

AN UN-AMERICAN BUDGET:

Impacts of the Trump Budget on the
Commonwealth



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Prepared by the Office of Senator Edward J. Markey (D-Mass.)

Markey.Senate.Gov

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Introduction

On February 12, 2018, President Donald Trump released his budget outline, Efficient, Effective, Accountable: An American Budget, a document that strikes at the heart of the Massachusetts innovation economy and is balanced on the backs of the Commonwealth's hardest working and most vulnerable residents. The Trump budget represents a wholesale reversal of the policies and programs that create opportunity and a healthier, fairer, cleaner and more prosperous future for the people of Massachusetts and all Americans.

In Massachusetts, we produce more federal revenue than we receive. Yet our innovative businesses, universities, institutions, and non-profits are some of the most successful in the nation because they fight for, and win, competitive federal funding opportunities.

And that economic success is balanced by Massachusetts's commitment to provide assistance, care and opportunities for those who need it most. Unfortunately, the total elimination in the Trump budget of funding for programs like low-income energy assistance and community development block grants, along with the assaults on Medicaid, Medicare, and Social Security make this budget a social safety net tragedy. The poor, seniors, working families, and the sick would all suffer as a result of this budget's most harmful cuts.

Massachusetts's business plan is focused on investments in health care, education, scientific research and innovation, and this Trump budget puts the Commonwealth's economy directly in its crosshairs.

Research and Innovation

Health Care

Repealing and Replacing the Affordable Care Act

The Affordable Care Act (ACA), modeled off the 2006 Massachusetts health reform law, expanded health insurance to an estimated 20 million Americans, including 300,000 Massachusetts residents who gained health insurance through the law's Medicaid expansion. Republicans spent the better part of 2017 trying to repeal and replace the health care law. The Trump administration's FY19 budget assumes that the Affordable Care Act is repealed and replaced with a proposal introduced by Senators Lindsey Graham (R-S.C.) and Cassidy (R-La.) that was rejected last year. That proposal would weaken the Affordable Care Act's consumer protections and eliminate the Medicaid expansion and premium subsidies provided under the law, replacing them with an insufficient and arbitrary block grant.

Based off previous estimates of the Graham-Cassidy proposal, which assumed the law would fully go into effect in 2020, Massachusetts could **lose \$8.7 billion in federal funding in 2027 and 665,000 Bay Staters would lose their health care coverage.**

Centers for Disease Control and Prevention

The Centers for Disease Control and Prevention (CDC) is the silent warrior in our fight to protect Americans' health, tracking disease burden, promoting prevention and education, conducting epidemiological research, and responding to domestic and global threats to our health and wellness. Massachusetts universities, hospitals, and public health institutions receive tens of millions of dollars in annual grants from the CDC to conduct research on a variety of issues.

Cutting the CDC's budget by \$878 million could threaten the more than **\$95 million Massachusetts received in grant funding** in fiscal year 2016. These grants funded research on antibiotic resistance, cancer prevention and control, prescription drug overdose, and school health. Continued or new projects on these and other important public health initiatives could be at risk.

The Trump administration also zeros-out the Prevention and Public Health Fund to the CDC, which accounts for around 12 percent of the CDC's budget. The Prevention and Public Health Fund was created as part of the Affordable Care Act to invest in public health and wellness initiatives. Congress raided \$1.35 billion from the Prevention and Public Health Fund as part of the Bipartisan Budget Act of 2018.

As of February 2017, Massachusetts has received **\$126 million from the Prevention and Public Health Fund**, which is used to help prevent child illness by providing vaccines, supporting programs to reduce tobacco use, and funding other public health initiatives. These investments would be completely lost with the elimination of the Prevention and Public Health Fund.

National Institute of Allergy and Infectious Diseases

The National Institute of Allergy and Infectious Disease (NIAID) is at the forefront of our efforts to understand, respond to, and prevent infectious, immunologic, and allergic diseases. As part of this charge, NIAID is working to develop a strategic plan and research agenda that will lead to the creation of a universal flu vaccine that could be administered once or twice and provide a lifetime of protection. This research is critical to improve upon our current vaccine, which offers a stop-gap response that is 60 percent effective, at best. We need better protection against the flu, which takes a human and economic toll on our country every year. The flu costs the nation \$10.4 billion in direct medical costs annually and \$87 billion in total economic burden. A \$111 million cut to the agency would not be prudent or responsible during this critical time when we are experiencing the worst flu epidemic in more than a decade.

In Fiscal Year 2017, more than **\$400 million in research grants** from NIAID was awarded to **nearly 50 Massachusetts hospitals, universities, and research institutions**. Continuation of this research or initiation of new projects, potentially work to develop a universal flu vaccine, could be at risk if funding for this institute were to be cut.

Business/Science/Research

Economic Development Administration

The Economic Development Administration (EDA) is the only federal government agency focused exclusively on economic development. EDA invests in communities to build capacity for development based on local business needs and conditions. President Trump is proposing to eliminate this agency and the important work that it does.

In Fiscal Year 2016, Massachusetts received more than **\$8 million** across **14 grants** from the Economic Development Administration. This includes a \$2.5 million project in Lowell for infrastructure improvements. That project includes the development of 232,000 square feet of commercial and research and development space to the University of Massachusetts iHub. It is estimated that secondary benefits will include 21,800 square feet of retail and restaurant space, creating **150 new jobs**, and spur **\$60 million in private investment**.

Manufacturing Extension Partnership

The Manufacturing Extension Partnership (MEP) is a nationwide network of centers to assist small and mid-sized manufacturers to create and retain jobs, improve efficiencies, and minimize waste through process improvements and to increase market penetration with innovation and growth strategies. Massachusetts is home to one of these partnerships called MassMEP, located in Worcester. Since its establishment, MassMEP has been responsible for the direct creation of over **2,300 jobs** and the retention of over **6,000 more**.

The elimination of the Manufacturing Extension Partnership program, as proposed in the FY19 budget, could mean the loss of MassMEP along with many of the jobs created and retained by the partnership. These cuts could mean a significant reduction in the **\$6.3 billion in economic output** that and the **22,689 jobs** the MassMEP has been responsible for creating and retaining.

Clean Energy and Environment

Environmental Protection Agency (EPA) Enforcement

The EPA's Office of Enforcement and Compliance Assurance targets pollution that can cause serious harm to the health of American communities. It enforces important environmental laws and provides for the service of environmental justice by protecting our most vulnerable communities.

The number of new enforcement cases being initiated has already fallen under the Trump administration – 20 percent for civil enforcement cases and 30 percent for criminal cases. Now, EPA Administrator Scott Pruitt is requesting even less funding to complete one of the EPA's core functions: keeping American families and the places they live safe from pollution and toxic chemicals. The Trump budget calls for an 18.1 percent cut from civil enforcement funding and a 12.1 percent cut of criminal enforcement funding at the EPA, compared to funding levels enacted in FY17.

Chemical Safety Board

The Chemical Safety and Hazard Investigation Board is an independent federal agency that investigates dangerous industrial chemical accidents. The board reviews such disasters and presents recommendations on standards and practices to avoid future accidents.

The Trump budget proposes to fully eliminate this independent board, wiping out the positive impacts and recommendations they present. The CSB was responsible for investigating the **2006 explosion in Danvers, Massachusetts**, that destroyed dozens of houses and businesses. They issued recommendations that were adopted by the state of Massachusetts to keep residents safe.

DOE Advanced Research Projects Agency-Energy (ARPA-E)

The Department of Energy's Advanced Research Projects Agency-Energy (ARPA-E) supports transformational energy technology research projects with the mission of overcoming long-term, high-risk technological barriers to the development of energy technologies. ARPA-E invests in innovative ideas from academia, private industry, national labs, start-up companies, and small businesses—providing a total of \$1.5 billion in awards to approximately 580 projects since the program was created in 2009. Last year Massachusetts—an innovation and research hub for our nation—won a disproportionate share of the competitive funding awarded by ARPA-E.

This budget proposes to eliminate the ARPA-E entirely. Since 2009, Massachusetts innovators have received **\$169 million in early-stage R&D funding** supporting **55 projects** across the state.

National Wildlife Refuge Fund

An important component of the National Wildlife Refuge System is the partnership fostered with local communities. Crucial to this partnership is the recognition that lands under the jurisdiction of the Fish and Wildlife Service cannot be used for real estate purposes and are exempt from local taxes. The National Wildlife Refuge Fund compensates state and local governments for these instances.

The Trump budget proposes the elimination of National Wildlife Refuge Fund. That action would jeopardize the **\$366,590** that Massachusetts and localities received from this fund in Fiscal Year 2017

National Heritage Areas

The Heritage Partnership Program and its National Heritage Areas demonstrate how public-private partnerships enhance the National Park Service's ability to successfully steward our national and historical lands. There are forty-nine National Heritage Areas spread across thirty-one states, providing educational and recreational opportunities for millions of Americans nationwide.

Massachusetts is home to five National Heritage Areas: the Upper Housatonic Valley National Heritage Area, the Last Green Valley National Heritage Area, the John H. Chafee Blackstone River Valley National Heritage Corridor, Freedom's Way National Heritage Area, and the Essex National Heritage Area. The Trump budget would eliminate support for Heritage Partnership Program, meaning those areas would lose their funding, including the **\$628,000** provided to the Essex Heritage Area in 2017.

National Oceanic and Atmospheric Administration Sea Grant Program

The National Oceanic and Atmospheric Administration (NOAA) Sea Grant Program invests in high-priority research, addressing issues such as population growth and development in coastal communities; preparation and response to hurricanes, coastal storms and tsunamis; understanding our interactions with the marine environment; fish and shellfish farming; seafood safety; and fisheries management.

In Massachusetts, Sea Grant programs based at the Massachusetts Institute of Technology (MIT) and the Woods Hole Oceanographic Institution support economic development in and protection of our coastal communities. For example, the Woods Hole Sea Grant works with shellfish growers to support the growth of the industry and run important water quality and disease-monitoring networks. The Massachusetts Sea Grant programs also help coastal communities prepare and protect themselves from the impacts of climate change like sea-level rise and extreme storms. On Cape Cod, the Sea Grant program helped create the first of its kind regional program to reduce flooding risk and lower the cost of flood insurance in towns with limited resources.

The Trump budget would eliminate Sea Grant funding entirely and hinder the Sea Grant Work at MIT and Woods Hole. From February 2016 through January 2017, Sea Grant work at Woods Hole resulted in **\$142 million of economic impact**, including **900 jobs**, impacting 300 businesses and 1,700 acres of coastal habitat protected or restored. During that same time, Sea Grant work at MIT resulted in **\$75.3 million in economic impact**. That funding directly supported **110 students** and influenced **44,000 attendees** at public or professional presentations and **100 fishers** adopting safe and sustainable fishing practices.

Education

21st Century Community Learning Centers (21st CCLC)

The 21st Century Community Learning Centers (21st CCLC) grant programs are designed to improve student academic outcomes through before- and after-school and summer programs that continue education outside of school hours, keeping students safe, and physically and mentally engaged. The Massachusetts Department of Elementary and Secondary Education directs this funding to support programming designed to help close proficiency/opportunity gaps, increase student engagement, support social and emotional learning, and promote college and career readiness and success

If President Trump eliminates this program, Massachusetts schools will lose **\$18 million** and the students who rely on these programs will face greater hardships.

Supporting Effective Instruction State Grants

Supporting Effective Instruction State Grants are investments in our students that help ensure that they have the most effective teachers. Massachusetts uses this funding statewide to strengthen curriculum and instruction, improve educator effectiveness, and use data effectively to support student achievement. The Massachusetts Department of Elementary and Secondary Education has highlighted multiple areas where these grants, provided under Title II-A of the *Every Student Succeeds Act*, are utilized, including high-quality professional development activities for teachers and principals, and initiatives that assist in recruiting and retaining effective teachers and administrators, particularly in underperforming school districts.

President Trump has proposed the elimination of this program, which will hurt the students, teachers, and school administrators who most depend on it. Ending this grant program will cost Massachusetts **\$37 million**.

Federal Supplemental Educational Opportunity Grants

The Federal Supplemental Educational Opportunity Grant (FSEOG) program is a significant need-based financial aid option available to students pursuing a college degree. This federal aid is distributed to schools, and is then then awarded as grants to undergraduate students with exceptional financial need.

Massachusetts has some of the best colleges and universities in the world. President Trump's proposal to eliminate the FSEOG program would cut **\$28 million** from Massachusetts schools and make it impossible for some students to afford a college degree.

Student Support and Academic Enrichment State Grants

The Student Support and Academic Enrichment (SSAE) grant program is a flexible funding source intended to empower states to improve student academic achievement by increasing capacity. The SSAE program provides schools the flexibility to invest based on the needs of their unique student populations and are used to promote efforts that provide a well-rounded education for students, safe and healthy campuses, and effective use of technology in classrooms.

President Trump has proposed ending this program and taking away flexibility from Massachusetts school systems to implement this funding. Massachusetts schools and students would lose out on more than **\$6 million** from this proposal.

Federal Work Study

The President's budget proposal continues its attack on students by severely reducing funding for Federal Work Study. A program that helps undergraduate and graduate students afford their degrees through part-time employment, Federal Work Study is an essential part of many students' financial aid plans.

President Trump's budget proposal would cut Work Study by 50 percent, reducing the amount that Massachusetts receives by **\$22.5 million**. We need to reward our students who work hard for their future, not punish them by making it more expensive to earn their degrees.

Corporation for Public Broadcasting

Federal funding for the Corporation for Public Broadcasting (CPB), which historically receives broad public support, helps provide high-quality, informative, and educational programming produced by locally-owned and operated public television and radio stations reaching virtually every household in our country.

President Trump's elimination of the CPB could create a content deficit where the public no longer has access to enriching educational, civic, and entertainment shows for Americans, regardless of ethnic, racial or socio-economic background. In Massachusetts, the CPB supports local programming with **nearly \$16 million in local grants** for television, radio, and digital forms of communication.

National Endowment for the Arts

The National Endowment for the Arts (NEA) gives millions of dollars to Massachusetts each year through grants that support a wide variety of arts and cultural programs, productions, and performances. The Double Edge Theatre in Ashfield, the Working Waterfront Festival in New Bedford, the Fitchburg Art Museum, Jacob's Pillow Dance Festival in the Berkshires, the Museum of Fine Arts in Boston, and the Boston Symphony Orchestra are just a few of the museums, events, programs, and institutions that rely on funding from the NEA.

The President's proposed budget begins to dismantle the NEA by reducing its funding by over 80 percent. The NEA provides almost **\$4 million** to Massachusetts each year, which affects citizens across the Commonwealth, ranging from elementary school students to professional musicians, artists, and actors at the top of their fields.

Transportation

Transportation Investment Generating Economic Recovery Grants

The Transportation Investment Generating Economic Recovery (TIGER) grant program provides federal funding for surface transportation projects (i.e., bridges, transit facilities, rail, harbor infrastructure) that will improve the nation's economic growth. Since 2009, the Commonwealth has received more than \$150 million of TIGER funding to undertake critical transportation infrastructure projects, including the extension of commuter rail service in Fitchburg; replacing and rehabilitating six bridges in Lowell; repairing and reconstructing three bridges in Haverhill; constructing a multimodal transit facility in Revere; expanding the capacity of city streets in downtown Boston; modernizing the Ruggles T Station; and reconstructing four inadequate and dangerous freight rail bridges in New Bedford.

President Trump's elimination of the TIGER program means that Massachusetts could lose **tens of millions of dollars** in federal funding to improve commuter rail service, replace dangerous freight rail bridges, and alleviate congestion on our roadways.

U.S Army Corps of Engineers

The U.S. Army Corps of Engineers (Corps) is an agency within the Department of Defense, with both military and civil works responsibilities. The Corps improves our nation's resilience and promotes the safe and swift transport of cargo by building water resource projects (i.e., harbor deepening, shipping channel dredging, beach renourishment, and aquatic restoration projects).

President Trump's proposed 22 percent budget cut, amounting to more than \$1 billion, makes it much less likely that crucial Massachusetts projects, like **the \$200 million Boston Harbor Dredging Project** and the **Plymouth Harbor Deepening Project**, will receive full federal funding.

Amtrak

With approximately 56 Amtrak trains traveling through Massachusetts every day, the people of Massachusetts heavily rely on Amtrak to fulfill their transportation needs. In Fiscal Year 2017 alone, nearly **3.5 million passengers** boarded or departed an Amtrak train in Massachusetts.

A long distance rail line **runs through the heart of Massachusetts**, connecting Boston, Worcester, Framingham and Pittsfield and providing Massachusetts constituents with high-quality rail access to major destinations like Chicago and Cleveland. Without these subsidies, **affordable rail service may no longer be available** to the thousands of Massachusetts residence seeking to use this line for long-distance trips.

Social Services

Low Income Home Energy Assistance Program

The Low Income Home Energy Assistance Program (LIHEAP) keeps our most vulnerable citizens safe and healthy by helping meet their home energy needs. It ensures that families are warm in the winter and cool in the summer by providing assistance with bill payments, energy crises and weatherization services.

President Trump's proposed elimination of this program will leave nearly **200,000 Massachusetts families** out in the cold. Thus far, the Commonwealth has received roughly **\$122 million** from the program in Fiscal Year 2018, all of which is at risk in the future if the program is unfunded.

Weatherization Assistance Program

The Department of Energy Weatherization Assistance Program provides grants to states to improve the energy efficiency of the homes of low-income families. State governments, in turn, contract with local governments and nonprofit agencies to provide weatherization services to those in need using the latest technologies for home energy upgrades. Since the program began in 1976, it has helped improve the lives of more than 7 million families nationwide by reducing their energy bills.

President Trump's budget proposes to eliminate the Weatherization Assistance Program and State Energy Program. Massachusetts has received **\$42.8 million** from the Weatherization Assistance Program (WAP) and **\$10.9 million** from the State Energy Program since 2010. Between 2010 and 2017, Massachusetts weatherized an average of **1,032 homes per year**, creating or retaining **870 jobs**.

Legal Services Corporation

The Legal Services Corporation (LSC) is the single largest funder of civil legal aid for low-income Americans in the nation. LSC-funded programs help people who live in households with annual incomes at or below 125 percent of the federal poverty guidelines. Clients come from every ethnic group and every age group and live in rural, suburban, and urban areas. They are the working poor, veterans, homeowners and renters, families with children, farmers, people with disabilities, and the elderly. Women – many of whom are struggling to keep their children safe and their families together – comprise 70 percent of clients.

The LSC funded Massachusetts grantees more than **\$5.1 million** in Fiscal Year 2016. If President Trump defunds the program, it will leave almost **26,000 low-income Massachusetts residents** without the legal representation they need.

Corporation for National and Community Service

Each year, millions of individuals of all ages and backgrounds help meet local needs through a wide array of service opportunities through the Corporation for National and Community Service's (CNCS) core programs: AmeriCorps, Senior Corps, and the Social Innovation Fund. These programs and others, such as the Volunteer Generation Fund, support projects in six

priority areas: disaster services, economic opportunity, education, environmental stewardship, healthy futures, and veterans and military families.

President Trump's elimination of CNCS will impact the **8,345 AmeriCorps and Senior Corps** volunteers who are meeting local needs, strengthening communities, and increasing civic engagement through national service in Massachusetts. Massachusetts will lose more than **\$48.5 million** from CNCS in support of Massachusetts communities through national service.

Community Services Block Grant

Community Services Block Grants (CSBG) provide a vital lifeline for our nation's low-income households. This funding is the federal government's comprehensive approach to addressing the needs of vulnerable citizens and provides critical employment services, education, and housing assistance to as many as 20.7 million low-income, unemployed, or disabled Americans. In Massachusetts, 23 designated Community Action Agencies (CAAs) – private nonprofit entities representing appointed leaders from the private sector, public officials, and the community – provide these services to citizens across the Commonwealth using federal funds.

Eliminating the CSBG program would cut off **\$17.5 million** in federal funding to Massachusetts Community Action Agencies. Services provided to hundreds of thousands of low-income individuals across the Commonwealth would be in jeopardy.

Community Development Block Grants

Community Development Block Grants (CDBG) fund critical local community development initiatives that support jobs, housing, economic development, neighborhood revitalization, and other community development activities. CDBG is one of the most flexible federal sources of funding that municipalities have at their disposal. The program also helps support state and local Meals on Wheels programs across the country, a popular and effective public-private partnership that provides hot meals to more than 2.4 million senior citizens every year.

Communities across the Commonwealth rely on over **\$91 million** in vital CDBG funds every year. The loss of this critical funding under President Trump's budget would devastate our local cities and towns.

HOME Investment Partnerships Program

The HOME Investment Partnerships Program (HOME) is the primary federal funding source that allows states and local governments to create and sustain affordable housing for low-income individuals and families. The HOME program partners localities and nonprofit groups like Habitat for Humanity to build, buy, and repair affordable housing.

If the HOME program is cut, Massachusetts stands to lose more than **\$24.3 million** a year in funding.

Neighborhood Reinvestment Corporation

The Neighborhood Reinvestment Corporation, known as NeighborWorks America, is a network of approximately 250 affiliated local and regional nonprofit housing and community development organizations that provide support to families and communities across the country. NeighborWork's primary mission is to expand affordable housing opportunities and to strengthen urban, suburban and rural communities across America. They provide grants, technical assistance, tools and services to the NeighborWorks network and leverage federal dollars to maximize impacts.

In 2016, NeighborWorks distributed **\$4 million** in grants across the Commonwealth, **repairing more than 10,000 homes** and creating **965 new homeowners**. President Trump has proposed ending the program, which would cost Massachusetts the **\$401 million** that NeighborWorks leveraged in total investments.

Supplemental Nutrition Assistance Program

The Supplemental Nutrition Assistance Program (SNAP) provides food assistance to millions of low-income Americans across the country. The program imposes strict income and asset limits, and SNAP's financial aid helps families attain good nutrition with wide reaching impacts, and is a lifeline to families during times of extreme need.

The Trump budget proposes drastic cuts of nearly 30 percent to the SNAP program, which would result in a reduction of more than \$200 billion over the next decade. The proposal would make it more difficult for people to qualify, more difficult for individuals to receive benefits, and shift food purchasing power from households to the government.

In Massachusetts **779,000 residents received SNAP assistance** in Fiscal Year 2016 – 55 percent of those were families with children, and almost half were in a family with a member who was elderly or had a disability. These harmful cuts to the program would have profound impacts on the most vulnerable residents of the Commonwealth.

Social Services Block Grant

The Social Services Block Grant (SSBG) is a flexible source of federal funds that can be used by states to support a wide variety of social services. SSBG funds in Massachusetts are used to support child abuse prevention and protective services. The Massachusetts Department of Children and Families administers the grant here in the Commonwealth.

The Massachusetts DCF projects an allocation of **\$33 million** from federal government SSBG funds in Fiscal Year 2018. President Trump's proposal to eliminate this program threatens that vital funding and the children it protects.