n4a’s Analysis of the President’s FY 2018 Budget Proposal

May 23, 2017

After a months-long delay and preview of steep cuts to federal funding, President Trump 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 characterizing the Obama Administration with deep cuts to domestic and safety-net programs, increases to defense spending, and tax cuts targeting higher-income earners and corporations. The $4.1 trillion budget request includes proposals to cut federal spending by $3.6 trillion over ten years by targeting cuts at Medicaid, nutrition and income assistance programs for poor Americans, and cuts below sequester levels for Non-Defense Discretionary (NDD) programs. The budget spares Medicare, Social Security and core Older Americans Act (OAA) programs from large cuts, but the request would propose eliminating key programs that supplement and support the capacity of the Aging Network and Area Agencies on Aging 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 and because such deep cuts are likely not politically palatable, we expect Congress will reject many of the president’s proposals. Despite this fact, the Administration’s budget still serves as an important framer for the public on its federal investment priorities. It also annually kicks off the larger conversations on our nation’s budget, deficit and debt that Congress and the President will have to resolve before year’s end.

In total, the budget’s reduced spending authority via significant cuts to key entitlement programs paired with ambitious economic growth projections predicated on tax reforms propose to balance the federal budget within 10 years. However, economic experts are skeptical. 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 levels established in the Budget Control Act (BCA). Unless Congress passes another bipartisan agreement this year to ease budget caps established under the BCA, overall budget caps will again kick 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. We also include details on key safety-net programs that are targeted in the president’s budget proposal. 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 Administrations FY 2018 budget request are baselined to funding amounts reflected in the FY 2017 Continuing Resolution, which expired on April 28. The baseline request numbers do not reflect final FY 2017 funding bill signed into law earlier this month. 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 not reflected in the Administration’s budget request. n4a will work with lawmakers to ensure that increases for programs are factored into next year’s appropriations baselines.

Discretionary Funding Details

Level Funding for Core OAA Programs

Administration for Community Living (ACL), HHS

Programs serving older Americans under OAA were primarily level-funded in this year’s budget, but overall ACL/AoA $1.9 billion request is $129 million (6.3 percent) below FY 2017. The budget largely preserves discretionary and mandatory investments in core Older Americans Act programs, with cuts targeting the State Health Insurance Assistance Program (SHIP) and funding for existing disability programs that were shifted to ACL under the workforce investment reauthorization.

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 Services ($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.

In a statement released earlier today, n4a CEO Sandy Markwood commented on the ACL budget:

"n4a commends the Administration for continuing to make investments in programs to support older adults and their caregivers in its most recent budget, the first after the 2015 White House Conference on Aging identified the wide range of challenges and solutions associated with the aging of our nation. We especially would like to acknowledge the increased funding for home and community-based supportive services (Older Americans Act, Title III B
Supportive Services), a chronically underfunded title of the vital Older Americans Act, which provides flexible local funding to meet the wide range of needs vulnerable and frail older adults have to continue to stay healthy and safe in their homes and communities. Taking into consideration today’s budget climate and with all the pressures on federal discretionary programs, we strongly believe that this modest increase of only 3 percent will more than pay for itself in reduced Medicare costs via healthier older adults and avoided Medicaid costs from premature institutionalization.”

Additional OAA and Aging Programs

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 included 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

Again, in a pivot from ambitious investments included in previous Administration’s budget requests, the budget request included level funding for 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/AoA 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 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. While 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 (e.g., the Balancing Incentive Program and Veterans-Directed Home and Community-Based Services 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.
Senior Housing

In a rare move, the request 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 and to transfer; 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.

Concerning Cuts and Eliminations

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 Programs 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 were reflected of a budget request that significantly restrains 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 stating that SCSEP program is “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 policymakers, and 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. n4a is concerned that should the cuts to Senior Corps be realized in
final funding bills, volunteer-driven service delivery to local older adults would be further threatened.

**Other 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. [INSERT SOME OF THE STATEMENT LANGUAGE HERE??]. 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 XXX number of older adults, with heating and energy bills throughout the year.

**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. The budget request for **FTA Section 5310**, transportation programs targeted at serving seniors and people with disabilities, included a $4 million increase (1.5 percent) over last year’s funding. Again, this amount is consistent with the FAST Act–authorized funding level. The request also includes $5 million in funding for the n4a and Easter Seals–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.

---

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.