



**HOMES
JOBS
COMMUNITY**



President Trump's FY18 Budget Proposal

June 1, 2017 | Presented by Jane Campbell

Washington Webinar Series

Rethinking How We Invest

HOMES, JOBS AND
COMMUNITIES IN 2017
AND BEYOND

ndcacademy.org



OCTOBER 23-25, 2017
WASHINGTON, DC



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 traditional 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.



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,”

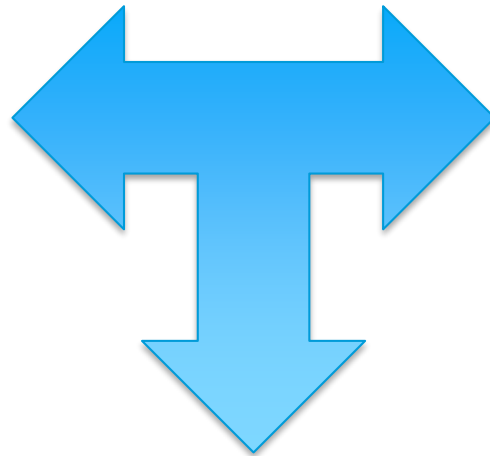
“You can't drain the swamp and leave all the people in it,”

“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”

A New Foundation for American Greatness

Budget of the U.S. Government FY 2018

...



A New Foundation for American Greatness

Budget of the U.S. Government FY 2018

- 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

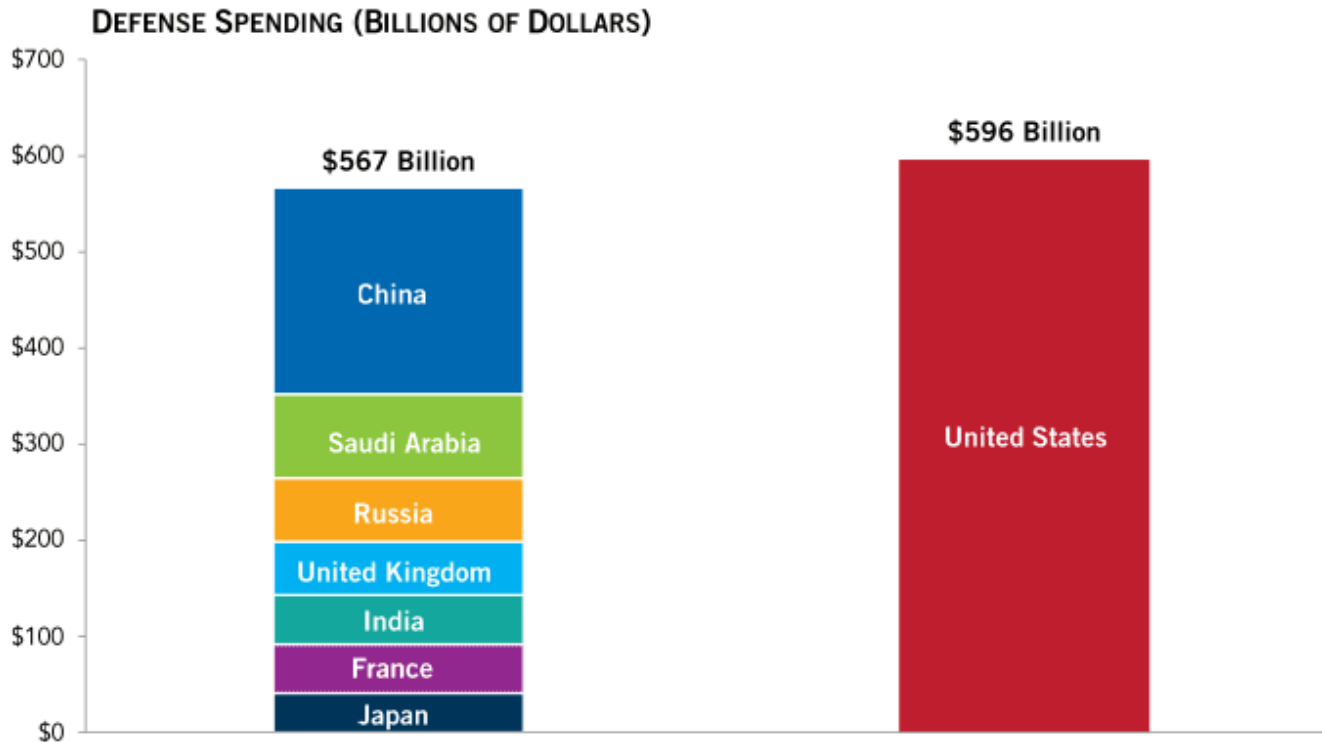


America First Budget

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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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

Housing and Urban Development



HUD	FY 17 Final	FY 18 Budget	Difference
HOME	950	0	-950
Capacity Building			
Transformation Initiative			
Housing Counseling	55	43	-12
Community Development Fund	3060	0	-3060
CDBG Formula funding	3000	0	-3000
Choice Neighborhoods Initiative	137.5	0	-137.5
Housing Trust Fund**	220	0	-220
SHOP	54	0	-54
Section 108 Program Level	300	0	-300
Section 202 Housing for Elderly	502.4	510	7.6
EPA	FY 17 Final	FY 18 Budget	Difference
Clean Water SRF	1393.8	1393	-0.8
Safe Drinking Water SRF	863	863	0

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 the Treasury

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



Treasury Programs	FY 17 Final	FY 18 Budget	Difference
CDFI Fund	248	14	-234
CDFI FA/TA Grant Programs	161.5	3**	-158.5
Native Initiative	15	0	-15
Healthy Food Financing Initiative	22	0	-22
Bank Enterprise Award	23	19**	-4
Capital Magnet Fund*		-	
Admin and Research	26	14	-12
Disabilities Fund			
Bond Program	500	500	0
	FY 17 Final	FY 18 Budget	Difference
Economic Development Administration			
Economic Development Assistance Programs	237	0	-237

*mandatory account authorized under the Housing and Economic Recovery Act of 2008 and proposed for repeal in 2018

** the budget chart includes amounts for these programs , but indicates in the text that there is no new funding provided

*** not specified in the budget request

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.

Small Business Administration

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



SBA	FY 17 Final	FY 18 Budget	Difference
SBA Micro TA	31	25	-6
SBA Micro Loans (ba)/loan	4.3/44	3.4/35.9	(0.9)/ (8.1)
PRIME	5	0***	-5
7(a) guarantees	23.5	29	6

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**

Department of Agriculture

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RHS/RUS Programs	FY 17 Final	FY 18 Budget	Difference
502 Single Family Direct	1,000	0	-1,000
502 Single Family Guaranteed	24,000	24,000	0
504 Loans	26	0	-26
504 Grants	#28.7	0*	-28.7
514 Farm Labor Housing Loans	23.855	0	-24
515 Rural Rental Housing	35	0	-35
516 Farm Labor Housing Grants	8.336	0	-8
521 Rural Rental Assistance	1,405.03	1,345.29	-60
523 Self-Help TA	30	0	-30
533 Housing Preservation Grants	#5	0	-5
538 Rental Housing Guaranteed	230	250	20
Multi-Family Restructuring (BA)	41.4	20	-21
Housing Preservation Demonstration	0	0	0
Voucher Demonstration	19.4	(20)	-39
Supervisory TA Grants	0	0	0
Community Facility Loans	2,600	3,000	400
Community Facility Grants	30	0*	-30
Community Facility Guarantee	148.305	0	-148
Water-Wastewater Loans	1,200	0	-1,200
Water-Wastewater Grants	391.98	0	-392
Water-Wastewater Guarantee	50	0	-50
Solid Waste Grants	4	0	-4
Small Systems Revolver	1	0	-1
Rural Business Enterprise Grants	24	0	-24
Intermediary Re-lending	18.889	0	-19
RCDI	4	0	-4
B&I	919.765	0	-920
Rural Microenterprise Investment BA/Program Authority	0/0	0/0	0/0
Rural Microenterprise Investment Grants	N/A	162	162



#TBT

FY 2017 Omnibus Funding



May 5th 2017



Fiscal Year 2017

October 1st, 2016 – September 30th, 2017

The Desires of the White House as for FY 2017

Funding:

- Immediate \$18B Cut to non-defense discretionary spending to offset ...
 - Partisan policy riders like defunding PP, sanctuary cities, NPR, EPA, research funding etc.
- \$30B increase for Defense
 - \$24.9 B increase in baseline budget
 - \$5.1 B increase to Overseas Contingency operations
- \$3B increase to Homeland Security to enforce Exec. Orders for immigration and begin construction on southern boarder wall.



“Without additional appropriations, our national security is at risk!”

Fiscal Year 2017

October 1st, 2016 – September 30th, 2017

What the Omnibus Package actually included ...

- **\$1.16 T total government Funding**
- \$15B increase to defense
- \$1.5B boarder security efforts (NO WALL)
- \$1B for healthcare for miners
- \$295.9M Puerto Rican aid
- More than \$8 billion in emergency and disaster relief funding in states like North Carolina, California, Louisiana, West Virginia and more
- \$34 billion for the National Institutes of Health, a \$2 billion or 6.2 percent increase from current levels
- Restored year-round Pell Grants for low-income college students
- \$990 million in emergency famine relief
- \$68 million to reimburse local law enforcement agencies for the costs of protecting Trump and his family, predominantly in Manhattan.



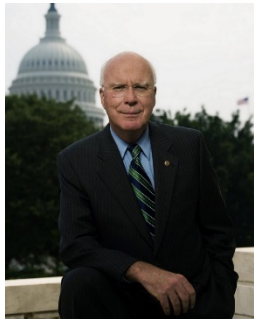
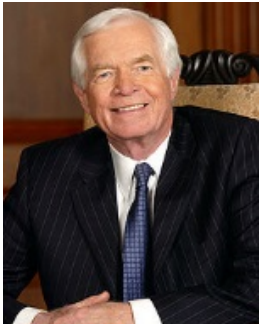
“The President Proposes, Congress Appropriates”

...

“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



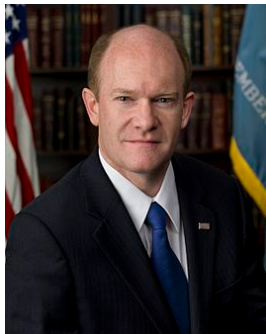
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Financial Services and General Government Subcommittee

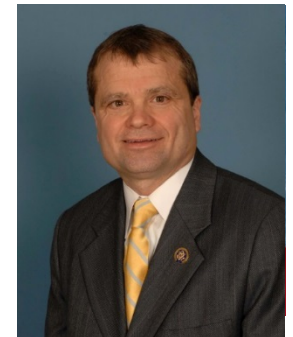
United States Senate

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

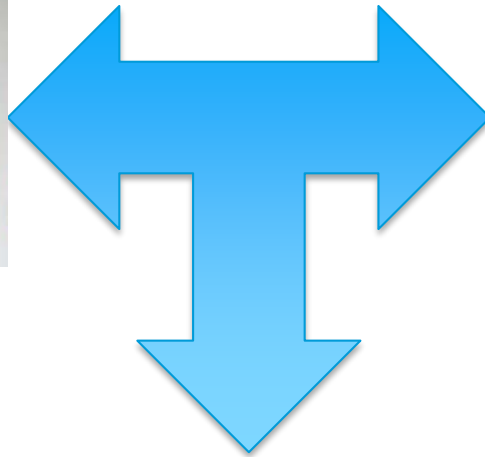
David Joyce (R-OH) Chair
David Price (D-NC) Ranking



Debt Ceiling ...

Approaching sooner than anticipated

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