



NGA OFFICE OF GOVERNMENT RELATIONS The President's Proposed Fiscal Year 2018 Budget

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Today, the Trump Administration unveiled its first budget proposal - [America First: A Budget Blueprint to Make America Great Again](#). The focus of the proposal is a reprioritization of federal spending to emphasize national security and public safety and the rebuilding of our nation's military without adding to the federal deficit.

To achieve this, the budget proposal includes a \$54 billion increase in defense spending in fiscal year (FY) 2018 that is offset by \$54 billion in reductions or 10.5% cuts to non-defense programs. Of note, included in the budget proposal is a proposal to cut \$15 billion or 2.9% in non-defense spending in FY2017 to partially offset a \$25 billion increase to defense spending in FY2017. No details have been provided on how those proposed cuts would be implemented across non-defense programs.

The President's FY2018 Budget is being unveiled sequentially, so the blueprint released today is a "skinny budget" and only details the administration's discretionary (or annual) funding proposals. Discretionary spending makes up about 29 percent of the total federal budget, while the other 71 percent of the government is funded via mandatory budget authority. The budget proposal does not include specific information on the proposed funding level for every federal program – only highlights. The full budget that will be released later this spring will outline additional budgetary information and legislative details, as well as specific mandatory, or entitlement, funding and tax proposals.

Timeline

The release of the President's "skinny" budget will be followed by a full FY2018 budget release in the coming months, most likely April or May.

Additionally, while the FY2018 appropriations process gets underway, the FY2017 appropriations process is still not final. The current continuing resolution expires on April 28, 2017, giving Congress a little over a month to put forward a plan for how FY2017 appropriations will be provided for the remainder of the fiscal year. It remains to be seen if Congress will complete action on a FY2017 appropriations package or if an additional continuing resolution will be needed for the remainder of the fiscal year.

General Budget Proposals

- ***Reorganization Proposal.*** The budget reiterates the Administration's commitment to Executive Order 13781, establishing a "Comprehensive Plan for Reorganizing the Executive Branch." The budget proposes that legislation will be required before major reorganization of the Executive Branch can take place and states that the White House is best situated to review and recommend changes to the Congress. In approximately a year, Congress will receive from the President and the Director of the Office of Management and Budget a comprehensive plan for reorganization proposals.

- ***President's Management Agenda.*** The budget outlines the goals of the Administration's goal to improve the effectiveness, efficiency, cybersecurity, and accountability of the federal government.
- ***Agency/Program Elimination.*** The budget proposes the elimination of hundreds of federal government programs and independent agencies. Those agencies include: the African Development Foundation, the Appalachian Regional Commission; the Chemical Safety Board; the Corporation for National and Community Service; the Corporation for Public Broadcasting; the Delta Regional Authority; the Denali Commission; the Institute of Museum and Library Services; the Inter-American Foundation; the U.S. Trade and Development Agency; the Legal Services Corporation; the National Endowment for the Arts; the National Endowment for the Humanities; the Neighborhood Reinvestment Corporation; the Northern Border Regional Commission; the Overseas Private Investment Corporation; the United States Interagency Council on Homelessness; and the Woodrow Wilson International Center for Scholars.

AGRICULTURE

The President's 2018 Budget requests \$17.9 billion for the Department of Agriculture (USDA), a \$4.7 billion or 21 percent decrease from the 2017 annualized continuing resolution (CR) level (excluding funding for P.L. 480 Title II food aid which is reflected in the Department of State and USAID budget).

Special Supplemental Nutrition Program for Women, Infants, And Children (WIC). The Administration requests \$6.2 billion for WIC, which provides food vouchers, nutrition education and counseling to low-income pregnant women and mothers with young children. This represents a reduction of roughly \$300 million from the 2017 annualized CR level of \$6.56 billion.

Wildland Fire Management. The President's 2018 Budget requests \$2.4 billion for Wildland Fire Management, the 10-year funding average for suppression operations. This includes funding for U.S. Forest Service fire preparedness, fire suppression, hazardous fuels treatments and fire mitigation programs on state and federal lands. Of note, the Administration's request would not reform the current federal wildfire suppression funding formula, which has not met recent annual suppression needs. In FY 2015, the U.S. Forest Service transferred \$700 million from non-suppression accounts to make up for the shortfall, a practice known as "fire borrowing."

Water and Wastewater Loan and Grant Program. The President's proposal would eliminate the Water and Wastewater loan and grant program, which was funded at an annualized amount of \$498 million in the 2017 CR. This program provides financing for water projects in rural communities.

COMMERCE

The President's 2018 Budget requests \$7.8 billion for the Department of Commerce, a \$1.5 billion or 16 percent decrease from the 2017 annualized CR level.

Manufacturing Extension Partnership (MEP). The Administration proposes discontinuing federal funding for the MEP program, which subsidizes state centers that provide consulting services to small- and medium-size manufacturers. The federal-state industry partnership provides these small and medium sized U.S. manufacturers with access to technologies, resources and industry experts in order to improve their competitiveness. MEP centers would have to transition to solely non-federal revenues sources under the budget proposal. The FY16 enacted level for the MEP program was \$124 million.

Economic Development Administration (EDA). The Administration proposes eliminating the EDA, which provides grants and technical assistance to states and localities to stimulate economic growth. The Administration argues that EDA grants have limited measurable impacts and are duplicative of USDA and DOT grants. Eliminating the EDA would be a decrease of \$221 million from the FY17 annualized CR level.

DEFENSE

The President's 2018 Budget requests \$639 billion for the Department of Defense (DOD), a \$52 billion increase from the 2017 annualized CR level. The total includes \$574 billion for the base budget, a 10 percent increase from the 2017 annualized CR level, and \$65 billion for Overseas Contingency Operations. It would also repeal the defense sequestration by restoring \$52 billion to DOD, as well as \$2 billion to other national defense programs outside of DOD, for a \$54 billion total increase for national defense discretionary budget authority above the sequestration level budget cap.

Army Corps of Engineers. The Administration requests \$5 billion for the Army Corps of Engineers, a decrease in \$1 billion from 2017 annualized CR levels.

Army National Guard. The President's 2018 Budget would provide \$8.0 billion for the Army National Guard (ARNG) personnel, and \$7 billion for ARNG operations and maintenance costs.

Air National Guard. The President's 2018 Budget would provide \$3.3 billion for the Air National Guard personnel, and \$6.8 billion for operations and maintenance costs.

EDUCATION

The President's 2018 Budget provides \$59 billion in discretionary funding for the Department of Education, a \$9 billion or 13 percent reduction below the 2017 annualized CR level.

ESSA. The President proposes eliminating two of the largest programs under the ESSA that were reaffirmed by Congress in 2015, including eliminating all funding for Title II state grants for educator professional development (\$2.4 billion) and the 21st Century Learning Centers program (\$1.2 billion) which provides grants for after school and summer programs.

School Choice. The president fulfills a campaign promise by making an initial investment of \$1.4 billion. Proposed funding includes \$168 million increase for the existing competitive *Charter Schools Program*, \$250 million for a "private school choice program" and a \$1 billion increase for Title I designated for public school portability.

- **Analysis.** Aside from the appropriated amounts proposed by President Trump, Congress would need to authorize the \$250 million private school choice program. In 2015, Congress voted down a proposal allowing federal funds to be used on public school portability. The President's portability proposal would likely face a similar fate. Aside from Congressional action, the school choice proposals in this budget slash programs that governors endorsed under ESSA and shift them to federalized school choice programs.

IDEA. The President's proposal maintains funding for IDEA programs from the annualized 2017 CR level at \$13 billion to provide states, school districts and other grantees with the resources to support students with special education needs.

Federal Supplemental Education Opportunity Grants. The President's proposal would eliminate the Federal Supplemental Educational Opportunity Grant program which delivers need-based postsecondary financial aid to students, funded at an annualized level of \$732 million under the 2017 CR.

Federal Work-Study. The President's proposal would "significantly" reduce funding to and "reform" the Federal Work-Study program by an unspecified amount.

TRIO and GEAR UP. The President's 2018 Budget outline would provide \$808 million for the Federal TRIO Programs, which provide services to assist low-income individuals, first-generation college students, and individuals with disabilities in navigating the academic pipeline from middle school to post-baccalaureate programs. The proposal would fund GEAR UP, which makes grants to states and partnerships to provide services to high-poverty middle and high schools seeking to increase post-secondary enrolment rates at \$219 million. Proposed funding for both programs totals roughly \$1.03 billion, which represents a reduction of \$193 million from annualized amount of the 2017 CR. The budget proposal also stipulates that GEAR UP funding is contingent on completion of an evaluation

of a portion of the program.

Categorical Programs. The President's proposal would eliminate or reduce over 20 categorical programs that the Administration believes should be funded with state, local and private funds. This includes Striving Readers (funded at an annualized level of 189.6 million in the 2017 CR), Teacher Quality Partnership (funded at an annualized level of \$43 million in the 2017 CR), Impact Aid Support Payments for Federal Property (funded at an annualized level of \$66.7 million in the 2017 CR) and International Education programs (funded at an annualized level of \$72 million in the 2017 CR).

ENERGY

The President's 2018 Budget requests \$28 billion for the Department of Energy (DOE), a \$1.7 billion or 5.6 percent decrease from the 2017 annualized CR level.

Advanced Research Projects Agency – Energy (ARPA-E). The Administration's budget would eliminate ARPA-E, which supports the application of clean energy technology across multiple industries. The FY 2016 enacted funding level for ARPA-E was \$291 million.

Electricity Delivery and Energy Reliability. The budget would support the Office Electricity Delivery and Energy Reliability's capacity to carry out cybersecurity and grid resiliency activities that enhance critical grid infrastructure. The FY 2016 enacted funding was \$206 million, while the Administration's specific funding request for FY 2018 is unclear.

Energy Efficiency and Renewable Energy. The Administration proposes a collective savings of \$2 billion from the 2017 annualized CR level, by narrowing funding for the Office of Energy Efficiency and Renewable Energy, the Office of Nuclear Energy, and the Fossil Energy Research and Development program to focus on limited, early-stage applied energy research and development activities.

- **State Energy Program (SEP).** The budget would eliminate the SEP to reduce federal intervention in state-level energy policy and intervention. FY 2016 enacted funding level was \$50 million for the SEP, which provides funding and technical assistance to state and territory energy offices to invest in energy priorities set by governors.
- **Weatherization Assistance Program.** The budget would eliminate the Weatherization Assistance Program to reduce federal intervention in state-level energy policy and intervention. The FY 2016 enacted funding levels was \$215 million for the Weatherization Assistance Program, which provides grants to states, territories, and some Indian tribes to improve the energy efficiency of the homes of low-income families.

ENVIRONMENTAL PROTECTION AGENCY

The President's 2018 Budget requests \$5.7 billion for the Environmental Protection Agency (EPA), a savings of \$2.6 billion, or 31 percent, from the 2017 annualized CR level. The budget reflects the Administration's intent for states to fund and implement environmental laws, and includes the elimination of over fifty federal programs, shifting responsibility to state and local governments.

Addressing Climate Change and Air Quality. The President's 2018 Budget request would eliminate funding for the Clean Power Plan (CPP), and other climate change programs, a savings of \$100 million from 2017 annualized CR levels.

Categorical Grants. The Administration requests a total of \$597 million for Categorical Grants, a decrease of \$482 million from 2017 annualized CR levels. Specifics are vague but the request would eliminate or substantially reduce federal investment in various water, air, waste, pesticides, and toxic substances programs.

Local Environmental Initiatives. The President's 2018 Budget would eliminate funding for geographic programs, a savings of \$427 million from 2017 annualized CR levels. The request would return the responsibility for funding local environmental efforts and programs to state and local entities.

State Revolving Funds. The Administration requests a total of \$2.3 billion for State Revolving Funds, a \$4 million increase over 2017 annualized CR levels. The budget also requests \$20 million to support the Water Infrastructure Finance and Innovation Act (WIFIA) program funding, equal to 2017 annualized CR levels.

HEALTH AND HUMAN SERVICES

The President's 2018 Budget requests \$69 billion for HHS, a \$15.1 billion or 17.9 percent decrease from the FY2017 annualized Continuing Resolution (CR) level. All funding reductions or additions are based upon the 2017 CR levels unless otherwise specified. The summary below details what is included in the budget outline for HHS. Any other HHS related interests not highlighted below were not included in the budget outline.

Medicaid, Medicare, and Children's Health Insurance Program (CHIP). The budget excludes certain mandatory spending changes for Medicaid, Medicare, and CHIP. It supports efficient operations for Medicare, Medicaid, and CHIP and is intended to focus on the highest priority activities. There is no clarification on what "efficient operations" are within Medicare and Medicaid. The budget also does not disclose funding levels or an extension date for CHIP.

Health Care Fraud and Abuse Control (HCFAC). The budget proposes an additional \$70 million for the HCFAC (\$751 million total) for 2018. The HCFAC program is intended to prevent fraud, waste, and abuse and promote high quality and efficient health care in Medicaid and Medicare.

Direct Health Care Services. The budget supports services delivered by community health centers, Ryan White HIV/AIDS providers, and the Indian Health Service. It also funds early care and education although it does not mention specific programs including Child Care and Development Block grants. Currently, the Ryan White HIV/AIDS grants are funded at \$160 million and the Child Care and Development block grant at \$2.7 billion.

Opioid Abuse and the Substance Abuse and Mental Health Services Administration (SAMHSA). The budget will fund SAMHSA's substance abuse treatment activities and includes a \$500 million increase above 2016 enacted levels to expand opioid misuse prevention efforts and to increase access to treatment and recovery services.

Food and Drug Administration (FDA). The budget raises medical product user fees to over \$2 billion in 2018, approximately \$1 billion over the 2017 levels. The budget also includes a package of actions designed to "achieve regulatory efficiency and speed the development of safe and effective medical products." It does not specify the details of the regulatory actions.

National Institutes of Health (NIH). Reduces NIH funding by \$5.8 billion to \$29.9 billion total. The budget reorganizes NIH and eliminates the Fogarty International Center, consolidates the Agency for

Healthcare Research and Quality, among other non-specified consolidations. The budget will also reduce administrative costs and rebalance federal contributions to research funding.

Center for Disease Control (CDC) and Public Health. The budget restructures HHS preparedness grants to reduce overlap and administrative costs and directs resources to States with the greatest need. The budget also reforms the CDC “through a new \$500 million block grant to increase state flexibility” and focus on state specific challenges. It also creates a new Federal Emergency Response Fund to public health outbreaks like Zika. The Public Health Emergency Preparedness was funded at \$659 million in the FY2017 CR.

Mental Health. The budget invests in “high-performing entities” focused on mental health activities. The budget will focus on high priority areas like suicide prevention, serious mental illness, and children’s mental health. The FY2017 CR included \$532 million for Mental Health Block Grants.

Health Care Workforce. The budget eliminates \$403 million in health professions and nursing training programs. The budget continues to fund health workforce activities that provide scholarships and loan repayments in exchange for service where there is a shortage of health professionals.

HHS’ Office of Community Services. The Budget eliminates discretionary programs within the office, including the following programs:

Community Services Block Grant (CSBG). The budget eliminates the CSBG. The Budget claims “CSBG funds services that are duplicative of other federal programs.” The CSBG is a federal, anti-poverty block grant which funds the operations of state-administered local agencies. The 2017 CR funded CSBG at \$714 million.

Low Income Home Energy Assistance Program (LIHEAP). The budget eliminates LIHEAP. LIHEAP is designed to help low-income families with energy costs. HHS released approximately 3.09 billion to states in FY2017. The budget justifies eliminating the program because it is a “lower-impact program” that is “unable to demonstrate strong performance outcomes.”

HOMELAND SECURITY

The President’s 2018 Budget requests \$44.1 billion in net discretionary budget authority for the Department of Homeland Security, an increase of \$2.8 billion or 6 percent from the 2017 annualized CR level.

The budget also requests \$286 million for CBP Operations and Support, including \$95 million to support border surge operations, \$65 million to build hiring capacity to recruit and onboard 5,000 Border Patrol agents, \$18 million for project management, oversight, and support for the border wall, \$43 million to enhance situational awareness at the border, and \$64 million for other technology, equipment, and infrastructure investments that directly contribute to the effectiveness of border security operations.

Border Security. The budget allocates \$4.5 billion in additional funding for programs to strengthen the Nation’s border and fund the immigration system, and directs \$2.6 billion to border infrastructure and security technology, including funding to plan, design, and construct a physical wall along the southern border as directed by the President’s January 2017 Executive Order.

The President’s 2018 Budget would also provide \$314 million to recruit, hire, and train 500 new

Border Patrol Agents and 1,000 new Immigration and Customs Enforcement law enforcement personnel in 2018, plus associated support staff.

State and Local Grant Programs. The budget would reduce State and local grant funding by \$667 million. The budget states that programs administered by the Federal Emergency Management Agency (FEMA) that are either unauthorized by the Congress, like FEMA’s Pre-Disaster Mitigation Grant Program, “must provide more measurable results and ensure the Federal Government is not supplanting other stakeholders’ responsibilities, such as the Homeland Security Grant Program.”

Disaster Relief Fund (DRF). The budget proposes \$7.4 billion to replenish the Disaster Relief Fund (DRF) following the response to disasters and emergencies. This is a decrease from the FY17 enacted level of \$8.1 billion. FEMA provides a significant portion of the total federal response to Presidentially-declared major disasters and emergencies through the DRF. Primary assistance programs include federal assistance to individuals and households, public assistance, and hazard mitigation assistance, which includes the repair and reconstruction of state, local, and nonprofit infrastructure.

Cybersecurity. The budget proposes \$1.5 billion for DHS activities that protect Federal networks and critical infrastructure from an attack, and proposes a more “assertive” defense of Government networks, with DHS sharing more cybersecurity incident information with other Federal agencies and the private sector.

HOUSING AND URBAN DEVELOPMENT

The President’s 2018 Budget requests \$40.7 billion in gross discretionary funding for HUD, a \$6.2 billion or 13.2 percent decrease from the 2017 annualized CR level.

Community Development Block Grants (CDBG). The budget eliminates funding for the CDBG program, a cut of \$3 billion from the FY17 annualized CR level and the FY16 enacted level. The Administration proposed devolving community and economic development activities to the State and local level. Historically, CDBG offers more than 1,250 annual formula grants to states and local governments for a wide range of community and economic development purposes.

HOME Investments Partnership Program. The budget eliminates funding for the HOME Investments Partnerships Program, a cut of \$950 million from the FY16 enacted level. The HOME Investment Partnerships Program provides formula grant assistance to states and local governments to increase homeownership and expand affordable housing supplies. States receive approximately 40 percent of HOME grants annually. The budget argues that state and local governments are better positioned to serve their communities based on local needs and priorities. The budget also eliminates the Choice Neighborhoods program and the Self-help Homeownership Opportunity Program.

INTERIOR

The President’s 2018 Budget requests \$11.6 billion for the Department of Interior (DOI), a \$1.5 billion or 12 percent decrease from the 2017 annualized CR level.

Land and Water Conservation Fund (LWCF). The budget does not specifically reference this program. States have successfully used state assistance grants from the LWCF to support parks and preserve natural resources. In 2015 Congress reauthorized the LWCF program for three years, there remains a possibility that Congress may provide a permanent reauthorization.

Payments in Lieu of Taxes (PILT). The President’s 2018 Budget would reduce PILT’s discretionary funding level, in line with average funding for PILT over the past decade. Local communities have relied upon the PILT program to offset revenue losses from non-taxable federal lands within their borders. The Administration’s specific funding request for FY 2018 is unclear.

Land Acquisition. The budget reduces land acquisition funding by more than \$120 million from the 2017 annualized CR level and redirects available discretionary funding to maintaining existing national parks and public lands.

Water Resources. The Administration would direct over \$1 billion towards water resources management in the western United States.

JUSTICE

The President’s 2018 Budget requests \$27.7 billion for the Department of Justice, a \$1.1 billion or 3.8 percent decrease from the 2017 annualized CR level.

Several programs and grants, such as violence against women programs, juvenile justice programs and the Byrne Justice Assistance Grants, are not mentioned in the budget.

Counterterrorism and Law Enforcement. The budget would provide an increase of \$249 million, or 3 percent, above the 2017 annualized CR level for the Federal Bureau of Investigation (FBI). Programs that are intended to support State and local law enforcement personnel, including Preventing Violence Against Law Enforcement Officer Resilience and Survivability and the Bulletproof Vest Partnership, are preserved.

State Criminal Alien Assistance Program (SCAAP). The budget eliminates \$210 million SCAAP funding, of which, according to the request, “two-thirds of the funding primarily reimburses four States for the cost of incarcerating certain illegal criminal aliens.”

LABOR

The President’s 2018 Budget requests \$9.6 billion for the Department of Labor, a \$2.5 billion or 21 percent decrease from the 2017 annualized CR level.

Workforce Innovation & Opportunity Act (WIOA). The summary document states that the budget “decreases Federal support for job training and employment service formula grants, shifting more responsibility for funding these services to States, localities, and employers.” While details are minimal, there reference to formula grants likely refers to funding streams to states under WIOA. The 2017 annualized CR level for all WIOA programs totaled \$3.43 billion.

- **Analysis.** The document explicitly states that this action will shift job training costs to states, which is a violation of NGA’s permanent policy. Initial analysis indicates that WIOA programs could be reduced by approximately \$1.5 billion, which would effectively reduce the governors’ workforce reserve by more than a third.

Apprenticeships. The summary document indicates that funding will be provided to states for the expansion of apprenticeships. Additional details are not available at this time.

- **Analysis.** Last year, NGA supported the Effective Apprenticeships Rebuild National Skills Act (EARNS), a bill sponsored by Senators Murray (WA) and Hatch (UT) to provide grants

to states for apprenticeship programs. The FY 2016 omnibus also included \$90 million for apprenticeships to be awarded to states competitively. It is unclear if the budget utilizes either of these as a vehicle for the funding they have proposed. States are granted broad flexibility to utilize WIOA formula funding to advance apprenticeships.

TRANSPORTATION

The President's 2018 Budget requests \$16.2 billion for DOT's discretionary budget, a \$2.4 billion or 13 percent decrease from the 2017 annualized CR level of \$18.6 billion.

Highway Trust Fund and Airport Improvement Program. The budget proposal does not affect the mandatory side of the budget, which includes all Highway Trust Fund programs and the Airport Improvement Program. Additionally, if an infrastructure plan from the Administration includes any new direct federal funding, it would be added to the mandatory side of the budget, not the discretionary side. Therefore, none of these programs are included in the budget proposal.

Air Traffic Control. The budget proposes to shift air traffic control functions from the Federal Aviation Administration to an independent, non-governmental organization. Privatizing air traffic control has been strongly advocated by Chairman of the House Transportation and Infrastructure Committee, Bill Shuster (R-PA), as well as many airline executives.

TIGER Grant Program. The budget eliminates funding for the TIGER discretionary grant program, a cut of \$499 million from the 2017 annualized CR level and a cut of \$500 million from the FY16 enacted level. The TIGER competitive grant program provides state and local governments federal matching funds for projects with an economic impact. The program has been popular with state and local governments, with applications for TIGER grants continuing to far exceed available funding each year. The Administration argues that states can instead utilize the Nationally Significant Freight and Highway Projects grant program, which is on the mandatory side of the budget and authorized at \$900 million annually, for larger highway and multimodal projects.

New Starts. The budget states that it "limits" funding for the Federal Transit Administration's Capital Investment Program, or New Starts, to projects with existing full funding grant agreements only. The Administration argues that future investments in new transit projects would be funded by the localities that use and benefit from these projects. The New Starts enacted level in FY16 was \$2.16 billion. In FY17 the House and Senate each proposed \$400 million for projects that had been proposed but have not yet had their full funding grant agreements executed. These projects (Maryland Purple Line, Seattle Lynwood Link, Minneapolis Southwest LRT, Caltrain Peninsula Electrification, and NYC Canarsie) would be left in limbo under the Administration's proposed budget.

Amtrak. The budget restructures and reduces federal subsidies to Amtrak and terminates federal support for Amtrak's long distance train services. The Administration hopes this will allow Amtrak to better focus on its state-supported routes and Northeast Corridor service. Ending subsidies for Amtrak would save \$600 million in FY18 compared to the FY17 annualized CR level.

Essential Air Service. The budget eliminates funding for the Essential Air Service (EAS) program, a cut of \$175 million from the FY17 annualized CR level. The EAS program was put into place to guarantee that small communities that were certificated air carriers before airline deregulation maintain a minimal level of scheduled air service. The budget argues that many communities that are served by EAS can use existing modes of transportation and that many EAS eligible communities are not that far from major airports. The program currently serves approximately 60 communities in Alaska and 115 communities in the lower 48 contiguous states.

TREASURY

The President's 2018 Budget requests \$12.1 billion in discretionary resources for the Department of Treasury's domestic programs, a \$519 million or 4.1 percent decrease from the 2017 annualized CR level. This program level excludes mandatory spending changes involving the Treasury Forfeiture Fund.

Community Development Financial Institutions (CDFI). The budget eliminates funding for the CDFI fund grants, a cut of \$210 million from the FY17 annualized CR level. The CDFI fund program generates economic growth in some of the nation's most distressed communities by offering tailored resources and innovative programs that invest federal dollars alongside private capital. The Administration argues that the program was created more than 20 years ago to jump-start what is now a mature industry where private institutions have ready access to the capital needed to extend credit and provide financial services to underserved communities.

VETERANS AFFAIRS

The President's 2018 Budget requests \$78.9 billion in discretionary funding for VA, a \$4.4 billion or 6 percent increase from the 2017 enacted level. The budget also requests legislative authority and \$3.5 billion in mandatory budget authority in 2018 to continue the Veterans Choice Program.

Veterans Healthcare. Provides a \$4.6 billion increase in discretionary funding for VA health care to improve patient access and timeliness of medical care services. The budget also extends and funds the Veterans Choice Program, and calls on Congress to extend the program before it expires in August of 2017.

Veterans Homelessness. The budget supports VA programs that provide services to homeless and at-risk veterans, but does not provide funding levels.

VA Grants to States. The budget does not specifically mention VA grants to states.