



HOUSE COMMITTEE ON THE BUDGET

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Trump Budget Priorities: Vulnerable Families and Communities Sacrificed to Extend Tax Cuts for the Wealthy

President Trump's destructive and irrational budget continues to support wealthy households and corporations while going after working and at-risk families. Workers and communities are still waiting for the help promised to them by the President and Congressional Republicans when they were pushing their 2017 GOP tax law. Two years in, mounting evidence continues to show the GOP tax scam showered benefits on the rich and large corporations, failed to "supercharge" our economy, worsened income inequality, and left the middle class behind. The President's 2021 budget doubles down on the failed tax policy by extending its expiring provisions, adding another \$1.5 trillion to the debt.

In fact, the President's budget makes struggling families and communities absorb the cost of the tax extension for the wealthy. Throughout the budget, a pattern emerges. It builds barriers around assistance programs; adds work requirements previously rejected by Congress; cuts funding; and passes costs down to states, local governments, and the very people these programs are meant to support. The cuts and changes to nutrition, monetary, and housing assistance will also make the next recession more difficult to recover from.

Taking food from families that need it the most — President Trump and his Congressional Republican allies attempted to strip food assistance from certain adults by enacting more stringent work requirements as a part of the 2018 farm bill. Thankfully, Congress rejected the legislative proposal and preserved states' ability to waive work requirements under the Supplemental Nutrition Assistance Program (SNAP). But in December 2019, the Trump Administration bypassed Congress, acted unilaterally, and finalized a new work requirement rule that cut off nutritional support for nearly 700,000 adults. In addition, the Administration is advancing two new rules that would make it harder for struggling families to put food on the table; approximately 3 million people could lose the food assistance they rely on.

The President's budget doubles down on these actions by applying the controversial work requirement to *all adults* in the program, endangering the well-being of American families in the process. The expanded work requirements, bureaucratic barriers, and other program changes cut SNAP support to families by \$182 billion over 10 years. Because SNAP is an automatic stabilizer, it is already designed to expand and contract with economic conditions. As families lose income in an economic downturn, SNAP keeps food on the table until their income rises. These permanent changes weaken the program's ability to provide quick, effective relief to families during a recession.

This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.

Cutting Social Security retirement and disability — The budget again restructures and reduces federal disability benefits, including Social Security’s Disability Insurance (DI) program. The DI program is closely integrated with Social Security’s retirement benefits and is a core component of the Social Security program. The President’s disability “reform,” which also affects Supplemental Security Income (SSI), cuts spending by a total of \$63 billion over 10 years. The budget includes an additional \$12.5 billion cut resulting from payment integrity measures affecting programs administered by the Social Security Administration. Cutting benefits to some of the most vulnerable Americans – the disabled and the elderly – is not only cruel, it’s in stark contrast to the President’s claims that he would [leave Social Security alone](#).

Leaving low-income families out in the cold — The budget eliminates the Low-Income Home Energy Assistance Program (LIHEAP), a \$3.7 billion cut in 2021 that will force at-risk families to choose between putting food on the table and heating their home.

Failing to support workers displaced by trade — Trade Adjustment Assistance (TAA) provides income and training to workers who lose their job because of international trade. The Administration’s plan to reauthorize the program includes a “refocus” that reduces the security provided to American workers. Over 10 years, the budget reduces TAA income security by \$547 million. While the budget does increase net spending on education and retraining by \$168 million over the period, the net reduction to workers – and the families they support – is \$378 million. These cuts are especially problematic considering they come at the same time President Trump is waging multiple trade wars with foreign nations, putting our economy and the livelihoods of American workers at risk.

Making housing more unaffordable — Rising income inequality creates tremendous pressure on working families as the cost of housing increases. The Administration’s budget makes housing even more costly by cutting rental assistance programs by nearly \$3.5 billion in 2021 alone. Americans most in need of this support will be forced to pay more to stay in affordable housing units. Under this budget, the president is demanding American families pay for extending the 2017 tax giveaway to millionaires, billionaires, and big corporations with their homes.

Disinvesting in the communities where vulnerable families live — The budget totally eliminates Community Development Block Grants, which support the communities where many working families and vulnerable Americans live. States and cities lose \$3.4 billion in flexible resources meant to go toward affordable housing and economic development initiatives. It also eliminates the \$1.4 billion HOME Investment Partnerships Program, terminates the \$2.9 billion Public Housing Capital Fund, and chokes off any new funding to the Housing Trust Fund (\$2.9 billion in cuts over 10 years). These critical programs provide states with new affordable housing resources and help low-income families achieve homeownership. Altogether, the Administration’s policy exacerbates the affordable housing crisis and makes it harder for families to keep a roof over their heads.

The budget zeros-out both the Community Services Block Grant (CSBG) and the Social Services Block Grant (SSBG). States and community partner organizations lose important CSBG resources that serve the homeless, the elderly, and those that need additional job training and life skills. Approximately 26 million adults and children lose foster care, child protection, case management, and other resources as a result of the SSBG termination – a \$17 billion cut over 10 years.

Providing fewer tools to fight the next recession — The destructive and irrational cuts in the President’s budget would make it more difficult for states to support their families in the next recession. Under the guise of “reform,” the Administration weakens the Temporary Assistance for Needy Families (TANF) program by cutting the core program by 10 percent, reducing the amount of monetary assistance and other benefits states may offer struggling families. Even worse, the budget eliminates TANF’s contingency fund, a \$6 billion cut over 10 years. Without the contingency fund, states lose a countercyclical tool that provides crucial and timely help to families during an economic downturn.

Conclusion

President Trump and Congressional Republicans promised the American people their 2017 tax law would bring economic growth, business investment, and support for the middle class – but they failed to deliver. As Democrats predicted, the President is now using the increase in deficits that resulted from the tax law to justify proposing deep cuts to critical programs that help America’s working families and prepare our nation for the future. This President is literally asking working Americans to sacrifice their safety, their health, their economic security, their futures – to cover the cost of Republicans’ tax scam that was never going to pay for itself.