

Federal Funding

FACT SHEET



**DISABILITY
POLICY
SEMINAR**

WASHINGTON, DC
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Background

People with disabilities, their families, and advocates are more concerned than ever about the outlook for federally-funded programs. While Medicaid, Medicare, Social Security, and SSI have so far largely been protected from deficit reduction efforts, there are growing calls to cut eligibility and benefits for these essential programs. As the population ages, more demands are placed on these critical programs. Meanwhile, the discretionary programs that people with disabilities rely on to live in the community (such as employment, education, and housing) may be also facing unprecedented cuts in this austere budget environment.

Congress is also divided on the fundamental issue of the role and size of the federal government. This is reflected in differing positions on entitlement programs (Medicaid, Medicare, Social Security, and Supplemental Security Income) and the revenue that pays for these programs (individual, corporate, and social insurance taxes).

Key Issues

Fiscal Year 2017 Appropriations. A continuing resolution (CR) was enacted in December to fund discretionary programs (such as education, housing, and employment) at nearly level funding (a cut of 0.19%) from FY 2016. This CR expires on April 28. Congress will need to fund discretionary programs for the remainder of FY 2017 that ends on September 30.

Fiscal Year 2017 Budget Resolution. This spending and revenue blueprint was passed by the House and Senate in mid-January. It calls for *at least* \$4 billion in deficit reduction over 10 years. The four Congressional committees charged with developing legislation to achieve the minimum deficit reduction have not yet developed legislation. However, while this Budget Resolution was intended to result in repealing key parts of the Affordable Care Act (ACA), the resulting legislation could also propose massive cuts to both entitlement and discretionary programs.

Fiscal Year 2018 House Budget Resolution. The President is expected to transmit an FY 2018 budget proposal to Congress in March or April. It is expected to include large cuts to the overall budget. Following this action, Congress will begin drafting its budget resolution for FY 2018 that starts on October 1, 2017. It may contain a second set of committee reconciliation instructions for ACA replacement legislation. It is also possible that it will contain the following priorities:

- Tax cuts. Proposals are being considered to cut trillions of dollars in both individual and corporate taxes. These general revenue sources pay for all discretionary programs and some entitlement programs like Supplemental Security Income (SSI).
- Infrastructure spending. Proposals are being considered to spend trillions of dollars to improve the nation's roads, bridges, tunnels, and more.

- Increased defense spending. Proposals are being considered to remove the budget caps on defense spending by further lowering the caps on non-defense discretionary programs (that includes, for example, education, employment, and housing).

Each of these would further increase the debt and annual deficits and create more pressure to cut programs that impact people with disabilities and families. Some programs could be cut to pay for the above priorities.

Recommendations

- Congress should pass annual appropriations bills in regular order using overall spending caps agreed to in the Bipartisan Budget Act of 2015 that provides parity for defense and non-defense discretionary programs.
- Congress should not cut funding for critical education, employment, housing, developmental disability programs, and other programs that support people with disabilities to live and work in the community.
- Congress should not make cuts and structural changes to programs that provide critical supports to people with disabilities, including Medicaid, Medicare, Social Security and SSI.
- Congress should raise sufficient revenues and develop a long term plan to reduce the deficit and finance the federal government's role in providing essential supports, services, and benefits for people with disabilities and their families.

Relevant Committees

House and Senate Budget Committees

House and Senate Appropriations Committees

House and Senate Appropriations Subcommittees on Labor, Health and Human Services, Education and Related Agencies

For more information, please contact The Arc at (202) 783-2229, Association of University Centers on Disabilities at (301) 588-8252, American Association on Intellectual and Developmental Disabilities at (202) 387-1968, National Association of Councils on Developmental Disabilities at (202) 506-5813, Self-Advocates Becoming Empowered at SABEnation@gmail.com, or United Cerebral Palsy at (202) 973-7109.

March 1, 2017