United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510–6025
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March 10, 2017

The Honorable Mike Enzi
Chairman
Committee on Budget
United States Senate
Washington D.C. 20510

The Honorable Bernie Sanders
Ranking Member
Committee on Budget
United States Senate
Washington D.C. 20510

Dear Chairman Enzi and Ranking Member Sanders,

Thank you for the opportunity to provide views and estimates on the Fiscal Year 2018 Budget Resolution related to those matters within the jurisdiction of the Appropriations Committee.

This year will be particularly challenging. It has been over five years since passage of the Budget Control Act (BCA) of 2011. Instead of leading to comprehensive fiscal reform, we have been operating under post-sequestration budget caps that have had a disproportionate effect on discretionary spending. Discretionary programs have been cut by $2 trillion. The Bipartisan Budget Act of 2013 and the Bipartisan Budget Agreement of 2015 provided temporary relief, but post-sequestration funding levels return for FY 2018-2021.

For both defense and non-defense programs, sequestration will have consequences for average Americans for a generation. Regrettably, President Trump has failed to recognize these consequences. In order to address the effects of the sequestration cuts to defense programs, he proposes to cut non-defense programs by another $54 billion for FY 2018. Proposing such draconian cuts constitutes a fundamental lack of understanding of the role such programs play in securing our nation, creating jobs across the nation (including in rural America), caring for our veterans, promoting our health and the environment, and helping our vulnerable citizens.

It is essential that we not only reject President Trump's ill-considered proposal to cut $54 billion from non-defense discretionary programs, but we must have parity between defense and non-defense programs. To the extent that Congress provides relief from the post-sequestration funding levels for defense programs, we must provide the same relief for domestic and international assistance programs.

Here are just a few examples of the consequences of sequestration:

- **America's infrastructure is failing**. The American Society of Civil Engineers assessment of our nation's infrastructure gives the U.S. a D+, the same grade it received in 2013, the last time the study was conducted. Over 56,000 of our bridges are structurally deficient. The average age of our 90,580 dams is 56 years old and we have a $60 billion backlog of authorized but unfunded water projects. Our congested roads result in $160 billion in wasted time and fuel. Our transit systems, which carried over 10.5 billion trips in 2015, has a $90 billion rehabilitation backlog.

- **Federal investment in job training and employment services for adults and youth has declined by 13 percent.** This decline in investment has hurt efforts to make sure employers have the trained workforce they need to succeed and that U.S. workers have the skills they need to obtain well-paying jobs.

- **Funding for LIHEAP has decreased more than $1.5 billion.** LIHEAP helps roughly six million households stay safe and warm in the winter months and safely cool in the summer. Seventy percent of those served have a family member that is disabled, elderly, or a young child. While LIHEAP serves as a lifeline to these vulnerable families, only one in five eligible households participate due to lack of funding.

- **Hospitals and medical centers that serve our nation's veterans are in disrepair.** Sixty percent of the VA's existing hospitals are over 50 years old, yet we have been unable to invest as needed to keep these facilities up to par. There is nearly $10 billion in backlogged maintenance at existing hospitals and clinics for code violations rated as Ds and Fs, and it would require $60 billion over a 10 year period to close significant gaps in aging infrastructure and deliver more timely medical care.

- **The Social Security Administration (SSA) is underfunded, impeding its ability to serve our nation's most vulnerable population.** The SSA serves 70 million Americans each month and helps keep 22 million people out of poverty each year, but it faces serious budgetary constraints due to increased workloads from an aging population and lower funding levels. Since FY 2010, after adjusting for inflation, the SSA core operating budget shrank by 10 percent while the number of beneficiaries increased by 13 percent. At the end of FY 2016, the pending backlog for hearing decisions reached over 1.1 million cases, and on average, it took 543 days for SSA to make a hearing decision.

- **Budget cuts have resulted in a strain on the readiness of the Armed Forces.** Currently only one-third of Army combat units are ready to be deployed into battle. For 2 years in a row, the Navy has faced annual shortfalls in excess of $700 million in ship maintenance, which have resulted in critical maintenance periods being canceled. Recent press reports indicate that 62 percent of Navy F/A-18 fighters and 72 percent of Marine Corps F/A-18 fighters are not in flying status, primarily due to maintenance issues.

- **Pell grants only fund 30 percent of the cost of attendance at a public university.** Pell grants aim to make college more accessible and affordable for low and middle income families, but the value of the maximum grant has fallen by roughly 12 percent since 2011—a new low in the history of the program. According to analysis last fall by the Center on Budget and Policy Priorities, state support for public 2 and 4 year higher education institutions was $10 billion below levels prior to the recession. Given that

Federal assistance is not making up the difference, students have experienced rising tuitions and loan burdens, which undermine efforts to make college accessible and affordable, and support economic opportunity for all Americans, not just the wealthy.

- **Centers for Disease Control (CDC) funding has declined by 7 percent.** This shortchanges CDC's public health efforts to safeguard the country's food supply, screen for breast and colorectal cancer, combat chronic diseases such as diabetes, and prevent cases of tuberculosis and HIV. Most Americans are far more likely to be hurt by disease than by a terrorist attack.

We cannot continue down this path. It is hurting our country and our economy. But in FY 2018, we are set to return to the post-sequestration budget caps under BCA, which are $4.9 billion below FY 2017 levels. The non-defense discretionary cap is $2.9 billion below last year's level, and the defense cap is $2.0 billion below last year's level.

In addition to the $2.9 billion in cuts to non-defense discretionary budget authority, we anticipate an estimated $12.8 billion hole due to scorekeeping adjustments and required spending over which Congress has little control (chart below). <u>In other words, unless there is a cap increase, non-defense discretionary programs will have to absorb cuts of $15.7 billion dollars below the Fiscal Year 2017 level, or a roughly 3 percent cut</u>.

Fiscal Year 2018 Funding Gaps		
VA Medical Care	Likely increase above FY 2017 to meet known cost increases, including $2 billion already advance appropriated.	$5 billion
VA Choice	Current mandatory program expires in August of 2017, and existing balances will only last until January 2018. If authorizers fail to act, costs of care could fall under jurisdiction of Appropriations.	$2.8 billion
Decennial Census	Failure to invest in technology improvements and testing for the constitutionally-mandated census in FY 2018 will increase costs of the census by $5 billion.	$400 million
HUD Voucher Renewals	To maintain our current number of vouchers and continue to serve the families receiving assistance under this program, we need an additional $1.1 billion.	$1.1 billion
CHIMP Reduction	The FY 2016 budget resolution imposes a $2.1 billion reduction in CHIMPS.	$2.1 billion
Economics and Technicals	CBO baseline re-estimates	$1.4 billion
TOTAL		**$12.8 billion**

It is in this context that the Trump administration recently announced that in FY 2018 it will seek to slash an additional $54 billion from non-defense discretionary programs to pay for a $54 billion increase in defense spending. This is simply unacceptable. Such a proposal would require even deeper cuts in programs that protect health, public safety, national security, the environment, and reduce fraud and waste. Because we have not yet seen a detailed budget proposal, we can only speculate on how these cuts will be distributed. If implemented across the board, it would result in a minimum 13 percent cut to all non-defense discretionary programs. This assumes, as the Trump administration has indicated, an increase for veterans' funding and border security.

In absence of a detailed budget proposal from the Trump administration, here are some of the potential impacts of a 13 percent cut:

- **Reductions in education and early childhood services:** A 13 percent cut to Head Start would result in an estimated 155,000 children losing early childhood services. If similar cuts were made to Title I grant funding, public school systems would be forced to reduce staffing by an estimated 18,000 educators who provide services in Title I schools, denying extra support to roughly 3 million students in our nation's public schools that would otherwise help them meet state college and career-ready standards.

- **Cuts to low-income senior assistance programs:** If faced with a 13 percent cut, an estimated 21 million fewer meals would be served to seniors under Senior Nutrition programs, increasing hunger and food insecurity for our nation's most vulnerable older adults. Additionally, 85,000 fewer low-income seniors would be served under USDA's Commodity Supplemental Food Program, and roughly 15,500 very low-income elderly households would lose the rental subsidies needed to remain in their homes under HUD's section 202 program.

- **Long lines and security risks at our nation's airports**: A 13 percent cut would leave the Transportation Security Administration (TSA) vastly understaffed and unable to provide effective security without significantly inconveniencing the flying public. TSA could be forced to reduce the number of staffed checkpoint lanes by 400 to 600 lanes, drastically increasing wait times and raising security vulnerabilities in checkpoint queues.

- **Food and drug safety:** A 13 percent cut to the Food and Drug Administration would mean a decrease in funding for food safety inspectors and researchers, as well as scientists whose job it is to make sure that safe and effective prescription drugs, including generic drugs, make it to market as quickly as possible. Drug application approvals would slow, and safety issues in both the food and drug supply would take longer to identify, contain and remedy.

- **Service disruptions at our national parks**: A 13 percent cut to the National Park Service would put more than 1,000 seasonal ranger positions on the chopping block—crippling the agency's ability to meet the needs of millions of visitors, protect our nation's most significant natural resources, or address the agency's $12 billion deferred maintenance backlog.

- **Embassy security in jeopardy:** If faced with a 13 percent cut, we would spend $306 million less in FY 2018 to protect our nation's embassies. This cut is equal to more than twice the requested increase for FY 2017 – which was endorsed by the House and Senate – to improve security at U.S. facilities abroad and to protect U.S. property and personnel, including those operating in conflict or other high risk zones where the presence of U.S. civilian support is essential to the effectiveness of the military mission.

- **Massive cuts to Global Health Programs:** A 13 percent cut to Global Health Programs would result in a reduction of $1.1 billion across programs that help combat malaria, tuberculosis, and HIV/AIDS, promote maternal and child health, and leverage funds from international partners. Members of both parties routinely seek increases for global health programs because of their proven effectiveness in saving millions of lives and controlling pandemic outbreaks.

The press has been reporting even deeper cuts to some agencies.

- **Effects on Environmental Programs**: If news reports are accurate, under the Trump administration plan, the Environmental Protection Agency will lose nearly a quarter of its funding and a fifth of its staff. If implemented, these budget cuts would slash vital water infrastructure grants to states by more than $540 million, making it harder to improve the safety and quality of our community drinking water, wastewater, and storm water systems. It would also slash grants provided directly to States to run their own environmental protection programs and fund pollution control activities, and we would lose 3,700 scientists, researchers, economists and policy experts, dropping the EPA's staff back to 1984 levels.

- **Consequences of Deep Cuts to Foreign Assistance**: It has also been widely reported that the State Department and foreign assistance programs will receive a 37 percent reduction under the Trump plan. Such significant cuts would cripple our ability to implement, manage, and effectively oversee programs that protect U.S. personnel and facilities overseas, support partners around the world that help promote stability in volatile regions, and pursue development outcomes that build markets for U.S. exports on which the U.S. economy depends. If the P.L. 480, the Food for Peace program, is eliminated, 3.4 billion fewer meals would be provided and lifesaving assistance will fail to reach 31 million people. Such cuts do not reflect who we are as a nation and will make us less safe.

Once we receive the detailed Trump budget proposal next week, we will update our estimates with a more fulsome analysis of the impact of specific cuts. But even without these details, it is clear that a $54 billion cut to non-defense discretionary programs would threaten the growth of our economy, hurt national security, and unfairly impact low-income and middle class families. It also violates the principal of parity established in the Bipartisan Budget Acts of 2013 and 2015. We cannot sustain such cuts.

Bipartisan agreement on maintaining parity between defense and non-defense discretionary programs was the basis for two separate budget deals that provided much needed relief from sequestration under the BCA. Continuing parity in Fiscal Year 2018 and beyond is the best way to ensure a bipartisan path forward in the new Congress and address the needs of our nation.

Thank you for your consideration. I look forward to working with you in the new Congress.

Sincerely,

Patrick Leahy

Vice Chairman Patrick Leahy

March 10, 2017

FY18 Impact of a 13 Percent Cut on Non-Defense Selected Programs

(Will be updated after Trump budget is transmitted)

Table of Contents

AGRICULTURE

Commodity Supplemental Food Program (CSFP) – CSFP provides supplemental food to the low income elderly population. A 13 percent cut (or nearly $31 million) would result in a caseload reduction of approximately 85,000. According to USDA, of the elderly population who are eligible, only 41 percent receive SNAP benefits. This means that 59 percent of low-income elderly people rely on other sources for food assistance. This is why programs such as CSFP are so important – they help fill that void.

Rental Assistance (RA) – A 13 percent cut to RA would eliminate rent subsidies for very low- and low-income rural multi-family housing residents. These residents are generally elderly, disabled, and female-headed households, with minimal housing alternatives. This cut ($181 million) would cause almost 37,000 rural households to face untenable rent increases and possibly eviction.

McGovern-Dole Food for Education Program – A 13 percent cut to the McGovern-Dole Food for Education program ($26 million) would reduce the program from $202 million to $176 million. This program provides funding for international school feeding programs in developing countries in order to improve food security, reduce hunger and malnutrition, and improve literacy. In fact, this program is often the only reason children go to school, especially girls. A cut of 13 percent would mean more than 400,000 children in some of the world's poorest countries would lose their school meals.

Food and Drug Administration – A 13 percent cut to the FDA ($354 million) would mean a decrease in funding for food safety inspectors and researchers, as well as scientists whose job it is to make sure that safe and effective prescription drugs, including cost saving generic drugs, make it to market as quickly as possible. Drug applications will certainly take longer, and safety issues in both the food and drug supply would take longer to identify, contain and remedy. Further, because the FDA drug and device user fee programs require a minimum level of appropriated funding, in order to maintain those programs it is likely that the majority of any cuts would be disproportionately applied to the food safety program.

Rural Single Family Housing Direct Loans – A 13 percent cut to USDA's single family housing direct loan program would result in a program reduction of $117 million. This program allows families in rural America to purchase homes with no down payment and low mortgage interest rates. Almost 850 very low and low income rural families would lose the opportunity to obtain safe and affordable housing and become successful homeowners. Eligible families cannot have incomes exceeding 80 percent of the area median family income, and must be unable to obtain credit from conventional credit sources. This program is heavily over-subscribed; FY17 funding is expected to be exhausted by this summer.

Food Aid – A 13 percent cut to the Food for Peace Title II program would mean a loss of $223 million over the year, meaning more than 1.2 million people would go without food every day. This program has provided food, mostly in the form of U.S. commodities, to poor countries throughout the world for more than 50 years, and has benefited more than 3 billion people in 150 countries since its inception. In FY15, more than 32 million people in 41 countries received food from the United States. This program benefits U.S. farmers and shippers, helps combat global hunger, reduces conflict, promotes democracy, and provides food security. According to the United Nations Food and Agriculture Organization, from 2014-2016, 10.4 percent of the world's population are undernourished. Yemen is on the verge of a famine with 2.2 million children acutely malnourished, and a famine was declared just last month in South Sudan, which has left more than 1 million children with acute malnutrition and 100,000 people on the verge of starvation.

COMMERCE, JUSTICE, SCIENCE

Office on Violence Against Women (OVW): A 13 percent reduction to grant funding for OVW, which administers the Violence Against Women Act (VAWA) programs, would result in a loss of $62.4 million from current grant levels and approximately 100 fewer grants being awarded. On the VAWA discretionary grant program side, this means that approximately 100 communities would lose funding to pay the salaries of detectives and prosecutors who handle domestic violence and sexual assault cases, provide advocates to help victims get the services they need to survive those crimes, supply shelter beds for parents and children fleeing violent homes, ensure that someone who has been sexually assaulted can get specialized care and rape kit collection, deliver legal assistance to victims whose safety hinges on what happens in court, or make sure that people working inside and outside the justice system to help victims and hold offenders accountable have the training they need to do their jobs most effectively. On the VAWA formula grant program side, a 13 percent reduction to State funding would reduce the ability of States to fund their local municipalities, police departments, prosecutors, courts, probation/parole offices, and victim service providers to hold offenders accountable and help victims escape abuse and find healing. Based on average annual sub-award activity, OVW estimates that States would make 392 fewer sub-awards to communities. As a result of such a funding reduction, 16,239 victims previously served by our discretionary grantees in a six-month period would be turned away from service; 57,718 victims a year would be turned away by VAWA formula program sub-grantees.

National Oceanic and Atmospheric Administration (NOAA): Press reports indicate the Trump administration will propose cutting NOAA by 17 percent, and that funding for the research and satellite lines would be cut by 26 and 22 percent, respectively. These cuts will most severely impact the procurement of the next set of polar satellites, called Polar Follow On, and planned observations in the early 2020s. One third of the American economy depends on adequate weather forecasting, including the farming, travel, tourism, and shipping industries. In 2016 alone, there were 15 weather and climate disaster events with losses exceeding $1 billion. Funding cuts for the National Weather Service, data collection, research, and satellite infrastructure will compromise lives and livelihoods.

Press reports also suggest elimination of the popular Sea Grant program, which funds coastal research at 33 universities, and elimination of NOAA education programs, which bring tangible oceans and weather science into K-12 classrooms, museums, and aquariums across the country. Grants for coastal resiliency – which allows communities to be more resistant to disasters – would also be eliminated.

Decennial Census: Under severe budget cuts, including a 13 percent reduction, it will be impossible to adequately prepare for and conduct the constitutionally-mandated 2020 Census. Even if funds are restored in the actual Census year, failure to adequately prepare could cost taxpayers as much as $5 billion more, compared to the total cost if the Census is appropriately funded in FY17, FY18, and FY19; funding in these early years will allow the Census Bureau to implement new cost-saving measures like Internet response and satellite address canvassing.

Bureau of Prisons (BOP): In order to absorb a cut of 13 percent (a reduction of $903 million), the BOP would be forced to furlough all 38,319 staff for approximately 2.5 days every pay period for the entire fiscal year. These furloughs would significantly increase the likelihood of violence and other disruptive behavior in our prisons due to an unmanageable inmate-to-staff ratio creating an unsafe workplace for staff, exposing them to heightened risk of assault. In addition, the BOP would have to delay or cancel Modernization and Repair (M&R) construction projects that are critical to ensuring a safe environment for our staff and for inmates. The BOP operates 122 facilities, almost one-third of which are more than 50 years old; 25 are more than 75 years old. These facilities are rapidly deteriorating and in need of extensive work to maintain an adequate state of repair. With this reduction, critical life safety projects would have to be delayed or canceled until future funding is available.

Executive Office for Immigration Review (EOIR): EOIR cannot absorb a reduction of $54.8 million (a 13 percent cut to their budget) without severely affecting the agency's ability to meet its mission goals. A cut of this magnitude would force EOIR to do a combination of (1) stopping the hiring of immigration judges (IJs) and support staff (the agency is currently understaffed by 73 immigration judges); (2) placing on hold all improvements in case management and processing systems (EOIR is currently creating a more effective and efficient method of managing cases electronically, including reducing paper processes in the courts, which will ultimately save time and money); and (3) scaling back on support contracts, such as those for legal assistants that support IJs in the field, IT professionals, and interpretation contracts. With insufficient court staff, particularly interpreters, or insufficient assistance acquiring the equipment and professionals necessary to maintain the equipment that record and preserve the record of proceedings, cases currently scheduled to be heard would be delayed due to lack of appropriate support to ensure due process.

At this time, EOIR has an immigration case backlog over 540,000 cases – a budget cut of this magnitude would further increase the case backlog. In addition to challenges associated with the normal course of business, at this time EOIR is making every effort to implement the President's Executive Orders on Enhancing Public Safety in the Interior of the United States and on Border Security and Immigration Enforcement Improvements. With a budget cut of 13 percent, EOIR will not be able to support its role in the recent executive order as anticipated, and therefore will not be able to hear the resulting cases as expeditiously as they otherwise could (due to the staffing and equipment challenges highlighted in the paragraph above), in turn exacerbating the backlog.

United States Attorneys' Offices: The most significant impacts of a 13 percent reduction, or approximately $260 million, to the United States Attorneys' current FY 2017 funding levels would be: (1) a dramatic decrease in the number of affordable positions requiring a hard freeze through FY 2018 and a furlough of the entire workforce for up to 24 days in FY 2017; (2) a significant drop in caseload statistics as vacancies go unfilled—if the United States Attorneys are forced to absorb reductions of this magnitude and staffing levels must decrease to below 1997 levels in order to be able to afford all onboard positions from within their annual appropriation, the impact on caseloads will be significant; and (3) a significant drop in total debt collections as vacancies go unfilled. Since the United States Attorneys must defend defensive civil cases, affirmative civil litigation will be the area that suffers the most impact under any budget shortfall. Fewer affirmative civil cases and criminal cases filed will have a significant impact on monies collected by the United States Attorney community. Total debt collections could decrease by billions of dollars as a result of a 13 percent funding reduction.

Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF): A 13 percent reduction equates to a loss of approximately $161 million, resulting in a reduction-in-force (RIF) of 1,500 employees (roughly 776 agents) equating to a loss of $115 million; furlough of remaining employees for 10 days each equating to a loss of $20 million; and program operations reductions equating to a loss of $26 million. Improvement efforts currently underway for crime gun tracing and National Firearms Act processing at ATF's facility on Martinsburg, WV, would be stopped, which would critically affect ATF's ability to perform core statutory obligations. A reduction of this level would also slash investigative support to state and local law enforcement and first responders by reducing programs such as the National Integrated Ballistics Information Network (NIBIN), the National Center for Explosives Training and Research (NCETR), the National Tracing Center (NTC), the National Response Teams (NRT), the Fire Research Lab, and the Crime Gun Intelligence Centers. In addition, ATF currently responds to all Federal Firearms Licensee (FFL) burglaries. Under the proposed reductions, ATF would no longer be in a position to respond to all burglaries in a timely fashion due to severely constrained resources.

Drug Enforcement Administration (DEA): A 13 percent cut equates a loss of $270 million for DEA, which would have major and adverse impacts on the ability to fulfill DEA's mission, including combatting the opioid epidemic and violent crime caused by drug trafficking organizations. To accommodate such a significant cut, DEA would have to implement drastic measures, including furloughing all DEA employees. Unfortunately, furloughs would generate only a small portion of the needed savings. To achieve the remaining savings, DEA will be forced to implement a reduction-in-force (RIF) plan and would have to curtail operations significantly to a level that would seriously jeopardize public safety. To sustain this lower level, DEA would have to reduce its onboard staffing by over 1,100 positions, including over 600 agents. This loss would be in addition to the 1,000 employees DEA has already lost over the past five years. This would put DEA at its lowest agent staffing level in over 20 years.

United States Marshals Service (USMS): A 13 percent cut would result in $160 million less to the USMS's budget meaning furloughs for all personnel, 5,046 employees, for an average of 22 days. Furloughs would not generate enough savings and USMS management would need to exercise RIF options for approximately 1,000 personnel. Changes in personnel under this cut would severely affect the USMS missions, including the reassignment of deputy U.S. Marshals from violent fugitive apprehension to prisoner productions and judicial security. Sex Offender Compliance operations as part of the Adam Walsh Act authorities would be postponed.

Community Oriented Policing Services (COPS) Hiring: While all Justice Department grant programs are under the threat of reduction and even elimination, a cut of 13 percent would result in 115 fewer cops on the beat in our communities through the COPS Hiring program.

A 13 percent cut would also have a significant impact on OJP's management and administration (M&A) programs, which are provided by a grant program assessment. M&A costs, such as personnel, rent, financial and programmatic grant monitoring activities, and IT systems needed to ensure the proper stewardship of grant funds, cannot easily be reduced in the short term. If faced with a 13 percent cut, OJP would need to increase the percentage of funding assessed from each discretionary grant program to support its M&A obligations. This, in turn, would further reduce the amount available to OJP programs for grants, training and technical assistance, and research activities.

National Science Foundation: A 13 percent cut to National Science Foundation funding would mean 2,000 fewer research and STEM education grants, impacting nearly 22,000 researchers, teachers, and students in all 50 states.

Trade enforcement and promotion: Discretionary funding cuts of 13 percent will impact the International Trade Administration (ITA) and the Office of the U.S. Trade Representative. These agencies are responsible for increasing exports, improving the U.S. trade imbalance with countries like China, and protecting American businesses from unfair trading practices. Even small funding cuts could have a devastating impact on the U.S. trade imbalance with countries like China. For example, the ITA's recent focus on recruiting foreign companies to manufacture in the U.S. – less than 2 percent of ITA's annual budget – has increased investment by more than $18 billion over 5 years, creating and saving thousands of American jobs.

Legal Services Corporation (LSC): LSC was funded at $385 million in FY 2016. A 13 percent cut to the LSC would amount to approximately $50 million and would exacerbate the growing problem of unrepresented litigants in civil cases before state courts. According to The Justice Index, a project of the National Center for Access to Justice at the Cardozo Law School, more than 80 percent of litigants appear without lawyers in matters as important as evictions, mortgage foreclosures, child custody and child support proceedings, and debt collection cases in state courts. The Conference of Chief Justices of State Supreme Courts tells us large numbers of unrepresented litigants not only clog the courts and take more court time, but also result in unequal justice with cases being decided on technical errors not the legal merits. LSC represents litigants in a wide range of important matters from domestic violence, custody, landlord-tenant, and foreclosure to veterans benefit cases.

According to a 2015 study titled "Economic Impact of Civil Legal Aid Organizations in Tennessee," $16.83 million of spending on legal aid in Tennessee in 2013 yielded an economic return of $11.21 per dollar invested most significantly from foreclosure prevention and domestic violence prevention.

NASA: A 10-15 percent cut to NASA's $19.3 billion level could not be spread across missions without delaying every mission, causing schedule delays and increased costs. Instead, the government would likely have to cancel missions it characterizes as lower priority. The entire Earth Science enterprise is $1.93 billion – about one-tenth of NASA spending – and could be on the chopping block. This funding protects the planet by contributing to weather forecasting, land use analysis, and climate forecasting. Also at risk are large "flagship" missions identified by the National Academies of Science as the highest science priorities for the decade, including the Wide-field InfraRed Space Telescope (W-FIRST), which will help identify and characterize planets outside our solar system and understand the "dark energy" that makes up 68 percent of the Universe but is a total mystery.

ENERGY & WATER

National Renewable Energy Laboratory: The National Renewable Energy Laboratory in Golden, CO employs 1,700 people focused on research and development of renewable energy and energy efficiency technologies that create new businesses and save citizens money on their electric bills. A 13 percent cut to the lab's $275 million annual budget would result in 220 layoffs and reduced facility access for small businesses and energy entrepreneurs.

National Energy Technology Lab Program Direction: A 13 percent cut to the National Energy Technology Lab Program Direction would result in an estimated $18.5 million reduction and would impact about 150 FTEs, which is approximately 12 percent of the total FTEs currently at NETL. NETL is located in West Virginia and Pennsylvania.

Government-owned Uranium Enrichment Facilities: The Department of Energy funds cleanup up at government-owned uranium enrichment facilities in Tennessee, Kentucky, and Ohio. A 13 percent cut to annual spend of FY17 spend of $768 million across the three sites would result in a $100 million reduction and a loss of more than 600 cleanup jobs.

FINANCIAL SERVICES, GENERAL GOVT

Internal Revenue Service: The IRS collects the revenues that fund more than 95 percent of Federal operations, public services, and vital programs. Cutting funding 13-14 percent below a baseline of already depleted funding means even deeper cuts to human capital (75 percent of IRS budget is salaries/expenses) and aging information technology systems.

Chronic underfunding creates untenable long-term risk for our voluntary U.S. tax system. A 1 percent drop in the voluntary compliance rate costs the U.S. government an estimated $30 billion a year in lost revenue.

Recent media stories suggest that the forthcoming Trump proposal for fiscal 2018 may cut the IRS by as much as 14 percent. The severity of this cut would reduce the IRS budget to $9.65 billion, nearly $1.6 billion below the $11.235 billion current level. Current funding is already $911 billion, or more than 7 percent below FY10 funding of $12.15 billion. If inflation is factored in, the last time the funding for the IRS was that low was in the mid-1990s.

A cut of this magnitude means a higher budget deficit for FY18 and beyond, continued deferral of critical IT upgrades imperative for protecting taxpayer data and to combat identity theft and refund fraud, and unacceptable setbacks in taxpayer service. It would pose greater risk to voluntary compliance that underpins tax administration

Consumer Product Safety Commission (CPSC): The Consumer Product Safety Commission estimates an annual impact of consumer products of 41,200 deaths (2013 data), 39 million injuries (2014 data), for a societal cost of $1 trillion.

Under a 13 percent reduction, CPSC's existing funding level of $125 million would be cut by $17 million to a level of $108 million, resulting in a current staffing level of 550 FTE that could be reduced by approximately 50 FTE to a level of 500 FTE (a level not seen since FY09), and the likely reduction of certain valuable programs that help protect the public.

A cut of this magnitude would result in a devastating impact to the most critical areas within CPSC, including a substantial reduction in laboratory scientists and technical experts who identify product hazards, field investigators, compliance officers, and port security personnel/initiatives. These reductions would curtail CPSC's port surveillance initiatives, data analysis, regulated product testing, standards development activities, especially those focused on children.

In addition to staffing reductions, CPSC would be forced to curtail a number of its programs. These would likely include: (1) conducting fewer analyses of CPSC's safety incident data gathering system, which collects information on product-related injuries treated in hospital emergency rooms; (2) suspending CPSC's consumer hotline, which the public uses to report injuries and to receive information on recalls and information campaigns; (3) preventing expansion of CPSC's risk assessment methodology, the computer system used at the ports to target violative or potentially hazardous consumer products, currently in pilot project status and slated for expansion; and (4) terminating CPSC outreach and grant activities in connection with the Pool and Spa Safety Act.

HOMELAND SECURITY

Transportation Security Administration: A 13 percent reduction would equate to a reduction of approximately $635 million in net discretionary resources. This would leave TSA vastly understaffed to provide effective security without significantly inconveniencing the flying public. TSA would reduce the number of staffed checkpoint lanes by a minimum of 390-410 per day. Given how deep this cut would be, the reduction in staffed lanes may exceed 600 lanes during a significant portion of daily operations. As a case example, Chicago O'Hare would see the number of staffed checkpoint lanes decrease from 54 to 41 and would see over 21,000 passengers per day possibly missing flights due to wait times significantly in excess of 10 minutes. As a result of significant understaffing and extended wait times, checkpoint queues would also become a major security vulnerability due to the number of people awaiting screening in the public area of the airport.

Federal Law Enforcement Training Center: If Federal law enforcement basic training is cut by 13 percent, FLETC's ability to train law enforcement officers would be reduced by 31 percent. This would result in a corresponding reduction of 10,059 officers and agents who would not receive basic law enforcement training and likely not be deployed by the agency for whom they were hired.

Coast Guard: A 13 percent reduction would set back Coast Guard recapitalization for years, forcing the agency to rely on outdated legacy aviation and surface assets. In some cases, the Coast Guard operates offshore cutters that are well over 50 years in age with decreasing reliability to support maritime and border security initiatives. Funding at this level would all but end the acquisition of a new polar icebreaker, which is necessary to increase the Nation's presence in the polar region. In contrast, the Russian fleet consists of roughly 40 operational icebreakers and 11 icebreakers either planned or under construction.

FEMA preparedness grants: If subject to a 13 percent reduction, FEMA Preparedness Grants, which support intergovernmental emergency response and recovery activities through 32 core capabilities—such as intelligence/information sharing, interoperable communications, and mass care during natural disasters and terrorist attacks—will be reduced by $165 million. State and local governments report through the National Preparedness Report that only 3 of 32 core capabilities have reached acceptable levels of performance. This lack of basic capacity, in addition to an inability to meet emerging threats such as active shooter and cybersecurity attacks, leaves the Nation behind in preparedness for known risks.

INTERIOR, ENVIRONMENT

<u>EPA Water Infrastructure Reductions</u>: It has been reported widely in the press that the Trump administration will propose to cut EPA by 24 percent in FY 2018. If that cut is applied to the Clean and Drinking Water State Revolving Fund programs, that reduction would cut federal water infrastructure contributions by $542 million. By cutting those federal funds, we also lose another $1 billion from state and local matching and leveraging—translating to a total loss of 12,000 jobs and 234 separate water infrastructure projects. Water infrastructure has been particularly hard-hit by sequestration and the last several years of budget fights.

In addition to the projected cuts from the Trump budget, we have already lost more than $6.7 billion in federal State Revolving Fund investments since FY 2010, despite the fact that EPA estimates that there are $655 <u>billion</u> worth of water infrastructure investments needed over the next 2 decades. These cuts left another $12.7 billion in state matching funds and leveraging on the cutting room floor, along with 150,000 jobs and 2,900 separate water infrastructure projects.

<u>EPA State Grants</u>: A 24 percent cut to the EPA budget would slash grants provided directly to states to run their own environmental protection programs and fund pollution control activities, including:

- Supervision of public water systems to help prevent mistakes like lead poisoning of children in Flint, Michigan – cut by $24 million.
- Radon Poisoning Prevention in schools and homes – cut by $2 million.
- Childhood Lead Poisoning Prevention, which disproportionally impacts children in low-income communities – cut by $3 million.
- Diesel Engine Upgrades for old, dirty engines in vehicles such as school buses and farm equipment – cut by $12 million.
- Clean Air programs to reduce ozone, particulate matter, and other toxic substances we breathe – cut by $55 million.
- Remediation of the 43,000 water bodies nationwide that are impaired by excess runoff and toxics – cut by $40 million.

<u>Cuts to EPA Operations</u>: A 24 percent cut to EPA operating levels would lead to a loss of 3,700 scientists, researchers, economists, and policy experts, dropping EPA to 1984 staffing levels. These cuts would come on top of the 11 percent staffing already cut between 2010 and 2016 – which already took EPA back to 1989 staffing levels.

<u>National Park Service Staffing</u>: According to initial estimates by the Park Service, national parks had a record-breaking 330 million visits in 2016—8 percent more than the previous year. Visitors depend on National Park Service rangers, law enforcement officers, firefighters and maintenance staff to provide visitor services, keep them safe, and maintain national parks for their enjoyment. If these positions are not filled, basic services at national parks will be severely compromised.

A 13 percent across the board cut to the National Park Service would put more than 1,000 seasonal ranger positions on the chopping block—crippling the agency's ability to meet the needs of millions of visitors, protect our nation's most significant natural resources or address the agency's $12 billion deferred maintenance backlog. Smaller parks—many in rural or underserved areas—would likely be forced to close and larger parks will lose key services.

Aging facilities, increasing use and insufficient funding all contribute to the growing backlog affecting these assets—but the bottom line is that NPS reports that its deferred maintenance needs are now roughly double the annual funding received from Congress. Approximately half of the NPS maintenance backlog is attributed to just 15 national park service units—some of the oldest and most visited in the nation—including more than $800 million in capital needs for the National Mall, $700 million for the Gateway National Recreation Area in New York and New Jersey and $600 million in needs at Yellowstone National Park alone.

Indian Education: Cuts to tribal programs such as Indian education programs funded through the Bureau of Indian Education (BIE) are troubling because the U.S. Government has a responsibility to uphold its treaty and trust obligations, including providing a quality education for Native children. A 13 percent cut to the BIE Budget eliminates $50.9 million in formula funding used to provide basic educational services at 183 Bureau of Indian Education schools in 23 states.

- The cut means approximately $1,200 less per child to educate students in schools funded by BIE. Every single school in the BIE system could lose funding for basic educational services—less funding to hire teachers and principals and provide textbooks and classroom supplies.
- These cuts are the equivalent of eliminating funding for approximately 5,375 children in the system; however, BIE schools will have to absorb the cuts and still educate the same number of children. BIE-funded schools currently serve more than 41,000 children.
- The cut is particularly troubling because BIE schools are already failing. Students that attend BIE-funded schools regularly underperform their peers who attend public schools on basic proficiency exams in reading and mathematics. High school graduation rates from BIE schools (53 percent) are significantly below the national average (81 percent). Further cuts will only allow these students to fall further behind.

Forest Service Firefighting: If the Forest Service is cut by 13 percent it would mean a cut of $417 million from the FY 2016 enacted level for wildland fire management. This would directly impact preparedness and suppression of forest fires.

- A 13 percent cut to fire preparedness programs would translate to a loss of 1,300 firefighters, 117 fire engines, 15 helicopters, and 3 aircraft.
- These reductions could have the unintended consequence of actually increasing firefighting costs. Due to the current level of assets, the Forest Service has a 98 percent success rate on initial attack against fires. With fewer assets the potential for more escaped fires increases, which means increased suppression costs.
- If the Forest Service wildland fire management account were to be held harmless to the 13 percent cut, it would mean large cuts to the rest of the agency. Holding firefighting harmless would result in a 30 percent cut to the Forest Service's non-fire accounts, or $736 million from FY 2016 enacted. Due to the Forest Service's primary responsibility

to manage the health of the national forests, at that level of spending, Research, the Land and Water Conservation Fund, Forest Legacy, and grants to states could be abandoned. The Forest Service would likely prioritize restoration work to mitigate the risk of catastrophic fire – which is increasing due to climate change – and close campgrounds, shut down road access, stop maintaining trails, and reduce visitor services that are essential to hunting, fishing, hiking, off road vehicles, and other recreation activities.

LABOR, HHS, EDUCATION

Title I grants to school districts: If Title I grant funding is cut by 13 percent, public school systems would reduce staffing by an estimated 18,000 educators who provide services in title I schools, denying extra support to roughly 3 million students in our nation's public schools that would help them meet state college and career-ready standards. Title I grants are the foundation of Federal assistance to public elementary and secondary education and target additional support to schools, particularly in high poverty communities. More than 80 percent of the nation's school districts and more than half of the nation's public schools receive title I funds.

Wage and Hour Division (WHD): A cut of 13 percent to the Department of Labor (DOL) WHD's budget could mean that its staffing level would shrink 9 percent below the FY11 level. In FY18, WHD would likely be unable to help workers (especially those in low-wage jobs) identify and recover an estimated $30 million in wages owed them. Collections of back pay for low-income workers average roughly $900 per worker which is equal to several weeks of pay for these workers that could be used to pay for groceries, rent and other necessary expenses.

In addition, WHD would have to devote proportionately more time to complaint investigations and less time to directed/strategic investigations that yield the most significant results of recovering back wages for workers and ensuring that all employers are complying with the nation's labor laws and competing on a level playing field.

Job Training and Employment Service Programs: If DOL Job Training and Employment Services programs are cut by 13 percent, an estimated 1.7 million adult, youth, dislocated workers, and veterans would lose access to employment and training services next year. The Training and Employment Services appropriation funds a nationwide system of education, skills training, and employment services that support and increase the employment and earnings of current and future workers, particularly low-income persons, dislocated workers, and at-risk and out-of-school youth. This would be a significant cut to the nation's core worker training programs, which Congress reauthorized on an overwhelmingly bipartisan basis in the Workforce Innovation and Opportunity Act (WIOA) of 2014.

Senior Nutrition Programs: If Senior Nutrition programs are cut by 13 percent, an estimated 21 million fewer meals would be served to seniors next year, increasing hunger and food insecurity for our nation's most vulnerable older adults. This includes both congregate and home-delivered meals. The Administration for Community Living nutrition programs provide seniors' access to healthy meals, nutrition education and nutrition counseling. These programs are targeted to adults age 60 and older who are in the greatest social and economic need, helping millions of older Americans remain healthy and preventing the need for more costly medical interventions. About 5,000 nutrition service providers together serve over 900,000 meals a day in communities all across the United States.

Head Start: If Head Start funding is cut by 13 percent, an estimated 155,000 children would lose early childhood services. The program, which includes Early Head Start, provides comprehensive services to promote school readiness to approximately one million of our nation's most vulnerable, low-income children and their families.

Social Security Administration (SSA): Any cut below the current funding level would make it difficult for SSA to maintain services, requiring the agency to implement furloughs and potentially layoffs. Each percentage point cut in funding equates to approximately $120 million less for operating costs. With daily operating costs running around $25 million, this translates into a week of furlough days for every 1 percent cut. In an average day, SSA handles 171,000 field office visitors, 150,000 National 1-800 Number calls, and 2,500 hearing decisions. In addition to furloughs, anything above a 10 percent cut could result in permanent reductions in force and field office closures.

LEG BRANCH

Government Accountability Office (GAO): If cut by 13 percent, the GAO would be forced to cut its staff by one-third – or nearly 1,000 auditors and analysts – dropping to the lowest staffing level since 1931. This would drastically undermine GAO’s role as the government’s watchdog by slowing down current work and postponing new work – severely harming GAO’s ability to find and resolve high risk areas in the Federal government.

This staffing cut would be significantly more disruptive than the loss of 230 staff, or about 7.5 percent of staff, that occurred between the 2008 and 2013 Sequester, which led to significant delays in audits and evaluations. GAO has built back a little more than half of that loss, but a funding cut of 13 percent would wipe out all of that progress and set the agency back decades.

- In 2016, GAO’s work resulted in $63.4 billion in financial benefits – about $112 for every dollar invested in GAO. At that rate, with staffing cut by a third, lost government savings could amount to $20 billion or even more in 2018.

- In 2016, GAO provided 119 testimonies to Congress and 749 written products. Losing a third of GAO staffing would severely impact Congress’s ability to rely on these expert GAO products in developing legislation and conducting oversight.

- Since 2010, GAO has drastically cut and indefinitely delayed technological investments, increasing its vulnerability to cybersecurity threats. Continuing to forego these needs would force GAO to rely on grossly outdated systems and hinder GAO's ability to deliver quality work.

- This dramatic impact on GAO’s oversight capabilities for the Congress would be especially short-sighted given the wide variety of drastic changes proposed across the Federal government.

STATE, FOREIGN OPERATIONS

Millennium Challenge Corporation: A 13 percent cut would reduce the MCC to its lowest funding level since it was established in 2004, forcing the MCC to reduce the number of new country compacts and cut back or curtail engagement with old partners to build on past progress. The MCC has bipartisan support because it follows a data-driven approach that requires partner countries to meet benchmarks to be eligible for funding, and incorporates a rigorous monitoring and evaluation component.

Peace Corps: A 13 percent cut to the Peace Corps would reduce its funding to the lowest level in nearly a decade, forcing it to shut down programs, accept fewer volunteers, and potentially make staffing reductions that would have long-term impacts. Republicans and Democrats have long shown strong support for the Peace Corps because of the role volunteers play in promoting American values overseas.

Global Health: A 13 percent cut to the Global Health Programs account would equal over $1.1 billion across programs that help combat malaria, tuberculosis, and HIV/AIDS, promote maternal and child health, and leverage funds from international partners. Members of both parties routinely seek increases for global health programs because of their proven effectiveness in saving millions of lives and controlling pandemic outbreaks.

Embassy Security: A 13 percent cut to the FY17 request level would equal $306 million, a cut equal to more than twice the requested increase – which was endorsed by both the House and Senate – to meet growing requirements to improve security at U.S. facilities abroad to protect U.S. property and personnel, including those operating in conflict or other high risk zones where the presence of U.S. civilian support is essential to the effectiveness of the military mission.

Foreign Military Financing (FMF) Program: A 13 percent cut to FMF is roughly equivalent to the entire FMF budget with the exception of Israel, Egypt, Jordan and Iraq. FMF is an important source of financing for foreign militaries to build their own capacity to address shared threats, including operating alongside U.S. forces. With limited exceptions, funds provided through FMF are spent purchasing equipment and services from the U.S. defense industry.

International Narcotics Control and Law Enforcement (INCLE): A 13 percent cut to the INCLE account is roughly equivalent to the INCLE budget in all of Africa and the Near East. Among other purposes, these funds enable our international partners to stem the flow of terrorist fighters to conflict zones, improve training on counterterrorism prosecutions, and fund advisors with the technical knowledge only the U.S. has the capacity to provide, which directly advances U.S. national security interests.

Offices of Inspectors General (OIGs): Cuts to the State and USAID Inspectors General may seem penny wise but are pound foolish. A 13 percent cut would force the OIGs to reduce a combination of staff and/or areas on which the OIGs currently focus their resources, leading to reduced returns on investments.

- An example of the benefits of funding for the IG includes the fact that since FY15 the USAID OIG has reported savings of over $11 million related to its work overseeing Counter-ISIL assistance alone, and has questioned more than $220 million in costs in FY16 globally which will lead to further improvements to programs and recovered taxpayer funds.

- If the State OIG is cut by 13 percent it will be unable to pay payroll and program costs for its current workforce, including program costs necessary to meet the 5-year inspection mandate and providing oversight of Overseas Contingency Operations (OCO) funding.

In addition, there are programs that are important to advancing U.S. foreign policy interests that garner less attention, including funding for visa processing and American citizen services overseas, the core operations of foreign assistance agencies, information management and cybersecurity, and a range of foreign assistance programs – from Internet freedom to energy development – that contribute to stability in areas where the U.S. has diplomatic, military, and economic interests. All of these will be severely affected by a 13 percent cut.

TRANSPORTATION, HUD

Federal Aviation Administration (FAA): Based on FY 2016 enacted levels, the FAA's budget includes $1.8 billion in discretionary budget authority. If a 13 percent cut is imposed on each budget account – Operations; Facilities and Equipment; and Research, Engineering, and Development – then the FAA would have to identify $234 million in total savings, which would result in personnel cuts, service cuts, and NextGen disruptions. Specifically –

- The FAA would have to furlough all employees, including air traffic controllers and safety inspectors, for 22 days, the maximum allowed under law. It is also likely that the FAA would have to RIF employees in order to find additional savings.
- Overtime would be eliminated, which is one tool that the FAA uses to ensure that there are enough air traffic controllers at FAA facilities. Without the use of overtime, the national airspace system (NAS) could see additional service disruptions and flight delays.
- The FAA would have to close low-level air traffic control towers in order to achieve sufficient savings.
- The FAA would have to terminate its contract for Flight Service Stations. These stations are air traffic facilities that communicate directly with general aviation pilots in order to conduct preflight briefings, flight plan processing, inflight advisory services, search and rescue initiation, and assistance to aircraft in emergencies. Flight Service Stations also process Notices to Airmen (NOTAMs) and provide updates on weather and aeronautical information.
- The FAA would have to eliminate the use of all contract weather observers.
- The FAA's Facilities and Equipment account would fall below $2.5 billion, the lowest level since 2008. A reduction of this magnitude would require the cancellation of a number of programs that are currently planned and have contracts already awarded. The FAA has made a number of program acquisition approvals in the past few years that would have to be reviewed again. The programs at risk include many NextGen investments, such as Data Communications, Terminal Flight Data Manager, NextGen Weather Processor, Time Based Flow Management, and System-Wide Information Management (SWIM).
- The FAA would have to halt almost all activities related to UAS, including efforts to provide UAS operators with authority to operate in certain airspace, integrate UAS into the NAS, and conduct research on future UAS requirements.

National Highway Traffic Safety Administration (NHTSA) Vehicle Safety program: The Vehicle Safety program performs vehicle research, enforcement, rulemaking, and data collection and analysis. That work includes the New Car Assessment Program (NCAP), which provides information to consumers on the safety of vehicles on the market and prevents fatalities by analyzing new safety technologies. A 13 percent cut in FY 2018 would reduce funding for the Vehicle Safety program by nearly $20 million to the lowest level since FY 2009. Such a cut would result in the elimination of up to 74 positions out of the 370 in the vehicle safety division, severely limiting the ability of NHTSA to evaluate the safety of new vehicles, combat cyber security concerns for modern vehicle communications systems, and assess the rapid development of autonomous vehicles in order to ensure consumer safety.

Federal Transit Administration (FTA): DOT's most recent Conditions & Performance Report identified a $90 billion state-of-good-repair backlog for bus and rail transit assets. That backlog will continue to increase at a rate of $2.5 billion per year due to inadequate federal investment. Additionally, communities across the country will continue to seek to address population growth and congestion challenges through transit projects funded through the Capital Investment Grants (CIG) program, a multi-year discretionary grant program. These projects are generated by local governments that have undergone a rigorous evaluation process and deserve funding. America cannot address the growing demands of transit systems and congestion around the country without funding the projects needed to meet that demand. The current FY 2016 funding level provides $2.17 billion for FTA's CIG program. A 13 percent cut would reduce funding for CIG by $28 million to $1.89 billion, the lowest level appropriated since 2008. At this lower level of funding, 3,640 jobs would be lost, and projects in the pipeline in Texas, California, Maryland, Minnesota, Washington, Arizona, Indiana, Florida, Missouri, and New Mexico would be unable to proceed.

Department of Housing and Urban Development Overview: Nearly 84 percent of HUD's overall budget is required to simply renew rental assistance for the more than 5 million low-income, HUD-assisted households each year. This funding provides rental assistance for residents and ensures that administering agencies have the resources necessary to assist families in securing and maintaining housing that is safe and affordable. The remaining portion of HUD's programmatic budget, roughly 13 percent or $6.2 billion of the Department's overall budget, funds other critical housing, supportive services, and economic development programs, including: Lead Hazard Control and Healthy Homes grants, the Community Development Block Grant, the Native American Housing Block Grant, and HOME. All of these programs are at-risk of being eliminated entirely should a 13 percent cut take place and we protect the renewal of rental assistance programs.

Section 8 Vouchers: The Section 8 Tenant-Based Rental Assistance program provides rental assistance to 2.2 million households, 75 percent of which are extremely-low income and nearly 50 percent of which are elderly or disabled. A 13 percent reduction in funding would not only prohibit the restoration of the 16,000 vouchers lost through sequestration, but it would also result in a $2.3 billion cut in current rental subsidies from FY 2016 levels and the FY 2017 conferenced agreement, resulting in the loss of an additional 200,000 vouchers, and forcing more than 200,000 low-income families that currently receive rental assistance into homelessness.

Housing for the Elderly: The Housing for the Elderly, or Section 202, program provides rental subsidies for very low-income elderly persons and funding for service coordinators who ensure that residents are linked to the specific supportive services that assist them with living independently and aging in place. If a 13 percent reduction in funding is imposed for FY 2018, the Section 202 program would only receive $376.5 million—$56.3 million less than FY 2016. This reduced funding level would cause over 15,500 very low-income elderly households to lose rental subsidies that they need to remain in their homes, and HUD would also be unable to renew any existing Service Coordinator grants.

Community Development Block Grant (CDBG): CDBG empowers cities, counties, and states to invest in locally-driven projects that spur private investment and address economic development challenges. CDBG creates jobs, makes essential infrastructure projects possible, and addresses unique housing needs that benefit elderly, disabled, and economically-vulnerable communities. A 13 percent cut would result in $2.6 billion for the CDBG formula program – $400 million less than the funding levels provided in FY 2016. This level of funding would revert the CDBG program to 1976 funding levels, a time when there were 500 fewer entitlement grantees than the 1,100 participating in the program today. If funded at this level, it is anticipated that 9,000 fewer jobs would be supported in FY 2018 than in FY 2016, delaying critical investments for community and economic development projects.

HOME Investment Partnerships (HOME) Program: The HOME program is the primary Federal funding source that allows States and local governments to create and sustain affordable housing for low-income individuals and families. A 13 percent cut would result in only $826.5 million for the HOME program – $123.5 million less than the funding levels provided in FY 2016. Sequestration cuts in FY 2013 resulted in $948 million for the HOME program, a historic low, and the President's proposal would set a new historic low by more than $121 million. Programmatically, this level of funding would result in 5,000 fewer low-income households being served through the program, 2,200 fewer jobs being created, and a reduction of $500 million in anticipated public and private investment in FY 2018, as compared to FY 2016.

Public Housing Capital Fund (Cap Fund): Since the 1930s, public housing has enabled millions of working, low-income families to access affordable housing where both housing and resources for housing are limited. Today, more than 3,100 public housing agencies (PHAs) oversee 1.1 million public housing units across the country, serving nearly 2.6 million residents. However, since 2010, it is estimated that the declining physical condition of these units has resulted in a growing $26 billion capital backlog and the need for more than $3.4 billion in repairs each year. A 13 percent cut in funding would result in $1.587 billion for the Cap Fund - $237 million less than FY 2016. While funding for the Cap Fund increased in FY 2014 and 2015, FY 2016 funding fell below sequestration levels. This resulted in HUD providing PHAs with only 53 percent of the funding needed to meet their annual accrued capital needs. A 13 percent cut would provide a mere 47 percent, a 6 percent reduction, of the funding needed to address the annual physical disrepair of public housing units in FY 2018. By significantly reducing capital funding for the nation's public housing stock, the capital backlog will continue to grow, and hundreds of thousands of families will be faced with living conditions that are neither safe, decent, nor affordable.