



## **FY 2018 Budget Outline Released March 16, 2017**

The Administration released the first portion of a fiscal year (FY) 2018 budget request in the form of a broad outline for discretionary spending. The plan proposes a \$54 billion increase in defense spending at the expense of an equal cut of more than 10 percent to nondefense discretionary spending. The nondefense side of the budget provides funds for the Bureau of Indian Affairs, Indian Health Service, Indian Housing Block Grant, reservation roads, public safety, and many other programs that meet the federal trust responsibility. Spending on core government functions is currently at a historic low as a percentage of GDP.

- **Take Action:** Now is a critical time to urge your members of Congress to protect the federal trust and treaty obligations that are funded in the federal domestic budget. Refer to the NCAI FY 2018 [Indian Country Budget Request](#): “Investing in Indian Country for a Stronger America” for specific funding recommendations you can share with your members of Congress.
- If your members are on the Appropriations Committees in the House or Senate, especially write to them: <http://appropriations.house.gov/about/members/> or <https://www.appropriations.senate.gov/about/members>

The proposal is for the fiscal year starting on October 1, but the Administration and Congress must also reach an agreement on FY 2017 funding by April 29, when the current Continuing Resolution will expire.

Below are the sections from the [budget outline](#) that would include BIA and IHS. Overall, the Department of the Interior (DOI) would be cut by 11.7 percent and the Department of Health and Human Services (HHS) would fall by 17.9 percent. The specific funding levels proposed for tribal programs are not yet available, but will be included in the more detailed Administration budget proposal scheduled to be released later this spring.

### **Department of the Interior**

- "Supports tribal sovereignty and self-determination across Indian Country by focusing on core funding and services to support ongoing tribal government operations. The Budget reduces funding for more recent demonstration projects and initiatives that only serve a few Tribes" (page 28).

### **Department of Health and Human Services**

- "In 2018, HHS funds the highest priorities, such as: health services through community health centers, Ryan White HIV/AIDS providers, and the Indian Health Service; early care and education; and medical products review and innovation" (page 21).
- "Supports direct health care services, such as those delivered by community health centers, Ryan White HIV/AIDS providers, and the Indian Health Service. These safety net providers deliver critical health care services to low-income and vulnerable populations" (page 21).

Other programs proposed for total elimination include the Low Income Home Energy Assistance Program (LIHEAP), the Community Development Financial Institutions (CDFI) Fund grants, the Community Development Block Grants (CDBG), Community Services Block Grant, Economic Development Administration, Minority Business Development Agency, and the Department of Energy Weatherization Assistance Program.

At the Department of Education, the proposal eliminates or reduces “over 20 categorical programs that do not address national needs, duplicate other programs, or are more appropriately supported with State, local, or private funds” including Impact Aid Support Payments for Federal Property (page 18). The outline also reduces funding for the Department of Agriculture’s statistical capabilities and “eliminates the duplicative Water and Wastewater loan and grant program, a savings of \$498 million from the 2017 annualized CR level. Rural communities can be served by private sector financing or other Federal investments in rural water infrastructure, such as the Environmental Protection Agency’s State Revolving Funds” (page 12). The proposal would limit funding for the Federal Transit Administration’s Capital Investment Program (New Starts) to projects with existing full funding grant agreements only. The budget would eliminate funding for the unauthorized TIGER discretionary grant program. This competitive grant program is popular in funding transportation projects.

The table below shows that the steepest cuts are proposed for EPA (31 percent cut), Agriculture, (21 percent cut), State and USAID (29 percent cut), and HHS (16 percent cut).

(Net discretionary BA in billions of dollars)	2017 CR/ Enacted	2018 Request	2018 Less 2017 CR	
			Dollars	Percent
<b>Cabinet Departments</b>				
Agriculture	22.6	17.9	-4.7	-20.7%
Commerce	9.2	7.8	-1.5	-15.7%
Defense	521.7	574	52.3	10.0%
Education	68.2	59	-9.2	-13.5%
Energy	29.7	28	-1.7	-5.6%
<i>National Nuclear Security Administration</i>	12.5	13.9	1.4	11.3%
<i>Other Energy</i>	17.2	14.1	-3.1	-17.9%
Health and Human Services	77.7	65.1	-12.6	-16.2%
Homeland Security	41.3	44.1	2.8	6.8%
Housing and Urban Development (HUD)				
<i>HUD gross total (excluding receipts)</i>	46.9	40.7	-6.2	-13.2%
<i>HUD receipts</i>	-10.9	-9.0	1.9	N/A
Interior	13.2	11.6	-1.5	-11.7%
Justice (DOJ)				
<i>DOJ program level (excluding offsets)</i>	28.8	27.7	-1.1	-3.8%
<i>DOJ mandatory spending changes</i>	-8.5	-11.5	-2.9	N/A
Labor	12.2	9.6	-2.5	-20.7%
State, U.S. USAID, Treasury Int'l Programs	38	27.1	-10.9	-28.7%
Transportation	18.6	16.2	-2.4	-12.7%
Treasury	11.7	11.2	-0.5	-4.4%
Veterans Affairs	74.5	78.9	4.4	5.9%
<b>Major Agencies</b>				
Corps of Engineers	6	5	-1.0	-16.3%
Environmental Protection Agency	8.2	5.7	-2.6	-31.4%

The Administration’s full budget is expected in early May. However, a President’s budget is just the beginning of the overall appropriations process; Congress and the appropriations committees will ultimately pass the legislation that funds federal agencies. Each President’s budget proposal is sent to Congress as the opening bid. The Appropriations Subcommittees take the lead in drafting spending bills.

NCAI will continue to monitor the specific yet-to-be released proposals that would impact tribal programs in the federal budget.

NCAI has met with Congressional appropriators to share the importance of funding for the federal trust responsibility and NCAI will continue to advocate with Congress to uphold the federal trust and treaty promises. Refer to the NCAI FY 2018 [Indian Country Budget Request](#): “Investing in Indian Country for a Stronger America” for specific funding recommendations you can share with your members of Congress.

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