

How Cuts and Investments Will Impact Cities: The Administration's Fiscal Year 2018 Budget Proposal

The administration's Fiscal Year (FY) 2018 [budget proposal](#) would cut an unprecedented \$54 billion in federal funding for domestic programs important to cities and towns. Congress is expected to follow suit with proposed cuts to federal programs that may appear more reasonable by comparison, but would ultimately continue shifting costs and responsibilities to city leaders and local governments.

The cuts of this magnitude will have major consequences for every city in America - regardless of size, location or economic outlook. No city in America would be better off under the administration's budget.

To learn more about the proposed budget, review the list of cuts and investments by federal agency below.

Agriculture

- Eliminates \$500 million for the Water and Wastewater loan and grant program for rural water projects, which hurts small cities that utilize the program to maintain and improve water systems, sanitary sewage disposal, and storm water drainage efforts.
- Eliminates the Rural Business Cooperative Service (\$95 million), which provides financial backing and technical assistance to stimulate rural business creation and growth.
- Eliminates and consolidates rural economic development and infrastructure grant programs under a new Rural Economic Infrastructure Grants program.
- Eliminates \$61 million for the Department of Agriculture's (USDA) rural single family housing direct loan program.
- Cuts the Supplemental Nutritional Assistance Program (SNAP) by \$4.637 billion, encouraging a re-balancing of the Federal/State partnership.

Commerce

- Eliminates the Economic Development Administration (\$221 million), which impedes distressed cities from receiving funding support for public works grants, city planning strategies, and research and technical support.
- Eliminates the Minority Business Development Agency (\$26 million), which could slow the growth of successful minority-owned businesses nationwide by defunding programs useful in the planning, marketing, and managing processes.
- Cuts \$250 million from coastal research programs, which forces cities to pause or ease-away from preparation efforts for rising sea levels and worsening storms.
- Eliminates the Manufacturing Extension Partnership, which hurts small- and medium-sized businesses that are reliant on this public-private partnership to foster job growth and maintain stability.

- Cuts \$2 million (18%) from the BroadbandUSA program, which provides technical assistance to state and local governments on broadband development, deployment, and financing.

Education

- Eliminates 21st Century Community Learning Centers (21st CCLC; \$1.2 billion), which negatively impacts children in general, and more specifically children in impoverished areas, by cutting afterschool and summer programs.
- Cuts \$2.3 billion from Title II, Part A of the Every Student Succeeds Act (ESSA), which harms teacher quality and professional development efforts. The program is weighed heavily towards communities with high poverty.
- Proposes a \$1.4 billion investment in school choice, including a \$167 million increase for Charter School Program grants, \$250 million for a new private school choice program and \$1 billion for Title 1 to ensure “student-based budgeting,” which follows the student to their school of choice.
- Proposes level funding (\$12.7 billion) for special education grants through the Individuals with Disabilities Education Act (IDEA).

Environmental Protection Agency

- Proposes level funding for the Clean Water and Drinking Water State Revolving Funds (SRF) - \$1.393 billion for the Clean Water SRF and \$863 million for the Drinking Water SRF, for a total of \$2.257 billion.
- Proposes level funding for WIFIA, a loan and loan guarantee program for large water infrastructure projects, at \$20 million.
- Cuts \$326 million from the Superfund program and \$11 million from the Brownfields program. Both programs help communities clean up polluted lands and revitalized abandoned and vacant properties.
- Eliminates funding for regional ecosystem restoration efforts like the Great Lakes Restoration Initiative, Chesapeake Bay Watershed Initiative and Puget Sound, while maintaining strict EPA pollution reduction requirements, for a total cut of \$427 million.
- Eliminates funding for the Clean Power Plan, international climate change programs, climate change research and partnership programs, such as Energy Star, for a total cut of \$100 million.

Energy

- Cuts \$1.4 billion from the Office of Energy Efficiency and Renewable Energy and refocuses the priorities on early-stage R&D rather than development/deployment of energy efficiency and renewable energy technologies.
- Eliminates the Weatherization Assistance Program (\$220 million), which stops states from improving the energy efficiency of low income households.
- Eliminates the State Energy Program (\$50 million), which strips state and local energy efficiency and renewable of energy programs.

Health and Human Services

- Eliminates the Low Income Home Energy Assistance Program (LIHEAP), totaling \$3.384 billion, which helps low-income families with energy costs.

- Eliminates the Community Service Block Grant (CSBG), totaling \$714 million, which diminishes available funding directed towards alleviating poverty.
- Eliminates the Social Services Block Grant (SSBG), totaling \$1.393 billion, which is an important, flexible funding source that allows States and Territories to tailor social service programming to their population's needs.
- Reduces the Temporary Assistance for Needy Families (TANF) block grant program by 10% and eliminates the TANF contingency fund, totaling \$1.785 billion.
- Proposes reforms to Medicaid by giving States a choice between per capita caps and block grants beginning in 2020.

Homeland Security

- Cuts State and Local Homeland Security Grant Programs by 25% to \$349 million, the Urban Area Security Initiative (UASI) Grant Program by 25% to \$449 million, the Emergency Management Performance Grants by 20% to \$279 million, and the Pre-Disaster Mitigation Fund by 60% to \$39 million.
- Eliminates the National Flood Insurance Program's Flood Hazard Mapping Program, which puts many cities and towns that rely on maps when building homes outside of flood zones at risk.
- Proposes a 25% non-Federal cost match for FEMA preparedness grants, which will impact small- and medium-sized cities. Smaller cities and towns will not be able to meet the 25% cost match, which will likely lead to their exclusion from FEMA preparedness funding.

Housing and Urban Development

- Eliminates the Community Development Block Grant (CDBG) program, totaling \$3 billion in cuts, which deprives communities of all sizes of a flexible tool to meet unique community development challenges and invest in vital public goods.
- Eliminates the HOME program, totaling \$950 million in cuts, which decreases affordable housing options in cities.
- Eliminates the Choice Neighborhoods program, totaling \$125 million in cuts, which decreases opportunities in communities with public and federally subsidized housing.
- Reduces Rental Assistance Programs by \$1.9 billion. Rental Assistance Programs help approximately 4.5 million very low income households.
- Eliminates the Self-Help and Assisted Homeownership Opportunity Program, the Section 4 Capacity Building for Community Development and Affordable Housing program, and the rural capacity building program (\$56 million).

Independent Agencies

- Eliminates 18 independent agencies, including the Appalachian Regional Commission, Delta Regional Authority, Northern Border Regional Commission, Denali Commission, Corporation for National and Community Service, Institute for Museum and Library, and Neighborhood Reinvestment Corporation.

Justice

- Reduces Byrne Justice Assistance Grants by 25% to \$239 million and eliminates the Byrne Criminal Justice Innovation Program.

- The budget also reduces Justice Information Sharing Technology Program by 50% to \$34 million, Juvenile Justice Grant Programs by 14% to \$230 million, Second Chance Act Grant Program by 27% to \$43 million, School Safety Initiative by 74% to \$18 million, Prescription Drug Monitoring Program by 8% to \$11 million and eliminates the State and Local Gun Violence Reduction program and the State Criminal Alien Assistance Program (SCAAP).
- The budget would increase COPS Hiring Grants by 10% to \$124 million and create a new \$65 million Protect Safe Neighborhoods Block Grant Program.
- The budget also contains proposed language for Congress to consider that would require DOJ and DHS to withhold grants from sanctuary cities that do not comply with 8 U.S.C. 1373 or honor DHS detainer requests for immigrants suspected to be in the country unlawfully.

Labor

- Eliminates the Senior Community Service Employment Program (SCSEP), totaling \$434 million in cuts, which aims to transition low-income, unemployed seniors to unsubsidized jobs.
- Cuts funding for the Workforce Innovation and Opportunity Act (WIOA) job training and employment services programs by \$1.341 billion (39%).

Treasury

- Reduction of \$500 million (4.1%). The IRS accounts for 97% of Treasury's discretionary budget, which would have a lasting impact on the agency.
- Eliminates new grants to Community Development Financial Institutions (\$210 million), which expands availability of credit, investment capital, and financial services in underserved communities.

Transportation

- Eliminates the TIGER grant program (\$500 million), which has funded countless roads and transit projects since its inception in 2009.
- Eliminates \$630 million from long distance Amtrak routes.
- Cuts Army Corps of Engineers discretionary budget by \$1 billion (17%).
- Eliminates \$928 million from the Federal Transit Administration's New Starts grants program.
- Cuts \$175 million from the Essential Air service, which subsidizes commercial flights to rural airports.