Preliminary Analysis of the President’s FY 2018 Budget Blueprint

The President’s Budget for Fiscal Year 2018, entitled “America First: A Budget Blueprint to Make America Great Again”, was released on Thursday, recommending a wide range of deep cuts and the elimination of many programs in order to balance a recommended $54 billion increase in defense spending. This year’s budget as prepared by the Office of Management and Budget in a 53-page document is a generalized presentation, providing recommended budget amounts for many broad budget categories and not necessarily for every program and agency. A more detailed President’s Budget for Fiscal Year 2018 is to be released in May.

A major cut in this year’s President’s Budget is the complete elimination of funding for the Great Lakes Restoration Initiative (GLRI), which is authorized at the $300 million level but which is allocated no funding for 2018. GLRI funds are utilized across 17 or more federal programs and agencies, and is regarded as critical to the future health of the Great Lakes.

This preliminary analysis of the President’s Budget for 2018 highlights the President’s recommended funding level for programs and agencies of particular importance to the Northeast-Midwest Region and the Great Lakes. A more complete overview of the President’s Budget for Fiscal Year 2018 will follow as additional information becomes available which is projected for May 2017.

U.S. Department of Agriculture (USDA)

President Trump’s FY18 budget request calls for $17.9 billion for the USDA, which is an overall reduction of 21 percent from the current funding levels. Major regional priorities that would be affected include:

- Reduces the Special Supplemental Food Program for Women, Infants, and Children (WIC) at $6.2 billion for a savings of $100 million. WIC safeguards the health of low-income women and infants, and children up to age 5;
- Reduces funding for lower priority activities in the National Forest System, which would include limiting the acquisition of new federal lands; and
- Eliminates USDA’s Rural Development Water and Wastewater loan and grant programs that provide rural communities the resources to upgrade and repair their drinking water and wastewater systems at a savings of $496 million.
President Trump’s FY18 budget request calls for $7.8 billion for the Department of Commerce, which is an overall reduction of 16 percent from the current funding levels. Major regional priorities that would be affected include:

- Increases the U.S. Census Bureau’s budget by $100 million to $1.5 billion for the upcoming 2020 Decennial Census;
- Eliminates the Economic Development Administration (EDA), which provides grants to economically distressed communities to spur economic activity for a savings of $221 million;
- Eliminates the Hollings Manufacturing Extension Partnership (MEP) Program, which is a private-public network of innovation centers looking to grow small and medium-sized manufacturers at a savings of $124 million; and
- Eliminates more than $250 million in National Oceanic and Atmospheric Administration (NOAA) grants and programs focusing on coastal and marine management activities:
  - Among the programs that would be eliminated is NOAA’s Sea Grant program, which provides funds to Sea Grant colleges and universities for the conservation of the coasts, Great Lakes, and other marine areas.

President Trump’s FY18 budget request calls for $28 billion for DOE, which is an overall reduction of 5.6 percent from the current funding levels. Major regional priorities that would be affected include:

- Eliminates DOE’s Weatherization Assistance Program and the State Energy Program aimed at increasing access to energy efficiency technologies for low-income families and states for a savings of approximately $2 billion; and
- Eliminates various DOE energy research and technology loan programs including:
  - The Advanced Technology Vehicle Manufacturing Loan Program that supports the development of advanced technology vehicles;
  - The Advanced Research Projects Agency-Energy (ARPA-E) that supports the development of advanced energy technologies; and
  - The Title 17 Innovative Technology Loan Guarantee Program that supports innovative clean energy technologies.

President Trump’s FY18 budget request calls for $69 billion for HHS, which is an overall reduction of 17.9 percent from the current funding levels. Major regional priorities that would be affected include:

- Increases funding by $500 million to expand the Substance Abuse and Mental Health Services Administration’s (SAMHSA) opioid misuse prevention efforts to combat the opioid epidemic;
- Reduces the National Institutes of Health’s (NIH) budget by 18.3 percent to $25.9 billion;
• Creates a new Federal Emergency Response Fund to respond to public health outbreaks such as the Zika Virus outbreak; and
• Eliminates key programs within the Office of Community Services that would provide a savings of approximately $4.2 billion. These programs include:
  o The Low Income Home Energy Assistance Program (LIHEAP) that provides low-income families assistance with their home heating bills; and
  o The Community Services Block Grant (CSBG) that provides assistance to communities to alleviate the causes and conditions of poverty.

U.S. Department of Homeland Security (DHS)

President Trump’s FY18 budget request calls for $44.1 billion for DHS, which is an overall increase of 6.8 percent from the current funding levels. Major regional priorities that would be affected include:

• Includes $15 million to begin the implementation of a Federal E-Verify Program to allow business to determine the eligibility of potential new employees;
• Eliminates the current discretionary appropriation for the National Flood Insurance Program’s Flood Mapping Program for a savings of $190 million and looks to find alternative ways to fund flood mapping efforts; and
• Eliminates and reduces unauthorized grant programs to states and local governments administered by the Federal Emergency Management Agency (FEMA) for a savings of $667 million.

U.S. Department of Housing and Urban Development (HUD)

President Trump’s FY18 budget request calls for $40.7 billion for HUD, which is an overall reduction of 13.2 percent from the current funding levels. Major regional priorities that would be affected include:

• Eliminates the Community Development Block Grant (CDBG) Program for a savings of $3 billion. The CDBG serves as a key federal program for local communities to address a wide range of unique community development needs;
• Eliminates key affordable housing programs for a savings of over $1.1 billion. These programs include:
  o The HOME Investment Partnerships Program that provides formula grants to states and localities to address affordable housing needs;
  o The Choice Neighborhoods program that provides support for local communities to address distressed public or HUD-assisted housing; and
  o The Self-help Homeownership Opportunity Program (SHOP) that provides grants to non-profits to purchase home sites and develop homeownership programs for low-income families.
U.S. Department of Interior (DOI)

President Trump’s FY18 budget request calls for $11.6 billion for the DOI, which is an overall reduction of 12 percent from the current funding levels. Major regional priorities that would be affected include:

- Reduces funding for new land acquisition by $120 million while focusing discretionary funding on maintaining existing national parks, refuges, and public lands;
- Focuses wildlife conservation, historic preservation, and recreational grant programs towards public and private partnerships to better leverage matching funds; and
- Reduces funding for the Payments in Lieu of Taxes (PILT) program that offsets local governments’ losses in property taxes due to non-taxable federal lands within their boundaries.

U.S. Department of Transportation (DOT)

President Trump’s FY18 budget request calls for $16.2 billion for DOT, which is an overall reduction of 13 percent from the current funding levels. Major regional priorities that would be affected include:

- Reduces federal subsidies to Amtrak, including eliminating federal support of Amtrak’s long distance train services;
- Eliminates the Essential Air Service (EAS) program that provides subsidized commercial air services to rural airports at a savings of $175 million; and
- Eliminates the Transportation Investment Generating Economic Recovery, or TIGER Discretionary Grant program, that supports innovative transportation projects, at a savings of $499 million.

The Environmental Protection Agency (EPA)

President Trump’s FY18 budget request calls for $5.7 billion for the EPA, which is an overall reduction of 31 percent from the current funding levels. Major regional priorities that would be affected include:

- Eliminates the Great Lakes Restoration Initiative (GLRI) that provides essential federal support to restoration and cleanup efforts throughout the Great Lakes. The GLRI was authorized by Congress at the end of 2016 at $300 million a year for the next five years;
- Eliminates other geographic restoration initiatives like the EPA’s Chesapeake Bay program;
- Reduces support for EPA programs combatting climate change, including the Clean Power Plan, international climate change programs, and climate change research and partnership programs at a savings of $100 million;
- Increases funding for the State Revolving Funds at $2.3 billion;
- Maintains funding for the Water Infrastructure Finance and Innovation Act (WIFIA) Program at $20 million to encourage new public-private partnerships on water infrastructure development.
- Reduces EPA categorical grants to states and local governments by $482 million to $597 million; and
• Eliminates more than 50 EPA programs for an additional savings of $347 million. Specific programs that the Administration has suggested eliminating include:
  o Energy Star;
  o Targeted Airshed Grants; and
  o The Endocrine Disruptor Screening Program.