



**HOMES
JOBS
COMMUNITY**



Where is the Money?

March 16, 2017 | Presented by Jane Campbell

Washington Webinar Series



2017 NDC ACADEMY
OCTOBER 23-25, 2017

*Rethinking How We Invest:
Homes, Jobs and Communities
in 2017 and Beyond*

WASHINGTON, D.C.

2017 NDC Academy Awards Submission Now Open!

Haven't you always wanted to say, "I want to thank the Academy"? The NDC Academy 2017 Awards are an opportunity to highlight your projects with your colleagues and congressional leaders. If you have a challenging and creative project that you want to show off, now is the time to submit for NDC's consideration.

LEARN MORE AND SUBMIT TODAY

**The deadline for submission is
Friday, April 21, 2017**



How does it all work?

The Budget Process



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1. *“Put your money where your mouth is!”* The President’s Budget – lays out the administrations policy proposals and budget priorities for each agency. This is traditionally due to Congress 1st Monday in February.

2. House and Senate Budget Committees draft and pass respective Budget resolutions. Representatives from each chamber meet in conference to adopt 1 Budget Resolution which guides legislative activity for the session.

3. The Budget Resolution allows language for “Reconciliation” – which allows the Congress to adjust revenue and spending levels to meet the parameters established in the BR.

4. The Appropriations process begins in both chambers. The Appropriation committees in the House and the Senate write the legislation that provides spending authority for government agencies. Each committee has 12 subcommittees with jurisdiction over the 12 budget areas.



A look back ... 2 Presidents, 1 Budget

Fiscal Year 2017



President Obama proposed the Budget for FY 2017 after his last SOTU Address to the joint chamber of Congress. Note during President Obama's terms, not once has he signed a federal budget into law. With a GOP controlled Congress, the outlook was slim.

Due to the inability to find agreement between both chambers and election year politics "regular order" did not happen. Instead consensus was to pass a Continuing Resolution until 12/9/16 to get through election.

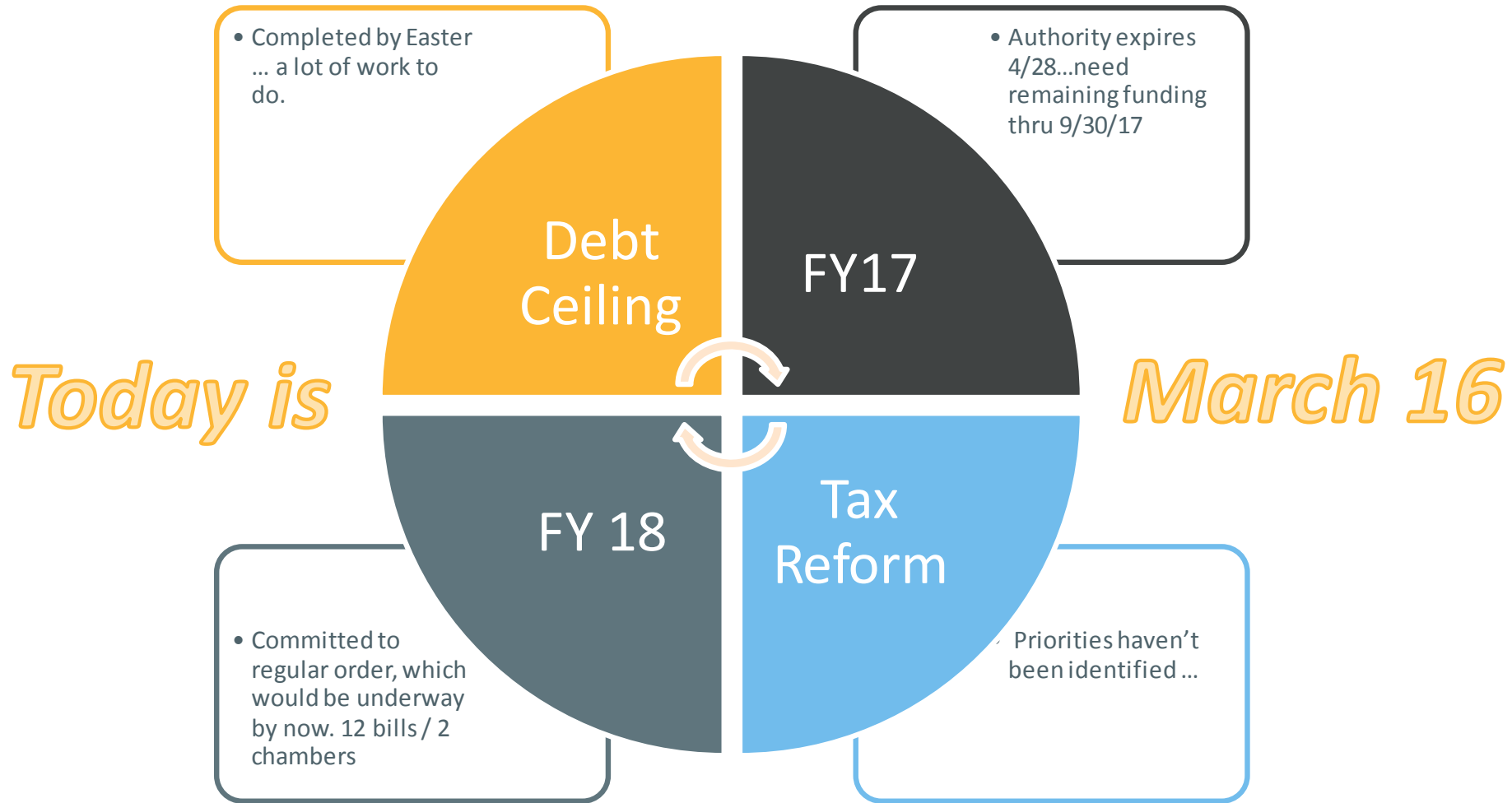


Congressional GOPers since regaining control of both chambers in 2015 have been committed to restoring "regular order".

Donald Trump winning the presidency was an outcome that caught everyone off guard. Now embolden by control of the White House, Congressional GOPers opted to extend the CR thru 4/28/17 to allow the Trump administration to form.



So much to do ... so little time!



America First Budget

FY 18



- Propose to **reverse the \$54 billion in defense sequestration cuts** scheduled to take place in 2018 and, to offset the cost, deepen the already significant non-defense sequestration **cuts by \$54 billion**
- Made clear that it will focus on discretionary spending, and perhaps just for 2018. Such spending accounts for about **one-third of the federal budget**
- Under current law, 2018 will be the eighth straight year of austerity in NDD appropriations. The 2018 cap is scheduled to fall by **almost \$3 billion relative to the prior year's cap**, reflecting the imposition — for the first time — of full sequestration cuts, because the most recent bipartisan sequestration-relief agreement expires after 2017.
- Several agencies will be looking at proposed cuts of anywhere **from 15 to 20 percent**,— with EPA seeing **a proposed 25% cut!**
- The headcount of the federal workforce could be lowered at agencies to save money, depending on the discretion of Cabinet secretaries.
- Expected to call for **elimination of swaths of the EPA, Commerce, State and Energy departments**
- **Elimination** of programs involving solar energy, biofuels or anything that looks like the government is propping up one sector over another

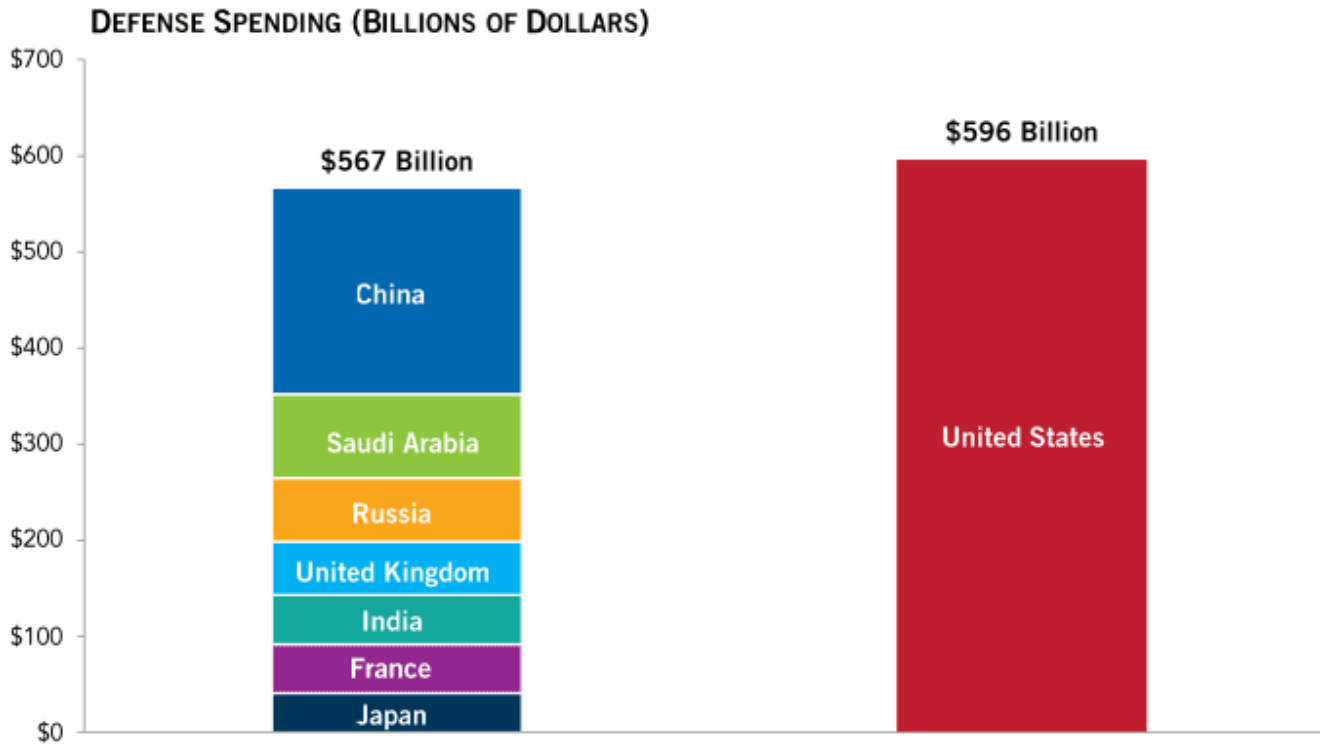


America First Budget

Primer



The United States spends more on defense than the next seven countries combined



SOURCE: Stockholm International Peace Research Institute, *SIPRI Military Expenditure Database*, April 2016. Data are for 2015. Compiled by PGPF.
NOTE: Figures are in U.S. dollars, converted from local currencies using market exchange rates.

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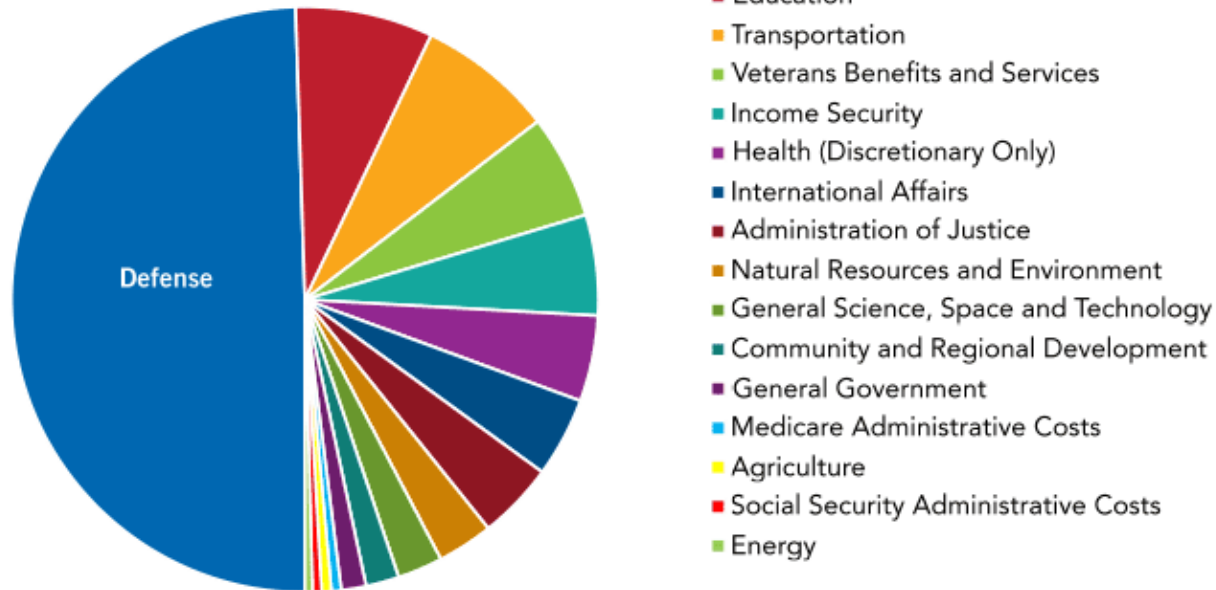
America First Budget

FY18



Discretionary spending funds a wide range of government programs

2015 Discretionary Outlays
\$1,169 Billion



SOURCE: Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2017*, February 2016. Compiled by PGPF.
NOTE: Data excludes allowances and functions with negative outlays. Health (discretionary only) includes National Institutes of Health, the Center for Disease Control and Prevention, veterans healthcare, and administrative costs for Medicaid.

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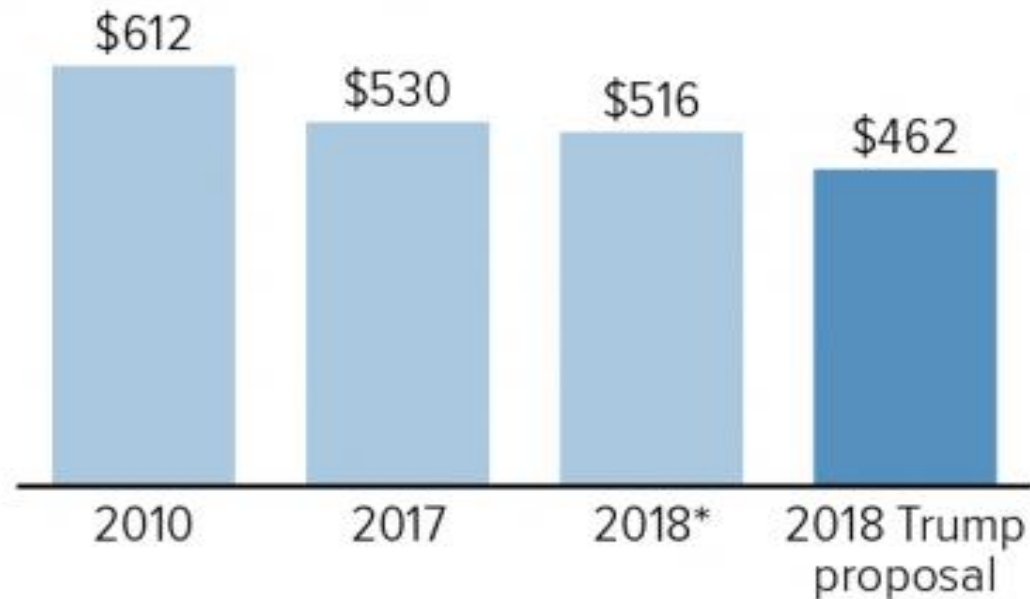
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America First Budget

FY18

Non-Defense Appropriations Would Fall Under Trump Plan

In billions of 2018 dollars



*Funding level set in 2011 Budget Control Act, which establishes sequestration cuts.

Source: CBPP analysis of data from the Congressional Budget Office and the Office of Management and Budget

Housing and Urban Development

The President's 2018 Budget requests \$40.7 billion in gross discretionary funding for HUD



- **\$6.2 billion or 13.2 percent decrease** from the 2017 annualized CR level
- **Zero out CDBG Funding** - \$3B for FY2018
- **Elimination of HOME** Investment Program
- **Eliminates funding for Section 4 Capacity Building** for Community Development and Affordable Housing, a savings of **\$35 million** from the 2017 annualized CR level
- Section 8 Housing and housing vouchers for homeless veterans — would be **cut by at least \$300 million**, to \$19.3 billion
- Section 202 program (housing for elderly) — would be **cut by \$42 million**, nearly 10 percent.
- Section 811 housing for people with disabilities would be **cut by \$29 million**, nearly 20 percent.
- Money available for Native American housing block grants would **fall by \$150 million**, more than 20 percent

"Please take some comfort in knowing that starting numbers are rarely final numbers," "Rest assured we are working hard to support those programs that help so many Americans, focus on our core mission, and ensure that every tax dollar is spent wisely and effectively." – Dr. Ben Carson, Sec. HUD

Department of the Treasury

The President's 2018 Budget requests \$12.1 billion in discretionary resources for the Department of the Treasury's domestic programs



- **\$519 million or 4.1 percent decrease** from the 2017 annualized CR level
- **Eliminates funding for Community Development Financial Institutions (CDFI) Fund grants, a savings of \$210 million** from the 2017 annualized CR level. “The CDFI Fund was created more than 20 years ago to jump-start a now mature industry where private institutions have ready access to the capital needed to extend credit and provide financial services to underserved communities.”
- **Shrinks the Federal workforce** and increases its efficiency by redirecting resources away from duplicative policy offices to staff that manage the Nation's finances.

Department of Agriculture

The President's 2018 Budget requests \$17.9 billion for USDA



- **\$4.7 billion or 21 percent decrease** from the 2017 annualized continuing resolution (CR) level
- **Reduces funding for lower priority** activities in the National Forest System, such as major new Federal land acquisition
- **Eliminates the duplicative Water and Wastewater loan and grant program**, a savings of **\$498 million** from the 2017 annualized CR level. Rural communities can be served by private sector financing or other Federal investments in rural water infrastructure
- **Reduces staffing in USDA's Service Center Agencies** to streamline county office operations, reflect reduced Rural Development workload, and encourage private sector conservation planning
- **Eliminating discretionary activities** of the Rural Business and Cooperative Service, a savings of **\$95 million**

Small Business Administration

The President's 2018 Budget requests \$826.5 million for SBA



- **\$43.2 million or 5.0 percent decrease** from the 2017 annualized CR level
- Supports more than \$45 billion in loan guarantees to assist America's small business owners with access to affordable capital to start or expand their businesses
- **Cuts \$12m by eliminating** PRIME technical assistance grants, Regional Innovation Clusters, and Growth Accelerators
- Maintains \$28 million in microloan financing and technical assistance to help serve, strengthen, and sustain the smallest of small businesses and startups.

Mick Mulvaney

Director of Office of Management and Budget



“President Donald Trump promised to cut wasteful, duplicative and failing programs, “and a lot of those are in HUD”

“We've spent a lot of money on Housing and Urban Development over the last decades without a lot to show for it,”

“You can't drain the swamp and leave all the people in it,”

“This budget represents a president who is beholden to nobody but the voters”. He is following through on his promises. We did not consult with special interests on how to write this budget. We did not consult with lobbyists on how to write this budget. The president's team wrote this budget and that's what you'll see in the numbers”

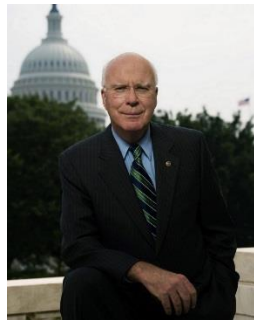
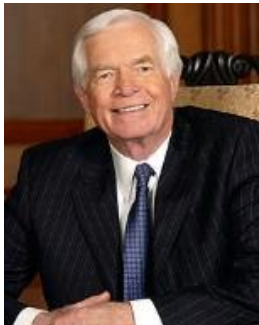
“The President Proposes, Congress Appropriates”

...

“The administration’s budget isn’t going to be the budget,” said Sen. Marco Rubio (R-Fla.). “We do the budget here. The administration makes recommendations, but Congress does budgets.”

United States Senate Committee on Appropriations

Thad Cochran (R-MS) Chair
Patrick Leahy (D-VT) Vice Chair



United States House of Representatives Committee on Appropriations

Rodney Frelinghuysen (R-NJ) Chair
Nita Lowey (D-NY) Ranking Member



“The President Proposes, Congress Appropriates”

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*Agriculture, Rural Development, Food and Drug Administration, and Related
Agencies Subcommittee*

United States Senate

John Hoeven(R-ND) Chair
Jeff Merkley (D-OR) Ranking



United States House of Representatives

David Valado (R-CA) Chair
Stanford Bishop (D-GA) Ranking



“The President Proposes, Congress Appropriates”

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Financial Services and General Government Subcommittee

United States Senate

Shelly Moore Capito (R-WV)

Chair

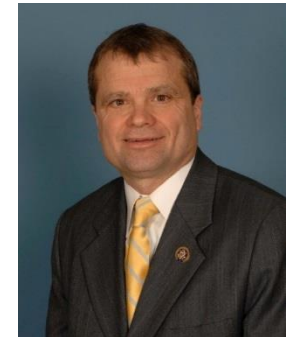
Chris Coons (D-DE) Ranking



United States House of Representatives

Jamie Herrera Butler (R-WA) Chair

Mike Quigley (D-IL) Ranking



“The President Proposes, Congress Appropriates”

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Transportation, Housing and Urban Development, and Related Agencies Subcommittee

United States Senate
Susan Collins (R-ME) Chair
Jack Reed (D-RI) Ranking



**United States House of
Representatives**
David Joyce (R-OH) Chair
David Price (D-NC) Ranking





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