



## New York City's Older Adults Would Suffer Under President Trump's Budget

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March 15, 2018

Following \$1.4 trillion in deficit-financed tax giveaways for profitable corporations and the wealthy, President Trump is following through with step two of his harmful fiscal policy agenda; paying for those tax cuts with deep cuts to services that support low- and middle-income families, children, older adults, and people with disabilities. These services – when properly funded – strengthen the economy, improve the quality of life for all New Yorkers, and demonstrate how we as a city value opportunity and dignity.

This brief focuses on the dangers posed to New York City's older adults by examining the President's proposed cuts to federal grants that the City's Department for the Aging (DFTA) relies upon and to direct federal assistance.

**Trump's budget proposal puts New York City's older adults at risk by cutting the Department for the Aging's (DFTA) \$77.4 million in federal funding by more than a third, and by further decimating direct federal assistance, such as housing, heating and food assistance, and healthcare.**

### Trump Budget Decimates Programs for New York City's Older Adults

*Trump budget cuts DFTA's federal grants by 35%*



*FFIS and NYC FY18 Modified Plan. Federal funds account for 21% of DFTA's total FY18 budget*

These harmful cuts could worsen economic prospects for older New Yorkers, many of whom already live on a modest fixed income, and whose population is growing rapidly.<sup>i,ii</sup> Currently, 18 percent of seniors live below the official Federal Poverty Level (FPL) and more than half live below three times the FPL (the latter being a better measure of the income required to meet basic needs).<sup>iii</sup> Poverty rates vary widely based on race and ethnicity; 13 percent of White older adults live in poverty compared to 19 percent of Black older adults, 24 percent of Asian older adults, and 28 percent of Hispanic/Latino older adults.

## Most New York City Older Adults Are Just Barely Getting By

*Percent of NYC seniors living at various income levels*



*U.S. Census, American Fact Finder, 2016. 2018 FPL for a single adult*

### Federal Budget Basics

The City's Fiscal Year 2018 (FY18) Modified Budget of \$87.4 billion relies on \$8.6 billion in federal aid – equal to nearly one out of every ten dollars the City spends – most of which supports services for low- to middle-income residents.<sup>iv</sup> The federal budget pays for these grants through mandatory and discretionary spending.

Mandatory programs – such as Medicaid, Children's Health Insurance Program (CHIP), Child Care and Development Block Grant (CCDBG), Temporary Assistance to Needy Families (TANF), and Social Services Block Grants (SSBG) – are set in permanent law.

Discretionary programs – funding for much of what the government does outside of the major entitlement programs, such as mental health, child care, heating assistance, training and employment programs, transportation, and public safety – must be appropriated annually.

The President's proposed budget would be in addition to seven years of federal austerity spending. The 2011 Budget Control Act set caps on defense and nondefense discretionary funding through 2021 and further reduced funding over time through sequestration. As a result, mandatory grants are lower than any year since 1980, while discretionary grants were lower in 2015 than all but one year since 1980, even as need increases, such as for the growing population of seniors.<sup>v</sup><sup>vi</sup> Steep cuts to these grants would be catastrophic and would likely mean even deeper cuts to programs that are critical to the health and well-being low- and moderate-income children and their families.

At the moment, Congress is operating on what's known as "continuing resolutions". CRs are bare-minimum spending bills that typically maintain current levels of spending for discretionary programs. The most recent continuing resolution – known as the Bipartisan Budget Act (BBA) – keeps the lights on until March 23<sup>rd</sup>, 2018, raises caps on defense and non-defense spending, and provides for disaster assistance. Non-defense spending adjustments include a long-term extension of CHIP, increased childcare investments, and spending to tackle opioid and mental health crises. Congress must now decide how to distribute the increased funds. Trump's budget, however, undermines this agreement by not supporting non-defense increases, while supporting increased defense spending.

## Impact of Federal Budget Proposals

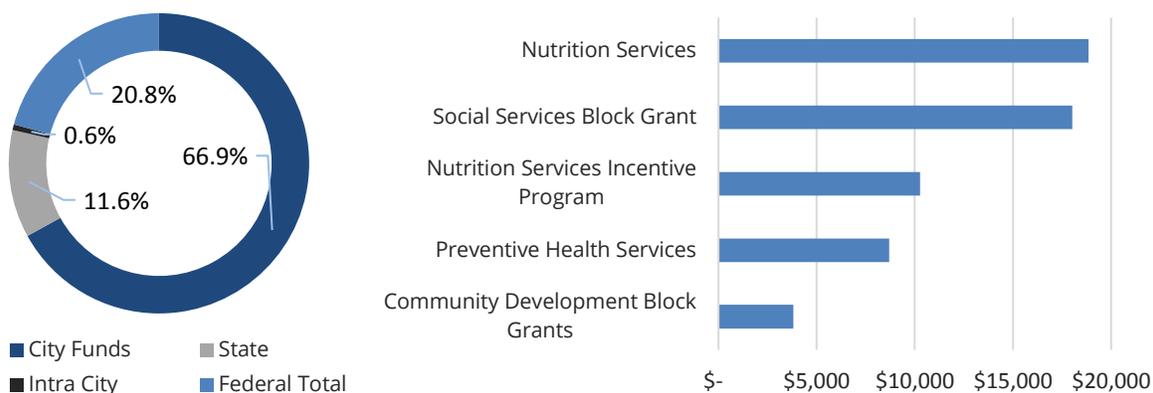
While Presidents' proposals historically carry little weight in Congress, President Trump's budget is aligned with Congressional Republicans' fiscal priorities. Moreover, a budget proposal is the way in which public officials express their vision and priorities, and should be scrutinized thoroughly.

The following analysis includes the President's cuts to both federal grants that the City's agencies – in this case, DFTA – rely upon *and* direct federal assistance such as food assistance, healthcare, and housing.

### Overview – DFTA's Federal Funding

DFTA's FY18 Adopted Budget is more than \$372 million, of which nearly 21 percent (\$77.5 million) comes from the federal government through more than a dozen individual grants. Of those, just five federal grants account for 77 percent of DFTA's federal grants.

**Federal Grants Account for 1/5<sup>th</sup> of DFTA's FY18 Budget**  
*Just five federal grants account for 77% of all federal grants*



*NYC FY18 Modified Plan. Other Categorical grants made up 0.08% of DFTA funds*

### Cuts to DFTA Grants

*Social Services Block Grant (SSBG)*: The President's budget would **eliminate** the SSBG. The SSGB was designed as a flexible source of funding that allows states to tailor programs to meet the needs of vulnerable populations, such as protecting elderly adults from harm and helping them stay in their own homes. Like many discretionary programs, spending on SSBG has fallen by 73 percent since 1982 and, unless spending caps are amended, will continue to experience sequestration cuts as a result of the 2011 Budget Control Act.<sup>vii</sup> DFTA's SSBG grant was worth more than \$18 million in FY18 – equal to 23 percent of the agency's federal funding, to support senior centers and meals.

- *FPWA Member Profile* – Project FIND: The Social Services Block Grants funds Project FIND's Senior Centers, which provide access to nutritious meals, benefits screenings, fitness activities, art, cultural, and educational programming, diabetes, and high blood pressure, and for those living alone, the opportunity for social companionship to more than 750 older adults daily on Manhattan's Midtown and West Side. SSBG comprised more than 50 percent of Project Find's nearly \$1 million in federal support in 2016, and if eliminated, would devastate the services they provide.<sup>viii</sup>

*Community Development Block Grant (CDBG):* The President's budget would eliminate the SSBG. And like the SSBG, the CDBG is a flexible funding source that, among others, supports home-based services for seniors. CDBG grants represented nearly five percent of DFTA's federal funding in FY18.

*The Foster Grandparent Program:* The President's budget would **eliminate** the Foster Grandparent Program. First established in 1965, the program connects volunteers age 55 and over with opportunities to provide one-on-one mentoring, nurturing, and support to children with special or exceptional needs, or who are at an academic, social, or financial disadvantage. The Foster Grandparent grant represented two percent of DFTA's federal funding in FY18.

*Community Service Employment for Older Americans (SCSEP):* The President's Budget would also **eliminate** the SCSEP. SCSEP is the only federal program targeting workforce development for older adults. In FY18, SCSEP accounted for more than 4 percent of DFTA's FY18 federal funding.

- *FPWA Member Profile – Chinese-American Planning Council:* Approximately 150 SCSEP participants provided over 100,000 community service hours to public and non-profit agencies, allowing them to enhance and provide needed services.<sup>ix</sup>

#### Trump's Budget Eliminates Several of DFTA's Federal Grants (in thousands)

	FY18 Modified	Cut	Percent Change
Social Services Block Grant (SSBG)	\$18,025	(\$18,025)	(100%)
Community Development Block Grant	\$3,811	(\$3,811)	(100%)
Community Service Employment for Older Americans	\$3,344	(\$3,344)	(100%)
Foster Grandparent Grant	\$1,664	(\$1,662)	(99.9%)
State Health Insurance Assistance Program*	\$585	(\$585)	(100%)
		<b>Increase</b>	
Home & Community-Based Supported Services**	\$8,694	\$25	0.3%
Nutrition Services	\$18,849	\$54	0.3%
Preventive Health Services***	\$2,219	\$555	25%
<b>Total</b>	<b>\$57,191</b>	<b>\$(26,794)</b>	
<i>Share of DFTA Budget</i>	<i>15.4%</i>	<i>7.2%</i>	
<i>Share of DFTA's Federal Grants</i>	<i>73.8%</i>	<i>34.6%</i>	

*FFIS and agency federal budget data and NYC FY18 Modified Plan from FY19 Preliminary Plan. Described as \*Health Insurance Assistance PM, \*\*Title III, Part B: Supportive Services A, and \*\*\*Title 3D Health Promotion in the FY18 Modified Plan.*

#### Cuts to Direct Assistance

In addition to the federal grants that directly affect the City's operating budget, the federal government provides direct assistance to individuals (such as food and disability benefits) and supports local authorities (such as those tasked with providing housing, transportation, and health care). Proposed cuts in these areas will further harm seniors while also putting additional pressure on the City's budget.

*Supplemental Nutrition Assistance Program (SNAP):* In 2016, SNAP benefits protected, on average, more than 300,000 thousand New York City seniors from food insecurity each month while also freeing up their resources for other necessities such as housing, health care, and transportation, helping them to avoid hospitalization and to age in place.<sup>x,xi,xii</sup> Thousands stand to lose their food assistance as a result of Trump's proposal to slash SNAP benefits by \$230 billion (or a full 30 percent) over ten years. These cuts will take place at a time when food pantries in the city are experiencing increased demand following cuts to SNAP in 2013.<sup>xiii,xiv</sup>

*Health:* Once again, the President is calling for the repeal of the Affordable Care Act and replacing it with the Graham Cassidy proposal. This would result in hundreds of billions of dollars of cuts to Medicaid, the primary source of funding for nursing home care and home- and community-based services. As a result, more older Americans would be forced to rely on institutional care, rather than allowing them to age in their own homes.<sup>xv</sup>

*Low Income Home Energy Assistance Program (LIHEAP):* Trump's proposal **eliminates** the program that helps keep low-income households safe by assisting with heat and other utilities. Even as need has increased, LIHEAP funding has declined by 30 percent since 2010. Nationally, some 40 percent of eligible households include at least one person aged 60 or older.<sup>xvi</sup>

*Social Security Disability Insurance (SSDI):* cuts would hit many older Americans. Workers pay into Social Security to protect themselves and their families if they retire, become disabled, or die leaving family members to support. Most SSDI beneficiaries — nearly 6 million — are 55 or older and can't keep working until their full Social Security retirement age due to serious illness or injury. Though the President repeatedly promised not to cut Social Security, his budget cuts SSDI by tens of billions of dollars.<sup>xvii</sup>

*Housing:* Affordable housing for seniors would be endangered by cuts to the New York City Housing Authority' (NYCHA), the Community Development Block Grant (CDBG), and Section 8 vouchers. Under the President's budget, NYCHA's capital fund would be **eliminated** and its operating fund — which receives 63 percent of its \$3.2 billion from the federal government — would be cut by several hundred million dollars. Cuts to the operating fund would reduce the availability of subsidized units while eliminating the capital fund — used to repair properties — would leave units in a dangerous state of disrepair.<sup>xviii</sup> As of 2015, 19 percent of the nearly 600,000 served by NYCHA were age 62 and older.<sup>xix</sup> In addition, the proposal to **eliminate** the CDBG would gut the New York City Department of Housing Preservation and Development (HPD), which relies on federal assistance for 86 percent of its funding to provide emergency repairs, lead-paint removal, enforcement, and inspections. Deep cuts to the Housing and Urban Development would result on the loss Section 8 rental assistance for nearly 21,000 households across New York State. In New York City, half of recipients are elderly or people with disabilities.<sup>xx</sup>

## Policy Choices

Federal austerity budgets over the last several years have kept DFTA's federal funding flat even as need has surged. The City, to its credit, has stepped up, increasing DFTA spending by 64 percent since 2014. Nevertheless, seniors, most of whom live on fixed incomes, deserve an investment equivalent to their population: While people 60 and older represent 18 percent of the City's population, the DFTA budget is equal to less than one-half of one percent of the City's budget – an inequity that will only grow as the population surges.<sup>xxi</sup> Doing so will take the coordinated effort of City, State, and Federal officials.

### City

FPWA, in coalition with nonprofit advocates and service providers, has proposed to strengthen the safety net for older New Yorkers by rightsizing DFTA's budget. In FY18, the coalition asked the administration to allocate \$60.6 million as part of a five-year plan for an additional \$132.8 million to baseline discretionary funding for core services and fill the gaps in current services.<sup>xxii</sup> The City's eventual increase of \$23 million fell short of the coalition's ask by \$37 million, and federal budget proposals threaten to further deepen the services gap.

### Federal

New York's congressional delegation largely exhibited bipartisan leadership during the tax debate, and should commit to doing so during the appropriations process. Specifically, they should oppose cuts in SNAP, Medicaid, housing, and other programs, including by opposing any free-standing bill or budget resolution the same partisan reconciliation process used for repeal and replace efforts and the tax giveaways' passage. Cutting programs that help struggling families meet basic needs is not a responsible approach to addressing our nation's fiscal challenges.

## Citations

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<sup>i</sup> According to the *New York City Population Projections by Age/Sex & Borough, 2010-2040* report, "the population 65 years and over stood at 1,002,000 in 2010 and is projected to increase to 1,410,000 in 2040—a jump of 408,000 persons or 40.7 percent." [https://www1.nyc.gov/assets/planning/download/pdf/data-maps/nyc-population/projections\\_report\\_2010\\_2040.pdf](https://www1.nyc.gov/assets/planning/download/pdf/data-maps/nyc-population/projections_report_2010_2040.pdf)

<sup>ii</sup> According to the Comptroller Stringer's *Aging with Dignity* report, 40 percent of New York City senior-headed households depend on government programs (including Social Security) for more than half of their income, while more than 30 percent depend on these programs for three-quarters of their income. The most significant of these programs is Social Security...with almost 83 percent of New Yorkers over 65 receiving income from Social Security, with an average annual benefit of \$17,800, or slightly less than \$1,500 per month." <https://comptroller.nyc.gov/reports/aging-with-dignity-a-blueprint-for-serving-nycs-growing-senior-population/>

<sup>iii</sup> According to the New York Self-Sufficiency Standard, 300 percent FPL is a closer approximation of the income required to meet an individual's most basic needs, such as food, shelter, utilities, groceries, etc. Self-sufficiency varies by borough, ranging from \$48,520 in Lower Manhattan to \$27,126 in Upper Manhattan. The unweighted average across boroughs is \$33,191, which is 2.75 times the FPL. See our *With One Voice* report for more: <http://fpwa.org/wp-content/uploads/2017/10/With-One-Voice-Final-Draft-10.3.17.pdf>

<sup>iv</sup> Approximately \$922 million is federal aid for Sandy projects through the Community Development Block Grant – Disaster Recovery fund

<sup>v</sup> Pavetti, Floyd. CBPP. *Eliminating Social Services Block Grant Would Weaken Services for Vulnerable Children, Adults, and Disabled*. April 2016. <https://www.cbpp.org/research/eliminating-social-services-block-grant-would-weaken-services-for-vulnerable-children>

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