

DISABILITY AND REHABILITATION RESEARCH COALITION

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MEMORANDUM

To: DRRC

From: Bobby Silverstein, Peter Thomas and Joe Nahra

Date: February 25, 2020

Subject: Summary of President Trump's FY 2021 Budget Proposal from a Disability, Independent Living, and Rehabilitation Perspective

On February 10, 2020, President Trump released a [budget proposal](#) to fund the federal government for the next fiscal year (FY 2021). The proposal features broad cuts to domestic discretionary and mandatory spending (including substantial cuts to Medicare, Medicaid, and discretionary government programs, including those supporting disability, independent living, and rehabilitation research).

- The Department of Health and Human Services (HHS) would receive a 9% cut in discretionary funding, from \$105.8 billion in FY 2020 to \$96.4 in FY 2021, including more than \$3 billion in cuts to the National Institutes of Health (NIH), \$1.3 billion in cuts to the Centers for Disease Control and Prevention (CDC), and \$22 million in cuts to the National Institute for Disability, Independent Living, and Rehabilitation Research (NIDILRR). These cuts are in addition to an approximately \$575 billion cut to Medicare and a \$920 billion cut to Medicaid over the next 10 years.
- The Department of Education would receive an 7.8% cut, from \$72.2 billion in FY 2020 to \$66.6 in FY 2021.
- The U.S. Department of Labor would receive a \$1.3 billion cut (10.5%), from \$12.4 billion in FY 2020 to \$11.1 billion in FY 2021.

Our accompanying chart, included as a separate attachment, describes the difference between the President's FY 2021 Budget and previous year's funding. The far-right column compares the current budget proposal with the FY 2020 final enacted spending levels, showing whether an increase, decrease, or level funding (\$0) was provided for in the President's budget. We have also included historical numbers from past congressional appropriations and presidential budgets, which can be found in "**hidden**" columns dating back to FY 2013. Particularly noteworthy proposals in the budget are highlighted and marked with an asterisk in the chart and explained in more detail below.

I. BUDGET OVERVIEW

While the President's budget is a relevant insight into the priorities of the Administration for the coming fiscal year, it is also important to recognize its status primarily as a political document. Congress retains its authority to determine fiscal appropriations for the federal government and will prepare and negotiate its own outline of FY 2021 without deference to the budget request. Senate Majority Leader Mitch McConnell (R-KY) and House Speaker Nancy Pelosi (D-CA) have confirmed that both chambers will adhere to the two-year (FY 2020 and 2021) budget caps deal that was negotiated this past summer to set overall spending limits. The President's budget maintains the defense appropriations level in the congressional agreement but seeks significant (\$45 billion) cuts to the negotiated level for non-defense discretionary spending.

Traditionally, Congress has ample opportunity to weigh in on the administration's budget request through hearings before the Budget, Appropriations, and other committees of jurisdiction. Senate Budget Committee Chairman Mike Enzi (R-WY) has already announced that the Committee will not hold a hearing on the budget request; the Senate Labor, Health and Human Services, and Education (L-HHS-Ed) Subcommittee of the Appropriations Committee will hold a hearing on the HHS budget on Feb. 25. The House Budget Committee held its hearing on the overall budget on Feb. 12; the L-HHS-Ed Subcommittee of the House Appropriations Committee will hold a hearing examining the HHS budget on Feb. 25; the Energy and Commerce Health Subcommittee will hold its hearing on Feb. 26; and the Ways and Means Committee will do the same on Feb. 27.

In order to lay out its projected savings in the budget request, the Administration assumes a 2.8% annual growth rate for FY 2020 and beyond, including an estimated 3.1% growth in FY 2021 before stabilizing over the next decade. These projections are significantly more optimistic than the Congressional Budget Office's, which forecast 2.2% growth in FY 2020 and a drop to 1.7% after FY 2021.

II. DEPARTMENT OF HEALTH AND HUMAN SERVICES

The U.S. Department of Health and Human Services (HHS) would receive a 9% cut in discretionary spending compared to FY 2020, from \$105.8 billion to \$96.4 billion.

National Institutes of Health (NIH)

The White House provides a total of \$38.7 billion for NIH, a cut of more than \$3 billion (7.1 percent).

- The Eunice Kennedy Shriver National Institute of Child Health and Human Development (NICHD) would experience a \$140 million cut (9 percent) from \$1.557 billion to \$ 1.416 billion.
 - The National Center for Medical Rehabilitation Research (NCMRR), housed within NICHD, would receive a proportional cut; the NCMRR receives a

dedicated budget of 7.5% of the NICHD extramural research budget. In FY 2021, the NCMRR's budget would be set at \$81.1 million.

- The National Institute of Neurological Disorders and Stroke (NINDS), the largest funder of rehabilitation research within the NIH, would experience a \$201 million cut (8 percent) from \$2.447 billion to \$2.245 billion.
- The National Institute on Aging would experience a \$320 million cut (9 percent), from \$3.546 billion to \$3.226 billion.
- The National Cancer Institute would experience a \$559 million cut (9 percent), from \$6.44 billion to \$5.88 billion.

Additionally, as proposed in the previous year's budget, the White House recommends consolidating the activities of the Agency for Healthcare Research and Quality (AHRQ) within the National Institutes of Health as a new National Institute for Research on Safety and Quality.

Centers for Disease Control and Prevention (CDC)

The President's FY 2021 Budget proposes a total of \$5.627 billion in discretionary budget authority for the CDC for FY 2021, a decrease from the FY 2020 appropriation of \$6.917 billion, a cut of \$1.289 billion (18 percent).

- The National Center on Birth Defects and Developmental Disabilities (NCBDDD) would experience a cut of \$48 million (30 percent) from \$161 million to \$112 million.
- The National Center for Injury Prevention and Control (NCIPC) would be increased from \$677 million to \$730 million, an increase of \$52 million (7.8 percent).
 - This overall increase includes \$100 million in funding for a new "Drug-Free Communities" program, and significant cuts to existing line items within the NCIPC, including Intentional Injury (\$15 million cut), Unintentional Injury (\$2 million cut), Injury Prevention (\$8 million cut), Firearm Injury (\$12.5 million cut), and Injury Control Research Centers (\$9 million cut).
- The National Center for Chronic Disease Prevention and Health Promotion would experience a cut of \$426 million (34 percent) from \$1.24 billion to \$813 million.
 - Additionally, the budget proposes to consolidate much of the Center's dedicated funding for chronic disease prevention into a new "America's Health Block Grant," which would purport to allow states "flexibility to support interventions that best address chronic diseases with the highest incidence in their state."
 - The Block Grant would be funded at \$350 million for FY 2021, but would zero out existing line items for Tobacco, Nutrition, Physical Activity and Obesity, Heart Disease and Stroke, Diabetes, and Arthritis.

Health Resources and Services Administration (HRSA)

- The President's FY 2021 Budget proposes the elimination of most of the health workforce programs funded by the Bureau of Health Workforce (BHW).
- All graduate medical education (GME) funding provided by the BHW, including the Children's Hospitals GME program, would be consolidated into a single GME Block Grant.

- The Organ Transplantation Program would receive a \$3 million increase (10.8 percent) from \$27.5 million to \$30.5 million.
- The 340B Drug Pricing Program discretionary budget authority would be level-funded (\$10.2 million) and a proposed new user fee program would generate an additional \$24 million.
- Programs administered by the HIV/AIDS Bureau would be level-funded, with the addition of a proposed \$95 million increase in funding for the President’s Ending HIV Epidemic Initiative, a 135% increase (from \$70 million to \$165 million).
- The budget also proposes a \$73 million (10.6 percent) increase to the Maternal and Child Health Block Grant, from \$688 million to \$761 million.
 - This increase would be offset by significant reductions to program- and disease-specific funding lines within the Bureau of Maternal and Child Health, including the elimination of dedicated funding for Autism, Sickle Cell, Heritable Disorders, and Emergency Medical Services for Children.
 - The net impact of these cuts would be a reduction of \$25 million for maternal and child health funding in general, despite the increase in block grant funding.

Administration for Community Living (ACL)

- The National Institute on Disability, Independent Living, and Rehabilitation Research would experience a \$22 million cut (19 percent) from \$112 million to \$90 million.
- The Paralysis Resource Center, Limb Loss Resource Center, and Traumatic Brain Injury programs would each be level funded.

Additional Social Service Programs of Relevance to People with Disabilities

The FY 2021 budget proposal:

- Eliminates the Social Services Block Grant (SSBG) (- \$1.685 billion)
- Eliminates the Community Services Block Grant (CSBG) (- \$740 million)
- Cuts the Supplemental Nutrition Assistance Program (SNAP) by more than \$180 billion over the next ten years.
- Cuts Temporary Assistance for Needy Families (TANF) by \$21 billion over the next ten years.

III. DEPARTMENT OF EDUCATION

The U.S. Department of Education would receive an 7.8% cut in discretionary budget authority, from \$72.2 billion in FY 2020 to \$66.6 billion in FY 2021.

- The early intervention, preschool, and discretionary programs under the Individuals with Disabilities Education Act (IDEA) would be level-funded, with a \$100 million increase in grants to states for IDEA Part B.
- The vocational rehabilitation programs would be level-funded (except for a modest cost-of-living increase in the VR state grant program, as mandated by legislation, which would be partially offset by zero funding of the state supported employment program).

- The Helen Keller National Center for Deaf-Blind Youth and Adults would be level-funded.
- The American Printing House for the Blind, National Technical Institutes for the Deaf, and Gallaudet University would all be level-funded.

IV. DEPARTMENT OF LABOR

The U.S. Department of Labor would receive a \$1.3 billion cut (10.5%), from \$12.4 billion in FY 2020 to \$11.1 billion in FY 2021. The budget:

- Cuts funding for the Office of Disability Employment Policy by \$11.4 million (30%), from \$38.5 million in FY 2020 to \$27.1 million in FY 2021.
- Level-funds grants to states for youth and adult training.