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GENERAL MEMORANDUM

March 17, 2017

To: Housing Clients

From: Hobbs, Straus, Dean & Walker, LLP

Re: Trump Administration Budget Plans and Potential Impact on IHBG

On March 8, 2017, the *Washington Post* reported on information it obtained from leaks from the Trump Administration regarding the Administration's budget proposals for Indian housing. The leaked documents indicate the Administration intends to propose an IHBG appropriation for FY 2018 of \$500 million, a cut of \$150 million from current appropriation levels (approximately 20%). The documents also indicate that the Administration is going to propose cancelling the Indian Community Development Block Grant (ICDBG).

On March 16, 2017, the Trump Administration released its "Budget Blueprint" for FY 2018, also known as the "skinny budget." A copy is attached. A skinny budget is the term used for a new administration's initial proposed budget for its first fiscal year, which is less detailed than a full budget due to the shorter time the administration has had to prepare. The Budget Blueprint does not contain specific details on the NAHASDA Indian Housing Block Grant (IHBG). However, the information that it does contain suggests that the *Washington Post* report is accurate.

The President's Budget Blueprint requests \$40.7 billion for HUD, a \$6.2 billion or 13.2 percent **decrease** from the 2017 annualized CR level. The President's HUD request also contains the following:

- Eliminates funding for the Community Development Block Grant Program;
- Eliminates funding for "lower priority" programs, including the HOME Investment Partnerships Program and Choice Neighborhoods Program; and
- Eliminates funding for Section 4 Capacity Building for Community Development and Affordable Housing.

It is important to note that this is just the preliminary step in the budgeting and appropriations process. The President's more detailed budget request is forecast to be released in April or May. In the meantime, the actual work on appropriations will take place in Congress. Several members of the President's own party have announced that this budget is "dead on arrival," indicating their opposition to some of the other cuts proposed to popular programs.

Here is a brief synopsis of some of the other items set out in the Budget Blueprint with potential impacts to Indian Country:

Department of the Interior (DOI)

The President's 2018 Budget requests \$11.6 billion for the Interior Department, a \$1.5 billion or 12 percent decrease from the 2017 annualized continuing resolution (CR) level. The President's request for DOI:

- Reduces funding for more recent demonstration projects and initiatives that only serve a few Tribes;
- Reduces land acquisition funding by more than \$120 million;
- Sustains funding for DOI's Office of Natural Resources Revenue; and
- Increases investment in deferred maintenance projects within the National Park Service.

Department of Health and Human Services (HHS)

The President's Budget requests \$69 billion for HHS, a \$15.1 billion or 17.9 percent decrease from the 2017 annualized CR level. The President's Budget states that, "in 2018, HHS funds the highest priorities such as the Indian Health Service (IHS). The President's request for HHS:

- Eliminates discretionary programs within the Office of Community Services, including the Low Income Home Energy Assistance Program (LIHEAP) and Community Services Block Grant (CSBG); and
- "Supports direct health care services, such as those delivered by community health centers, Ryan White HIV/AIDS provides, and the Indian Health Service. These safety net providers deliver critical health care services to low-income and vulnerable populations."

Department of Justice (DOJ)

The President's 2018 Budget requests \$27.7 billion for the Department of Justice, a \$1.1 billion or 3.8 percent decrease from the 2017 annualized CR level. The DOJ request:

- Provides an increase of \$175 million to the Department's law enforcement components in order to target the worst of the worst criminal organizations and drug traffickers;
- Provides an \$80 million increase to combat illegal entry and unlawful presence in the United States by hiring 75 additional immigration judge teams;

- Enhances border security and immigration enforcement by providing 60 additional border enforcement prosecutors and 40 deputy U.S. Marshals; and
- Supports the addition of 20 attorneys to pursue Federal efforts to obtain the land and holdings necessary to secure the Southwest border.

Department of Transportation (DOT)

The President's 2018 Budget requests \$16.2 billion for DOT, a \$2.4 billion or 13 percent decrease from the 2017 annualized CR level. The DOT request:

- Eliminates funding for the TIGER discretionary grant program; and
- Eliminates funding for the Essential Air Service (EAS) program, which provides subsidized commercial air service to rural airports.

Environmental Protection Agency (EPA)

The President's 2018 Budget requests \$5.7 billion for the EPA, a \$2.6 billion or 31 percent decrease from the 2017 annualized CR level. President Trump's EPA request:

- Eliminates more than 50 EPA programs, including a program that provides infrastructure assistance to Alaska Native Villages;
- Eliminates funding for specific regional efforts such as the Great Lakes Restoration Initiative; and
- Discontinues funding for the Clean Power Plan, international climate change programs, climate change research and partnership programs.

This will be a critical time to weigh in with your Congressional delegation about your thoughts on IHBG appropriations and ICDBG funding.

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Please let us know if we may provide additional information or analysis regarding the President's Budget Blueprint, or to assist in drafting correspondence to your delegation. Inquiries may be directed to:

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