

# The 2019 Trump Budget: Hurts Struggling Families, Shortchanges National Needs



Less than two months after signing massive tax cuts that largely benefit those at the top of the economic ladder, President Trump has put forward a 2019 budget that would slash programs that provide basic assistance for many Americans of modest means and promote opportunity and upward mobility. The budget would also seriously shortchange many other vital national needs, including workforce training, elementary and secondary education, infrastructure investment, community development, and environmental protection.

Although Congress likely won't enact many of the budget's particular proposals this year, the budget is not irrelevant. It reflects the [President's priorities and vision](#) for the country and shows what he would seek to achieve over the remainder of his Administration, particularly if his party strengthens its control of Congress in November's election.

## Health Care Cuts Would Leave Millions More Uninsured

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The budget embraces the Cassidy-Graham bill to repeal the Affordable Care Act (ACA), then proposes to [cut funding for health coverage](#) deeply below the levels in that bill. As a result, millions would lose health coverage, and coverage would become less adequate or less affordable for millions more. Specifically, the budget would:

- **Eliminate the ACA's Medicaid expansion and marketplace subsidies.** The budget wipes out these programs and demands that states come up with alternatives in less than two years. The result would be a massive disruption of insurance markets and coverage.
- **Replace the ACA's Medicaid expansion and marketplace subsidies with a vastly inadequate block grant.** After an initial increase, block grant funding levels would fall far below current-law funding for coverage programs, since the block grant would grow only with general inflation, with no adjustment for population growth or health care costs.
- **Convert the rest of Medicaid to a per capita cap.** The cap would limit the amount of federal funding for each person enrolled in Medicaid, which covers seniors, people with disabilities, children, and pregnant women, regardless of actual costs of care for enrollees. The cap amounts would increase only with general inflation, falling further and further below the cost of providing health care to these vulnerable populations.
- **Allow states to weaken or eliminate protections for people with pre-existing health conditions.** States could permit insurers to charge higher premiums for people with pre-existing conditions or exclude key benefits from coverage for all individual market plans.
- **Create additional barriers to coverage and care.** The budget includes further proposals designed to make it harder for people to enroll in Medicaid coverage and marketplace subsidies, while these programs remain available in their current form. These include requiring documentation of citizenship and immigration status before coverage takes effect, allowing states to reimpose asset tests, and making it harder for seniors and people with disabilities who own homes to qualify for help.

## Low- and Moderate-Income Families Would Face Increased Hardship

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The budget also proposes cuts and harmful changes in many other programs that would hurt a [broad range of low- and moderate-income people](#), including parents, children, seniors, and people with disabilities.

- **SNAP food assistance benefits.** The budget [would cut SNAP](#) (formerly food stamps) by nearly 30 percent over ten years. It would impose large benefit cuts that target the unemployed, elderly, and low-income working families. It would also radically restructure how benefits are provided, upending SNAP's successful and efficient public-private partnership with some 260,000 retail stores in favor of a government-driven approach, in which households would receive a box of non-perishable foods in lieu of a large portion of their benefits.
- **Housing and energy assistance.** The budget would cancel Housing Choice Vouchers for about 200,000 low-income households, raise rents on low-income families receiving rental assistance, halve funding for public housing repairs,

and eliminate low-income home energy assistance. These cuts would cause many households to [lose access to affordable housing](#).

- **Disability benefits.** The budget cuts Social Security Disability Insurance, which is funded out of workers' payroll taxes and which protects workers and their families if a disability cuts their careers short. It also cuts Supplemental Security Income, which goes primarily to low-income individuals with severe disabilities.
- **TANF and the Social Services Block Grant.** The budget cuts Temporary Assistance for Needy Families (TANF), which provides funds to states for short-term income assistance, work programs, and other critical supports for poor families with children. It also eliminates the Social Services Block Grant, which provides flexible funding to states for child care, day programs for seniors and people with disabilities, and services for homeless individuals and families.
- **Overly broad new waiver authority.** The budget includes a [proposal](#) that appears to let states and localities undertake a large-scale redesign of a number of basic assistance programs. Under this initiative, states could weaken or undermine federal policies and protections that Congress has established for low-income programs, and even open the door to state policies that fill state budget needs rather than aid low-income families.

## Non-Defense Discretionary Programs Would Be Slashed

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The budget proposes very [large cuts to non-defense discretionary \(NDD\) appropriations](#), which fund a wide range of priorities such as education, job training, infrastructure, housing assistance, and scientific research. In this category of spending, the budget:

- **Violates the budget agreement.** NDD funding in 2019 would be substantially below the level agreed to in the recent bipartisan budget agreement, even with the addendum that the Administration has provided to request some modest additional funding in a small number of areas.
- **Proposes steep cuts.** The cuts would grow even larger after 2019. By 2028, NDD appropriations would be 42 percent below 2017, the most recently enacted level, and 50 percent below 2010 in inflation-adjusted terms. Within the shrunken non-defense totals, the budget proposes large reductions in areas that invest in the future, assist low-income households, and protect the environment, among others.
- **Reduces federal support for infrastructure.** The Administration's touted "\$1.5 trillion" [infrastructure plan](#) would provide only \$200 billion in federal funds, with states, localities, and the private sector expected to provide the rest. Project selection would depend most heavily on the ability to attract non-federal funding, while economic or social benefits would get very little weight. At the same time, the budget would slash support for mass transit, the Army Corps of Engineers, water treatment plants, affordable housing, and the Highway Trust Fund. On balance, federal infrastructure spending would shrink over the long run.

## States Can't Afford Budget's Massive Cost Shift

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Many of the budget proposals described above would [shift massive new costs to states and localities](#) at a time when many states are [already struggling](#) to meet the needs of residents and businesses.

- The enormous cuts in Medicaid and marketplace subsidies would force states to contribute more of their own funds or scale back Medicaid eligibility, benefits, and provider payments.
- Cuts in SNAP and other programs that help low-income families would drive up state costs by increasing hunger and hardship. More people would seek state- and local-funded forms of help.
- Non-defense discretionary funding supports a wide range of state and local efforts, from schools and child care assistance to highways, water treatment plants, police and fire departments, and more. Cuts here would directly burden state budgets.
- State and local governments would need to raise large amounts of their own funds to come anywhere close to the President's claimed \$1.5 trillion in new infrastructure investment.

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