

PRESIDENT TRUMP'S FY 2020 BUDGET REQUEST

Highlights from the County Perspective

How would the President's FY 2020 budget request impact top county priorities?

Promote County Infrastructure Priorities in a Comprehensive Infrastructure Package	The budget proposal recommends \$200 billion in new infrastructure investments, to be targeted at specific areas and projects. It also supports \$100 million for a new round of BUILD grants along with other air and rail infrastructure investments. However, the budget also proposes to eliminate the off-system bridges set-aside in the Surface Transportation Block Grant , which is a key program for rural counties.
Promote Mental Health, Substance Use Disorders Treatment and Criminal Justice Reform	The proposal includes \$1.5 billion in state opioid response grants and funds an array of additional substance abuse and mental health programs through various federal agencies.
Support the Payment in Lieu of Taxes (PILT) and Secure Rural Schools (SRS) Programs	The budget proposal supports full funding for the PILT program . However, it does not call for a reauthorization of the Secure Rural Schools program.
Support Implementation of the Farm Bill	The budget proposal supports an increase in overall funding for the U.S. Department of Agriculture's rural development programs, including the Water and Waste Disposal Grants, but eliminates or reduces several other rural economic development programs, including cuts to the Community Facilities Program and an elimination of the Multi-Family Housing Direct Loans.
Boost Broadband Deployment and Accessibility While Preserving Local Zoning Authority	The budget proposal supports a \$200 million pilot program for broadband access , including \$30 million in Rural Broadband Grants , but eliminates Rural Broadband Direct Loans under the U.S. Department of Agriculture.
Establish a More Effective Definition of Waters of the U.S. (WOTUS)	The Environmental Protection Agency and Army Corps of Engineers sections of the budget proposal do not mention WOTUS.
Promote Economic Mobility and Opportunity Across All Counties	The budget request proposes a new universal work requirement that could impact the number of individuals and families qualifying for certain public assistance programs. It also proposes significant funding reductions or eliminations of vital county programs, including eliminating the Community Development Block Grant.

EXECUTIVE SUMMARY

President Trump's FY 2020 Budget Request: Highlights from the County Perspective

Counties and the President's Budget Request

The nation's 3,069 counties play a key role in administering federal programs and services in our local communities. Counties build and maintain public infrastructure, transportation and economic development assets, provide criminal justice and public safety services, and protect the public's health and well-being.

Policies and programs established by the federal government help support and coordinate local efforts, and a strong partnership between all levels of government is critical to providing many of the programs and services on which America's residents rely every day.

This document includes both **summary charts highlighting proposed cuts, eliminations or increases** to key federal programs in the president's FY 2020 budget request that are relevant to county governments and **a section-by-section summary** of the budget outlining items of note for county governments.

Overall, the proposed budget is a mixed bag for counties.

On the positive side, the budget proposes to improve the effectiveness and efficiency of many federal programs that counties use. The budget also proposes to increase and direct new funding at key county priorities including:

- \$1.5 billion in grants to address the opioid crisis
- \$200 billion in new infrastructure investments to leverage \$1.5 trillion in overall investment
- \$200 million for a broadband pilot program
- An increase of nearly \$7 billion to the Federal Emergency Management Agency's Disaster Relief Fund
- A \$94 million increase to the Prevention and Public Health Fund
- Full funding for the Payment in Lieu of Taxes program

However, the budget also targets key federal programs important to county governments for cuts and even elimination. Some of these include:

- The elimination of the 15 percent off-system bridge set-aside under the Surface Transportation Block Grant, funded at \$777 million in FY 2019
- The elimination of the State Criminal Alien Assistance Program, currently funded at \$244 million
- The eliminations of the U.S. Department of Housing and Urban Development's Community Development Block Grant, the HOME Investment Partnerships Program and the Economic Development Administration
- A proposed \$1.4 trillion cut to Medicaid, which would shift health care costs to counties
- A \$39 million reduction to the Essential Air Service program
- Institute universal work requirements for federal public assistance programs and potentially increase costs for county indigent care services.
- Cuts \$691 million from federal emergency preparedness grants

Of great concern to counties, the FY 2020 budget proposes to ***significantly reduce federal contributions to the federal-state-local intergovernmental partnership by limiting numerous state and local grant and aid programs.***

According to the budget, approximately two-thirds of Executive Branch agencies and 13 independent federal agencies provide grants to state and local governments. The administration calculates that this grant spending has increased from 1.3 percent of the nation's GDP in 1960 to 3.4 percent of GDP in 2018.

Since 1989, spending on grants to states and local governments increased from 10.7 percent of all federal outlays to 17 percent in 2018. In 2018, the federal government contributed \$697 billion in aid to states and local governments. Over the last three decades, the federal, state and local share of financing has held relatively steady, with states and local governments financing between 74 percent and 79 percent of all programs.

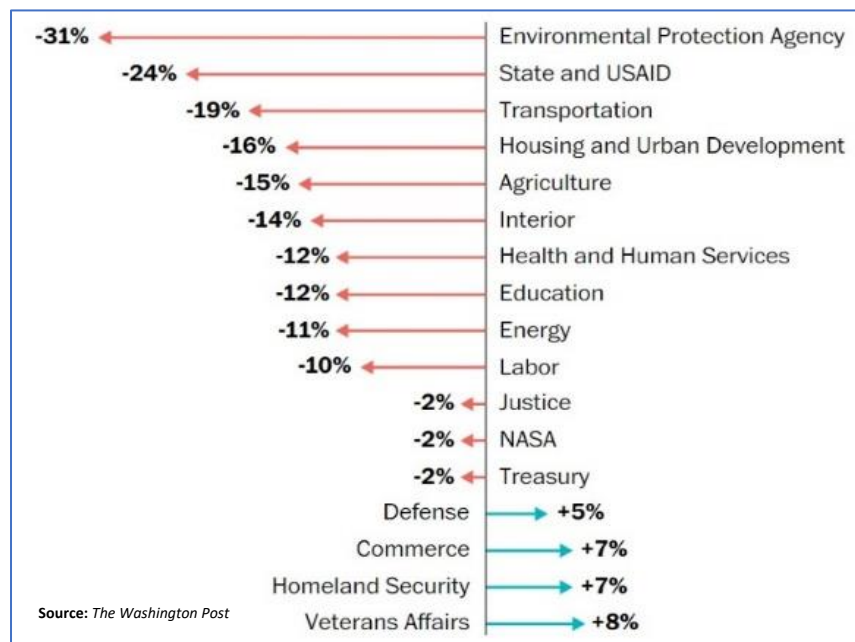
The primary goal of the president’s FY 2020 budget proposal related to state and local aid is to “slow the growth of grant spending” to state and local governments over the ten-year budget window. Specifically, the budget proposes to move much of the responsibility for many of the programs currently and historically funded by federal grants down to state and local governments. In many cases, the budget argues that “state and local governments should bear greater responsibility” for supporting certain initiatives including housing, economic development and health care. Combined, these changes would increase the fiscal burden carried by state and local governments who may be unable to adequately fill the gap left by a lack of federal resources.

To achieve the goal of reducing federal aid to state and local governments, the White House proposes a new “Cross-Agency Priority (CAP) Goal: Results-Oriented Accountability for Grants.” The CAP proposal includes two key components: first, it aims to make federal grant delivery “as [efficient] as possible.” Second, the CAP plan proposes a risk-based and data-driven framework for grant awards to target grants to those areas that are the most in need.

The CAP goal recognizes that as federal aid to states and local governments slows, federal dollars will need to be used more efficiently. It would manage this process through “developing data standards and common business applications and by applying a risk-based, data driven framework that balances compliance requirements with demonstrating successful results for the American taxpayer.”

Counties look forward to learning more about the implementation process for this CAP goal and finding a balance between federal responsibilities and the capacities of state and local governments to support programs traditionally funded by the federal government.

Proposed Changes to Funding in Trump Administration’s Budget by Agency



INTRODUCTION

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. President Trump's budget proposal for FY 2020 – like most budget proposals in recent years under various administrations – was released after the statutory deadline, on March 11.

Upon receiving the president's budget proposal, the House and Senate Budget Committees are tasked with developing and reporting budget resolutions, which, if passed by their respective chambers, are reconciled in a budget conference that sets the total amount of money congressional Appropriations Committees may spend for the fiscal year.

If the two chambers are not able to agree on a budget resolution, each chamber may enact a "deeming resolution," which sets appropriations levels for that chamber's Appropriations Committee. Once the House and Senate Appropriations Committees receive their allotted spending levels, they divide the task of setting specific funding levels for federal programs among 12 subcommittees, each dealing with a different part of the budget.

Last year, Congress successfully passed five of the 12 bills prior to the government funding deadline. The final FY 2019 spending bills were signed into law on January 25, ending a 35-day partial government shutdown.

About the President's FY 2020 Budget Proposal

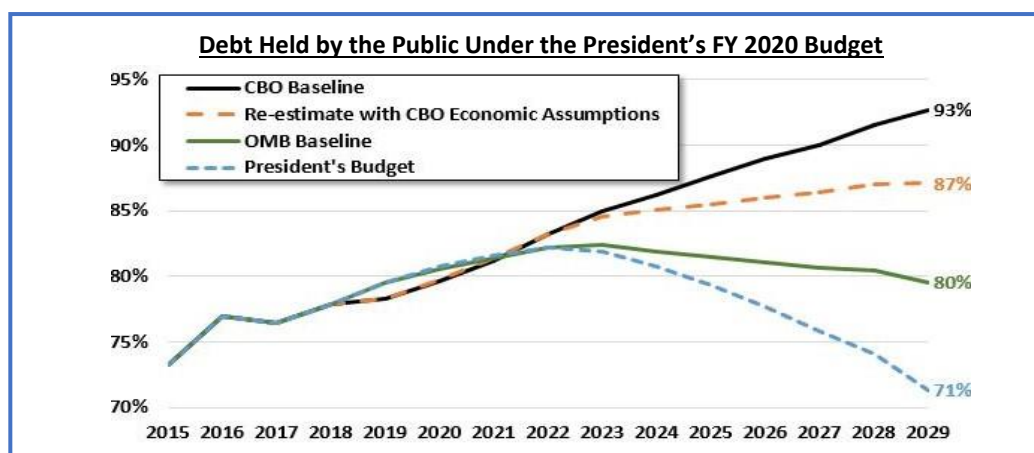
President Trump's FY 2020 budget proposes \$4.7 trillion in federal spending for FY 2020 and reduces overall spending each year for the following decade.

Top line numbers: The budget proposes significant spending cuts over the next ten years and relies on both significant cuts and optimistic economic growth assumptions to show federal debt decreasing over the next two decades. Specifically, the budget outlines FY 2020 discretionary spending at \$1.3 trillion and mandatory spending at \$3.4 trillion. The budget adheres to the spending caps set in the Budget Control Act (BCA) of 2011: for FY 2020, discretionary spending caps will be set at \$576 billion for defense and \$542 billion for non-defense, though in recent years Congress has frequently overrode BCA caps. For example, in FY 2019, these caps were set at \$647 billion for defense spending and \$597 billion for non-defense.

Debt and deficit reduction: The budget proposal estimates that it would achieve significant debt reduction over the next decade through both discretionary savings and reductions in mandatory spending. According to the White House Office of Management and Budget (OMB), debt under the budget would rise from 78 percent of GDP in 2018 to 82 percent in 2022 before falling to 71 percent by 2029.

The budget also estimates that budget deficits would rise from \$780 billion in 2018 to \$1.1 trillion in 2019 and 2020 before falling to \$202 billion by 2029. As was mentioned above, the budget predicts the federal deficit will be eliminated in FY 2034.

Source: OMB, CBO, CRFB calculations



Major Proposals in the President's Budget

The president's budget contains several savings assumptions, proposed changes to mandatory programs and additional policy decisions that would impact the country's finances. These changes relate to comprehensive tax form, repeal of the Affordable Care Act and reduction of non-defense discretionary funding.

Extending the Tax Cuts and Jobs Act (-\$1.1 trillion over 10 years): The president's budget assumes that tax savings for individuals approved in late 2017 as part of comprehensive tax reform would be extended beyond 2025. This extension would significantly reduce federal revenues, ultimately costing more than \$1 trillion over the next decade. This total is built in to the budget request and does not appear as a new initiative, even though the tax changes have not yet been extended.

Promoting New Initiatives (+ \$430 billion): The president's budget proposes roughly \$430 billion of new non-defense spending and tax breaks. Most significantly, the budget includes \$200 billion for a new infrastructure initiative. The budget also proposes \$20 billion for paid parental leave, \$45 billion for new school choice scholarship programs and \$100 billion in funding for the recently-enacted VA MISSION Act of 2018.

Reforming health care (- \$1.3 trillion): Overall, the budget would reduce projected health spending by about \$1.3 trillion over the next decade. Much of these savings (\$660 billion) come from a plan to repeal and replace the Affordable Care Act (ACA) – effectively replacing the ACA's premium subsidies and Medicaid expansion with a flexible state grant while also capping the growth of the base Medicaid program.

The budget also calls for roughly \$645 billion in additional health savings, mostly through Medicare changes. The proposal would save an additional \$470 billion by reducing and reforming Medicare provider payments related to bad debts, post-acute care and uncompensated care. Finally, the budget would save about \$70 billion by reducing federal drug costs and roughly \$75 billion through various other Medicaid changes.

Restructuring Safety Net Spending (-\$260 billion):

The president's budget would pare back and reform several safety-net programs. It would reduce the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) by \$220 billion by limiting program eligibility and implementing measures aimed at improving program integrity. The budget also calls for the elimination of the Social Services Block Grant (SSBG) and significant cuts to the Temporary Assistance for Needy Families (TANF) program – accounting for \$40 billion in reductions.

The budget further proposes implementing universal work requirements for federally funded public assistance programs, including TANF, SNAP, Medicaid and rental assistance, by requiring able-bodied adults to find employment, train for work or do community service in order to receive public assistance benefits.



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Budget at a Glance: Proposed Eliminations, Cuts, Increases

Proposed Major Program Eliminations in the Budget	
U.S. Department of Agriculture	U.S. Department of Homeland Security
Rural Business Development Grants Program – \$65 million	TSA Law Enforcement Grants – \$46 million
Cooperative Business Development Program – \$29.1 million	U.S. Department of Housing and Urban Development
Multi-Family Housing Direct Loans Program – \$40 million	Community Development Block Grant (CDBG) – \$3.3 billion
Single Family Housing Direct Loans – \$1 billion	HOME Investment Program – \$1.25 billion
USFS Land Acquisition – \$65 million	Choice Neighborhoods Initiative – \$150 million
U.S. Department of Commerce	U.S. Department of Interior
Economic Development Administration (EDA) – \$304 million	Geothermal Royalty Payments – \$40 million over a decade
U.S. Department of Education	BLM Land Acquisition – \$35 million
21st Century Community Learning Center – \$1.2 billion	U.S. Department of Justice
U.S. Department of Health and Human Services	State Criminal Alien Assistance Program (SCAAP) – \$244 million
Community Services Block Grant – \$715 million	U.S. Department of Transportation
Low-Income Housing Energy Assistance Program (LIHEAP) – \$3.69 billion	Off-system bridge set-aside – \$777 million
Social Services Block Grant (SSBG) – \$1.7 billion	Regional Commissions
TANF Contingency Fund – \$608 million	Delta Regional Authority – \$22 million
Health Workforce Programs – \$427 million	
Office of the National Coordinator for Health Information Technology (ONC HIT) – \$17 million	

Proposed Major Program Reductions in the Budget	
U.S. Department of Agriculture	U.S. Environmental Protection Agency
Community Facilities Direct Loan Program – cut by \$300 million (12%)	Chesapeake Bay Regional Water Grant – cut by \$65.7 million (90%)
USFS Wildland Fire Management Preparedness Account – cut by \$556 million (30%)	Water Infrastructure Finance and Innovation Program – cut by \$38 million (60%)
Women, Infants and Children (WIC) Nutrition Program – cut by \$435 million (7%)	Clean Water State Revolving Fund – cut by \$575 million (34%)
Water and Waste Disposal Direct Loans – cut by \$200 million (14.2%)	Drinking Water State Revolving Fund – cut by \$300 million (25.7%)
USFWS Land Acquisition – cut by \$59.3 million (93%)	Brownfields Grants – cut by \$18 million (22.5%)
U.S. Department of Commerce	U.S. Department of Health and Human Services
Manufacturing Extension Partnership – cut by \$135 million (96.4%)	Medicaid – cut by \$1.4 trillion over the next ten years
U.S. Environmental Protection Agency	Chronic Disease and Health Promotion Programs – cut by \$237 million (20%)
Grant Funding for State and Local Air Quality Control Programs – cut by \$76 million (33%)	Public Health Preparedness – cut by \$30 million (3.5%)
Leaking Underground Storage Tank Program – cut by \$44 million (44%)	Temporary Assistance for Needy Families (TANF) – cut by \$1.4 billion (11%)
Great Lakes Restoration Regional Water Grant – cut by \$270 million (90%)	Supplemental Nutrition Assistance Program (SNAP) – cut by \$220 billion over the next ten years

Proposed Major Program Reductions in the Budget – Continued

U.S. Department of Homeland Security	U.S. Department of Justice
Flood Hazard Mapping and Risk Analysis Program – cut by \$163 million (62%)	Justice and Mental Health Collaboration Program (formerly MIOTCRA) – cut by \$1 million (3.2%)
State Homeland Security Grant Program – cut by \$193 million (37%)	Juvenile Justice Delinquency Prevention Act Program (JJDP) – cut by \$48.5 million (17%)
Urban Area Security Initiative – cut by \$193 million (31%)	COPS Hiring Program – cut by \$204.5 million (67%)
Emergency Management Performance Grants – cut by \$70.7 million (20%)	U.S. Department of Labor
DHS Firefighter Grants Program – cut by \$5.7 million (2%)	Job Corps Program – cut by \$703 million (40.9%)
U.S. Department of Interior	U.S. Department of Transportation
Payments in Lieu of Taxes (PILT) Program – cut by \$35 million (7%) (due to PILT formula calculations)	FTA Capital Investment Program – cut by \$1 billion (7.5%)
Wildland Fire Management – cut by \$22 million (2.3%)	Essential Air Service (EAS) Program – cut by \$39 million (12.4%)
NPS Construction – cut by \$113 million (32%)	National Highway Traffic Safety Administration – cut by \$100 million (28.5%)
NPS Land Acquisition and State and Local Programs – cut by \$176 million (97.3%)	U.S. Department of Housing and Urban Development
	Veterans Affairs Supportive Housing – cut by \$36 million (90%)

Proposed Major Program Increases in the Budget

U.S. Department of Agriculture	U.S. Department of Homeland Security
Community Facilities Grants and Guaranteed Loans – increased by \$365.9 million (189%)	Disaster Relief Fund – increased by \$7.3 billion (58%)
Distance Learning and Telemedicine Grants – increased by \$10 million (29.4%)	U.S. Department of Interior
Water and Waste Disposal Grants – increased by \$73 million (18.2%)	Establishes Public Lands Infrastructure Fund – increased by \$18 billion over 10 years
USFS Hazardous Fuels Removal – increased by \$20 million (4.7%)	Hazardous Fuels Removal – increased by \$5 million (2.6%)
USFS Wildland Fire Suppression – increased by \$16 million (1.4%)	BLM Wild Horse and Burro Management Funding – increased by \$700,000 (1%)
Rental Assistance Grants – increased by \$100 million (7.7%)	U.S. Department of Labor
U.S. Department of Commerce	Veterans Employment and Training – increased by \$6 million (2%)
U.S. Census Bureau – increased by \$3.4 billion (89%)	U.S. Department of Transportation
U.S. Department of Health and Human Services	BUILD Competitive Grant Program (formerly TIGER) – increased by \$100 million (11%)
Supports for Vaccination Programs – increased by \$600 million (14.3%)	

DETAILED BUDGET BREAKDOWN

AGRICULTURE AND RURAL AFFAIRS

U.S. Department of Agriculture (USDA)

The president's FY 2020 budget requests \$22.4 billion in discretionary funding for USDA, a reduction of over \$5 billion from FY 2019. Additionally, the budget requests \$2.9 billion for USDA's Rural Development programs, a decrease of almost \$600 million from FY 2019 appropriated levels.

Programs throughout the U.S. Department of Agriculture (USDA) – and especially through USDA's Rural Development Agency – help counties invest in rural infrastructure and community development and provide nutritional assistance and access to critical health care services to some of our nation's most underserved communities.

Rural Business Cooperative Services

The president's budget proposes to eliminate nearly all discretionary spending for the Rural Business Cooperative Service (RBCS) in FY 2020 except for the Business and Industry Guaranteed Loan Program, which would receive \$1 billion. RBCS programs support technical assistance, training and other activities to help with the development or expansion of small businesses in rural areas.

Programs within the RBCS that would be eliminated include the Rural Business Development Grants Program (funded at \$65 million in FY 2019), the Delta Regional Authority (\$22 million), the Intermediary Relending Program (\$8.7 million), the Rural Economic Development Grants and Loans Program (\$50 million), the Rural Cooperative Business Development Program (\$29.1 million) and the Value-Added Producer Grants Program (\$17.5 million).

According to the White House, these programs are targeted for elimination because they "have failed to meet the program goals, are duplicative of private sector assistance and have been improperly managed." Further, the budget states, "These programs have not been able to demonstrate that they meet the broader goals of reducing rural

poverty, out-migration or unemployment." The White House hopes that instead of RBCS, their proposed tax, regulatory and infrastructure policies within the budget would be more effective at improving rural economies and job growth.

Rural Utilities Service

- **Water and Waste Disposal Program:** The president's budget proposes \$1.2 billion for Water and Waste Disposal direct loans, which is \$200 million below FY 2019. The budget also proposes raising the population limit for direct loans from 10,000 to 20,000 to make more rural communities eligible. Additionally, the budget proposes \$473 million for Water and Waste Disposal grants, an increase of \$73 million over FY 2019. The Water and Waste Disposal Program helps counties fund and finance critical water and waste infrastructure and provide access to clean water in rural communities.



The budget proposes \$473 million for Water and Waste Disposal grants, an increase of \$73 million over FY 2019.

- **Rural Broadband:** The budget includes \$200 million to continue the Broadband Pilot Program, which funds broadband programs in communities with fewer than 20,000 people with no broadband service or where service does not meet certain standards. The budget also includes \$30 million for Rural Broadband Grants, level funding with FY 2019. However, the budget proposes eliminating Rural Broadband Direct Loans, which were funded at \$26 million in FY 2019. NACo strongly supports the Rural Broadband Loan and Grant Programs, which help deploy essential broadband

infrastructure in under and unserved rural counties.

- **Distance Learning Telemedicine Program:** The president's budget would provide \$44 million for Distance Learning and Telemedicine (DLT) grants, which were funded at \$34 million in FY 2019. This program provides rural counties with telecommunication technologies to help provide access to health care and education services. The budget would set aside \$20 million of the allocated amount for this program to specifically be targeted at telemedicine programs combatting the opioid epidemic in rural communities.



The president's budget would provide \$44 million for Distance Learning and Telemedicine (DLT) grants, which were funded at \$34 million in FY 2019, and targets \$20 million of that at projects combatting the opioid epidemic in rural communities.

Rural Housing Service

- **Community Facilities Program (CFP):** The president's budget would provide \$2.5 billion for the Community Facilities Direct Loan Program, a cut of \$300 million compared to FY 2019. The budget would also provide \$60 million and \$500 million for grants and guaranteed loans, respectively, under the CFP. CFP Grants were funded at roughly \$45.78 million and CFP Guaranteed Loans were funded at nearly \$148.3 million in FY 2019. CFP 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 Program:** The budget would provide \$24 billion for Single Family Housing Guaranteed Loans, which represents level funding with FY 2019. However, the budget

also proposes to eliminate Single Family Direct Loans (funded at \$1 billion in FY 2019) to "focus on creating homeownership opportunities through the Guaranteed Loan program." Single-Family Housing programs support homeownership opportunities for low-income families in rural areas.

- **Multi-Family Housing Program:** The president's budget calls for the elimination of the Multi-Family Housing Direct Loans program, which received \$40 million in FY 2019 and provides financing for rental housing projects and rental assistance payments for low-income tenants of those projects. Meanwhile, Multi-Family Housing Guaranteed Loans would receive \$250 million under the FY 2020 budget request, a \$20 million increase over FY 2019.

The Multi-Family Housing Program provides financing for rental housing projects and rental assistance payments for the low-income tenants of those projects. Currently, over 650,000 limited-income individuals, many of whom are elderly, with an average annual income of about \$11,176, reside in approximately 426,600 direct portfolio units in rural counties across the country.

- **Rental Assistance Program:** The president's FY 2020 budget would provide over \$1.4 billion for Rental Assistance Vouchers, an increase of \$100 million from FY 2019. Nearly all of these funds would be used for contract renewals for rental assistance payments help to reduce rental payments. Additionally, the budget proposal continues the previous year's proposal requiring tenants utilizing rental assistance to contribute a minimum rent of \$50 per month, unless the tenant qualifies for a hardship exemption.

COMMUNITY, ECONOMIC AND WORKFORCE DEVELOPMENT

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

The president's budget requests \$44.1 billion for the U.S. Department of Housing and Urban Development in FY 2020, \$8.7 billion below FY 2019.

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

For example, counties leverage the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grants (CDBG) with private and nonprofit funding to address many local needs, such as affordable housing and bottlenecks in economic development. Counties are often the fundamental platform for collaboration in building regional and state economies as well as the U.S. economy.

Community Planning and Development

- **Community Development Block Grant (CDBG):** The president's FY 2020 budget would eliminate funding for the Community Development Block Grant (CDBG) program, which is funded at \$3.3 billion in FY 2019. The budget proposes elimination, citing, "Evaluations of [CDBG] have been unable to demonstrate program results" and asserts that many local governments receiving CDBG funds "have the capacity to fund" these activities covered under CDBG themselves.

It is interesting to note, however, that HUD separately reports that between 2005 and 2013, CDBG created or retained 330,546 jobs, assisted over 1.1 million people with homeownership and improvements, benefitted over 33 million people nationwide through public improvements and provided public services to

over 105 million people. In FY 2018 alone, roughly 200 CDBG entitlement counties directly received a total of \$909 million through the program.

NACo strongly supports CDBG, which counties use to fund vital community, infrastructure and economic development programs. The budget cuts included in the FY 2020 budget request would shift costs for key community and economic development activities to state and local taxpayers.

“The president's FY 2020 budget request would eliminate funding for CDBG. NACo strongly supports CDBG, which counties use to fund vital community, infrastructure and economic development programs.”

- **HOME Investment Partnerships (HOME):** The president's FY 2020 budget would also eliminate funding for the HOME Investment Partnerships Program, which is currently funded at \$1.25 billion through the FY 2019 omnibus. 193 counties received HOME funds directly in FY 2018, totaling \$381.3 million.

The administration proposes the change to "devolve affordable housing activities to state and local governments" and suggests affordable housing issues "cannot be solved by the federal government or the subsidization of housing construction alone." These changes would shift costs and responsibilities to counties and significantly reduce the federal government's assistance in addressing the affordable housing crisis.

NACo strongly supports the HOME program, which helps counties design and implement

affordable housing programs for low-income residents.

Homeless Assistance/Section 8 Vouchers

- **Homeless Assistance Grants:** Under the president's budget, Homeless Assistance Grants would be funded at \$2.6 billion, level to FY 2019. This funding includes \$270 million for Emergency Solutions Grants, which support 350,000 individuals in emergency shelters each year.
- **Section 8 Housing Choice Vouchers:** The president's FY 2020 budget request would provide \$22.2 billion for Housing Choice Vouchers, which represents a decrease of \$254 million from FY 2019.
- **Housing Trust Fund (HTF):** The FY 2020 budget would eliminate assessments on Fannie Mae and Freddie Mac, eliminating the funding source for the Housing Trust Fund, which received \$267 million in FY 2018, the last year available. The HTF provides grants to states to increase the supply of affordable rental housing for extremely low-income families.
- **Housing and Urban Development Veterans Affairs Supportive Housing (HUD-VASH) Program:** The president's FY 2020 budget request would severely cut funding for the HUD-VASH program by \$36 million (down to \$4 million). NACo strongly supports the continued appropriation of resources through HUD-VASH vouchers to reach the goal of ending homelessness among veterans and their families.
- **Choice Neighborhoods Initiative:** The Choice Neighborhoods Initiative provides competitive planning and implementation grants to improve neighborhoods with distressed public housing. The FY 2020 budget request would eliminate funding for this program, funded at \$150 million in FY 2019. In eliminating the Choice Initiative, the budget suggests "many of the private funds leveraged by grantees...appear as if they would have occurred in the absence of a Choice grant." The budget further states that the elimination of the program will allow states and local

governments to "fund locally driven strategies for neighborhood revitalization."

U.S. Department of Commerce

The president's 2020 budget requests \$12.2 billion for the U.S. Department of Commerce, a nearly \$1 billion increase over FY 2019.

- **Economic Development Administration (EDA):** The president's budget again calls for the elimination of the EDA, which received \$304 million in FY 2019. According to the administration, EDA is proposed for elimination because the grants have "limited measurable impacts and duplicate other federal programs," and the "long-term impacts of the grants are difficult to quantify." EDA funding supports regional strategies for long-term growth and serves as a catalyst in helping communities achieve economic growth, and NACo strongly supports full funding for EDA, which is particularly important for the economic growth and development of rural counties.
- **U.S. Census Bureau:** As the Bureau prepares for the 2020 Census, the president's budget request calls for a total of \$7.2 billion for the U.S. Census Bureau, a \$3.4 billion increase over FY 2019. Traditionally, census funding ramps up exponentially as the decennial census approaches. An accurate and fair census count is vital to counties, as census data directs roughly \$900 billion of federal funding annually. NACo supports full funding for the Census Bureau and the American Community Survey.

U.S. Department of Labor (DOL)

The president's FY 2020 budget requests \$10.9 billion for the U.S. Department of Labor, a \$1.2 billion cut from FY 2019.

Departmental Reorganization: The president's FY 2020 budget adheres to a June 2018 proposal titled, "Delivering Government Solutions in the 21st Century," in which the administration proposes a government-wide workforce development program consolidation that would streamline separate programs to increase efficiencies and better serve residents. Under the proposal, the Departments of Education and Labor would merge into a single

department, the U.S. Department of Education and the Workforce (DEW). All workforce development programs currently housed under these two agencies would be moved under one of four sub-agencies of the new department.

occupational skills to prepare them for employment.

The FY 2020 budget takes steps towards achieving the goals in this plan by restructuring or eliminating programs that are ineffective, unproven, non-essential or duplicative based on an analysis of available data and careful examination of those programs that lack evidence to justify continued support. The budget also proposes additional flexibility in certain formula grants to ensure that state and local governments are empowered to make decisions that best suit the needs of local employers and job seekers.

- **Workforce Innovation and Opportunity Act (WIOA) Title 1:** The FY 2020 budget proposal would fund Workforce Innovation and Opportunity Act (WIOA) Title I programs at \$2.8 billion, similar to FY 2019. Of this amount, \$846 million is included for adult programs, \$903 million for youth activities and roughly \$1.04 billion 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 source of federal funding for workforce development activities and a critical resource to counties.
- **Apprenticeships:** The FY 2020 budget would provide \$160 million for apprenticeships, similar to FY 2019, to support the rapid expansion of Industry-Recognized Apprenticeships in high-growth sectors where apprenticeships are currently underutilized. The budget also states the department “will pursue ways to expand apprenticeship opportunities in high-growth sectors” in the coming year, such as health care, information technology and advanced manufacturing.
- **Youthbuild:** The Youthbuild program would receive \$85 million under the FY 2020 budget, \$4 million below FY 2019. Youthbuild targets at-risk high school dropouts who are particularly vulnerable in the current economy and provides them with opportunity to gain education and

ENVIRONMENT, ENERGY AND LAND USE

U.S. Environmental Protection Agency

The president's FY 2020 budget proposal would decrease funding for the U.S. Environmental Protection Agency (EPA) to \$6.1 billion, a \$2.75 billion cut compared to FY 2019.

EPA is the federal agency responsible for implementing and enforcing rules designed to protect human health and the environment. Most relevant to counties, the budget proposes to "eliminate or substantially reduce federal investment in state environmental activities that go beyond EPA's statutory requirements."

However, the administration's FY 2020 budget also proposes "a new categorical grant (Multipurpose Grants) ...for any delegated mandatory statutory duty to help avoid the creation of unfunded mandates." This would be very good for counties, who often serve as implementors and co-regulators of federal environmental policies.

Counties are tasked with ensuring environmental protection while maintaining the economic vitality of their region. The county role in environmental protection and energy is varied across states, ranging from air and water quality protection, solid waste disposal and energy resource allocation. In many cases, counties serve as co-regulators with states and the federal government at the local level.

- **State and local air program grants:** The president's budget would provide \$152 million for grants to states, tribes and local air pollution agencies for prevention, control, abatement and implementation of air quality control programs, a \$76 million cut relative to FY 2019.
- **Water infrastructure funding:** The Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF) would receive almost \$2 billion combined under the FY 2020 budget, an \$874 reduction compared to FY 2019. NACo supports the CWSRF and DWSRF programs, which help finance state and local drinking water and wastewater infrastructure projects.

- **CWSRF:** The CWSRF would receive \$1.12 billion for Clean Water Act (CWA) municipal wastewater infrastructure construction or upgrade projects, a \$575 million decrease relative to FY 2019.
- **DWSRF:** The DWSRF would receive \$863 million under the president's budget to support Safe Drinking Water Act (SDWA) infrastructure projects, a \$300 million decrease from FY 2019.

- **Water Infrastructure Finance and Innovation (WIFIA) fund:** The president's budget would provide \$25 million for the Water Infrastructure Finance and Innovation (WIFIA) program, a \$38 million cut from FY 2019. Created in 2014 and implemented in 2017, the WIFIA program provides low interest federal loans or loan guarantees to eligible entities for a wide range of nationally and regionally significant water and wastewater projects.
- **Regional Water Grants:** The president's budget would significantly cut funding for two regional-based Clean Water Act grant programs and eliminate funding for seven others. According to the White House, the elimination of these grants will allow the EPA to "better focus and prioritize environmental activities on core functions required by federal environmental laws." Additionally, the budget claims, "State and local groups are engaged and capable of taking on management and clean-up and restoration of these water bodies."

The proposed changes include cuts of \$65.7 million and \$270 million, respectively, to the Chesapeake Bay and Great Lakes Restoration programs, which help local communities meet federal water quality standards. Funding for regional water programs in the Gulf of Mexico, Lake Champlain, Long Island Sound, Puget Sound, San Francisco Bay, South Florida and the

South New England Estuary are zeroed out in the president's budget.

- **Leaking Underground Storage Tank Program:** The president's budget request would provide \$45.5 million for the Leaking Underground Storage Tank Trust Fund Program (LUST), a decrease of \$44 million from FY 2019. 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.



The FY 2020 budget would significantly cut funding for two regional-based Clean Water Act grant programs and eliminate funding for seven others. According to the White House, "State and local groups are engaged and capable of taking on management and clean-up and restoration of these water bodies."

- **Brownfields grants:** The president's budget would provide \$62 million for Brownfields grants in FY 2020, an \$18 million cut from FY 2019. EPA's Brownfields program grants allow local governments to clean up abandoned or under-utilized industrial and commercial properties, which are contaminated (or are perceived to be contaminated) due to past practices.
- **Diesel Emission Reductions Grants (DERA):** The president's budget would fund DERA at \$10 million, which represents a decrease of \$65 million from FY 2019. DERA helps local governments and other entities install modern pollution control equipment on trucks, buses and heavy equipment, which assists counties in meeting federal air quality standards. NACo supports DERA.

- **ENERGY STAR and Voluntary Climate Programs:** The president's budget would eliminate federal funding for the ENERGY STAR program, and instead shift the program to rely on the collection of user fees. The ENERGY STAR program is a voluntary energy-efficiency certification program, and the administration says the ENERGY STAR program and several smaller voluntary partnership programs are "not essential to EPA's core mission and can be implemented by the private sector."
- **Nonpoint source water pollution grant program:** The president's FY 2020 budget would eliminate the Section 319 nonpoint source program, which was funded at \$171 million in FY 2019. Sec. 319 grants help states, tribes and local governments implement nonpoint source water protection programs by providing both technical and financial assistance, education, training and demonstration projects.
- **Proposes funding for five new water programs:** Last year, the president signed into law the America's Water Infrastructure Act of 2018 (AWIA), also known as the Water Resources Development Act of 2018. AWIA contained language authorizing five new grant programs, and the president's FY 2020 budget proposes the following funding amounts:
 - \$2 million for Drinking Water Infrastructure Resilience and Sustainability
 - \$5 million for Drinking Fountain Lead Testing
 - \$7.5 million for Technical Assistance for Treatment Works
 - \$61.45 million for Sewer Overflow Control Grants
 - \$300,000 for Water Infrastructure and Workforce Investment

HEALTH AND HUMAN SERVICES

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

The president's budget requests \$87.1 billion for the U.S. Department of Health and Human Services, \$8.3 billion below FY 2019.

County governments invest more than \$86 billion annually in community health services and systems. Through 750 behavioral health authorities and community providers, county governments plan and operate community-based prevention and treatment services for persons with mental illness and substance use conditions. Counties also support over 900 hospitals that provide clinical services, cancer and cardiac care, and emergency and trauma care. By supporting approximately 840 nursing homes, counties promote quality of life and wellness for the elderly.

In addition to health services, counties play a pivotal role when it comes to providing our residents with critical human services. Counties provide and administer federal, state and local systems of services to break cycles of poverty. In fact, counties invest \$58 billion annually in federal, state and local funds in human services while serving as the front-line social safety net.

- **Medicaid:** The budget would reduce federal Medicaid funds – which are considered mandatory spending – by over \$1.4 trillion over the next ten years. The cuts would be achieved by instituting a block grant or a per-capita cap on the Medicaid program and eliminating Medicaid expansion as instituted under the Affordable Care Act (ACA). The budget assumes such reforms would be achieved by repealing the ACA and replacing it with a proposal similar to health legislation previously introduced by Sens. Lindsey Graham and Bill Cassidy (called “Graham-Cassidy”).

The budget also calls for increased state flexibility in administering the Medicaid program, including supporting proposals such as increasing co-payments for non-emergency use of emergency room services, requiring individuals to prove their immigration status

before receiving Medicaid benefits, increasing the flexibility of Medicaid managed care waivers and allowing states to consider certain assets as a basis for Medicaid eligibility.

The budget also proposes continued cuts to Medicaid Disproportionate Share Hospital (DSH) payments, representing a savings of \$25.9 billion over the next ten years. Additionally, the budget also proposes the implementation of work requirements for “able-bodied, working age individuals” (ABAWDs) as a condition of eligibility for Medicaid and other welfare programs.

On the regulatory front, the president's budget directs HHS to make non-emergency transportation an optional service under Medicaid.

“The budget would reduce federal Medicaid funds by over \$1.4 trillion over the next ten years. The cuts would be achieved by instituting a block grant or a per-capita cap on the Medicaid program and eliminating Medicaid expansion.”

Counties support 907 hospitals, 824 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 the federal funding contribution to Medicaid, as such caps would eventually shift costs to counties, placing further strain on our capacity to provide health care services. 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.

- **Local Public Health and Disease Prevention:** The president's budget would provide \$12 billion for HHS Centers for Disease Control and Prevention (CDC), which represents a decrease of over \$100 million from FY 2019. 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 CDC. CDC-funded programs that support public health preparedness would be cut by \$30 million compared to FY 2019 down to \$825 million, and chronic disease prevention and health promotion programs that target the prevention of cancer, heart disease and diabetes would be reduced by \$237 million down to \$951 million.

Contrary to previous budget requests, the Prevention and Public Health Fund (PPHF) would see an increase in funding of \$94 million above FY 2019, for a total of \$894 million in FY 2020. NACo strongly supports the PPHF, which supports many local public health programs.

- **New HIV Initiative:** The FY 2020 budget request outlines a new multi-year plan to eliminate new HIV infections in America, with the goal of reducing new infections by 75 percent within five years and 90 percent in 10 years. The budget provides \$291 million to HHS for the first phase of the initiative of which \$140 million would be allocated to the CDC to test and diagnose new cases. Additionally, \$120 million would go to the Health Resources and Services Administration (HRSA) through the Ryan White HIV/AIDS Program to treat people currently living with HIV.
- **Local Behavioral Health Programs:** The FY 2020 budget request would provide \$1.9 billion for the Substance Abuse and Mental Health Services Administration's (SAMHSA) Substance Abuse Prevention and Treatment Block Grant and \$723 million for the Community Mental Health Services Block Grant, both equal to FY 2019 appropriations. The budget request would provide an additional \$1 million in funding for the Drug Free Communities (DFC) Program, which supports several community drug-reduction programs.

The budget also proposes moving DFC from the Office of National Drug Control Policy (ONDCP) to SAMHSA. Our nation's 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:** To address the opioid crisis, the proposal requests \$1.5 billion for State Opioid Response grants as authorized under the Comprehensive Addiction and Recovery Act (CARA) to fund prevention, treatment and recovery support services. The budget also calls for \$476 million for CDC to support states, territories and local jurisdictions to track and prevent overdose deaths and \$221 million for HRSA to support the behavioral health workforce.

To address the opioid crisis, the proposal requests \$1.5 billion for State Opioid Response grants to fund prevention, treatment and recovery support services.

- **Helping Those Battling Mental Illness, Drug Addiction:** The FY 2020 budget introduces provisions for states to provide one year of post-partum Medicaid coverage for women with a substance use disorder to improve health outcomes for mothers and their infants, and outlines actions to prevent improper prescribing of opioids through Medicare and Medicaid.

The budget also calls for \$14 million for SAMHSA Criminal and Juvenile Justice programs, a \$10 million increase from FY 2019, to fund comprehensive treatment and recovery supports for justice-involved individuals with co-occurring mental illness and substance use disorders, including offenders who are returning to the community.

Human Services Programs

- **Temporary Assistance for Needy Families (TANF) block grant:** The president's budget requests \$15.1 billion for TANF, representing a cut of \$1.4 billion from FY 2019, which the White House notes is the "portion that states may transfer from TANF to Social Services Block Grant." Additionally, the budget proposes simplifying TANF's work participation rate (WPR) by replacing it with a new universal work requirement, which would reduce TANF spending by \$20 billion over the next decade.

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 was funded at \$608 million in FY 2019 and which the administration says does not "provide well-targeted counter-cyclical funding to states." The TANF Contingency Fund is designed to supplement TANF funding to states facing unforeseen developments or economic hardships. NACo supports maintaining the TANF Contingency Fund.

- **Social Services Block Grant (SSBG):** The president's budget proposes eliminating SSBG, stating that the program "lacks strong performance measures, is not well targeted and is not a core function of the federal government." Funded at \$1.7 billion for FY 2019, 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 full funding for SSBG.
- **Low-Income Housing Energy Assistance Program (LIHEAP):** The president's budget calls

for the elimination of LIHEAP, citing "program integrity concerns" and that the program is "no longer a necessity as states have adopted their own policies to protect constituents against energy concerns." LIHEAP is currently funded at \$3.3 billion for FY 2019 and delivers critical short-term aid to our nation's most vulnerable populations, including the low-income, disabled and elderly, to pay for heating and cooling.

- **Community Services Block Grant (CSBG):** The president's budget request would eliminate CSBG because the program "constitutes a small portion of the funding grantees receive, and funds are not directly tied to performance." CSBG is currently funded at \$715 million for FY 2019 and supports activities that mitigate the root causes of poverty by 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, and 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.

- **Child Care Development Block Grant (CCDBG):** The budget requests \$5.8 billion for CCDBG, level with FY 2019 funding. While CCDBG plans are developed and implemented at the state level, there are several county-administered CCDBG states where counties play a major role in administering CCDBG funds and coordinate with the state agency on early childhood programs active in a county. In addition to maintaining current CCDBG funding levels, the budget proposes a one-time, \$1 billion investment for states and localities to build the supply of child care and stimulate employment investment in child care.

- **Head Start:** The budget requests \$10.1 billion for Head Start, including \$805 million for Early Head Start-Child Care Partnerships, level with FY 2019. The administration estimates Head Start will be able to serve 871,000 children total in a single year. Head Start promotes school readiness for infants and children up to five years of age from low-income families by enhancing cognitive, social and emotional development. NACo supports increased investments in Head Start and other county-run early childhood programs.

Food and Nutrition Programs

- **Supplemental Nutrition Assistance Program (SNAP):** The president's budget proposes cutting SNAP, commonly known as food stamps, by \$17.4 billion in FY 2020, and by \$220 billion over a ten-year period. The budget further states that these proposals aim to "ensure Americans in need of assistance have access to a nutritious diet while reducing costs to taxpayers." SNAP is a public assistance program offering nutrition support to eligible low-income individuals and families. Although SNAP is primarily a partnership between the federal government and states, 10 states delegate SNAP administration directly to county agencies, which covers services for 32 percent of all program recipients.

The biggest proposed change to SNAP is the implementation of a universal work requirement "that would require all able-bodied adult participants to find or train for employment and work toward self-sufficiency." Under the budget proposal, this work requirement would apply to able-bodied adults without dependents (ABAWDs) between 18 and 65 – an increase in the current age range of 18 to 49.

Under this proposal, SNAP recipients would be required to work or participate in work-related activities for at least 20 hours per week in order to receive SNAP benefits. If implemented, the proposal may also create an additional financial burden on counties, leading to an increase in time spent screening and tracking beneficiaries as they move on and off SNAP. Additionally, residents who no longer receive SNAP benefits

may become more dependent on county programs. NACo supports SNAP's existing funding structure.

- **Women, Infants and Children (WIC) Nutrition Program:** The president's budget requests \$5.75 billion for the WIC program, a cut of \$435 million from FY 2019. 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.

The president's budget proposes cutting SNAP, commonly known as food stamps, by \$17.4 billion in FY 2020, and by \$220 billion over a ten-year period. In addition to changes in funding levels, the budget proposes several legislative changes to SNAP to encourage work among able-bodied adults.

U.S. Department of Education

The president's budget requests \$62 billion for the U.S. Department of Education, a cut of \$7.1 billion from FY 2019. In addition to overall funding changes, the budget also includes a proposal to end subsidized student loans and the Public Service Loan Forgiveness program.

- **Public Service Loan Forgiveness program:** The president's budget calls for the elimination of the Public Service Loan Forgiveness program, which is currently supported at \$207 billion for FY 2019, stating that the program "unfairly favors some career choices over others and is complicated for borrowers to navigate." The Public Service Loan Forgiveness program is an incentive program that forgives the student loans of public-sector workers. This proposal would impact program recipients who obtain a new student loan starting July 2, 2020. NACo supports federally backed student loan programs, which are vital to preserving our nation's equal educational opportunity.

JUSTICE AND PUBLIC SAFETY

U.S. Department of Homeland Security (DHS)

The president's FY 2020 budget requests \$51.7 billion for DHS, a \$20.8 billion increase from FY 2019. \$19.4 billion of the requested funding for DHS would be allocated specifically to help communities overwhelmed by major disasters, an increase of \$6.8 billion over FY 2019.

However, the budget also proposes eliminating \$691 million in emergency management grants to states and local governments over just one year, and it proposes adding a new "25 percent non-federal cost match for certain grant programs." Both changes would constitute significant revisions in the shared emergency management duties between federal, state and local governments and shift burdens and costs to counties.

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.

Federal Emergency Management Agency (FEMA)

- **State Homeland Security Grant Program:** The president's budget requests \$331.9 million for the State Homeland Security Grant Program (SHSGP), a decrease of \$193 million from FY 2019. SHSGP 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 terror and other catastrophic events.

The budget proposes to reduce SHSGP and impose a non-federal cost match of 25 percent

that is not currently required for the program, which the administration says will align SHSGP "with other FEMA grant programs" and ensure "state and local partners share accountability." The administration claims that reductions in the program are to "ensure adequate funding for higher priority investments within the Department of Homeland Security and encourage state and local partners to incorporate the full cost of preparedness activities into their own budgets."

Additionally, the budget takes the position that "FEMA should not continue to spend billions of dollars on non-competitive grant programs where FEMA is unable to measure outcomes." An August 2018 survey of local fire and police departments found a \$49 median return of investment for every SHSGP dollar spent.

“The budget takes the position that “FEMA should not continue to spend billions of dollars on non-competitive grant programs where FEMA is unable to measure outcomes.”

- **Urban Area Security Initiative:** The president's budget requests \$426.4 million for the Urban Area Security Initiative, a decrease of \$193 million from FY 2019. The UASI Program assists high-threat, high-density urban areas in efforts to build and sustain the capabilities necessary to prevent, protect against, mitigate, respond to and recover from acts of terrorism. The administration's explanation for reduction in UASI funding matches the reasoning given for reducing the SHSGP program.
- **Flood Hazard Mapping and Risk Analysis Program:** The president's budget requests \$100 million for Flood Hazard Mapping and Risk Analysis associated with the National Flood Insurance Program (NFIP), a cut of \$162.5 million from FY 2019 the budget request in order to "preserve resources" for DHS' core missions. The administration claims that the FY

2019 appropriations and FY 2020 request will put FEMA on track to complete the required map update by 2021. However, the budget request notes that administration of the Hazard Mapping Program and maintenance of accurate flood plain maps is “an ongoing, resource-intensive effort,” and FEMA is charged with continuous review and improvement of mapping for assessment of flood risk. Flood hazard mapping is an important part of NFIP, as it is the basis of the NFIP regulations and flood insurance requirements.

- **FEMA Disaster Relief Fund:** \$19.9 billion is proposed for the Disaster Relief Fund (DRF), with \$19.4 billion allocated to relief efforts for major disasters. The DRF received roughly \$12.6 billion through the FY 2019 omnibus.
- **Transportation Security Administration (TSA) Law Enforcement Grants:** The president’s budget proposes elimination of funding for grants to incentivize local law enforcement entities to provide law enforcement at airports by partially reimbursing those entities, claiming these incentives are “no longer necessary over 17 years after the September 11, 2001 attacks.” This program was funded at \$46 million for FY 2019, and reimbursements from this program ease the burden on local law enforcement committing personnel and resources to protecting airports.
- **Emergency Management Performance Grants:** The president’s FY 2020 budget requests \$279.3 million for Emergency Management Performance Grants (EMPG), a decrease of \$70.7 million from FY 2019. The EMPG program plays an important role in the implementation of the National Preparedness System by supporting the building, sustainment and delivery of core capabilities essential to achieving the National Preparedness Goal of a secure and resilient nation. The budget states that the reduction is to “ensure adequate funding for core Department of Homeland Security missions and higher priority investments” and that the reduction in funding will encourage grant recipients to begin to incorporate the full cost of preparedness activities into their own budgets. However, EMPG is essential for building and sustaining

critical capabilities for disaster preparedness, response, recovery and mitigation across the country, and already includes a 50-50 matching requirement from state and local governments. A 2018 EMPG Return on Investment report details 22,552 emergency events that required state assets, while local assets supported 12,557 additional local and tribal events.

- **Firefighter Assistance Grants:** The president’s budget requests \$344.3 million for Firefighter Assistance Grants, a decrease of roughly \$5.7 million from FY 2019. The Firefighter Assistance Grant Program provides direct assistance to local fire departments for investments to improve their ability to safeguard the lives of firefighting personnel and members of the public.



The president’s FY 2020 budget requests \$279.3 million for Emergency Management Performance Grants (EMPG), a decrease of \$70.7 million from FY 2019. Overall, the budget proposes eliminating \$691 million in emergency management grants to states and local governments.

- **Pre-Disaster Mitigation Grants:** The budget does not contemplate funding for Pre-Disaster Mitigation Grants specifically. However, the new National Public Infrastructure Pre-Disaster Mitigation program will be funded through a section of the Disaster Recovery Reform Act, which requires FEMA to set aside up to six percent of certain federal disaster assistance funds. This program will focus on funding public infrastructure projects that increase community resilience before a disaster occurs.

U.S. Department of Justice (DOJ)

The president’s FY 2020 budget would provide \$29.2 billion in discretionary funds for the U.S. Department of Justice (DOJ), a \$1.7 billion decrease relative to FY 2019.

- **State Criminal Alien Assistance Program (SCAAP):** The president's budget would eliminate funding for SCAAP, which partially reimburses state and county governments for the cost of incarcerating undocumented immigrants convicted of certain crimes and which the administration says is "unauthorized and poorly targeted." This proposal follows numerous others in recent years from this and previous administrations to eliminate SCAAP, but Congress has continued to fund the program each year, providing \$243.5 million in FY 2019. SCAAP compensation to county law enforcement agencies currently covers less than 18 percent of the actual cost of incarcerating undocumented criminal offenders. Elimination of this program would further reduce resources and place an even greater burden on local governments for this federal responsibility. In 2016, 726 counties received a total of \$66.2 million through SCAAP.
- **High Intensity Drug Trafficking Area Program (HIDTA):** The president's budget, as it did last year, calls for transferring the HIDTA program from the White House's Office of National Drug Control Policy (ONDCP) to DOJ's Drug Enforcement Administration (DEA), and the FY 2020 funding request of \$254 million for HIDTA is \$26 million below FY 2019 appropriations. HIDTA aids state and local law enforcement agencies operating in areas with high rates of drug trafficking.
- **Byrne Memorial Justice Assistance Grants (JAG):** The president's budget proposes \$405.2 million for the Byrne JAG program, a decrease of \$18.3 million relative to FY 2019. Byrne JAG grants support a variety of local justice programs, including crime prevention, courts and corrections and victims' services.
- **Community Oriented Policing Services Hiring Program (COPS):** The president's budget requests a \$204.5 million reduction in COPS funding for FY 2020, down to a new total of just \$99 million. The administration asserts the program is duplicative with other DOJ grant programs, including Byrne JAG, and that reallocating COPS funding will allow the department to "focus on higher priority federal investigations that target criminals posing the greatest threat to society." However, COPS grants support critical local law enforcement that are combatting these threats on the ground, and they help ensure that local law enforcement have the tools, personnel and resources necessary to protect and serve their communities every day.
- **Second Chance Act (SCA):** The president's budget proposes \$85 million in funding for the SCA, a \$48.5 million reduction from FY 2019. SCA supports local programs that help formerly incarcerated individuals reintegrate into communities and was a major county priority included in the recent passage of the First Step Act criminal justice legislation.
- **Juvenile Justice Delinquency Prevention Act Program (JJDP):** The president's budget proposes \$238.5 million in funding for JJDP, a \$5.5 million decrease from FY 2019. JJDP 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 facilitate compliance with these standards and improvement of local youth justice systems.
- **Justice and Mental Health Collaboration Program (formerly MIOTCRA):** The president's budget proposes \$30 million in funding for the Justice and Mental Health Collaboration Program in FY 2020, a decrease of \$1 million from FY 2019. This program, formerly referred to as the Mentally Ill Offender Treatment and Crime Reduction Act, provides funding for a range of activities to reduce the number of individuals with mental illness in jails.
- **STOP School Violence Act:** The president's FY 2020 budget calls for \$100 million for STOP School Violence Act programs, an increase of \$25 million over FY 2019. Through these funds, DOJ provides grants to state and local governments for the implementation of evidence-based strategies and programs focused on improving school security.
- **Programs related to combatting the opioid epidemic:** Although most federal assistance for state and local efforts to fight the opioid epidemic flows through HHS, the president's

budget would provide funding for several programs under DOJ's jurisdiction:

- \$145 million for the Comprehensive Opioid Abuse Program – \$12 million below FY 2019
- \$75 million for the Drug Court Program – \$2 million below FY 2019
- \$30 million for the Prescription Drug Monitoring Program – level

with FY 2019

- \$30 million for the Residential Substance Abuse Treatment program – also level with FY 2019
- \$20 million for Veterans Treatment Courts – \$2 million below FY 2019

PUBLIC LANDS

U.S. Department of the Interior (DOI)

The president's FY 2020 budget request proposes \$12.6 billion for the U.S. Department of the Interior – a \$2 billion decrease from FY 2019.

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, we 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.

Departmental Reorganization: The president's budget provides \$28 million – \$10 million more than in FY 2019 – to support the proposed plan to reorganize DOI to a more integrated approach with regional boundaries based on watersheds that shifts staff to western states.

- **Payments in Lieu of Taxes (PILT):** The Payments in Lieu of Taxes program would be funded at \$465 million, a \$35 million reduction compared to FY 2019. Despite the reduction, this \$465 million does constitute full funding of PILT, as SRS payments disbursed in calendar year 2018 are deducted from the PILT formula. Even though counties are not able to collect property taxes on federal land, county governments must still provide essential services for our residents and those who visit public lands each year. These services include road and bridge maintenance, law enforcement, search and rescue, emergency medical and fire protection,

solid waste disposal, and environmental compliance.

- **Public Lands Deferred Maintenance:** The FY 2020 budget would establish a Public Lands Infrastructure Fund to help reduce the \$16 billion deferred maintenance backlog on DOI lands. The fund would be created by taking 50 percent of incremental energy leasing receipts over 2019 projections that are not otherwise allocated and investing them in the new fund.



The Payments in Lieu of Taxes program would be funded at \$465 million, a \$35 million reduction compared to FY 2019. Even though counties are not able to collect property taxes on federal land, county governments must still provide essential services for our residents and those who visit public lands each year.

- **Revenue-Generating Activity on Federal Lands:** The president's budget projects DOI will collect \$14.8 billion in revenues in FY 2020 from energy and mineral development, grazing fees, timber harvests, land sales and other activities.
- **Geothermal Royalty Payments:** The FY 2020 budget would eliminate geothermal royalty payments to county governments, claiming the county share of these payments is "inconsistent with the longstanding revenue-sharing approach" between states and the federal government. If implemented, this could cost counties \$40 million over the next decade.

Wildfire Fighting and Prevention Programs

- **DOI Wildland Fire Management:** Under the budget request, the DOI Wildland Fire Management program would receive \$920 million, a \$22 million reduction relative to FY 2019. The budget proposal would fund Hazardous Fuels Management activities at \$194

million, Suppression Operations at \$384 million, Wildland Fire Preparedness at \$332.8 million and the Burned Area Rehabilitation program at \$9.5 million.

Further, the budget calculates a wildfire disaster funding cap adjustment of \$300 million for DOI. FY 2020 marks the first year that federal land management agencies can access this funding mechanism.

Bureau of Land Management (BLM)

The president's budget proposes reducing funding for the BLM from \$1.35 billion in FY 2019 to \$1.2 billion in FY 2020, an 11 percent cut.

- **BLM Land Acquisition:** The budget would eliminate funding for land acquisition and would also cancel \$10 million in prior year balances, yielding a net decrease of \$35 million. Federal land acquisition impacts counties' tax bases because counties cannot levy property taxes on federal land. NACo supports a strong county role in the federal land acquisition process.
- **Wild Horse and Burro Management:** The president's budget would provide \$75.7 million for the Wild Horse and Burro Management Program, a \$700,000 increase relative to FY 2019. BLM has committed to using contraceptive and sterilization of animals before returning them to the range, and to working with the scientific community to refine population control strategies.
- **Oregon and California Grant Lands:** The president's budget includes \$107 million to support O&C Grant Lands, including language to promote coordination and greater management flexibility.

U.S. Fish and Wildlife Service (USFWS)

- **Department funding:** Proposed discretionary funding for USFWS is \$1.33 billion, a \$267 million decrease compared to FY2019. These cuts come primarily from the Resource Management Account, Construction, State and Tribal Wildlife Grants, and elimination of the Cooperative Endangered Species Fund and the

National Wildlife Refuge Fund discretionary accounts.

- **USFWS Land Acquisition Account:** The budget request would fund the USFWS Land Acquisition account at \$4.5 million, a \$59.3 million cut compared to FY 2019.
- **Permanent funding increase:** The president's budget requests an increase of \$120 million in permanent funding for USFWS compared to FY 2019, for a total of \$1.48 billion. The increases are primarily targeted at Wildlife Restoration and Sport Fish Restoration grant programs.

National Park Service (NPS)

- **Department funding:** The FY 2020 budget requests \$2.74 billion for the National Park Service (NPS), a \$460 million cut compared to FY 2019. The combined Land Acquisition and State and Local Programs accounts would be reduced by \$176 million compared to FY 2019, and the National Recreation and Preservation account and Historic Preservation Fund would be reduced by a combined \$95 million.
- **NPS maintenance backlog:** The NPS Construction account would be cut by \$113 million compared to FY 2019. The budget also proposes to eliminate funding for the NPS Centennial Challenge Fund, which allows the NPS to leverage federal funds with outside partners to help fund maintenance activities.

U.S. Forest Service (USFS)

Department funding: The president's budget request would fund the USFS at \$5.14 billion, a reduction of \$416 million compared to FY 2019. The bulk of these cuts come from State and Private Forestry (\$154 million), Capital Improvement and Maintenance (\$15 million), land acquisition (\$65 million) and wildfire suppression (\$556 million).

- **Secure Rural Schools (SRS):** Funding for SRS is not included in the FY 2020 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.

- **USFS Wildland Fire Management:** Under the budget request, the DOI Wildland Fire Management program would receive \$920 million, a \$22 million reduction relative to FY 2019. The budget proposal would fund Hazardous Fuels Management activities at \$194 million, Suppression Operations at \$384 million, Wildland Fire Preparedness at \$332.8 million and the Burned Area Rehabilitation program at \$9.5 million.
- However, the budget also proposes a wildfire disaster funding cap adjustment of \$300 million for DOI. FY 2020 marks the first year that federal land management agencies can access this cap adjustment funding mechanism to combat the most extreme wildfires, which will help prevent



The FY 2020 budget requests \$1.34 billion for the Wildland Fire Suppression account, a \$16 million increase compared to FY 2019.

The budget also proposes a potential wildfire disaster funding cap adjustment of \$1.9 billion, which will be newly accessible to federal land management agencies starting in FY 2020.

federal agencies from having to take funds from forest management accounts to fund wildfire suppression efforts.

- **Hazardous Fuels Removal:** The Hazardous Fuels Reduction program, which targets removal of fire and disease prone vegetation, would be funded at \$450 million, \$20 million above FY 2019.
- **USFS Land Acquisition:** The budget would eliminate funding for USFS land acquisition, representing a cut of \$58 million compared to FY 2019.
- **Congressional Action:** The president's budget requests that Congress reauthorize USFS' ability to collect recreation revenue (Federal Lands Recreation Enhancement Act), give USFS the authority to recuperate losses from land use application processing and retain certain mineral receipts to cover infrastructure maintenance costs.

TRANSPORTATION

U.S. Department of Transportation (DOT)

The president's budget requests \$21.4 billion in discretionary budget authority for DOT in FY 2020, a \$5.1 billion or 19 percent decrease from FY 2019 DOT appropriations (\$26.5 billion). The request also provides \$62.2 billion in mandatory funds and obligation limitations.

For programs funded under the Highway Trust Fund, the budget is consistent with funding levels set by the fifth and final year of the Fixing America's Surface Transportation Act (FAST Act) of 2015. **Of note, the overall budget request from the White House includes an extra \$200 billion for additional infrastructure investments** that would be allocated to projects the administration and Congress decide are of the greatest public benefit. This funding would be used to leverage a total of \$1.5 trillion in infrastructure investments. **However, the budget also proposes eliminating the set-aside for off-system bridges under the Surface Transportation Block Grant – a key resource for rural counties.**

Counties are an essential part of the nation's infrastructure system. 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. The nation's counties annually invest more than \$122 billion in building infrastructure and maintaining and operating public works. Counties own and maintain 46 percent of America's roads and 38 percent of all bridges, and we are involved in 78 percent of America's public transit systems and one-third of the nation's airports.

- **Highway Safety:** To address the disproportionate number of fatalities that occur on the nation's highways, the administration requests \$2.7 billion for the Federal Highway Administration Highway Safety Improvement Program, \$350 million above FY 2019. The president's budget also proposes funding levels for various sub-agencies, including \$929 million for the National Highway Traffic Safety Administration (\$1.3 billion below FY 2019) and \$676 million for the Federal Motor Carrier

Safety Administration (\$666.8 million above FY 2019).

Improving highway safety is a major priority for counties as over half of the nation's annual traffic fatalities occur on rural roads.

- **Competitive Grants for Counties:** The president's budget proposes \$1 billion for the Better Utilizing Investments to Leverage Development (BUILD) competitive grant program, \$100 million above the FY 2019 appropriation of \$900 million and a substantial change compared to the FY 2019 request, which eliminated the program. The BUILD program awards grants to projects that are not generally eligible for funding under existing surface transportation formula programs, including those that increase the quality of life and economic competitiveness of communities across the country, particularly in rural areas.

The request also provides \$2 billion for the Infrastructure for Rebuilding America (INFRA) competitive grant program, which is \$1 billion above the level authorized by the FAST Act. Additionally, the administration's request allocates \$300 million in competitive grant funding for states using innovative procurement methods to address rural bridges that are in the poorest conditions nationwide.

Finally, the budget proposes eliminating the set-aside for off-system bridges under the Surface Transportation Block Grant. This change would make it harder for many counties to receive direct federal funding for off-system bridges, especially rural counties.



The FY 2020 budget proposes eliminating the set-aside for off-system bridges under the Surface Transportation Block Grant.

- **Federal Aviation Administration:** The president's budget dedicates \$3.3 billion to modernizing FAA infrastructure to ensure the safety of the national airspace and to reduce flight delays.
- **Unmanned Aerial Systems/Drones:** The FY 2020 budget request calls for \$125 million for Unmanned Aerial Systems/Drones, an increase of \$45 million from FY 2019, to facilitate the safe integration of drones into the federal airspace.



The president's budget dedicates \$3.3 billion to modernizing FAA infrastructure to ensure the safety of the national airspace and to reduce flight delays. Specifically, the request provides \$136 million for the expansion of the Data Communication program that seeks to improve the communication between air traffic controllers and pilots during all phases of flights.

- **Essential Air Service:** The president's FY 2020 budget calls for \$151 million in mandatory spending and \$125 million in discretionary spending for the Essential Air Service (EAS), for a total of \$276 million. This represents a \$39 million cut from FY 2019. Similar to last year's request from the White House, the proposal states that the EAS program was conceived as a "temporary" program and that "many EAS flights are left unfilled and obtain high per-passenger subsidy costs." The budget request further cites the proximity of some EAS-eligible communities to major airports as a reason for decreasing funding.

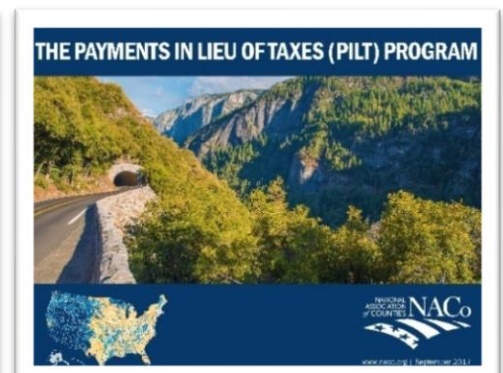
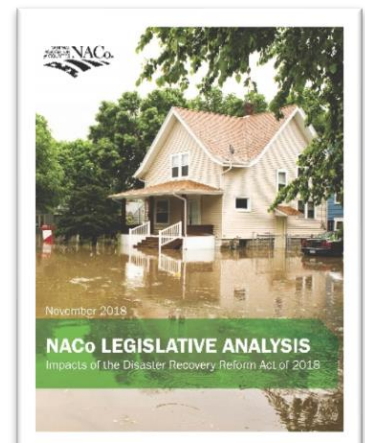
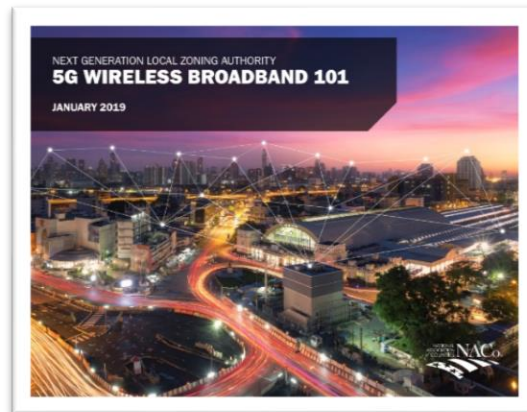
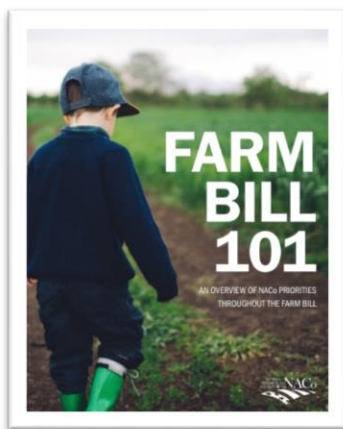
NACo supports the EAS program as EAS services help airlines serve small communities adversely impacted by federal deregulation of the airline industry. Most importantly, the EAS program provides small communities with a valuable economic generator that is often critical to the entire region. Any cuts to EAS funding may jeopardize the economic stability of these

smaller communities who rely on this essential program.

- **Federal Transit Administration:** The budget proposes \$12.4 billion for the Federal Transit Administration (FTA), a \$1 billion decrease from FY 2019. Of this, \$10.1 billion would be directed to transit formula grants that provide funding for a variety of eligible activities used to support transit operations nationwide, with \$4.9 billion provided for formula grants to urban communities and \$673 million for transit service in rural communities. \$500 million is requested for transit infrastructure grants to address the \$90 billion nationwide repair and maintenance backlog. Finally, \$1.5 billion is requested for the Capital Investment Grants (CIG) program to supplement state and local efforts to expand transit operations.
- **Amtrak:** The president's budget requests \$1.5 billion for Amtrak, \$400 million below FY 2019. Of the \$1.5 billion total, \$936 million in direct grants would be provided to Amtrak, a significant reduction from the FY 2019 appropriations of \$1.94 billion, and \$550 million is provided for restoration and enhancement grants. The budget also proposes "phasing decision-making and cost responsibilities to states" and would allow for states to apply jointly with Amtrak for this funding in FY 2020.

The proposed funding shift has the potential to adversely impact counties who rely on rail as the main source of movement for people and goods. Transferring costs to states could result in those charges being passed down to local governments and could negatively affect certain routes as states decide between different transportation options. This could be a concern for rural counties, where rail is the most prevalent form of travel. If states were forced to incur a partial subsidy cost, it could also result in other state programs that counties utilize being depleted or reduced.

To learn more about many of the programs highlighted in our budget analysis,
please visit: www.naco.org



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ABOUT NACo

The National Association of Counties (NACo) unites America's 3,069 county governments. Founded in 1935, NACo brings county officials together to advocate with a collective voice on national policy, exchange ideas and build new leadership skills, pursue transformational county solutions, enrich the public's understanding of county government, and exercise exemplary leadership in public service.

Each year, NACo's Board of Directors adopts the association's federal policy priorities, which help shape NACo's advocacy efforts on behalf of America's counties.

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