered Nutrition Services), and III E Family Caregiver Support ($150 million) was flat. Unfortunately, the budget request does not reflect the ultimate increases for III B and III C services that were included in the final FY 2017 funding bill, as mentioned above, but that should not be read as a cut.

Native American Nutrition, Supportive Services and Caregiver Support
The President’s Budget proposes to maintain current funding for OAA Title VI Native American Aging Programs. Nutrition and supportive services would be funded at $31.1 million, and caregiver support services would receive $7.5 million under the budget request. The funding request reflects a recent, congressionally driven, significant increase to both programs that serve Native American, Alaskan Native and Native Hawaiian elders, which represent some of the most economically vulnerable older adult populations in the country.

**Elder Justice and Adult Protective Services**

The budget request also level funds OAA Title VII Long-Term Care Ombudsman ($15.8 million) and Prevention of Elder Abuse and Neglect ($4.8 million) programs. Additionally, Elder Rights Support Activities, including the Elder Justice Initiative—an ACL priority under the Obama Administration—are level funded at $11.9 million. Again, President Trump’s budget request does not factor in the $2 million increase to the Elder Justice Initiative in FY 2017 to continue developing a national Adult Protective Services (APS) data system and to continue APS research. This is the first budget request in several years that does not include a significant increase in funding for Elder Justice and APS activities.

**Aging and Disability Resource Centers**

Funding for Aging and Disability Resource Centers (ADRCs) was also level funded at $6.1 million and the Administration indicated continued commitment to evolving and building out the ADRC/No Wrong Door (NWD) network across the country. Since $10 million in annual mandatory funding for ADRCs expired in September 2014, advocates and Administration officials have been unable to fill that gap with additional discretionary (annually appropriated) or restored mandatory funding. This funding request recognizes that the bulk of infrastructure funding for ADRCs is occurring via investments by the Centers for Medicare and Medicaid Services (CMS) and the Veterans Health Administration (VHA) through other initiatives such as the Balancing Incentive Program and Veteran-Directed HCBS program. However, funding authority for both BIP and VD-HCBS will need to be reauthorized to ensure that states are able to continue building on ADRC infrastructure with those funds.

**Senior Housing**

Interestingly, the Trump budget would increase funding for Section 202 Housing for the Elderly to $510 million—a massive $77 million increase (18 percent) increase over FY 2017. This request includes $90 million to renew service coordinator/congregate housing services grants. Section 202 Housing provides funding to create and support multifamily housing for very low-income elderly people. However, this increase also includes policy changes that would give the Department of Housing and Urban Development (HUD) authority to not increase rental payments; to transfer money between housing programs serving both seniors and people with disabilities; and to increase cost-sharing requirements for beneficiaries. Nearly 400,000 units for low-income senior households have been produced to date, and Section 202 is currently the only federal program that expressly addresses this need for affordable senior housing.
Transportation

The President’s FY 18 budget request for the Department of Transportation (DOT) includes a $2.4 billion cut (13 percent) over FY 2017 funding. Funding for the Federal Transit Administration (FTA), would fall $500 million below last year, including a $49 million (15 percent) cut to FTA Section 5310, transportation programs focusing on serving seniors and people with disabilities. The request also includes $5 million in funding for the n4a and Easterseals–led National Aging and Disability Transportation Center (NADTC), as part of the Federal Transit Administration’s technical assistance program to assist local communities and states in the expansion and provision of transportation services for older adults and people with disabilities.

Eliminations of Key Programs

State Health Insurance Assistance Program (SHIP)

The President’s budget request reflects recent proposals in Congress to zero-out the full $52.1 million for State Health Insurance Assistance Program, citing duplication with other federal resources such as 1-800-MEDICARE. SHIP elimination accounts for 40 percentage of the proposed $129 million cut to the ACL/AoA budget. Advocates will need to continue to push lawmakers to reject SHIP elimination. Funding for SHIPs was cut by $5 million in the final FY 2017 funding bill, and with the Administration’s requested elimination of the program in FY 2018, the pressure is mounting on advocates to educate policymakers about the important role individualized, cost-effective, person-centered, volunteer-driven counseling services that SHIPs provide in every state.

SCSEP, Senior Corps

The Administration also proposed eliminating OAA Title V Senior Community Service Employment Program (SCSEP), administered by the Department of Labor (DOL), and the Senior Corps programs (RSVP, Foster Grandparents and Senior Companion) under the Corporation for National community Service (CNCS). Both moves reflect the larger budget request, which significantly reduces federal investments in workforce development and volunteer-based programs.

Congress recently approved a $34 million cut to SCSEP, and the President’s budget would roll back an additional $400 million in FY 2018 based on the belief that SCSEP “is ineffective in meeting its purpose of transitioning low-income unemployed seniors into unsubsidized jobs.” As the only workforce development program that specifically targets older adults in or near poverty, SCSEP has long been a target of some policy-makers who don’t understand the population or value the community service component, so advocates must ramp up education efforts to ensure that SCSEP activities are protected in final FY 2018 funding proposals.

Additionally, volunteers secured through Senior Corps programs routinely supplement workforce needs at Area Agencies on Aging and other community-based organizations serving seniors. n4a is concerned that should the cuts to Senior Corps be realized in
final funding bills, volunteer-driven local service delivery to older adults would be further threatened.

**Other Eliminated Programs**

Also on the chopping block in the budget request are critical state and community block grant programs that often supplement and support the work of the Aging Network. President Trump would completely eliminate the **Community Services Block Grant** (-$715 million) the **Social Services Block Grant** (-$1.7 billion) and the **Community Development Block Grant** (-$615 million). To varying degrees all of these programs fund state and local community and economic development efforts that provide key services to older adults.

The President also proposes zeroing out funding for the **Low-Income Home Energy Assistance Program** (LIHEAP), a reduction of $3.9 billion that helps low-income households and families, including many older adults, with heating and energy bills throughout the year.

**Major Cuts and Changes to Mandatory Funding**

Mandatory spending is on the “other side of the ledger” from the appropriated (i.e., discretionary) funding our annual budget analysis usually focuses on. Currently, mandatory funding flows automatically as needed, based on the laws Congress has crafted, until they change that law. Medicare, Medicaid and Social Security are examples of programs largely driven by mandatory funding.

The Trump Administration has proposed significantly curbing federal investments in mandatory spending on programs that serve low-income Americans, including older adults. While the President’s budget would not make major cuts to Medicare or Social Security, key safety-net programs including **Medicaid**, the **Supplemental Nutrition Assistance Program (SNAP)** and the **Temporary Assistance for Needy Families (TANF)** would see major reforms.

All told, these changes and cuts would reduce assistance for low-income Americans by nearly $1 trillion over 10 years, over half of which would come from Medicaid alone. Under the budget proposal, states would have a choice to either block grant or per-capita cap their Medicaid programs. However, unlike the approach taken in the House-passed American Health Care Act (AHCA), the Administration would further cut Medicaid by allowing states to block grant the Medicaid program for all eligibility categories, including for the older adults and people with disabilities who make up the bulk of Medicaid spending. *The Administration estimates these reforms would result in a $610 billion reduction in Medicaid spending over 10 years on top of the $840 billion cut assumed in the American Health Care Act.*

Deep cuts to SNAP (formerly known as Food Stamps), are also included in the Administration’s budget request. SNAP benefits support 4.8 million adults age 60 and over every year, but still only reach three out of five seniors who qualify for this support. The budget proposal would cut SNAP by 25 percent, or $193 billion over 10 years. n4a is very concerned that further eroding support for SNAP benefits for
economically vulnerable older adults could subsequently put pressure on other nutrition assistance programs, including core OAA Title III programs, which currently aren’t meeting existing need due to stagnant funding.

The Administration proposes to eliminate the Prevention and Public Health Fund (PPHF), which was created in 2010 via the Affordable Care Act (ACA). PPHF provides a source of mandatory funding for activities devoted to boosting public health and using proven prevention strategies to reduce Americans’ rates of illness and disability. Because the budget request would, like the House health care reform bill recently passed, eliminate the PPHF, several disease prevention and health promotion initiatives targeting older adults would shift from being mandatorily funded to the discretionary side of the federal ledger. The Trump Administration proposes discretionary funding for the Chronic Disease Self-Management Program (CDSMP) at $3 million below FY 2017 levels, which amounts to a 38 percent cut for these activities. Elder Falls Prevention would be level-funded at $5 million under the budget request, but because this funding would come out of the ACL/AoA discretionary budget, it puts pressure on other discretionary programs. Funding for Alzheimer’s Disease Program, which provides funding for Alzheimer’s outreach and awareness campaign activities and long-term services and caregiver support programs, would also move to the discretionary side of the ledger (and receive a boost in funding).

What Happens Next?

The President’s budget reflects both the government agencies’ requests and the Administration’s political and policy agenda. Because of the major shifts in spending and revenue proposals, many of the policies pushed by the Administration may fall flat on Capitol Hill. However, because the President’s budget serves as the opening salvo for spending negotiations, starting from the Trump Administration’s baseline means Congressional champions and advocates for domestic and mandatory programs targeted for deep cuts or inadequate funding levels have an even greater advocacy lift.

In the coming weeks, Congress may hold hearings on some components of the President’s recommendations, but it is safe to say that the Republican Congress may take up at least some of the President’s budget proposal as they begin their own budget deliberations.

There are a number of complicating factors that will undoubtedly muddy the waters for progress on a congressional budget resolution. First, lawmakers on Capitol Hill have already missed the traditional deadline of April 15 to develop their own budget proposals. Also, because debates over repealing and replacing the Affordable Care Act have kept the previous year’s budget process open, we may not see resolution on FY 2018 budget proposals until well into the summer months. Furthermore, leadership and budget chiefs in the House and Senate will also need to resolve whether they will adopt another bipartisan agreement to again raise budget caps and offer relief from sequester-level spending (thus ignoring the President’s budget request entirely for NDD programs), or if they will let the current agreement expire and adhere to the reduced Budget Control Act caps already in law. We expect there is little appetite
among appropriators on both sides of the aisle to follow additionally constrained funding for domestic programs, but cuts could still be imminent.

Despite these pending questions, we still expect that the House and Senate Appropriations subcommittees of jurisdiction will make the specific programmatic determinations for each discretionary line item (e.g., a specific program such as OAA Title III B) this summer. This takes several months to move through committee, and larger or more contentious bills can take all summer or fall before being passed.

Like all other legislation, the House and Senate must agree on appropriations bills. Achieving agreement further lengthens the process. Therefore, it is possible that we may be facing either a Continuing Resolution at the end of FY 2017, which would simply extend current funding levels into FY 2018, or a potential government shutdown if Congress and the Administration can’t come to agreement on federal funding priorities.

Despite the murky forecast at this point, it is imperative that national and grassroots advocates reject the cuts proposed in President Trump’s budget request and that we continue our fight to stop sequestration-level budget caps.

n4a will release more details and resources later this week to help local agencies and advocates engage your Members of Congress with key appropriations messages, but if you can’t wait to let your Member know how you feel about this budget and the federal funding streams your clients depend upon, visit our appropriations campaign page.

Also, join us on Friday, May 26 at Noon ET for an n4a-member-only webinar with additional details about President Trump’s FY 2018 budget and steps that advocates can take to fight cuts to essential programs and services for older adults and caregivers.

----

This Legislative Update is an n4a membership benefit. For more information about these and other federal aging policy issues, please contact n4a’s policy team: Amy Gotwals (agotwals@n4a.org) and Autumn Campbell (acampbell@n4a.org), 202.872.0888.