



# HOUSE COMMITTEE ON THE BUDGET

Chairman John Yarmuth

February 13, 2020

## President Trump's Extreme Budget Cuts Hurt Veterans

President Trump's latest budget fails our veterans and their families by drastically slashing crucial programs they rely on. This President prioritizes the rich and powerful over the well-being of American families, including our veterans. Just like his prior budgets, he extends the failed GOP tax law that showered benefits on the wealthy, adding [\\$1.5](#) trillion *more* to debt over the next decade – exacerbating the [\\$1.9](#) trillion hole it blew in our deficit. The President extends these tax breaks largely for the rich all while maliciously cutting programs like Social Security, Medicare, Medicaid, Supplemental Nutrition Assistance Program (SNAP) and other crucial programs. Destructive cuts to these programs hurt millions of veterans and their families who depend on them for their health, safety, and economic well-being.

### Destructive Cuts to Health Programs Put Veterans' Health at Risk

The President's budget cuts \$1.6 trillion on net from health care programs over 10 years. This includes a more than \$900 billion cut to Medicaid, a half a trillion-dollar cut to Medicare, and more than \$200 billion in cuts to other health programs. While nine million veterans, or approximately half of the veteran population, receive coverage through VA each year, a large number are ineligible due to a variety of factors, including falling short of minimum service requirements, and disability and discharge status. As a result, veterans rely on various health care systems – including Medicare and Medicaid – to meet their health care needs.

**Approximately 1.7 million veterans rely on Medicaid** — The budget slashes Medicaid by \$900 billion over 10 years. Nearly 1 in 10 veterans – more than 1.7 million – receive health care coverage from Medicaid. Many of these veterans have extensive health care needs. The budget's extreme cut to Medicaid risks the health and security of our veterans who are most in need, especially those who require intensive care for conditions like traumatic brain injuries and musculoskeletal disorders.

**More than half of all veterans, approximately 9.3 million, rely on Medicare** — The budget cuts Medicare by more than \$500 billion over 10 years, primarily by cutting payments to hospitals and other providers. Medicare beneficiaries include more than 9.3 million veterans who rely on the program as their primary or supplementary source of insurance coverage. Approximately [half](#) of the veterans enrolled in the VA health care system are also eligible for Medicare. Furthermore, veterans who are enrolled in TRICARE for Life, a health insurance program administered by the Department of Defense, are [required](#) to enroll in Medicare Parts A and B.

*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.*

The President's proposed half of a trillion-dollar cut to Medicare poses a risk to the health and well-being of our nation's veterans.

**Affordable Care Act (ACA) reduces veterans' uninsured rate** — Instead of putting forth specific policies to strengthen the ACA, the budget includes vague platitudes about how the President's vision for health care would be "great." The budget does state that the President's "vision" would cut \$844 billion from health care programs over 10 years, which would almost certainly take away meaningful health coverage from millions of Americans, including veterans. These efforts threaten to reverse the ACA's success in expanding insurance coverage among veterans. During the first two years after implementing the ACA's coverage provisions, the number of uninsured nonelderly veterans fell by [nearly half a million](#), or almost 40 percent. Approximately [340,000](#) veterans received coverage in 2015 through the ACA Medicaid expansion. The President's budget seeks to eliminate this health coverage for our nation's veterans.

### **Cuts to Social Security Take Benefits Away From Wounded Warriors**

President Trump's budget cuts Social Security benefits by at least \$24 billion over 10 years – despite the President's claims he would leave Social Security alone. This cut reflects \$11 billion of the President's vague \$63 billion disability "reform" to restructure and reduce federal disability benefits – including Social Security's Disability Insurance (DI) program – along with payment integrity measures affecting programs administered by the Social Security Administration. The budget is silent on how much of the total \$63 billion cut comes from DI versus other disability programs, so the total Social Security cut in the budget is unknown, but it is likely much larger than \$24 billion. The DI benefits provide coverage for severely disabled workers and their dependents, including veterans. The budget cut to DI benefits could financially harm wounded warriors—approximately [621,000](#) military veterans received these benefits in 2016.

### **Extreme Cuts to SNAP and Other Benefits for Struggling Families Threaten Veterans' Economic Security**

While veterans are a diverse group, many face challenges making ends meet and depend on various programs that help struggling families. The federal government provides guidance for veterans transitioning to civilian employment and encourages them to turn to programs like SNAP, the Women, Infants and Children (WIC) program, free and reduced-price school meals, and Temporary Assistance for Needy Families (TANF) if they need assistance supporting their families. Approximately 1.2 million veterans, or nearly 7 percent of the veteran population, had incomes below the federal poverty level in 2018, and many of them relied on these critical programs.

**Nearly 1.3 million veterans live in households that participate in SNAP** — The President’s budget cuts \$292 billion over 10 years from mandatory programs that support working and vulnerable families, including \$182 billion from SNAP. The cuts to SNAP are in addition to the Administration’s new and proposed rules that will make more than 3 million people food insecure and make it harder for vulnerable Americans to put food on the table. A study from Feeding America highlights that approximately 20 percent of households receiving help from the charitable food assistance network (which includes food banks, pantries, and shelters) include a veteran. For low-income veterans, who may be unemployed, working in low-wage jobs, or face physical and mental health challenges, SNAP and other programs provide essential support to help them meet basic needs and support their families.

**Cuts to TANF and child nutrition programs hurt veterans and their families** — While the TANF block grant has been flat-funded since it began in 1996, eroding the purchasing power of this critical assistance over time, the budget cuts the block grant by 10 percent, or \$15.2 billion over 10 years. The budget cuts an additional \$6.1 billion over 10 years by eliminating the TANF contingency fund, hamstringing the government’s ability to assist families most in need during an economic downturn. Furthermore, the budget cuts the National School Lunch and School Breakfast Programs by \$1.7 billion over 10 years. For vulnerable veterans and their families, these cuts are a direct threat to their well-being and their ability to meet basic needs.

## **No New Housing Vouchers for Homeless Veterans**

While the President’s budget increases the Department of Veterans Affairs’ (VA) funding to reduce veteran homelessness, it slashes funding for the Housing and Urban Development’s (HUD) rental assistance programs by \$3.5 billion in 2021, providing zero new funds for the Veterans Affairs Supportive Housing Vouchers (HUD-VASH) program. These vouchers, along with VA’s supportive services, provide crucial help so homeless veterans can find and maintain permanent housing. As of January 2019, there were more than 37,000 homeless veterans. The important goal of helping these veterans demands a comprehensive solution, not one that funds one side of the equation while cutting other vital supports.

## **Conclusion**

For the fourth year in a row, President Trump’s budget shows a fundamental ignorance or indifference to the array of supports that help our veterans meet their basic needs. In addition to VA’s crucial programs, the men and women who have served in our military and keep our nation safe need to know the government has their back in all aspects of their lives. We support our servicemembers when we need them, but we also need to support our veterans when they need us.