

## Analysis of the FY2021 President's Budget Proposal

February 2020

The [President's FY2021 budget proposal](#) calls for steep funding cuts and punitive policy measures to be applied to many social safety net programs. Below is an overview of changes proposed to programs relevant to the HCH community.

### Health – Department of Health and Human Services (HHS)

- **HHS:** overall decrease of 9%—or \$10 billion—from last year
- **Medicaid and the Affordable Care Act:** decrease of \$1 trillion over 10 years achieved through the “President's Health Reform Vision” by revoking the enhanced state match for the ACA expansion group, mandating work requirements in all states, making enrollment more difficult, and implementing block grants
- **HRSA Health Center Program:** \$102 million dollar increase, with \$15 million specified for “unsheltered homelessness” (see text box below)
- **Substance Abuse and Mental Health Services Administration (SAMHSA):** overall decrease of 2%—or \$139 million—with most programs level-funded. Exceptions include an increase of \$35 million for the Mental Health Block Grant and \$85 million for State Opioid Response Grants.
- **Policy on “IMD Exclusion:”** allows state Medicaid funds for inpatient mental health and substance use disorder treatment (in most cases, the program currently does not)
- **Assistant Secretary for Health/U.S. Public Health Service Commissioned Corps:** the budget indicates general support (but no funding level) for a strategic public health initiative to address unsheltered homelessness.

**Analysis:** The drastic changes in Medicaid would result in millions losing coverage and access to care. The modest increases in grant funding for health centers and targeted programs at SAMHSA in no way balance the substantive losses that would occur if the proposed Medicaid policies are implemented.

**Unsheltered homelessness:** Of the \$102 million increase for health centers, the budget puts \$15 million towards “primary care to individuals experiencing homelessness in geographic areas with large numbers of unsheltered homeless individuals.” Further details are unspecified.

**For more information:** Find the Administration's HHS budget justification [here](#) and learn more on Medicaid changes from [Center on Budget and Policy Priorities](#).

## Housing – Department of Housing and Urban Development (HUD)

- **HUD:** decrease of 15%—or \$9 billion—since 2020
- **Project-Based Rental Assistance:** increase of \$72 million
- **Tenant-based Rental Assistance** (includes Section 8 vouchers): decrease of \$5 billion
- **Policy changes:** Increases in rent payments and implementation of work requirements in all housing assistance programs
- **McKinney Homeless Assistance Grants:** decrease of \$4 million
- **Housing Opportunities for Persons with AIDS (HOPWA):** decrease of \$80 million
- **Housing Trust Fund and Community Development Block Grants (CDBG):** eliminated

**Analysis:** While one rental assistance program received a modest increase, the impact of all the other cuts combined with the policy changes on rent increases and work requirements would leave millions without access to housing. These changes would clearly create more homelessness and make it harder for those trying to regain housing.

**For more information:** Find the Administration's HUD budget justification [here](#) and read a detailed analysis on housing from the [National Low Income Housing Coalition](#).

## Other Safety Net Programs

- **All non-defense programs:** overall decrease of 9% in 2021, followed by 2% decrease in subsequent years
- **Disability benefits SSI/SSDI:** decrease of up to \$75 billion over 10 years by cutting retroactive benefits to six months and making eligibility harder to maintain
- **SNAP/food stamps:** decrease of \$182 billion over 10 years by tightening eligibility and ending the minimum monthly benefit
- **Temporary Assistance for Needy Families (TANF):** decrease of \$20 billion over 10 years
- **Social Service Block Grant & Low Income Home Energy Assistance Program (LIHEAP):** eliminated

**Analysis:** Many programs within the social safety net are eliminated, deeply cut, and/or contain policy changes (such work requirements) that would result in millions losing income and food benefits. The loss of these benefits would push more people into homelessness.

**For more information:** Learn more about cuts to anti-poverty programs from [Center on Budget and Policy Priorities](#) and to nutrition programs from [Food Research & Action Center](#).

## Other Administration Priorities

As programs for the most vulnerable people are drastically cut or eliminated, the President's budget makes permanent the 2017 tax cuts to wealthy households—costing \$1.4 trillion over 10 years. (Compare this to the \$1 trillion in Medicaid cuts.) The budget also increases funding for the **military** to \$741 billion, to include funding for **new nuclear warheads** and expanding “**Space Force**,” as well as dedicates \$2 billion to build a **wall along the southern border**.

**For more information:** Learn more about the Administration's other priorities at the [National Priorities Project](#).