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Introduction

President Trump’s FY 2018 Budget Request: Highlights from the County Perspective

About the President’s FY 2018 Budget

On May 23 President Trump released his Fiscal Year (FY) 2018 budget, laying out his $4.1 trillion spending proposal for fiscal year 2018 and the following decade. The document expands upon the administration’s initial “skinny budget” request for FY 2018 released earlier this year.

Top line numbers: The budget proposes significant spending cuts over the next ten years, along with optimistic economic growth assumptions, in order to show federal debt decreasing in the future. Specifically, it outlines discretionary spending levels at $1.151 trillion and mandatory spending levels at $2.943 trillion. This represents a $1.7 trillion cut in mandatory programs over 10 years and a 10 percent cut to domestic programs in 2018. The discretionary spending limits adhere to the budget caps set in the Budget Control Act (P.L. 112-25), which was passed in 2011 to cap overall federal spending.

Deficit reduction: The budget proposes about $3.6 trillion of deficit reduction, including $1.5 trillion from largely unspecified discretionary cuts, $2.8 trillion in net mandatory cuts, $1 trillion less in revenue – mainly from repealing and replacing the Affordable Care Act (ACA) – and $300 billion in interest savings. According to the White House Office of Management and Budget (OMB), the budget would reduce debt from 77 percent of Gross Domestic Product ($14.8 trillion) today to 60 percent of GDP ($18.6 trillion) by 2027. OMB also estimates the budget will balance by 2027, down from a deficit of 3.1 percent of GDP ($603 billion) in 2017.

Debt Held by the Public Under the President’s Budget (Percent of GDP)

Source: OMB, CBO, CRFB calculations
Composition of Proposed FY 2018 Budget
(in billions)

Total Outlays: $4.1 Trillion Source: AAAS

Major Proposals in the President’s Budget

Unlike the earlier “skinny budget,” which focused solely on discretionary spending levels, this document also contains proposed changes to some mandatory programs and additional policy decisions that would impact the country’s finances, such as comprehensive tax reform, repealing the Affordable Care Act, and rolling back many regulations from the previous administration.

According to the White House, the budget “will restore fiscal discipline and make the hard decisions to put our country on a path to repay the debt in full.”

The following items are a few key items in the FY 2018 budget request:

Promote new initiatives (+$697 billion): The president’s budget would increase spending on defense discretionary funding, veterans’ health programs, paid family leave and infrastructure investment. The largest increase in spending comes from the repeal of the defense sequester cuts, which would cost nearly $470 billion. The budget would spend another $200 billion as a placeholder for infrastructure investment, which it does not specify but illustrates as grants to state and local governments that hope to leverage $1 trillion of total public-private investment. The budget also includes two other significant spending initiatives. First, it would extend the Veterans Choice program, which allows veterans to choose doctors outside of the traditional VA hospitals if access is overly burdensome. Second, it would allow states to establish paid family leave through the unemployment insurance (UI) program to provide support to new parents for six weeks. To finance its paid leave policy, the Administration would require states to increase their UI payroll taxes while also instituting reforms.

Reduce Non-Defense Discretionary (NDD) spending by about 10 percent (-$555 billion): As unveiled in the “skinny” budget back in March, in order to increase defense spending, the president’s budget would reduce non-defense discretionary spending by $54 billion in 2018. The budget specifically identifies items such as eliminating the Low Income Home Energy Assistance Program (LIHEAP), reducing the budget for the National Institutes of Health, eliminating the Community Development Block Grant, eliminating the HOME program, ending global health and foreign assistance programs, and defunding the National Housing Trust Fund and Capital Magnet Fund. The budget also calls for very significant cuts to the Departments of State, Health and Human Services, Education, Agriculture and Labor as well as the Environmental Protection Agency. Partially offsetting these cuts, the budget calls for increased funding for the Departments of Justice and Homeland Security, largely for border protection and President Trump’s border wall proposal. The budget assumes
that if these policies continue over a decade, they would save roughly $550 billion.

**Reform Health Care (-$903 billion):** Overall, the budget would reduce projected health spending by about $1.9 trillion, while reducing health-related revenue (mainly from the Affordable Care Act’s (ACA) taxes and mandates) by $1 trillion, for net savings of $903 billion. The budget assumes $250 billion of net savings from repealing and replacing the ACA, offering support for the broad framework (but not the precise specifics) of the American Health Care Act (AHCA). The budget calls for an additional $610 billion in Medicaid reductions on top of any coming from “repeal and replace.” The House-passed American Health Care Act would already cut the Medicaid program by over $800 billion. These savings would come from converting the program into a block grant or per capita cap starting in 2020, which is almost identical to the Medicaid changes already included in the AHCA. Finally, the budget would save about $55 billion from enacting medical malpractice reform to reduce health costs.

**Restructure Safety Net Programs (-$272 billion):** The president’s budget proposes a number of reductions and reforms to safety net programs. Most significant, the budget would reduce the Supplemental Nutrition Assistance Program (SNAP or “food stamps”) by $193 billion by limiting eligibility, changing benefit calculations, charging a fee to SNAP-authorized retailers and requiring states to eventually match one-quarter of all SNAP costs. It would also reduce Temporary Assistance to Needy Families (TANF) grants by 10 percent and eliminate Social Services Block Grants, saving a combined $38 billion. The budget also saves $40 billion by requiring taxpayers to provide a Social Security Number in order to receive the Child Tax Credit and/or Earned Income Tax Credit.

**Reform higher education funding (-$143 billion):** The president’s budget would also reform how the federal government subsidizes higher education. Specifically, about $76 billion in savings would come from consolidating the current five income-driven loan repayment programs into a single plan with a higher cap on monthly repayments. An additional $39 billion would come from ending subsidized student loans, which offer an “in-school interest subsidy” that prevents debt from accruing interest so long as a student remains in school. The budget saves $27 billion from ending the program that forgives loan obligations in exchange for a commitment to public service. Additionally, the budget would cancel unobligated carryover funding for Pell grants and reinvest the savings into making Pell grants available year-round.

**Other spending reductions (-$560 billion) from “improper government payments”:** The president’s budget includes a number of further spending reductions and reforms. The largest savings comes from reducing “improper government payments,” which they estimate will save $142 billion. The budget would also save around $150 billion by reducing or eliminating federal retiree cost-of-living adjustments, eliminating supplemental benefits for federal employees retiring before age 62, increasing the number of salary years used to calculate retirement benefits, and increase federal employee retirement contributions. More than half of these savings would be returned to various agencies, while just over $60 billion would be directed towards deficit reduction. Other savings come from reducing farm subsidies, enacting financial regulation reform (including restructuring the Consumer Financial Protection Bureau), postal reform, higher Pension Benefit Guaranty Corporation premiums, and a variety of other changes.

**Big unknown, comprehensive tax reform:** The president’s budget discusses proposed legislative tax reform efforts but offers no
estimates or specific details. The budget calls for lowering individual income tax rates, expanding the standard deduction, eliminating the Alternative Minimum Tax and estate tax, and lowering business tax rates while eliminating special interest tax breaks. These details are less specific than the one-page tax outline released by the Administration a month ago.

**Background on the Budget Process**

Each year, the president submits a budget proposal to Congress, which begins the annual appropriations process. Under current law, the president is required to submit the budget between the first Monday in January and the first Monday in February. In recent years, the president’s budget submission is typically issued the first week of February. However, as we saw this year, the budget submission can be delayed in a new president’s first year when the previous president belonged to a different party.

Upon receiving this request, the House and Senate Budget Committees are tasked with developing and reporting a budget resolution, which, if passed by their respective chambers, are then reconciled in a budget conference. The resulting budget resolution, which is not signed by the president and is therefore nonbinding, sets the total amount of money congressional Appropriations Committees may spend.

If the two chambers are not able to agree to a budget resolution, each chamber may enact a “deeming resolution,” which sets appropriations levels for their respective committees. Once the House and Senate Appropriations Committees receive their allotted spending levels, they divide the total appropriations among 12 subcommittees, each dealing with a different part of the budget. Those subcommittees must then decide how to distribute funds within their jurisdictions.

In recent years, as partisan battles over federal spending continues to intensify, Congress has been unable to enact stand-alone appropriations bills through the regular appropriations process. Instead, Congress has begun relying more heavily on year-end omnibus appropriations measures (that combine some or all 12 annual spending bills) or continuing resolutions (which fund federal government programs and agencies at prior-year spending levels) to finalize the annual budget process.

But the president’s budget proposal is the first key step in this process.

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**Counties and the Budget Document**

The nation’s 3,069 counties play a key role in administering federal programs and services within our local communities, including building and maintaining public infrastructure, transportation and economic development assets, providing justice, law enforcement and public safety services and protecting the public’s health and well-being.

Counties are greatly concerned that this proposed budget essentially eliminates the federal role in the federal-state-local intergovernmental partnership that is essential to addressing our nation’s most pressing challenges. The scale of the proposed discretionary and mandatory cuts would far outpace the ability of state and local governments to backfill this funding and support local needs.
Counties are greatly concerned that this proposed budget essentially eliminates the federal role in the federal-state-local intergovernmental partnership that is essential to addressing our nation’s most pressing challenges. The scale of the proposed discretionary and mandatory cuts would far outpace the ability of state and local governments to backfill this funding and support local needs. Counties fear that, with this budget, the federal government would be walking away from its role, forcing state and local governments to raise taxes at an unprecedented level or simply turn their backs on those who truly require public assistance. A full list of programs affecting county governments that are eliminated, cut, maintained or increased can be found on the next page.

Governmental responsibilities are shared among federal, state and local partners, as they are the fundamental components of a broader national interest in serving our citizens. While the policies and programs established by the federal government are intended to guide and coordinate efforts, counties are ultimately the implementers, and even co-regulators, at the local level.
## Significant Programs Eliminated in the Budget

<table>
<thead>
<tr>
<th>U.S. Department of Agriculture</th>
<th>U.S. Department of Health and Human Services</th>
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<tbody>
<tr>
<td>Rural Business Development Grants Program- $42.2 million</td>
<td>Community Services Block Grant- $715 million</td>
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<tr>
<td>Intermediary Relending Program- $18.8 million</td>
<td>Low-Income Housing Energy Assistance Program (LIHEAP)- $3.3 billion</td>
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<tr>
<td>Rural Economic Development Grants Program- $42.2 million</td>
<td>Social Services Block Grant (SSBG)- $1.7 billion</td>
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<tr>
<td>Cooperative Business Development Program- $26.5 million</td>
<td>TANF Contingency Fund- $608 million</td>
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<tr>
<td>Rural Water and Wastewater Grants and Loans- $1.3 billion</td>
<td>Flood Hazard Mapping and Risk Analysis Program- $190 million</td>
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<td>Multi-Family Housing Direct Loans Program- $28 million</td>
<td>TSA Law Enforcement Grants- $45 million</td>
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<td>Distance Learning Telemedicine Program- $22 million</td>
<td>U.S. Dept. of Housing and Urban Development</td>
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<tr>
<td>Rural Utility Service Guaranteed Loans- $750 million</td>
<td>Community Development Block Grant (CDBG)- $3 billion</td>
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<td>Rural Broadband Grants- $10 million</td>
<td>HOME Investment Program- $950 Million</td>
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<tr>
<td>Grants and Guaranteed Loans Under the Community Facilities Direct Loan Program- $42 million</td>
<td>U.S. Department of Interior</td>
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<tr>
<td>U.S. Department of Commerce</td>
<td>Gulf Shore Royalty Payments- $272 million</td>
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<td>Economic Development Administration (EDA)- $276 million</td>
<td>U.S. Department of Justice</td>
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<tr>
<td>Manufacturing Extension Partnership- $124 million</td>
<td>State Criminal Alien Assistance Program (SCAAP)- $210 million</td>
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<td>U.S. Department of Education</td>
<td>U.S. Department of Transportation</td>
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<td>21st Century Community Learning Center</td>
<td>Essential Air Service (EAS) Program- $175 million</td>
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<td>U.S. Department of Energy</td>
<td>TIGER Discretionary Grant Program- $500 million</td>
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<td>Weatherization Program- $288 million</td>
<td>FAA Air Traffic Control Functions</td>
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<td>U.S. Environmental Protection Agency</td>
<td>Regional Commissions</td>
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<td>Grant funding for Regional-Based Clean Water Act Programs- $372 million</td>
<td>Appalachian Regional Commission- $119 million</td>
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<td>Delta Regional Authority- $22 million</td>
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<td>Denali Commission- $8 million</td>
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<td></td>
<td>Northern Border Regional Commission- $7 million</td>
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## Significant Programs Cut in the Budget

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<tr>
<th>U.S. Department of Agriculture</th>
<th>U.S. Department of Health and Human Services</th>
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<tbody>
<tr>
<td>Rental Assistance Grants- cut by $43 million</td>
<td>Medicaid- cut by $840 billion</td>
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<tr>
<td>USFWS Land Acquisition- cut by $43 million</td>
<td>Chronic Disease and Health Promotion Programs- cut by $220 million</td>
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<tr>
<td>USFS Wildland Fire Suppression- cut by $200 million</td>
<td>HIV/AIDS- cut by $186 million</td>
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<tr>
<td>USFS Land Acquisition- cut by $48 million</td>
<td>Immunizations- cut by $89.5 million</td>
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<td>U.S. Department of Energy</td>
<td>Temporary Assistance for Needy Families (TANF)- cut by $1.62 billion</td>
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<tr>
<td>Renewal Energy Programs- cut by $316 million</td>
<td>Supplemental Nutrition Assistance Program (SNAP)- cut by $4.9 million</td>
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<td>U.S. Environmental Protection Agency</td>
<td>Refugee Assistance Programs- cut by $217 million</td>
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<td>Leaking Underground Storage Tank Program- cut by $51.2 million</td>
<td>Community Mental Health Services Block Grant- cut by $116 million</td>
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<td>Brownfields Grants- cut by $51.2 million</td>
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### Cuts (cont.)

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<th>Proposed Funding</th>
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<td>State Homeland Security Grant Program (SHSGP)</td>
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<td>Urban Area Security Initiative (UASI)</td>
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<td>Wildland Fire Suppression Programs (WFSP)</td>
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<td>Wildland Fire Management (WFM)</td>
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<td>DHS Firefighter Grants Program (DFGP)</td>
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<td>The Substance Abuse and Mental Health Services Administration (SAMHSA)</td>
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<td>SAMHSA’s State Targeted Response to the Opioid Crisis Grants (STRTOC)</td>
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<td>Workforce Innovation and Opportunity Act (WIOA)</td>
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<td>Veterans Choice Program (VCP)</td>
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<td>National Flood Insurance Program (NFIP)</td>
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### No Change to Funding Levels

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<td><strong>U.S. Department of Transportation</strong></td>
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<td>Wildland Fire Suppression Programs (WFSP)</td>
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<td>Wildland Fire Management (WFM)</td>
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<td><strong>U.S. Department of Justice</strong></td>
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<tr>
<td>Workforce Innovation and Opportunity Act (WIOA)</td>
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### Significant Programs Increased in the Budget

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<th>Department/Program</th>
<th>Original Funding</th>
<th>Proposed Funding</th>
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<tr>
<td><strong>U.S. Department of Agriculture</strong></td>
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<tr>
<td>Community Facilities Direct Loan Program (CFDLP)</td>
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<td><strong>U.S. Department of Housing and Urban Development</strong></td>
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<td>Veterans Administration’s (VA) Homeless Programs (VAHP)</td>
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<td><strong>U.S. Environmental Protection Agency</strong></td>
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<td>Clean Water State Revolving Fund and Drinking Water State Revolving Fund (CWSRF)</td>
<td>$4 million</td>
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<td>NPS Construction (NPSC)</td>
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<td>Vocational Rehabilitation and Employment Program (VREP)</td>
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<td><strong>U.S. Department of Homeland Security</strong></td>
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<tr>
<td>DOT Creates National Surface Transportation and Innovative Finance Bureau (DOTCNS)</td>
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Detailed Budget Breakdowns

Agriculture and Rural Affairs

U.S. Department of Agriculture

Under the president’s 2018 budget proposal, programs under the U.S. Department of Agriculture (USDA) would see major cuts—everything from rural development programs to food stamps to crop insurance programs. In total, the 2018 budget requests $17.9 billion for USDA, a $2.98 billion decrease in discretionary spending from enacted FY 2017 levels.

The budget would eliminate many programs utilized by rural counties including the Water and Wastewater Loan and Grant Programs, Distance Learning Telemedicine Program, Rural Business Development Grants Program, the Intermediary Relending Program, the Rural Economic Development Grants and Loans Program, the Rural Cooperative Business Development Program and the Value-Added Producer Grants Program.

The budget also includes plans to slash about 5.5 percent of the department’s total workforce. Many of the proposed cuts are aimed at encouraging private sector investments to replace federal programs while eliminating staff to account for the decreased workload from program streamlining or elimination. According to the budget proposal, “nearly all RD loan and grant origination activities will be terminated, substantially driving down staffing requirements in the associated programs.”

Of particular concern, the president’s budget request proposes to reduce staffing across USDA’s Service Center Agencies (Farm Service Agency, Natural Resources Conservation Service, and Rural Development) to “streamline county office operations, reflect reduced Rural Development workload, and encourage private sector conservation planning.” The budget proposal provides $624 million for salaries and expenses for USDA’s Rural Development—a decrease of $56 million from FY 2017 level.

USDA Rural Development

Overall, the president’s FY 2018 budget request would provide over $3.5 billion for financial and technical assistance throughout USDA’s Rural Development portfolio of programs through the Rural Business Cooperative Service, Rural Utilities Service and the Rural Housing Service. This represents a $1.55 billion cut from FY 2017 levels. Below is a breakdown of program funding proposals throughout each of the three mission areas under USDA Rural Development.

USDA Rural Business Cooperative Services

The president’s budget would eliminate all discretionary spending for the Rural Business Cooperative Service (RBS) for FY 2018. This
elimination includes the Rural Business Development Grants Program, the Delta Regional Authority, the Intermediary Relending Program, the Rural Economic Development Grants and Loans Program, the Rural Cooperative Business Development Program and the Value-Added Producer Grants Program.

**USDA Rural Utilities Service**

- **Rural Electric Program**: Under the Rural Utilities Service (RUS), the president’s budget requests $5.5 billion in direct loans for rural electric improvements – level with FY 2017 funding – but would eliminate guaranteed loans (funded at $750 million in FY 2017). These programs help build and repair electric infrastructure in rural communities.

- **Water and Wastewater Loan and Grant Program**: The president’s budget would eliminate the Water and Wastewater Loan and Grant Program under RUS, which was funded at $1.257 billion in FY 2017. The Rural Water and Wastewater Program helps counties fund and finance critical water infrastructure and provide access to affordable and clean water to rural communities.

- **Rural Broadband Direct Loans**: The budget proposes $27 million for Rural Broadband Direct Loans – level with FY 2017 – but eliminates funding for Rural Broadband Grants (funded at $10 million in FY 2017). The Rural Broadband Loan and Grant program helps deploy essential broadband infrastructure into under- and unserved rural counties.

- **Distance Learning Telemedicine Program**: The president’s budget calls for the elimination of grants for the Distance Learning Telemedicine Program, which were funded at $22 million in FY 2017. This program provides rural counties with telecommunication technologies to help access to healthcare and educational services.

**USDA Rural Housing Service**

- **Community Facilities Direct Loan Program**: The president’s budget requests $3 billion for the Community Facilities Direct Loan Program, an increase of $800 million over FY 2017 levels. However, the budget eliminates grants and guaranteed loans under the Community Facilities Program which were funded at $42 million in FY 2017. The Community Facilities Program provides funding for a wide range of essential community facilities to rural communities with populations of 20,000 or less, with priority given to health, public safety and education facilities.

- **Single Family Housing Guaranteed Loans**: The budget proposes $24 billion for Single Family Housing Guaranteed Loans – unchanged from FY 2017 levels – but eliminates Single Family Direct Loans (funded at $896 million in FY 2017). The Single Family Housing programs support homeownership opportunities for low-income families in rural areas. Guaranteed loans are limited to families with incomes less than 115 percent of area median income.

- **Multi-Family Housing Direct Loans programs**: The president’s budget calls for the elimination of the Multi-Family Housing Direct Loans program, which was funded at $28 million in FY 2017. The Multi-Family Housing program provides financing for rental housing projects and rental assistance payments for low-income tenants of those projects.

- **Rental Assistance Grants**: The president’s FY 2018 budget requests $1.345 billion for Rental Assistance Grants – $43 million less than FY 2017 levels – which provide rental assistance to families living under the poverty line in rural communities.
**New Rural Economic Infrastructure Grant Program**

The president’s budget also proposes creating a new program called the “Rural Economic Infrastructure Grant Program,” which would provide $162 million in grants in place of the eliminated Distance Learning and Telemedicine Grant Program, Rural Broadband Grant Program, Community Facilities Grant Program and the Very Low Income Housing Repair Program. Additionally, up to $80 million of this new program would be set aside to assist the Appalachian region.

According to the budget proposal, “This consolidation of these grants into one account will provide the Administration with the flexibility to place resources where the maximum impact can be made for economic infrastructure development.”

**USDA Rural Development Funding, 2009-2016**

Source: NACo analysis of USDA data
Community, Economic and Workforce Development

On behalf of their communities and citizens, counties invest $25.6 billion annually in economic planning, housing development and collaboration with businesses to improve the local economy. In response to changing economic environments, counties must work with all levels of government and partner with the private sector to meet the needs of their communities.

The president’s budget would eliminate CDBG funding in order to “devolve community and economic development to the State and local level and redirect federal resources to other activities”

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

The president’s budget requests $40.7 billion for the U.S. Department of Housing and Urban Development for FY 2018. This is a $6.2 billion or 13.2 percent decrease from the FY 2017 level.

Community Planning and Development

- Community Development Block Grant (CDBG): The president’s FY 2018 budget request would eliminate funding for the Community Development Block Grant (CDBG) program, a cut of $3 billion from the FY 2017 omnibus level. According to the budget, funding is not requested and “devolves community and economic development to the State and local level and redirects federal resources to other activities.” The federal government has invested over $150 billion in this block grant since its inception in 1974, and counties use CDBG to fund vital community, infrastructure and economic development programs. Nearly 200 counties are direct recipients of CDBG funding. Other counties receive CDBG through state allocations. The budget cuts would shift funding of such community and economic development activities to the state and local level.

- HOME Investment Partnerships (HOME): The president’s FY 2018 budget request would also eliminate funding for the HOME Investment Partnerships Program, currently funded at $950 million. Sixty percent of the formula grant funds is awarded to participating local governments and 40 percent is awarded to states. Counties use HOME to fund critical housing programs for extremely low-income families. According to the budget, the elimination of HOME funding “recognizes a greater role for State and local governments and the private sector in addressing community development and affordable housing needs.”

- Brownfields Economic Development Initiative (BEDI): The president’s FY 2018 budget proposes to eliminate funding for the program ($15 million) stating “local governments have access to other public and private funds for similar purposes.” BEDI is a competitive grant program designed to assist local government with the redevelopment of brownfield sites for the purposes of economic development and job creation.

Homeless Assistance/ Section 8 vouchers

- Homeless Assistance Grants: Under the president’s budget, Homeless Assistance Grants would be funded at $2.25 billion, a $15 million cut compared to current levels. The budget also propeses two legislative changes to 1) allow Continuum of Care
grantees to receive one-year transition grants, which will “better allow projects to maintain service to program participants as those projects transition from one program component to another” (e.g. from transitional housing to permanent supportive housing) and 2) allow grant recipients to count program income toward meeting matching requirements.

- **Housing Choice Vouchers**: The president’s budget would fund Housing Choice Vouchers at $19.3 billion, a one billion dollar decrease from the current funding level.

- **Housing Trust Fund**: The president’s budget would eliminate the requirement for government-sponsored enterprises (GSEs) to fund a Housing Trust Fund to create housing opportunities for extremely low-income individuals. The FY 2018 budget eliminates the assessments on Fannie Mae and Freddie Mac, discontinues funding the Housing Trust Fund and devolves affordable housing activities to state and local governments.

- **Housing and Urban Development Veterans Affairs Supportive Housing (HUD-VASH) Program**: The president’s FY 2018 budget request would reduce U.S. Department of Housing and Urban Development (HUD) funding for the HUD–Veterans Affairs Supportive Housing (HUD-VASH) program to $7 million, all of which would be allocated to a new tribal HUD-VASH program. This represents a cut of $33 million relative to FY 2017 appropriations. NACo strongly recommends the continued appropriation of resources through HUD-VASH vouchers to reach the goal of ending homelessness among veterans and their families.

**U.S. Department of Commerce (DOC)**

The president’s 2018 budget requests $7.8 billion for the U.S. Department of Commerce, a $1.5 billion or 16 percent decrease from FY 2017 level.

- **Economic Development Administration (EDA)**: The president’s budget calls for the elimination of the EDA, currently funded at $276 million—but would provide $30 million “to conduct an orderly closeout of EDA beginning in 2018.” According to the proposal, “The Budget proposes to eliminate funding for EDA as part of the Administration’s plans to move the Nation towards fiscal responsibility and to redefine the proper role of the Federal Government.” EDA funding supports regional strategies for long-term growth and serves as a catalyst in helping communities achieve economic growth.

- **U.S. Census Bureau**: The administration’s budget requests $1.52 billion for the U.S. Census Bureau, with $246 million designated for ongoing demographic and economic surveys and $1.25 billion for the 2020 Census, the American Communities Survey (ACS) and other programs. These requests represent small increases over FY 2017 spending levels. NACo supports full funding for the ACS, the Census Bureau and the Bureau’s Local Update of Census Addresses (LUCA) Program to ensure a complete and accurate list of addresses can be enumerated during the 2020 Census.

**U.S. Department of Labor (DOL)**

The president’s 2018 budget requests $9.6 billion for the U.S. Department of Labor, a $2.5 billion or 21 percent decrease from the FY 2017 level.

- **Workforce Innovation and Opportunity Act (WIOA)**: The president’s budget would reduce funding for Workforce Innovation and Opportunity Act (WIOA) Title I programs by over $1 billion to $1.63 billion in FY 2018. Of this amount, $490.4 million is included for Adult employment and
training activities, $523.7 million for youth activities and $615.5 million for dislocated worker employment and training activities. WIOA is the modernized workforce development system designed to meet the needs of employers and jobseekers alike. WIOA is the largest single source of federal funding for workforce development activities and a critical resource to counties.

Additionally, the budget includes language under WIOA that would allow the Secretary of Labor to waive designated local workforce development area requirements and permit a state’s governor to re-designate these local areas. Therefore, a governor could re-designate and/or eliminate local workforce development areas without consultation with local stakeholders. This provision could be problematic for local government authority and the local workforce development delivery system.

- **Job Corps**: Job Corps would be funded at $1.45 billion, a $25 million cut from FY 2017. Job Corps is the nation’s largest federally-funded, primarily residential training program for at-risk youth. The FY 2018 budget will also “close chronically low-performing centers, saving funds and focusing the program on the operation of centers that have proven that they can successfully educate and prepare youth for jobs.” It also proposes prioritizing enrollment of youth who are at least 20 years old “for whom the program has been proven to be more effective.”

**U.S. Department of Veterans Affairs (VA)**

- **Vocational Rehabilitation and Employment (VR&E)**: The president’s budget requests roughly $1.6 billion for Vocational Rehabilitation and Employment (VR&E) under the VA, an increase of nearly $90 million over FY 2017. VR&E funds are used to improve employment opportunities for veterans as they transition back into civilian life.

- **Veterans Affairs (VA) Homeless Programs**: The president’s budget request would provide $1.72 billion for programs through the U.S. Department of Veterans Affairs that address veteran homelessness, an increase of $54 million over FY 2017 levels. This total includes funding for veteran housing assistance through the VA’s Veterans Housing Program.

**U.S. Department of Defense (DoD)**

- **Base Realignment and Closure (BRAC)**: The FY 2018 budget request seeks authority for DoD to implement a new Base Realignment and Closure (BRAC) round in FY 2021 to “reduce unnecessary infrastructure and overhead costs.” The last BRAC round was completed in 2005. Such base closures and realignments can result in a loss of civilian and military jobs in local communities, increased local government costs to provide services to the base, a decline in real estate values which can trigger a decline in property tax revenue, and other negative impacts. NACo urges the federal government to coordinate across federal agencies and departments during a BRAC round to provide support for local governments, ensure the efficient conversion of closed bases to productive civilian uses and minimize adverse community impacts.
Environment, Energy and Land Use

Counties are the primary service providers and have a responsibility to protect the health, welfare and safety of our citizens, and to maintain and improve their quality of life. Counties are tasked with ensuring environmental protection while maintaining the economic vitality of the region. The county role in environmental protection and energy is varied, ranging from air and water quality protection, solid waste disposal and energy resource allocation.

Environmental Programs

The president’s FY 2018 budget proposal would cut the U.S. Environmental Protection Agency (EPA) by $2.4 billion to $5.7 billion for FY 2018. EPA is the federal agency tasked with protecting human health and the environment.

- **Water Infrastructure Funding**: The Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF) would receive $2.3 billion combined in the FY 2018 budget, $4 million more than allocated in FY 2017. SRF programs help finance state and local drinking water and wastewater infrastructure projects.
  - **CWSRF**: The CWSRF would receive $1.39 billion for Clean Water Act (CWA) municipal wastewater infrastructure construction or upgrade projects.
  - **DWSRF**: The DWSRF would receive $863 million under the president’s budget to support Safe Drinking Water Act (SDWA) infrastructure projects.

NACo supports the State Revolving Loan Fund (SRF) programs, the Clean Water State Revolving Loan Fund (CWSRF) and the Drinking Water State Revolving Loan Fund as supplements to, not a substitute for, federal grant programs.

- **Water Infrastructure Finance and Innovation (WIFIA) fund**: The president’s budget contains $20 million for the new Water Infrastructure Finance and Innovation (WIFIA) program, level with FY 2017 funding. Created in 2014, the program will provide low interest federal loans or loan guarantees to eligible entities for a wide range of nationally and regionally significant water and wastewater projects. The program will distribute its first WIFIA loans in 2017. NACo supports funding WIFIA because it has the potential to significantly lower water infrastructure costs for large projects.

- **Regional Water Grants**: The president’s budget would eliminate grant funding for all regional-based CWA programs, including cuts of $299 million and $73 million respectively to the Great Lakes Restoration and Chesapeake Bay programs. These grants help local communities meet federal water quality standards.

- **Leaking Underground Storage Tank Program**: The president’s budget request contains $47.4 million for the Leaking Underground Storage Tank Trust Fund Program (LUST), a decrease of $51.2 million from FY 2017 enacted levels. Many counties provide oversight and cleanup of fuel from underground storage tanks. NACo supports full funding for the LUST program, which should only be used for its intended purpose of remediating and preventing further contamination caused by underground storage tanks.

- **Brownfields grants**: The president’s budget requests $69 million for
Brownfields grants in FY 2018, a $10.8 million cut from the $79.8 million allotted in FY 2017. EPA’s Brownfields project grants allow local governments to clean up abandoned or under-utilized industrial and commercial properties, which are contaminated (or perceived to be contaminated) due to past practices.

Energy Programs

Under the president’s budget, the U.S. Department of Energy (DOE) would receive $28 billion, a $2.8 billion cut from FY 2017 funding levels.

- **Energy Efficiency and Renewable Energy:** The budget would provide $636 million for DOE’s Office for Energy Efficiency and Renewable Energy (EERE), a $1.5 billion decrease compared to FY 2017 levels. EERE’s mission centers around the development and promotion of clean, affordable and secure energy.

- **Energy Efficiency and Renewable Energy Programs:** Under the proposed budget, renewable energy programs would receive $134 million, down from $451 million in FY 2017 – a cut of $316 million. Specifically, solar energy would cut $207.6 million from FY 2017 levels, wind energy would be cut $58 million, and geothermal technology funding would drop from $57 million. NACo supports increased federal resources for researching and developing renewable energy technologies, including wind, solar, geothermal, biomass, electricity from landfill gas and other forms of waste-to-energy that will achieve the objective of clean and safe forms of energy.

- **Weatherization:** The president’s budget request calls for the elimination of DOE’s weatherization program, which received $228 million in FY 2017. The Weatherization Assistance Program (WAP) helps low-income families make their homes more energy efficient while reducing their energy bills. The federal government provides money to the states, which then provide money to local governments to oversee WAP. NACo supports WAP.

- **Yucca Mountain:** The president’s budget requests $120 million to restart the Nuclear Regulatory Commission’s licensing activities for the Yucca Mountain and Interim Storage Program. This is relevant to local governments who currently have nuclear waste facilities within their county. Since there is no national storage location for nuclear waste, facilities must store it on-site, and many of these facilities were not designed to house spent nuclear rods indefinitely. NACo supports construction of a suitable permanent nuclear waste repository and the use of an interim central storage facility until the permanent site is completed.
Health and Human Services

Counties create support systems to keep Americans healthy from the time they are born until they grow old. Counties provide public health information, clinical services, behavioral health services, children’s care, services to the elderly, emergency medical services and various healthy living programs. Often, states require counties to provide health services to low-income and uninsured people.

County governments actively support the health care providers in our jurisdictions. Counties invest $83 billion annually in public health services and hospital facilities providing in-patient medical care. From preventative measures like administering flu shots to educating the public on health issues, counties are involved in providing healthcare through more than 1,900 health departments. Counties also support roughly 960 hospitals that provide clinical services, cancer and cardiac care, and emergency and trauma care, serving more than 14 million patient days each year. By supporting approximately 880 nursing homes, counties promote quality of life and wellness for the elderly.

In addition to the approximately $840 billion cuts in federal funding to Medicaid over the next ten years proposed by the House AHCA bill, the budget proposes an additional $610 billion in cuts to Medicaid over the same period, which equates to a $1.4 trillion reduction in federal spending on Medicaid over the next decade.

U.S. Department of Health and Human Services (HHS)

The president’s budget requests $69 billion for the U.S. Department of Health and Human Services, a decrease of $15.1 billion from FY 2017 funding levels.

- **Medicaid**: The budget assumes the House-passed American Health Care Act (AHCA) will become law. In addition to the approximate $840 billion cuts in federal funding to Medicaid over the next ten years estimated to result from the House-passed AHCA, the budget proposes an additional $610 billion in cuts to Medicaid over the next ten years, which equates to a $1.4 trillion reduction in federal spending on Medicaid over the next decade. The cuts would be achieved by instituting a block grant or a per-capita cap that puts a ceiling on federal Medicaid funding to states and by allowing states to impose work requirements for certain Medicaid beneficiaries. Office of Management and Budget Director Mick Mulvaney indicated that the additional funding cuts to Medicaid would result from a reduction to the growth rate for the per-capita cap, compared to the AHCA. Most states require counties to provide some level of health care to low-income, uninsured or underinsured adults and the Medicaid program helps counties meet these obligations. Counties support 960 hospitals, 880 nursing homes and 750 behavioral health authorities that serve Medicaid patients, therefore receiving reimbursement for care that would otherwise be uncompensated. NACo opposes any efforts to cap federal spending to Medicaid, as it would eventually shift costs to counties, placing further strain on our capacity to provide health care services.
• **Local Public Health and Disease Prevention:** The president’s budget cuts several programs that support county efforts to prevent chronic diseases and create healthy communities. Chronic disease prevention and health promotion programs such as the prevention of cancer, heart disease and diabetes are reduced by over $220 million and reorganized under a newly-established block grant. Additionally, funding for infectious diseases such as HIV/AIDS is cut by $186 million compared to FY 2017 levels and immunizations are cut by $89.5 million. Local public health departments, two-thirds of which are county-based, receive approximately 25 percent of their funding from the federal government, primarily through the Centers for Disease Control and Prevention (CDC), which issues funds to state health departments through multiple budget line items, who then directs funding to local health departments.

• **Local Behavioral Health Programs:** The budget provides level funding – $1.9 billion – for the Substance Abuse and Mental Health Services Administration’s (SAMHSA) Substance Abuse Prevention and Treatment Block Grant, but would cut the Community Mental Health Services Block Grant by from $532 million to $416 million in FY 2018. 750 county behavioral health authorities receive block grant funding from SAMHSA to plan and operate community-based services for people with mental illnesses and substance abuse conditions.

• **Targeted Funding to Combat the Opioid Epidemic:** The president’s budget would continue to allocate $500 million for SAMHA’s State Targeted Response to the Opioid Crisis Grants authorized under the 21st Century Cures Act to expand access to Medication-Assisted Treatment. It also includes $24 million to equip first responders with overdose reversing drugs and provide them training as authorized under the Comprehensive Addiction and Recovery Act. The budget would provide level funding compared to FY 2017 of $75 million for CDC’s opioid prevention activities, mainly consisting of helping states improve prescription drug monitoring programs.

• **Veterans Choice Program:** To continue the Veterans Choice Program, the president’s budget requests $2.9 billion in mandatory budget authority in 2018 and $3.5 billion in 2019. The Veterans Choice Program seeks to improve veterans’ access to health care by allowing eligible veterans who meet certain wait-time or distance standards to use eligible health care providers outside the VA system.

**Human Services Programs**

• **Temporary Assistance for Needy Families (TANF) block grant:** The president’s budget requests $15.1 billion for TANF, a reduction of $1.62 billion from FY 2017 levels. TANF is a federal cash assistance program for low-income families with children. TANF benefits are county-administered in 10 states, and 51 percent of the total TANF population resides in those 10 states. NACo supports long-term reauthorization of TANF as well as an increase in funding for the program.
In addition to the reduction of funding for the TANF block grant, the budget also calls for the elimination of the TANF Contingency Fund, which is funded at $608 million in FY 2017. While the TANF Contingency Fund is designed to supplement TANF funding to states facing unforeseen developments or economic hardships, the budget states that, “States may use contingency funds for any TANF purpose, many of which have no direct relationship to helping families meet needs in hard economic times.” Additionally, the budget states that the elimination of the contingency fund is a result of the program’s “failure to provide well-targeted counter-cyclical funding to States.” In FY 2015, $356 million in TANF-contingency grants were awarded to county-administered states. NACo supports the TANF Contingency Fund and believes that funding for the fund not only be preserved, but increased.

- **Social Services Block Grant (SSBG):** The president’s budget proposes eliminating SSBG and states that the program, “lacks strong performance measures, is not well targeted, and it not a core function of the Federal Government.” Previously funded at $1.7 billion, SSBG is county-administered in 10 states and provides funds for nearly 30 different activities that serve vulnerable populations, including adults and children at risk of abuse and neglect. A survey conducted by NACo in 2012 revealed that counties most commonly use SSBG for adult protective services and child protective services, which are often county responsibilities. NACo strongly supports SSBG.

- **Low-Income Housing Energy Assistance Program (LIHEAP):** The president’s budget calls for the elimination of LIHEAP, which is currently funded at $3.3 billion. The budget states that the elimination of LIHEAP would “reduce the size and scope of the Federal Government and better target resources within the Department of Health and Human Services’ Administration for Children and Families.” LIHEAP delivers critical short-term aid to our nation’s most vulnerable populations, including the low-income, the disabled and elderly, to pay for heating and cooling prices.

- **Community Services Block Grant (CSBG):** The president’s budget request would eliminate CSBG, which is currently funded at $715 million for FY 2017. The budget states that CSBG funds are not tied directly to performance and that some services the program funds “are duplicative of services that are funded through other federal programs, such as emergency food assistance...and workforce programs.” CSBG supports activities that mitigate the root causes of poverty, delivering services related to educational attainment, obtaining and maintaining employment and self-sufficiency, budget planning and obtaining adequate housing. Most CSBG funding is distributed to community action agencies (CAAs). Since local elected officials must make up one-third of a CAA’s board of directors, counties play an integral role in determining how the block grant is used throughout the country. In fact, CSBG funds reach 99 percent of our nation’s counties. NACo strongly supports CSBG, as it helps us serve some of our most vulnerable populations, including elderly citizens, people with disabilities and children.

- **Refugee Assistance Programs:** The president’s budget requests $1.45 billion for Refugee Assistance programs, a cut of $217 million from FY 2017 levels. Specifically, the budget proposes the
reduction of funding for both medical and social services for refugees.

**Food and Nutrition Programs**

- **Supplemental Nutrition Assistance Program (SNAP):** The president’s budget proposes cutting SNAP, formerly known as food stamps, by $4.9 billion in FY 2018, and further suggests a 25 percent cut to the program by 2023. Specifically, the budget states that it proposes to “alter the program’s structure by requiring States to cover, on average, 25 percent of SNAP benefits, phase in between 2020 and 2023.” Additionally, the budget proposes tightening certain eligibility and benefit calculation standards and establishing fees for retailers applying and recertifying to accept SNAP benefits. The budget states that these legislative proposals aim to “target benefits to those who need them while ensuring careful stewardship of taxpayers’ money.” NACo supports SNAP’s existing funding structure.

- **Women, Infants and Children (WIC) Nutrition Program:** The president’s budget requests $6.15 billion for the WIC program, a cut of $1.8 million from the FY 2017 level. The WIC program aids low-income pregnant, postpartum and breastfeeding women, as well as infants and children up to age five who are at nutritional risk by providing food to supplement diets, information on healthy eating and referrals to health care.
Justice and Public Safety

Maintaining safe communities is one of the most important functions of county governments. Counties invest over $70 billion annually in providing justice and public safety services to our residents, working together with all levels of government to improve public safety, safely reduce jail populations, fight recidivism and combat criminal activity such as drug trafficking. Most counties are involved in almost every aspect of law enforcement and crime prevention, including policing, corrections, and judicial and legal services.

Further, counties own and support the operation, construction and maintenance of 91 percent of America’s local jails, which admit 11.4 million individuals each year.

**U.S. Department of Homeland Security (DHS)**

The president’s FY 2018 budget requests $441.2 billion for the U.S. Department of Homeland Security (DHS), representing a 7 percent increase from FY 2017 funding levels.

**Federal Emergency Management Agency (FEMA)**

FEMA provides State and local preparedness grants that focus on building and sustaining 32 core capabilities associated with the National Preparedness Goal to have “a secure and resilient nation with the capabilities required across the whole community to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk.”

- **National Flood Insurance Program (NFIP):** The president’s FY 2018 budget requests $5.03 billion for NFIP, an increase of $238 million from the FY 2017 funding level. Within NFIP, $13 million would go towards mission support, $239 million would go towards Floodplain Management and Flood Mapping (an increase of $82 million), $3.8 billion would go towards the National Flood Insurance Fund and $969 million to the National Flood Insurance Reserve Fund. According to the budget, the NFIP needs to be on a “more sustainable financial footing moving forward, expand flood insurance coverage by encouraging private competition in the flood insurance market, and incentivize mitigation measures by signaling to homeowners the true cost associated with the risk of living in a floodplain.” NFIP is designed to reduce the impact of flooding on private and public structures by providing insurance to property owners and by encouraging communities to adopt and enforce floodplain management regulations.

- **State Homeland Security Grant Program:** The president’s FY 2018 budget requests $349 million for the State Homeland Security Grant Program, a decrease of $116 million from FY 2017. The State Homeland Security Program supports the implementation of state homeland security strategies to address identified planning, organization, equipment, training, and exercise needs to prevent, protect against, mitigate, respond to, and recover from acts of terrorism and other catastrophic events.

- **Urban Area Security Initiative:** The president’s FY 2018 budget requests $448 million for the Urban Area Security Initiative, a cut of $150 million from the FY 2017 funding level. The Urban Area Security Initiative addresses the unique risk-driven capabilities-based planning, organization, equipment, training and exercise needs of high-threat, high-density urban areas based on capability targets identified during the Threat Hazard
Identification and Risk Assessment Process.

- **Emergency Management Performance Grants:** The president’s budget requests $279 million for Emergency Management Performance Grants, a decrease of $70 million from FY 2017. Emergency Management Performance Grants provide funding on a formula basis to all 50 states as well as 6 territories of the United States, and are designed to achieve target levels of capability in catastrophic planning and emergency management.

- **Firefighter Assistance Grants:** The president’s FY 2018 budget would provide $344 million in funding for the Firefighter Grants Program, which is level funding with FY 2017. Additionally, the budget requests level funding in FY 2018 for the Staffing for Adequate Fire and Emergency Response Grants Program at $344 million. Firefighter Assistance Grants include the Assistance to Firefighter Grants Program as well as the Staffing for Adequate Fire and Emergency Response Grants Program. These programs provide direct assistance to local fire department for investments to improve their ability to safeguard the lives of firefighting personnel and members of the public in the event of a terrorist attack or other major incidents.

- **Predisaster Mitigation Grants:** The president’s FY 2018 budget request includes $39 million for Predisaster Mitigation Grants, a decrease of $47 million from the FY 2017 funding level. Predisaster Mitigation Grants provide funding to state, territory, local and tribal governments to support the development of hazard mitigation planning and/or project applications that implement physical measures to avoid and/or project applications that implement physical measures to avoid and/or reduce damage associated with natural disasters.

**U.S. Department of Justice (DOJ)**

In the president’s FY 2018 budget proposal, the U.S. Department of Justice (DOJ) is funded at $27.7 billion, representing a 4 percent decrease relative to FY 2017 funding levels. Like overall funding for the department, state and local grants, including those important to county governments, would receive less funding in FY 2018 under the proposed budget. Some programs, as outlined below, would be altogether eliminated.

- **State Criminal Alien Assistance Program (SCAAP):** The president’s budget would eliminate funding for SCAAP in FY 2018, zeroing out a program that was funded at $210 million in FY 2017 and reimburses state and local governments for the cost of incarcerating undocumented immigrants who have been convicted of certain crimes. SCAAP has often been targeted for elimination in presidential budget requests dating back to the Obama Administration, but Congress has continued to fund the program despite these proposals.

- **Byrne Memorial Justice Assistance Grants (JAG):** Funding for Byrne JAG grants is reduced under the president’s budget to $332 million, representing a $42 million decrease from FY 2017 funding levels. Byrne JAG helps counties across the nation utilize emerging and evidence-based approaches to the public safety challenges facing their jurisdictions.

- **Second Chance Act Grants:** Second Chance Act grants would also be reduced under the president’s budget proposal: the request would fund the grant program at $48 million, representing a $20 million decrease from FY 2017. Up to $7.5 million can be used for performance-based awards for Pay-for-Success projects. Second Chance Act grants strengthen local programs that aim to help individuals successfully reintegrate into their communities following their release from
incarceration. Successful reintegration results in lower rates of recidivism, improves public safety and provides significant savings to counties.

- **Juvenile Justice Delinquency Prevention Act Program (JJDPA):** The president’s budget would reduce funding for JJDPA, providing $230 million for the program – a reduction of $40 million relative to FY 2017. JJDPA is the principal federal program through which the federal government sets standards for the care and custody of juveniles, and provides direct funding to counties to help them comply with these federal standards and assess and improve their youth justice systems.

- **Mentally Ill Offender Treatment and Crime Reduction Act (MIOTCRA):** The president’s budget provides $10 million for MIOTCRA, level with funding provided in FY 2016 but $2 million less than funding levels included in the FY 2017 omnibus appropriations bill. MIOTCRA grants are utilized by counties for a broad range of activities related to efforts to reduce the number of individuals with mental illness in jails, from jail diversion programs and mental health courts to in-jail treatment and transitional services.

- **Programs related to the opioid epidemic:** The president’s budget provides funding for a variety of programs that support the local response to the opioid epidemic: $40 million is provided for drug courts, representing a $2 million decrease from FY 2017; $12 million is provided for Prescription Drug Monitoring Programs, a $1 million decrease from FY 2017; and $20 million is provided for Comprehensive Addiction and Recovery Act (CARA) grants, level with FY 2017 funding.
Public Lands

The management of America’s public lands is of great concern to elected county officials. Federal land management decisions are critically important to elected officials and the local community because of the close relationship between our public lands and the well-being of the local economy. County officials must be full and active partners in ongoing discussions at the federal level about how to develop, manage, and conserve nearby public lands so that they benefit the county, the local economy and a diverse set of users for generations to come.

Additionally, as county governments are unable to collect property taxes from the public land in their jurisdictions, they rely heavily on funds from the Payments in Lieu of Taxes (PILT) program, as well as other revenue sharing programs including Secure Rural Schools (SRS), mineral leasing, geothermal energy development and wildlife refuge revenue sharing, which share revenues from economic activity on public lands with counties and schools.

U.S. Department of the Interior (DOI)

The president’s budget requests $11.7 billion for the U.S. Department of the Interior for FY 2018, $500 million below FY 2017 funding levels.

- Payments in Lieu of Taxes (PILT): The budget requests $396.9 million for PILT, a $68 million (14.6 percent) cut compared to final FY 2017 spending levels. This would represent the lowest level of PILT funding since FY2012. Counties are not able to collect property taxes on federal land, but still must provide essential services for residents and those who visit public lands. PILT helps offset the cost of these services, which include road and bridge maintenance, search and rescue, law enforcement, emergency medical and fire protection, solid waste disposal, and environmental compliance.
- **Gulf State Royalty Payments**: The FY 2018 budget request calls for the elimination of offshore oil and gas royalty payments to Texas, Louisiana, Mississippi, and Alabama under the Gulf of Mexico Energy Security Act.

- **GOMESA Funds**: The proposed budget would repeal oil and gas revenue sharing agreements between the federal government and four gulf coast states (Ala., La, Miss, and Texas) as authorized under the 2006 Gulf of Mexico Energy Security Act (GOMESA), a reduction of $272 million in FY 2018. The states use GOMESA funds to address coastal restoration and hurricane protection for lands impacted by oil and gas development. NACo supports federal revenue sharing with those states that chose to allow oil and gas production within their borders.

- **Wildfire Fighting and Prevention Programs**
  - **Wildland Fire Suppression**: DOI Wildland Fire Suppression would be reduced by $5.6 million under the FY 2018 budget request compared to FY 2017 levels.
  - **DOI Wildland Fire Management**: Under the budget request, DOI Wildland Fire Management’s FY 2018 budget would be $873.5 million, a $69 million reduction compared to FY 2017. The bulk of these cuts would come from the Hazardous Fuels Management Program ($22.1 million), elimination of the Resilient Landscapes Program ($10 million), elimination of the Burned Area Rehabilitation program ($9.5 million), and elimination of the Facilities Construction and Deferred Maintenance program ($6.4 million). Overall, the president’s budget would see 134,000 fewer acres treated for...
hazardous fuels and reduce the number of acres treated for post-fire rehabilitation.

Bureau of Land Management (BLM)

- **BLM Land Acquisition**: The president’s budget requests $3.6 million for BLM Land Acquisition, $27.8 million less than FY 2017 levels. Overall, funding for the BLM would be decreased by $150 million to $1.09 billion. Federal land acquisition impacts counties’ tax bases because counties cannot levy property taxes on federal land. Counties should have a greater say in federal land acquisitions.

- **Wild Horse and Burro Management**: The president’s budget would reduce funding by $10 million to $70.7 million for FY 2018. Additionally, the budget calls for the repeal of past Appropriations language that prevents BLM from using all Wild Horse and Burro management options available under the Wild Free-Roaming Horse and Burro Act.

- **Federal Lands Transaction Facilitation Act (FLTFA)**: The president’s budget supports reauthorization of FLTFA, which expired in 2011. The program facilitates the sale of federal lands deemed suitable for disposal under land use plans.

- **Oil and Gas Exploration**: The president’s budget supports opening portions of the Arctic National Wildlife Refuge to oil and gas exploration.

U.S. Fish and Wildlife Service (USFWS)

- **Department Funding**: USFWS is funded at $1.3 billion, an $200 million cut compared to FY 2017 levels. These cuts come primarily from the Land Acquisition account, the Cooperative Endangered Species Fund, the National Wildlife Refuge Fund and State and Tribal Wildlife Grants.

- **USFWS Land Acquisition Account**: The budget request funds the USFWS Land Acquisition account at $17.1 million, a $43 million decrease from the FY 2017 level.

National Park Service (NPS)

- **Department Funding**: The FY 2018 budget requests $2.55 billion for the National Park Service (NPS), which is a $296 million cut compared to the FY 2017 level. The combined Land Acquisition and State and Local Programs accounts would be reduced from $159 million in FY 2017 to $27.2 million under the budget request. The NPS Construction account would increase to $226.5 million, which is $17 million higher than the FY 2017 level. The increase in funds is targeted toward reducing the NPS deferred maintenance backlog.

U.S. Forest Service (USFS)

- **Secure Rural Schools (SRS)**: Funding for SRS is not included in the FY2018 budget request. 720 federal forest counties with 9 million schoolchildren depend on these payments to make up for lost timber revenues. SRS payments keep teachers in the classroom, police officers on the beat, and road crews constructing and maintaining county infrastructure. Furthermore, if Congress does not reauthorize SRS, counties receiving PILT could face reduced payments because the previous year’s SRS would no longer be deducted under the PILT formula.

- **USFS Wildfire Suppression and Prevention**: Wildland fire suppression would be funded at $1.05 billion, a $200 million reduction compared to FY 2017. The Hazardous Fuels Reduction program is moved from this account to the overall National Forest System account, and
would be funded at $354 million, a $36 million reduction.

- **USFS Land Acquisition:** The budget would fund USFS land acquisition at $8 million, a $48 million decrease compared to FY 2017 levels. The agency would be directed use the funding to complete previously congressionally authorized land acquisitions.

- **Congressional Action:** In the budget, the president requests that Congress act to amend the Small Tracts Act to increase the maximum value for land conveyances to $500,000; reauthorize USFS’ ability to collect recreation revenue (Federal Lands Recreation Enhancement Act); and give USFS the authority to convey unneeded administrative sites (Forest Service Facilities Realignment and Enhancement Act).
Transportation

Counties are an essential part of the nation’s infrastructure. By providing efficient transportation and transit options such as buses, trains, light rail and subway systems, counties connect residents, businesses and communities and strengthen local economies. Counties annually invest more than $100 billion in building infrastructure and maintaining and operating public works. Counties own and maintain 40 percent of America’s roads, 45 percent of all bridges, and are involved in over one-third of the nation’s airports and transit systems.

**U.S. Department of Transportation (DOT)**

The president’s budget requests $16.2 billion for the U.S. Department of Transportation’s (DOT) discretionary budget, a $2.4 billion or 13 percent decrease from FY 2017 levels. Additionally, the president has devoted much of the DOT budget work into formulating his vision for an infrastructure initiative he hopes to release later this year, including allocating an additional $200 billion in federal funds towards the President’s Infrastructure Initiative.

- **TIGER Grant Program:** The president’s budget proposes eliminating funding for the TIGER discretionary grant program, a reduction of $499 million from FY 2017 levels. According to the budget, “The TIGER Program awards grants to projects that are generally eligible for funding under existing surface transportation formula programs.” The elimination of the TIGER Grant program would have a direct impact on counties’ ability to utilize federal dollars for projects within our communities, harming local safety efforts, including enhancing road safety.

- **Essential Air Service (EAS):** The president’s budget would eliminate funding for the Essential Air Service (EAS) program, funded at $175 million in FY 2017. According to the budget, “EAS flights are not full and have high subsidy costs per passenger... several EAS-eligible communities are relatively close to major airports, and communities that have EAS could be served by other existing modes of transportation.” The 2018 budget proposes reforming the EAS program to rely only on mandatory funding. NACo supports the EAS program, which assists airlines in serving small communities.

- **State and Local TSA Grants:** The president’s budget proposes eliminating Transportation Security Administration (TSA) grants to State and local jurisdictions. According to the budget, these grants are “intended to incentivize local law enforcement patrols that should already be a high priority for State and local partners.” By eliminating these TSA grants, the budget could create an unfunded mandate on local jurisdictions to carry out security actions and further burden county budgets where counties own and operate commercial airports and potentially jeopardize the safety of the travelling public.
- **Federal Aviation Administration Privatization:** The president’s budget would initiate a multi-year reauthorization proposal to shift the air traffic control function of the Federal Aviation Administration to an independent, non-governmental organization. Depending on what actions a newly spun-off air-traffic control corporation entails, this could negatively affect counties should this organization decide to either eliminate some tower functions (in favor of remote towers) or curtail hiring at major commercial hubs.

- **Amtrak:** The president’s budget restructures and reduces federal subsidies to Amtrak to focus resources on the parts of the passenger rail system that provide transportation options within regions. The budget would “terminate federal support for Amtrak’s long distance train service and concentrates these resources to manage its state-supported and Northeast Corridor train services.” Rural counties utilize these long-distance routes as a transportation option when no others are present. Stations along the route of these long-distance routes are used by county residents to access larger transportation hubs.

- **New National Surface Transportation and Innovative Finance Bureau:** The president’s budget establishment of a new National Surface Transportation and Innovative Finance Bureau within the Office of the Secretary of Transportation. The new bureau would align, coordinate and consolidate aspects of the U.S. Department of Transportation’s (USDOT) existing surface transportation innovative finance programs, which was created by the FAST Act. Counties benefit from provisions and funding authorizations in the FAST Act and this new Bureau could assist counties in its understanding and planning of those benefits. The Bureau would fulfill several specific responsibilities, including:
  - Aiding and communicating best practices and financing and funding opportunities to entities eligible under USDOT infrastructure finance programs.
  - Administering the application process for USDOT infrastructure finance programs.
  - Administering the application process for a new Nationally Significant Freight and Highway Projects program and reducing uncertainty and delays related to environmental reviews and permitting, as well as project delivery and procurement risks and costs for projects financed by the USDOT infrastructure finance programs and the new Nationally Significant Freight and Highways Projects programs.
  - Increasing transparency and the public availability of information regarding projects financed by the USDOT infrastructure finance programs and the new Nationally Significant Freight and Highways Projects program.
  - Promoting best practices in procurement for projects financed by the USDOT infrastructure finance programs and the new Nationally Significant Freight and Highway Projects program by developing benchmarks related to procurement.

- **Federal Transit Administration**
  - **Capital Investment Program:** The budget proposes limiting funding at
$1.2 billion for the Federal Transit Administration’s Capital Investment Program (New Starts) to projects with existing Full Funding Grant Agreements (FFGA) only as, the budget states these projects should be “funded by the localities that use and benefit from these localized projects.” This would impact counties that operate public transit systems. While this budget will honor previous commitments that already contain an FFGA, all future projects would receive no federal assistance from the federal government. Counties rely on this agreed upon federal-state-local funding program to complete programs. Within the Federal Transit Administration, the president’s budget also allocates formula funding to continue to assist in the funding of transit infrastructure with the following:

- **Urbanized Area Formula**: Funds the Urbanized Area Formula at $4.7 billion for formula grants to urbanized areas with populations of 50,000 or more. Funds may be used for any transit capital purpose. Operating costs continue to be eligible expenses for all urban areas under 200,000 in population; and, in certain circumstances, operating costs may be eligible expenses in urban areas with populations over 200,000. Additionally, Urbanized Area grants may be used to support Job Access and Reverse Commute activities.

- **Rural Area Formula**: The budget would fund the Rural Area Formula at $646 million for formula grants to provide funds for capital, planning and operating assistance grants for transit service implemented by States in rural areas with populations of less than 50,000. Funding may also be used to support intercity bus service. Additionally, Rural Area grants may be used to support Job Access and Reverse Commute activities. Within this amount, $30 million in formula funds and $5 million in discretionary grant funds will support the Public Transportation on Indian Reservations program and $20 million will support the Appalachian Development Public Transportation Assistance Formula Program.

President Trump’s budget includes a blueprint for his infrastructure initiative that would include $200 billion in new government funding, but does not allocate how or where that would be spent.

**First Look into Possible Infrastructure Package Blueprint**
In addition to the FY 2018 budget, President Trump’s blueprint also includes a fact sheet for his infrastructure initiative. The initiative includes $200 billion in new government funding, but does not allocate how or where that would be spent. The fact sheet does give a first look into the principles the Administration will work within as they craft a legislative proposal. These principles are of importance to counties as opportunities for both urban and rural infrastructure investment must be included for any package to accomplish the goal of improving America’s infrastructure needs. The principles are as follows:

- Make Targeted Federal Investments
- Encourage Self-Help
- Align Infrastructure Investment with Entities Best Suited to Provide Sustained and Efficient Investment
- Leverage the Private Sector
In addition to principles, the budget fact sheet provides recommendations for funding the package. Many of these principles would allow counties greater flexibility to finance infrastructure projects. However, none of the principles below should be considered a viable replacement for current funding from the federal government, including expanding the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program, lifting the cap on Private Activity Bonds and expanding eligibility to other non-federal public infrastructure, incentivizing innovative approaches to congestion mitigation, liberalizing towing policy and allowing private investment in rest areas.

The Administration’s fact sheet has also recommends new tools to assist in finding money for funding infrastructure investment. They include:

- **Federal Capital Revolving Fund.** The Administration is developing a proposal to establish a mandatory revolving fund for the financing of Federally-owned civilian capital assets. The Fund would be repaid with annual appropriations, and would help address the underinvestment in capital assets driven in part due to the large upfront costs of such procurements.

- **Partnership Grants for Federal Assets.** In a number of sectors, the Federal Government has utilized loans to non-Federal partners to improve infrastructure. However, the Administration states that credit assistance cannot be utilized to improve Federal assets. In essence, the Government neither can loan itself funding, nor can it make loans to private entities to improve assets that will remain Federal. According to the Administration, in some circumstances, a private partner might want to build or improve a Federal facility and donate it to the Government in exchange for the right to retain revenue from the associated activities. The Administration is developing a proposal to offer those partners grants in lieu of loans to buy down the cost of a Federal asset improvements.

Finally, the fact sheet details principles in terms of permitting and regulatory burdens, such as environmental reviews. The administration outlines the following proposals, all of which adhere to NACo’s policy in terms of enhancing regulatory streamlining for project completion, to address this segment of their initiative:

- **Improving Environmental Performance.** The Administration states that inefficiencies of the current process result in too much time and too many resources dedicated to time-intensive analyses that do not necessarily improve the environment. The Administration will propose pilot programs to experiment with different ways projects will perform to better protect and enhance the environment.

- **Accountability.** The review and permitting of projects should, the Administration says, be included in each agency’s mission, and their performance should be tracked and measured. For agencies that significantly underperform, the public should know how much that costs both the taxpayers and the project. The Administration will seek proposals for tools to start holding agencies accountable for their performance.

- **One Federal Decision.** Project proponents, the Administration states, “must navigate the federal environmental review and permitting process on their own. Under the current system, the fact sheet describes, project sponsors work with one agency, only to be told to stand in line with several other agencies for numerous other approvals.” The fact sheet explains the federal government would designate a single entity with responsibility for
shepherding each project through the review and permitting process.

- **Unnecessary Approvals.** The fact sheet explains that funding of infrastructure is predominately state, local and private, yet the federal government exerts an inordinate amount of control over all infrastructure with unnecessary bureaucratic processes. The Administration supports putting infrastructure permitting into the hands of responsible state and local officials where appropriate.

- **Judicial Reform.** The current standards of judicial review, the fact sheet states, “force federal agencies to spend unnecessary time and resources attempting to make a permit or other environmental document litigation-proof.” The Administration believes resources would be better spent on enhancing the environment rather than feeding needless litigation. As such, the Administration will submit proposals that curtail needless litigation.
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