

Fiscal Year 2018 Federal Budget: A Preliminary Assessment of the President's Request

Today, President Donald Trump released a complete budget blueprint for fiscal year 2018 (FY18). It details both discretionary and mandatory spending levels for the next fiscal year, and outlines revenue sources.¹ The Trump budget goes beyond cuts seen previously to undermine and further erode basic living standards for millions of Americans. Trump proposes slashing roughly \$1.7 trillion over a decade in funding for social programs to pay for increases in defense spending and tax cuts for millionaires.² As proposed, this budget will lower basic living standards and undermine programs that help working families get ahead when times are tough or wages are flat, all to provide a windfall to large corporations and the wealthy.

The administration's budget plan must be considered and approved by the 115th Congress, which will enact appropriations legislation for FY18. Congress can instead put families, workers, and children first by investing resources in programs that help lift individuals and communities up. Below, the National Council of La Raza (NCLR)—the nation's largest Hispanic civil rights organization—has outlined top funding priorities for the Latino community. This is not meant to be an exhaustive list, but rather it indicates where federal spending should be directed to reflect the American values of inclusivity and opportunity for all.

Economy

- **Resources should support the attainment of the American Dream of homeownership and help families afford a place to live.** The Trump budget eliminates funding for several important affordable housing initiatives. Many Latinos live in high-cost markets where there is a need to create and rehabilitate affordable housing. Similarly, many low- and moderate-income Latino families would not be able to purchase their first home without down-payment assistance. In 2015, housing subsidies kept nearly 700,000 Latinos out of poverty.³ The Trump budget eliminates several programs that encourage investment and stabilization in low-income communities, including the Housing Trust Fund, the Community Development Block Grant Program, the HOME Investment Partnerships Program, Choice Neighborhoods, and the Self-Help Homeownership Opportunity Program. Congress should ensure full and adequate funding for these programs so that low-income families have safe and affordable housing.
- **Increased investment in workforce development, job training, and workplace safety is essential to preparing American workers for the labor market of the future.** Latinos have the highest labor force participation, 66.1%, of any other racial or ethnic group, but they are disproportionately concentrated in low-wage jobs where there are few pathways to get ahead and quality and safety are not always guaranteed. The Workforce Innovation and

Opportunity Act (WIOA) includes several provisions that aim to help jobseekers succeed in the labor market and are crucial to the Latino community, but the Trump budget would cut the Department of Labor’s Employment and Training Administration funding by nearly \$1.3 billion.⁴ Congress should increase workforce development services for workers with limited English proficiency while also rejecting attempts to decrease funding for English language (EL) or civics (citizenship) services. Overall, the Trump budget proposes a nearly 20% decrease in funding for the Department of Labor that would affect their mission, including workplace safety. Specifically, flatlined funding for federal enforcement by the Occupational Health and Safety Administration (OSHA) may limit its ability to reach high-risk workplaces and workers employed in nontraditional arrangements.⁵

- **Refundable tax credits are crucial income supports for all low-income workers and their children.** Refundable tax credits—including the Child Tax Credit (CTC)—are powerful anti-poverty tools. In 2013, nearly seven million Latino working families with children claimed refunds through the low-income portion of the CTC.⁶ The Trump budget proposes restricting eligibility for the CTC to only those filing taxes with a Social Security number. Such a limitation would strip crucial resources from 4.5 million U.S.-citizen children living in taxpaying immigrant families.⁷ Congressional appropriators should reject attempts to restrict eligibility for the CTC as a budgetary offset.

Education

- **Increased funding for early childhood education programs that serve low-income children is needed to ensure all kids have access to quality, affordable education.** Head Start and Early Head Start are comprehensive health and educational programs that serve low-income children from birth to age five, pregnant women, and their families. Hispanic children represent 38% of all Head Start enrollees, and they account for almost all children enrolled in Migrant and Seasonal Head Start, nearly 30,000 children.⁸ Estimates show that the cost to fully fund Head Start to serve all eligible three- and four-year-olds in poverty is \$20 billion, three times current funding levels.⁹ The Trump budget provides just over \$9 billion in funding for these programs, not nearly enough to meet the need. Congress should significantly increase funding for these crucial programs and reject any attempts to cut Head Start resources, which would leave thousands of kids living in poverty without access to early childhood health and education programs.
- **Invest in Title III English Language Acquisition State Grants to better serve English learners.** This program aims to provide language instruction to ELs, and over 90% of the program funds are used to make formula grants to states based on each state’s share of the nation’s EL and recent immigrant student populations. Nationally, Latinos make up approximately 80% of ELs and this group is growing. The Trump budget funds English Language Acquisition State Grants at \$736 million, level funding from FY17, which is not sufficient to adequately account for the growth of the EL population in the United States.¹⁰ Congress should significantly increase Title III funds to a level that provides states with the resources they need to help EL students graduate college- and career-ready.

- **Protect programs that help students with college preparation to set them up for success.** Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) and federal TRIO programs help disadvantaged students prepare for, enroll in, and complete college. GEAR UP provides support for elementary and secondary school students, as well as scholarships for participants to attend college. Nearly one-third of GEAR UP participants are Latino. TRIO programs provide tutoring, rigorous coursework, and guidance to low-income students. Approximately 19% of TRIO program participants are Latino. Under the Trump budget, both programs would see funding cuts of \$103 million and \$90 million, respectively.¹¹ Congress should reject any proposed cuts and should increase funding to maintain some of the largest and most important higher education investments for low-income and first-generation college students.

Health

- **Defend nutrition assistance programs that help millions of low-income Americans put food on the table.** The Supplemental Nutrition Assistance Program (SNAP) provided 3.3 million Latino households with benefits in 2015.¹² SNAP lifts 1.2 million Latinos out of poverty.¹³ In the past, there have been attempts to convert SNAP into a block grant program, which would establish an annual federal funding level and leave the program unable to expand in tough economic times. Further, proposals have included a significant cut in funding, requiring states to either restrict eligibility or reduce benefits. The Trump budget proposal eliminates \$193 billion from SNAP over a decade. Changes and cuts to SNAP would undermine the program and result in the loss of food assistance to millions of U.S. households.¹⁴ Congress should reject attempts to reduce funding and to turn SNAP into a block grant program.
- **Affordable health insurance is essential to help families stay healthy.** Under the Affordable Care Act (ACA), insurers are required to reduce cost-sharing requirements for those who purchase their health insurance through the marketplace if their income is below 250% of the federal poverty level. The federal government reimburses insurers for the associated costs. However, there has been recent discussion about halting these payments and there is active litigation regarding these reimbursements. One million Latinos have health insurance through the marketplace. Revoking cost-sharing reduction payments to insurers would destabilize the insurance market, cause premiums to skyrocket, and force insurers to exit the marketplace entirely, leaving consumers with no coverage option. The Trump budget outlines the administration's goal of dismantling the ACA and goes beyond the House-passed health care bill to reduce Medicaid funding by an additional \$616 billion over the next 10 years. Not only should Congress explicitly and fully fund cost-sharing reduction payments under the ACA—which would not require a revenue offset or reduction in spending—but they should also protect the structure of Medicaid and preserve the benefits of the ACA.

Immigration

- **Increased spending on immigration enforcement is a waste of limited federal resources.** The United States already spends about \$20 billion annually on immigration enforcement, which is more than all the other federal law enforcement agencies

combined.¹⁵ A larger deportation force and increased detention funding will affect nearly six million U.S.-citizen children who have at least one undocumented family member.¹⁶ Under the Trump budget, \$44.1 billion is allocated for the U.S. Department of Homeland Security, a 6.8% increase over FY17, including \$2.6 billion for the border wall and \$1.5 billion above what is normally asked for to fund immigration detention. Congress should reject the excessive and unnecessary funding requests for the border wall, mass detention, and deportations. Further, Congress should reject any request to fund the massive expansion of an already aggressive enforcement and detention system, including funds for thousands of new personnel.

¹ <https://www.gpo.gov/fdsys/pkg/BUDGET-2018-BUD/pdf/BUDGET-2018-BUD.pdf>

² <http://www.cbpp.org/press/statements/greenstein-trump-budget-proposes-path-to-a-new-gilded-age>

³ NCLR calculation.

⁴ <https://www.gpo.gov/fdsys/pkg/BUDGET-2018-APP/pdf/BUDGET-2018-APP-1-16.pdf>

⁵ <https://www.gpo.gov/fdsys/pkg/BUDGET-2018-APP/pdf/BUDGET-2018-APP-1-16.pdf>

⁶ <http://www.cbpp.org/sites/default/files/atoms/files/7-21-15tax-factsheet2.pdf>

⁷ www.migrationpolicy.org/article/frequently-requested-statistics-immigrants-and-immigration-united-states

⁸ http://nieer.org/wp-content/uploads/2016/12/HS_National_Profile.pdf and http://nieer.org/wp-content/uploads/2016/12/HS_MSHS_Profile.pdf

⁹ http://nieer.org/wp-content/uploads/2016/12/HS_Full_Reduced.pdf

¹⁰ <https://www.gpo.gov/fdsys/pkg/BUDGET-2018-APP/pdf/BUDGET-2018-APP-1-9.pdf>

¹¹ <https://www.gpo.gov/fdsys/pkg/BUDGET-2018-APP/pdf/BUDGET-2018-APP-1-9.pdf>

¹² NCLR calculation.

¹³ NCLR calculation.

¹⁴ http://www.cbpp.org/research/food-assistance/house-2017-budget-plan-would-slash-snap-by-more-than-150-billion-over-ten#_ftn2

¹⁵ <http://www.migrationpolicy.org/news/us-spends-more-immigration-enforcement-fbi-dea-secret-service-all-other-federal-criminal-law>

¹⁶ <http://jmhs.cmsny.org/index.php/jmhs/article/view/71>