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Budget & Finance

Trump Proposes $17.9B More Budget Cuts for FY-2017, Gutting TIGER, CDBG

By Lynn Hume
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WASHINGTON – Having failed to get Congress to enact a health care bill to replace the Affordable Care Act, President Trump may now be setting up a contentious debate with lawmakers over the budget for fiscal 2017, which is almost half over.

The Office of Management and Budget has proposed $17.9 billion in additional spending cuts beyond the program levels already negotiated by the House and Senate in the continuing resolution for fiscal 2017, which ends on Sept. 30. The CR is due to expire on April 28 and the failure to extend it, adopt a new one, or pass an omnibus bill by then could force a shutdown of the federal government.

The cuts proposed for fiscal 2017 were made just two weeks after President Trump released a skinny budget proposing major cuts for domestic programs for fiscal 2018, which starts on Oct. 1 of this year.

Senate Appropriations Committee Vice Chair Patrick Leahy, D-Vt., criticized the cuts.

"Unfortunately, this appears to be more of the same partisan campaign gestures from the Trump Administration, making shortsighted and draconian cuts on the backs of the middle class and the most vulnerable Americans," Leahy said. "Cutting cancer research, slashing affordable housing and programs to protect the environment, and making middle class taxpayers pay for a wall that Mexico was supposed to pay for? I've already made some blunt statements about the idea of an enormously expensive and ineffective wall. These may be the Trump Administration priorities, but they aren't the priorities of the American people."

In its chart of the $17.9 billion of cuts proposed for fiscal 2017 that was sent to the lawmakers and made available by publications such as CQ and Politico, OMB proposed eliminating the $499 million for the popular Transportation Investment Generating Economic Recovery (TIGER) grant program. The House and Senate agreed in the current CR to provide $499 million to the program, which supports innovative projects, including those that are multi-modal and multi-jurisdictional and are difficult to fund through traditional federal programs. The $499 million figure was a compromise from the $450 million in the House CR and the $525 million in the Senate CR.

Since 2009, the TIGER grant program has provided a combined $5.1 billion to 421 projects in all 50 states, the District of Columbia, Puerto Rico, Guan, the Virgin Islands and tribal communities. The program is so popular that demand far exceeds available funding. In 2016, the

Transportation Department, which administers TIGER, received 585 eligible applications requesting more than $9.3 billion – well over the $500 million that was leveraged to support $1.74 billion in transportation investments.

OMB told lawmakers in the chart that the $499 million cut “eliminates funds for the TIGER program, which provides localized benefits that can be funded through other existing funding streams.”

Susan Monteverde, vice president of government relations for the American Association of Port Authorities, said many lawmakers have been very supportive of the TIGER program, which is broader and more flexible than other federal grant programs, such as FASTLANE.

The FASTLANE grant program, established by the Fixing America’s Surface Transportation (FAST) Act, provides grants to fund critical freight and highway programs, but is not multi-modal, she said.

TIGER grants can be used for freight or rail projects connected to ports and are not just for local projects, Monteverde said. “Seaports provide national benefits,” she said, adding, “They handle imports and exports that come into and go out of the country.”

OMB also proposed cutting $447 million from the Transit New Starts program, the Federal Transit Administration’s primary grant program for funding major transit capital investments, including heavy rail, commuter rail, light rail, streetcars and bus rapid transit. The current CR makes $2.16 billion available for the program, after the House initially called for $2.5 billion and the Senate $2.34 billion.

OMB said the cut would “cover the cost of projects with existing full funding grant agreements” but that the administration “proposes to suspend additional projects from entering the program and believes localities should fund these localized projects.”

OMB proposed to cut $1.49 billion from the Community Development Block Grant (CDBG) program, about half the $2.99 billion level the House and Senate agreed to in the current CR. Both chambers had initially proposed $3.0 billion for the program before dropping the level in the final CR.

OMB said in the chart: “No grants have been awarded for the fiscal year. The program is unauthorized and has been challenged to demonstrate its effectiveness given the breadth of activities it can support.”

The CDBG is one of the longest-running programs with the Department of Housing and Urban Development and funds local community development activities such as affordable housing, anti-poverty programs, and infrastructure development. The grants are allocated to local and state governments according to a formula.

“This program has very deep roots and is widely supported by both sides of the aisle” in Congress, said one source at the U.S. Conference of Mayors. “It would be devastating to get this kind of cut. This program serves more than 1,200 jurisdictions.”

“We’re almost half through fiscal 2017,” said the source, who did not want to be identified. “I don’t think this is doable. Cities have been going on as if they were going to get this revenue.”