

EYES ON WASHINGTON

February 13, 2018

FY 2019 Administration Budget Request

President Donald Trump on February 12, 2018, submitted his budget request to Congress for Fiscal Year (FY) 2019. A full summary from the White House can be found [here](#), and more detailed numbers and information are available [here](#).

The President's full budget calls for approximately \$4.4 trillion in total spending. Much of the budget seeks to scale back nondefense programs, and streamline permitting and review processes for projects.

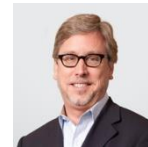
The budget request will not balance over 10 years, a departure from traditional Republican priorities. The administration projected an annualized economic growth of 3.1 percent over the next three years. It would add \$984 billion to the federal deficit over the next year, despite seeking cuts to welfare programs such as Medicare and food stamps. Over the next 10 years, the plan would add \$7 trillion to the deficit.

On February 9, 2018, Congress passed a two-year bipartisan budget deal that increased spending caps and boosted domestic and military spending by \$300 billion. The administration worked quickly to produce an addendum that suggested additional funding for each agency, highlighting specific programs to which the new funding would be directed. Congress' budget deal increased military spending by \$195 billion and nondefense spending by \$131 billion over the next two years. The administration's request seeks \$540 billion in nondefense spending for 2019, a \$57 billion decrease from Congress' spending cap. The White House's budget plan also proposed to cut funding from the Supplemental Nutrition Assistance Program (SNAP) by 30 percent over the next decade, and imposes work requirements for "able-bodied" recipients of food stamps. It additionally seeks close to \$1.8 trillion in cuts to federal entitlement programs, including Medicaid and Medicare.

In a letter to House Speaker Paul Ryan (R-Wis.), Office of Management and Budget (OMB) Director Mick Mulvaney said domestic spending at the levels Congress authorized would add too much to the federal deficit. The budget also decreases spending for existing transportation programs, including grants to Amtrak, by \$178 billion over a decade, to compensate for the President's proposed \$200 billion infrastructure investment in that same period.

Below are budget summaries for federal agencies and programs.

*Agency has not incorporated new spending caps approved by Congress on February 9, 2018.



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U.S. Department of Agriculture (USDA)*

The President's FY 2019 budget requests \$19 billion for the Agriculture Department (a \$1.1 billion, or 6 percent, increase from the President's FY 2018 request – but a \$3.7 billion, or 16 percent, decrease from FY 2017 enacted levels).

- **McGovern-Dole International Food for Education Program:** The budget proposes the elimination of this program, as did the President's FY 2018 budget
- **Rural Business and Cooperative Programs:** The budget proposes the elimination of these programs, as did the President's FY 2018 budget
- **Research and Development Programs:** The budget requests \$1 billion for the Agricultural Research Service (ARS), a 19 percent decrease from FY 2017; \$1.3 billion for the National Institute of Food and Agriculture (NIFA), including \$375 million for competitive grants from the Agriculture and Food Research Initiative (AFRI), an 8 percent decrease from FY 2017; \$45 million for the Economic Research Service, a 48 percent decrease from FY 2017; and \$165 million for the National Agricultural Statistics Service, a 4 percent decrease from FY 2017
- **Rural Lending Programs:** The budget supports a \$3.5 billion loan level for community facility direct loans, a 34 percent increase over FY 2017; \$1.2 billion in direct loans to build and rehabilitate water and wastewater treatment facilities, the same as FY 2017; and \$7.6 billion to support farm lending, a 5 percent decrease from FY 2017
- **Comprehensive Solution to Wildfire Suppression Funding:** The budget funds 100 percent of the rolling 10-year average cost for wildfire suppression at USDA and the U.S. Department of Interior within discretionary budget caps. The budget also seeks forest management reforms that would improve the resilience of national forests to destructive wildfires
- **Promote E-connectivity in Rural Areas:** The budget proposes \$30 million to fund broadband grants, a 14 percent decrease from FY 2017; \$23 million in broadband loans, a 15 percent decrease from FY 2017; and \$24 million to fund distance learning and telemedicine grants, an 11 percent decrease from FY 2017
- **Farm Safety Net Reforms:** The budget proposes to reduce the average premium subsidy for crop insurance from 62 percent to 48 percent and limit commodity, conservation and crop insurance subsidies to those producers that have an Adjusted Gross Income of \$500,000 or less. The budget also proposes to cap underwriting gains at 12 percent for insurance companies participating the crop insurance program, eliminate a separate payment limit for peanut products, and limit eligibility for commodity subsidies to one manager per farm.
- **SNAP:** The budget proposes a legislative change requiring mandatory state use of the National Accuracy Clearinghouse (NAC) in administering SNAP, which aims to eliminate dual SNAP participation nationwide. The budget also proposes the elimination of state performance bonuses. Finally, the budget proposes to combine SNAP benefits with 100 percent American grown foods provided directly to households.

U.S. Department of Commerce (DOC)*

The Budget requests \$9.8 billion for DOC (including changes in mandatory programs), a \$546 million, or 6 percent increase, from the 2017 enacted level.

- \$3.8 billion, an increase of more than \$2.3 billion, for the **U.S. Census Bureau**. This additional funding prioritizes fundamental investments in information technology and field infrastructure, which would allow the Bureau to continue preparations to conduct a modern, efficient, and accurate 2020 Decennial Census
- **International Trade Administration:** \$440.147 million, a \$39 million decrease from the 2017 enacted level
- Eliminates federal funding for the **Manufacturing Extension Partnership (MEP)** program, which subsidizes up to half the cost of State centers that provide consulting services to small- and medium-sized manufacturers
- **National Institutes of Standards & Technology (NIST):** \$629.07 million, a \$316.46 million decrease from FY 2017 enacted levels
- Eliminates U.S. **Economic Development Administration (EDA)**

U.S. Department of Interior (DOI)*

- **Bureau of Land Management:** \$1.038 billion, a \$220 million decrease from 2017 enacted levels

- Includes \$137.2 million to strengthen overall program capacity, improve management, and expedite permitting to facilitate increased environmentally responsible energy development
- \$81.8 million for a new Wildlife Habitat Management subactivity
- \$11.9 million for Wilderness Management
- **National Park Service:** \$2.73 billion, a \$194 million decrease from 2017 enacted levels
- **Fish and Wildlife Service:** \$1.2 billion, a \$283 million decrease from 2017 enacted levels
- **Bureau of Indian Affairs:** \$2.39 billion, a \$444 million decrease from 2017 enacted levels
- **Wildland Fire Management:** \$870 million, a \$116 million decrease from 2017 enacted levels
- The budget requests \$3.4 million in new appropriations for the Land Acquisition account for limited acquisition activities
- Requests permanently reauthorizing the Federal Land Transaction Facilitation Act

U.S. Department of Labor (DOL)*

A total of \$10.9 billion was requested in discretionary and mandatory funding authority, which is an increase of \$2.1 billion or a 21 percent decrease from the FY 17 enacted level:

- \$2 billion for **Workforce Innovation and Opportunity Act (WIOA)** and the **Second Chance Act of 2007**, a decrease from the 2017 enacted level of \$3.4 billion
- **Job Corps:** \$1.2 billion, a \$400 million decrease from 2017 enacted levels
- **Veterans' Employment and Training Service (VETS):** \$174 million, in addition to \$44 million for carrying out programs to assist homeless veterans and veterans at risk of homelessness who are transitioning from certain institutions, a \$1 million decrease from 2017 enacted levels
- **Apprenticeship:** \$200 million to expand access to apprenticeship and implement a new apprenticeship system to modernize and expand the U.S. approach to apprenticeships
- **Occupational Health and Safety Administration:** \$549 million, a \$4 million decrease from 2017 enacted levels
 - Includes \$135 million for federal and state compliance activities
- **Mine Safety and Health Administration:** \$376 million, providing a \$2 million increase to provide guidance, enforcement and oversight activities, and compliance
- Provides for six weeks of paid family leave to new mothers and fathers, including adoptive parents

U.S. Army Corps of Engineers (ACE)

The President's FY 2019 budget requests \$4.7 billion for the Army Corps of Engineers, which is \$1.25 billion below FY 2017 enacted level and \$1.39 billion reduction from the FY 2018 appropriations, averaging the House and Senate FY 2018 Energy and Water Appropriations bills which Congress has not yet completed.

- **Investigations:** \$82 million, \$39 million below FY 2017 enacted level and \$27.233 million below the FY 2018 averaged Energy and Water Appropriations bills
- **Construction:** \$871.733 million, \$1 billion decrease over FY 2017 enacted level and \$828.342 million below the FY 2018 averaged Energy and Water Appropriations bills. This budget gives priority to the projects with the highest economic, environmental, and safety returns.
- **Operation and Maintenance:** \$2.073 billion, \$1.07 billion decrease over FY 2017 enacted level and \$123.505 million below the FY 2018 averaged Energy and Water Appropriations bills

U.S. Department of Defense (DOD)

The FY 2019 budget requests \$686.1 billion, a \$86 billion increase from 2017 enacted levels.

- **Army:** \$143.3 million
- **Navy:** \$179.06 million
- **Air Force:** \$169.77 million
- **Procurement:** \$131.1 billion, a \$24 billion increase from 2017 enacted levels, with research and development funds increasing by \$18 billion to \$90.6 billion

U.S. Department of Education (ED)

The budget requests \$63.2 billion in discretionary funding for the ED, a \$3.6 billion or 5 percent decrease below the 2017 enacted level. The budget eliminates, streamlines or reduces 39 discretionary programs that duplicate other programs, are ineffective; or are more appropriately supported with state, local or private funds. The budget supports \$129.8 billion in new postsecondary grants, loans, and work study assistance to help an estimated 11.5 million students and their families pay for college.

- \$1 billion increase for **public and private school choice** through the new Opportunity Grants program
- \$200 million dedicated to **STEM education**; \$180 million for **Education Improvement and Research** for competitive grants that would support evidence-based innovations designed to improve student achievement in STEM fields, including computer science; \$20 million to support Career and Technical Education (CTE) programs in STEM fields
- More than \$13 billion to maintain the Federal investment in the **Individuals with Disabilities Education Act** State formula and discretionary grants
- \$15.5 billion to maintain the Federal investment in **Title I grants** to Local Educational Agencies (LEAs)
- \$42 million for **School Climate Transformation grants** to help States and LEAs mitigate the impacts of the opioid epidemic on students and schools
- Eliminates the **21st Century Afterschool** program
- Cancels the \$1.6 billion **Pell Rescission**, as a result of the two-year cap deal, reached by Congress, which raises the nondefense discretionary spending caps
- The Administration's 2019 Budget would fully fund the **Pell Grant program** in 2019 and provide for a \$5,920 maximum award in 2019-2020, while ensuring the program remains on stable financial footing
- Significantly reduces funding for the **Federal Work-Study Program** from 989 million in FY 17 to \$500 million in FY 19. The Department originally proposed a \$200 million dollar (a close to 70 percent cut) funding level for FY 19 two-year cap deal, reached by Congress, which raises the nondefense discretionary spending caps
- Eliminates the \$788 million **Supplemental Education Opportunity Grants (SEOG)**
- The Budget would also move the **Iraq and Afghanistan Service Grants (IASG)** program to the Pell Grant program. This change will help to ensure the children of our fallen service members receive a full aid award
- Budget proposes to **expand Pell Grant eligibility** to institutions that offer high quality short-term programs, with sufficient guardrails in place to balance students' needs with protecting taxpayers' interests

U.S. Department of Energy (DOE)

The FY 2019 budget requests \$30.6 billion in discretionary spending, an increase of \$2.6 billion compared to FY 2018 requested levels and an increase of \$900 million compared to FY 2017 enacted levels.

- **National Nuclear Security Administration (NNSA)**: \$15.1 billion, an increase of \$1.2 billion over the FY 2018 request and \$2.2 billion over FY 2017 enacted levels
- **Office of Science**: \$5.4 billion, increased from the FY 2018 request of \$4.5 billion and \$8 million shy of FY 2017 enacted levels. Emphasis placed on early-stage research, national laboratories, and high-priority construction projects, including ITER.
- **Energy Programs**: \$2.5 billion for energy programs, \$1.9 billion below FY 2017 enacted levels, including:
 - \$696 million for the **Office of Energy Efficiency and Renewable Energy (EERE)**, a decrease of \$1.3 billion from FY 2017 enacted levels, but increased from the FY 2018 request of \$636 million to include early stage R&D funding on energy storage technology
 - Splits the **Office of Electricity Deliverability and Energy Reliability (OE)** into two accounts: \$61 million for Electricity Delivery and \$96 million for cybersecurity (CESER). Together, the accounts total \$157 million, increased from \$120 million for the OE in FY 2018, but down \$73 million from FY 2017 enacted levels
 - Consistent with the FY 2018 request, terminates the **Title XVII Loan Guarantee Programs and Advanced Research Projects Agency – Energy (ARPA-E)**
 - \$120 million for the **Yucca Mountain and Interim Storage Program** to restart licensing for Yucca Mountain, consistent with the FY 2018 budget request

- \$502 million for **Fossil Energy R&D**, up from \$200 million requested in FY 2018 and \$81 million above 2017 enacted levels
- \$10 million for **Indian Energy**, \$6 million below FY 2017 enacted levels
- \$757 million for **Nuclear Energy**, a decrease of \$259 million from 2017 enacted levels and an increase from \$703 million requested in FY 2018 to include \$54 million for advanced Small Modular Reactor R&D
- \$195 million for the **Petroleum Reserves** including the Strategic Petroleum Reserve (SPR), a decrease of \$5 million compared to the FY 2018 requested level and a decrease of \$28 million compared to FY 2017 enacted levels
- **Environmental Management**: \$6.6 billion, a \$182 million increase from the FY 2017 enacted level.
- Revenue-raisers consistent with the FY 2018 Budget Request include propositions to:
 - Repeal borrowing authority for the **Western Area Power Administration (WAPA)** and divest the transmission assets of WAPA, the Southwestern Power Administration, and the Bonneville Power Administration
 - Restart the **Nuclear Waste Fund Fee**, though the start date is pushed back by one year to 2021

U.S. Environmental Protection Agency (EPA)

The FY 2019 budget request recommends \$6.146 billion for the EPA, representing a \$1.86 billion reduction from the Agency's FY 2018 Annualized Continuing Resolution (ACR) level. The FY17 enacted level for EPA was \$8.06 billion.

- \$1.089 billion for the **Superfund Cleanup program**. \$7.46 million more than the Agency's FY 2018 Annualized Continuing Resolution (ACR) level. The FY17 enacted level was \$1.144 billion.
- \$31.8 million for the **Brownfields categorical grant program** that provides assistance to states and tribes; \$15.6 million less than the Agency's FY 2018 Annualized Continuing Resolution (ACR) level. The FY17 enacted level was \$46.99 million.
- \$863 million for EPA's **Drinking Water State Revolving Funds (SRFs)**; \$5.9 million more than the Agency's FY 2018 Annualized Continuing Resolution (ACR) level. The FY17 enacted level was \$944.4 million.
- \$1.394 billion **Clean Water SRF**; \$9.4 million more than the Agency's FY 2018 Annualized Continuing Resolution (ACR) level. The FY17 enacted level was \$1.38 billion.
- \$20 million to implement the **Water Infrastructure Finance and Innovation Act (WIFIA)** program. \$7 million more than the Agency's FY 2018 Annualized Continuing Resolution (ACR) level. The FY17 enacted level was \$10 million.

U.S. Department of Health and Human Services (HHS)

The department requested a total of \$95.4 billion in discretionary funding, a \$12.6 billion increase from last year's budget proposal:

- \$5 billion in new resources over five years to combat the **opioid epidemic**, \$1 billion of which will come in 2019. This builds off the nearly \$1 billion in funding included to combat the opioid epidemic for FY 2017 and 2018 included in the 21st Century Cures Act
- **BARDA and BioShield**: \$512 million for BARDA and \$510 million for BioShield to support the development of new medical products for preparedness and biodefense, which represents a \$3 million and \$1 million increase over FY 2017 enacted levels
- **U.S. Food and Drug Administration (FDA)**: \$5.8 billion, a \$1.05 billion increase over the FY 2017 enacted level
- **Hospital Preparedness Program**: \$255 million, a \$1 million increase over the FY 2017 enacted level
- **Office of the National Coordinator for Health Information Technology**: \$38 million, a \$22 million decrease from FY 2017 enacted level
- **Ryan White HIV/AIDS program** funding: \$2.26 billion, a \$53 million decrease from the FY 2017 enacted level

- **Head Start:** \$9.275 billion, a \$50 million increase over the FY 2017 enacted level
- \$5 billion in funding to **expand mental and behavioral health services**, which is partially tied to opioid funding
- Includes \$110 million for **birth defects, developmental disabilities, disability and health**, a \$27 million decrease from the FY 2017 enacted level
- **National Institutes of Health (NIH):** \$33.8 billion, a \$1.3 billion increase over the FY 2017 level

U.S. Department of Homeland Security (DHS)

The President's FY 2019 budget requests for \$47.5 billion for DHS (a \$3.5 billion, or 7.8 percent increase from FY 2018 levels).

The President's budget lays out several funding priorities for the Department: securing borders, enforcing immigration laws, supporting disaster resiliency, modernizing the Coast Guard and building critical cybersecurity infrastructure.

FEMA: The budget proposes a \$900 million reduction from FY 2017 levels in federal assistance, requesting \$2.12 billion in federal assistance as compared to \$3.02 billion in FY 2017. Overall, \$15.54 billion was requested for the agency as compared to the enacted \$16.23 billion in FY 2017.

The Administration has proposed \$522 million in funding for a new competitive preparedness grant program. They requested that funding for the new all-hazards preparedness grant program come in the FY 2018 bill as an add-on from the budget cap deal. The new program would require grantees to measure results in reducing preparedness capability gaps and would also require robust evaluation.

Like the President's FY 2018 Budget Request, the FY 2019 Request proposes the same reductions and eliminations for the following programs. The Port Security and Public Transportation Security and Railroad Security Assistance Grant programs received larger reductions in FY 2019 due to the Administration's efforts to streamline programs and encourage shared responsibility between all levels of government.

- **Emergency Management Performance Grants (EMPG):** \$279.335 million (a \$71 million reduction from FY 2017 levels)
- **Pre-Disaster Mitigation Grant Program:** \$39.016 million (a \$61 million reduction from FY 2017 levels)
- **State Homeland Security Grant Program (SHSGP):** \$349.62 million (a \$118 million reduction from FY 2017 levels)
- **Urban Areas Security Initiative (UASI):** \$448.84 million (a \$156 million reduction from FY 2017 levels)
- **Port Security Grants:** \$36.35 million (a \$63.6 million reduction from FY 2017 levels)
- **Transit Security Assistance and Over the Road Bus Security:** \$36.35 million (a \$63.6 million reduction from FY 2017 levels)
- **Assistance to Firefighters:** \$344.34 million (consistent with FY 2017 levels)
- **SAFER:** \$344.34 million (consistent with FY 2017 levels)
- **Flood Hazard Mapping and Risk Analysis:** \$100 million (a \$77 million reduction from FY 2017 levels)
- **Emergency Food and Shelter Program:** \$0 (a \$120 million reduction from FY 2017 levels)
- **Continuing Training Grants:** \$0 (a \$8 million reduction from FY 2017 levels)
- **National Domestic Preparedness Consortium:** \$0 (a \$101 million reduction from FY 2017 levels)

Funding under FEMA also supports:

- \$7.2 billion for the Disaster Relief Fund, a small decrease from \$7.3 billion in FY 2017
- \$5.05 billion for the National Flood Insurance Program, an increase from \$4.7 billion in FY 2017

Customs and Border Patrol (CBP): In FY 2019, DHS proposes \$1.6 billion to support the construction of 65 miles of new border wall system in the Rio Grande Valley, as well as an additional \$164 million to support efforts to hire 750 new Border Patrol Agents and 153 support personnel.

Immigration & Customs Enforcement (ICE): The budget proposes \$5.1 billion for enforcement and removal operations and includes \$571 million for an additional 2,000 ICE law enforcement officers and 1,312 support personnel.

The budget also proposes \$2.8 billion for 52,000 detention beds and \$511 million for transportation costs to transfer and remove illegal immigrants.

U.S. Department of Housing and Urban Development (HUD)

The department requested a total of \$39.2 billion, a one percent increase in discretionary funding over last year's request:

- Zeros out funding for the **Community Development Block Grant (CDBG)** program, consistent with the FY 2018 request. In FY 2017, CDBG was funded at \$1.928 billion.
- Zeros out funding for the **HOME Investment Partnerships Program**, consistent with the FY 2018 request. HOME was funded at \$572 million in FY2017.
- \$2.383 billion for **Homeless Assistance Grants**, which is an increase from the FY 2018 request of \$2.250 billion, and is consistent with 2017 enacted levels.
- \$2.121 billion for the **Continuum of Care (CoC) Program**, an increase from the FY 2018 request of \$1.988 billion, and above 2017 enacted levels of \$2.065 billion.
- \$255 million for **Emergency Solutions Grants**, consistent with the FY 2018 request, and above 2017 enacted levels of \$153 million.
- \$7 million for **Homeless Management Information System (HMIS) Technical Assistance**, consistent with the FY 2018 request.
- Proposes discontinuing the **Housing Trust Fund** (mandatory program), and devolving affordable housing activities to States and local governments — consistent with the FY 2018 request, and below 2017 enacted levels of \$222 million.
- \$19.314 billion for **Tenant-based Rental Assistance (Section 8)**, nearly consistent with the FY 2018 request of \$19.318 billion, and below the 2017 enacted level of \$20.313 billion.
- Zeros out funding for the **Public Housing Capital Fund**, and transfers all set-aside funding, like Jobs-Plus Initiative and emergency disaster grants (excluding Capital Modernization grants) to the Public Housing Operating Fund, a decrease from the FY 2018 request of \$628 million, and below the 2017 enacted level of \$1.853 billion.
- \$2.8 billion for the **Public Housing Operating Fund**, a decrease from the 2018 request of \$3.9 billion, and below 2017 enacted levels of \$3.944 billion.
- Zeros out funding for the **HUD-Veteran Affairs Supportive Housing (HUD-VASH)** program, but provides \$4 million for Tribal HUD-VASH, a decrease from the FY 2018 request of \$7 million.
- Zeros out funding for the **Choice Neighborhoods** program—consistent with the FY 2018 budget request. In FY 2017, the program was funded at \$133 million.
- *The addendum provides an additional \$2 billion:
 - \$1 billion to avoid rent increases on elderly and disabled families receiving rental assistance. Funding would be provided across **Public Housing Operating Fund, Tenant-Based Rental Assistance (i.e., Housing Choice Vouchers), Project-Based Rental Assistance, Housing for the Elderly, and Housing for Persons with Disabilities** accounts.
 - \$700 million for the **Tenant-Based Rental Assistance** account to restore funding for an estimated 200,000 housing vouchers. This would reverse the budget policy of not reissuing vouchers to families on the waitlist when households depart the program through normal turnover, and instead maintain the current services level of 2.2 million total vouchers.
 - \$300 million for the **Public Housing Operating Fund** to assist Public Housing Authorities that could potentially face insolvency.

U.S. Department of Justice (DOJ)

The FY 2019 budget request recommends \$28 billion for DOJ, a \$345 million, or 1.2 percent, decrease from the FY 2017 enacted level.

The President's budget lays out several key areas to provide program enhancements with increased funding. These areas are: combating violent crime, enforcing immigration laws and fighting the opioid crisis. The Justice Department also lays out several restructuring initiatives, in which the President proposes to reshuffle several offices to other parts of the Justice Department or remove their functions entirely from the DOJ. The **proposed restructuring initiative for DOJ** are:

- Remove alcohol and tobacco enforcement from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and transfer to the Treasury Department, under their Tobacco Tax and Trade Bureau.
- Eliminate the COPS Office and transfer their duties to the Office of Justice Programs (OJP). The budget proposes to merge additional grant staff for COPS, OJP and the Bureau of Justice Assistance (BJA) to eliminate a total of 213 jobs that oversee state and local grant programs.
- Remove High Intensity Drug Trafficking Area Grant Program (HIDTA) from the DOJ and transfer it to the White House Office of National Drug Control Policy.
- Close two regional Bureau of Prison offices and close two stand-alone minimum security prison camps.

Office of Justice Programs: The FY 2019 budget requests \$3.9 billion in total funding for the Office of Justice Programs which oversees all state, local and tribal assistance. Specifically, \$1.455 billion is requested in discretionary funding, a \$193 million decrease from the FY 2018 Continuing Resolution (CR) rate and, \$2.42 billion is provided in mandatory funding, a \$231 million decrease from the FY 2018 CR rate.

Specifically the following amounts are proposed under the OJP umbrella:

- **Project Safe Neighborhood/Violent Gang and Gun Crime Reduction:** \$140 million
- **COPS Hiring Grant Program:** \$99 million (a decrease of about \$50 million)
 - \$10 million for Tribal Resources
 - \$5 million for Community Policing Development
 - \$5 million for Collaborative Reform
 - \$5 million for Strategies for Policing Innovation
 - \$10 million for Regional Information Sharing Systems
 - \$0 Justice Reinvestment Initiative
- **Bureau of Justice Assistance:** The budget requests \$402 million for the Bureau of Justice Assistance (a \$30 million increase from FY 2017 levels).
 - Body Worn Camera Partnership: \$22.5 million (level funding)
 - Bulletproof Vest Partnership: \$22.5 million (level funding)
 - Public Safety Partnership (formerly VRN): \$5 million
 - Smart Policing Initiatives: \$0 million, a decrease of \$5 million (shifts funding to come from COPS Hiring Grants and renames to Strategies for Policing Innovation)
 - Smart Prosecution Initiatives: \$0 million, a decrease of \$2.5 million
 - Preventing Violence Against Law Enforcement Officers (VALOR): \$15 million
- **Second Chance Act:** \$58 million, a decrease of \$10 million from FY 2017
- **Comprehensive Addiction Recovery Act (CARA):** \$103 million, level funding
 - \$20 million for Comprehensive Opioid Abuse Program
 - \$43 million for Drug Courts, level funding
 - \$6 million for Veterans Treatment Courts, a decrease of \$1 million from FY 2017
 - \$12 million for Prescription Drug Monitoring Program
- **Comprehensive School Safety Initiative:** Eliminated, a decrease of \$50 million from FY 2017

U.S. Department of State and U.S. Agency for International Development (USAID)

The FY 2019 budget requests \$39.3 billion for the State Department and USAID, a \$15 billion decrease from 2017 enacted levels.

- State Programs: \$7.9 billion, a \$2 billion decrease from 2017 enacted levels
- Capital Investment Fund: \$92.7 million, a \$80 million increase from 2017 enacted levels
- Global Health Program: \$6.3 billion, a \$2 million decrease from 2017 enacted levels

U.S. Department of Transportation (DOT)

The President's FY 2019 budget requests \$76.5 billion for the Department of Transportation, which would be a reduction of \$500 million decrease over FY 2017 enacted levels.

- This reflects the recent two-year budget deal. From that additional funding DOT is providing an additional \$300 million for the **Maritime Administration (MARAD)** to fund the replacement of two of the Maritime Academies aging schoolships.
- **Highways:** Provides \$45.268 billion, the FAST Act funding level for FY 2019 and a \$2 billion increase over FY 2017 enacted levels and a \$1.034 billion increase over FY 2018 (both the House and Senate THUD Appropriations bills provided the FAST Act's FY 2018 authorized level of \$44.234 billion)
- Includes a rescission of \$216.95 million of unspent allocated programs: \$46 million from **Appalachian Highways**, \$112 million in miscellaneous general fund appropriations for highways, and \$59 million in miscellaneous earmarks of **Highway Trust Fund (HTF)** money.
- Similar to FY 2018 budget, this budget request does not recommend anything to fix the **Highway Trust Fund solvency** after it runs out of money in FY 2021. The budget appendix does recommend adjusting the baseline which could delay funding to the states in the future: "...beginning in 2022, the Budget presents an adjusted baseline to account for the mismatch between baseline rules that require assuming that spending continues at current levels and the law limiting the spending from the HTF to the level of available balances in the HTF. Under current law, DOT is unable to reimburse States and grantees when the balances in the HTF, largely reflecting the level of incoming receipts, are insufficient to meet their requests. Relative to the BBEDCA baseline levels, reducing outlays from the HTF to the level of receipts in the adjusted baseline presentation results in a reduction in HTF outlays of \$122.4 billion over the 2022-2028 window."
- **TIGER:** The budget proposes eliminating funding for TIGER grants, similar to last year's budget request. Congress will ignore this request as the Senate included \$550 million in the FY 2018 THUD Appropriations bill and TIGER has been funded in every final enacted appropriations bill since it was created including \$500 million in FY 2017.
- **Federal Transit Administration (FTA):** \$11.118 billion, \$1.29 billion decrease over FY 2017 enacted levels and \$1.121 billion below House/Senate averaged FY 2018 THUD appropriations bills.
- **Transit Formula Grants:** The budget requests \$9.939 billion, as enacted under the FAST Act, \$205 million increase over FY 2017 enacted levels and \$238 million increase over House/Senate averaged FY 2018 THUD appropriations bills.
- **Capital Investment Grants (New Starts/Small Starts/Core Capacity):** As in the FY 2018 budget, this budget proposes to stop funding new Capital Investment Grant projects. Requests \$1 billion to fund the projects already under construction. This is \$1.4 billion decrease over FY 2017 enacted levels and \$942.95 million decrease over House/Senate averaged FY 2018 THUD appropriations bills.
 - However, Congress will most likely ignore this request as the FY 2018 project proposed to cut the Capital Investment Grants program to \$1.2 billion, and the House provided \$1.8 billion and the Senate provided \$2.1 billion. Since the new two-year budget deal provides additional money, there is no longer pressure to cut this account.

U.S. Department of Treasury

The budget requests \$12.3 billion in base discretionary resources for Treasury's domestic programs, a \$392 million or 3-percent decrease from the 2017 enacted level. This program level excludes mandatory spending changes involving the Treasury Forfeiture Fund.

- The budget proposes \$11.1 billion in base funding for the **Internal Revenue Service (IRS)** including \$2.3 billion for running key tax filing and compliance IT applications and \$110 million for IT modernization efforts
- The budget request also includes proposals to ensure taxpayers comply with obligations, tax refunds are only paid to those eligible, and that taxpayer dollars are protected from fraud, including:
 - Increasing oversight of paid tax preparers — taxpayers are increasingly turning to paid tax return preparers to assist them in meeting their tax filing obligations
 - Giving the IRS the authority to correct more errors on tax returns before refunds are issued
 - Requiring a valid Social Security Number for work in order to claim the Child Tax Credit and Earned Income Tax Credit

- **Bureau of Fiscal Service (Fiscal Service):** \$331 million
- The request also includes a proposal to roll back the Dodd-Frank Act, as demonstrated in a previous Executive Order.
- Eliminates funding for **Community Development Financial Institutions (CDFI) Fund's discretionary grant and direct loan programs.**

U.S. Department of Veterans Affairs (VA)

The FY 2019 budget requests \$198.6 billion for the VA, an increase of \$12.1 billion over the 2018 request, and 11.7 percent over the 2017 enacted level.

- **Health care:** The budget requests \$76.5 billion for medical care, including collections. This request includes \$1.8 billion for programs for homeless and at-risk Veterans, \$382 million for opioid treatment and pain management safety, \$511 million for gender-specific healthcare services for women and \$510 million for caregivers' benefits.
- **Veterans' Benefits:** The budget request includes \$2.9 billion for the Veterans Benefits Administration (VBA) to administer the distribution of \$116.9 billion in obligations.

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Holland & Knight's [Public Policy & Regulation Group](#) uses its in-depth understanding of governmental operations and political perspectives to help advance our clients' strategic objectives and solve problems. As advocates for our clients, we are committed to helping shape public policy decisions through careful, strategic positioning combined with a deep understanding of our clients' evolving needs. Our team offers depth, diversity and a bipartisan approach that adapts well to changes in the political climate.

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