

House Appropriations Bills a Meaningful Start for Fiscal Year 2021 Federal Budget Negotiations

Covid-19 Recovery Must Not Mirror that of the Great Recession

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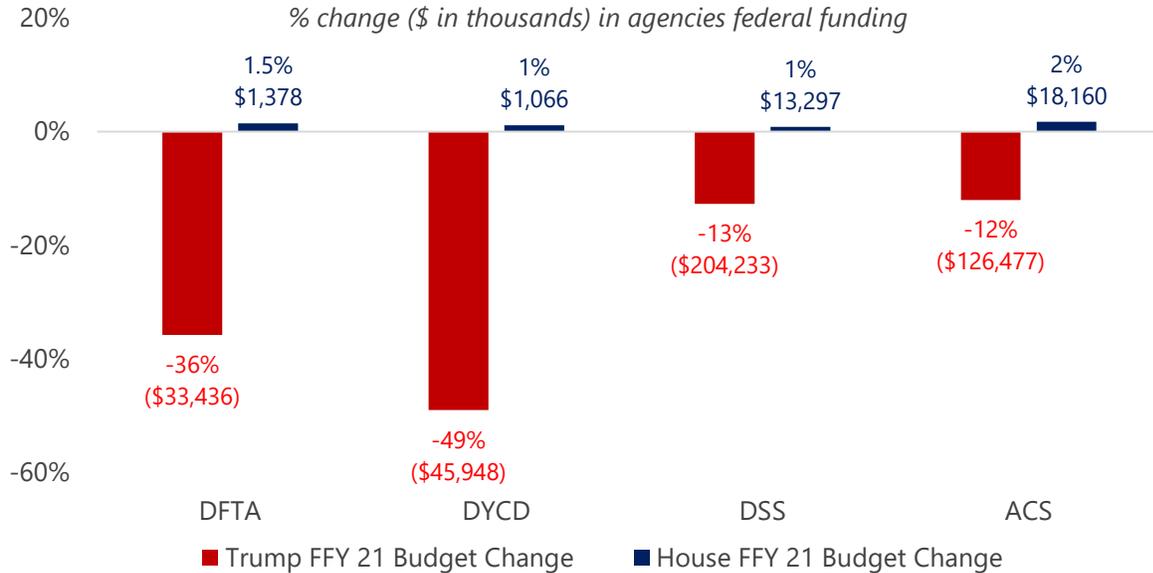
The Covid-19 pandemic has persisted for more than six months now and an extremely uneven recovery threatens to manifest into exploding inequality and irreparable economic damage. Congress, fortunately, has the tools and [capacity](#) to provide immediate relief, stave off a spiraling economy, and usher in a robust economic recovery in which *everyone* prospers.

Above all, federal lawmakers must pass a [comprehensive coronavirus relief package](#), but lessons from the Great Recession [remind us](#) that stimulus measures are critical for *short-term* relief. On the other hand, a federal budget that reflects the needs of all who are struggling to make ends meet by fully funding human services programs and strengthening the social safety net is key to ensuring a recovery that sustains in the long-run and that prosperity is broadly shared.

While President Trump's budget proposal submitted this spring is a nonstarter, and due to timing neither the President's budget nor the House appropriations bills address the realities of Covid-19, these proposals represent a symbolic starting point for negotiations that will occur between now and December 11 when funding to keep the government open expires.

Our analysis finds that **Trump's budget proposal would slash total federal funding to key New York City human services agencies by 14 percent (\$410 million), while the House spending plan would boost their federal support by one percent (\$34 million).**

House Appropriations Bills Would Marginally Increase Funding for Key NYC Human Services Agencies, Trump’s Budget Would Decimate Their Federal Funding



FPWA analysis of FFIS, NYC CAFR and OMB data, and federal budgets. The four agencies include the Department for the Aging (DFTA); the Department for Youth and Community Development (DYCD), the Department of Social Services (DSS), and the Administration for Children’s Services (ACS). In partnership with nonprofits, these agencies support the needs of individuals and families and deliver effective poverty fighting tools and other critical services. Visit our [Tableau page](#) for in-depth analysis of each of the 39 federal grants that represent 78 percent of all social services funding to the City in FY 2020.

Dual Crises – Where Stimulus Measures May Meet Budget Policy

On September 30th, President Trump signed into law a 10-week continuing resolution (CR) to fund federal agencies at federal fiscal year 2020 (FFY 2020) levels through December 11. The [good news](#) is that the CR ([H.R. 8337](#)) extended key federal

food assistance programs, including extension and improvement of the Pandemic EBT (P-EBT), a program that provides families whose schools are closed or disrupted due to the coronavirus the ability to purchase meals that otherwise had been provided at school. On the other hand, CRs cause considerable uncertainty, inefficiency, and disruption, and in this case, it maintains the previous year's appropriations (or, flat funding). Over longer periods of time, flat funding amounts to cuts as dollars lose value.

Prior to the CR, President Trump submitted his FFY 2021 budget request this spring, and this summer, the House passed 10 of the 12 regular annual appropriations bills to fund the government (the Senate has passed no appropriations bills). Where they will land in the [process](#) of reaching an agreement for an FFY 2021 budget is unclear, but these proposals represent a symbolic starting point for negotiations that occur between now and December 11 when the current CR expires.

Further complicating these negotiations are the diminished odds of another round of stimulus prior to November's election. In that case, the federal budget could become a critical tool. For example, lawmakers could include some Covid-19 relief provisions in the next legislative vehicle funding the government (as they did with the current CR) or, depending on the makeup of Congress, they could use a process known as [budget reconciliation](#) to expedite consideration of a Covid-19 relief package in 2021.

Analysis of the Trump Budget and House Appropriations Bills

To determine the impact the two proposals would have on New York City's human services budget and sector, we analyzed changes in federal funding for 39 federal grants that support the four New York City human services agencies currently featured in our [Federal Funds Tracker](#) and how those changes could impact the budgets of a few of FPWA's member organizations.¹

While the impacts differ by agency, **Trump's budget proposal would cut total federal funding to these agencies by 14 percent (\$410 million), while the House spending plan would boost their federal support by one percent (\$34 million).**

Similar to the President's FFY 2020 budget proposal, this year's budget would eliminate entirely the Weatherization Assistance for Low-Income Persons (WAP), Home Investment Partnerships Program (HOME), Emergency Food and Shelter National Board Program (EFSP), Low-Income Home Energy Assistance Program (LIHEAP), the Community Services Block Grant (CSBG), and Community Development Block Grant (CDBG), among others.

¹ The Tracker currently features four New York City human services agencies (ACS, DSS, DFTA, DYCD). Their 39 federal grants represented 78 percent of all social services funding to the City in fiscal year 2020 (FY 2020). Watch FPWA's Federal Funds Tracker for forthcoming updates that include the addition of the remaining New York City human services agencies.

In contrast, the House would increase WAP by 84 percent, HOME by 26 percent and EFSP by 20 percent, while proposing minor increases to LIHEAP, CSBG, and CDBG.

Altogether, the House plan is an important step. It would [raise total discretionary funding](#) \$51 billion above the level enacted for FFY 2019 and \$176 billion above the Budget Control Act (BCA) caps. This increase would begin to restore lost funding for programs for children, job training, health care, and medical research, and increase funding for the Census Bureau to conduct the 2020 Decennial Census.

However, the rapid devastation of the coronavirus has significantly ratcheted up the urgency for Congress to strengthen federal social safety net programs and human services budgets that will need to be reflected in budgets for years to come.

Federal Budget Proposals' Direct Impact on Nonprofit Human Service Providers

In FY 2019, 32 FPWA member organizations relied on nearly \$82 million in support from federal grants to ACS, DFTA, DSS, and DYCD. Below, we analyze the impacts of the President's and the House's budget proposals on a few of FPWA's member organizations.²

Northern Manhattan Improvement Corporation

Established 4 decades ago, [Northern Manhattan Improvement Corporation \(NMIC\)](#) serves all New York City residents with a special focus on those in Northern Manhattan, and the South and West Bronx. NMIC's legal, social and weatherizing programs meet community members' housing, income, and health needs.

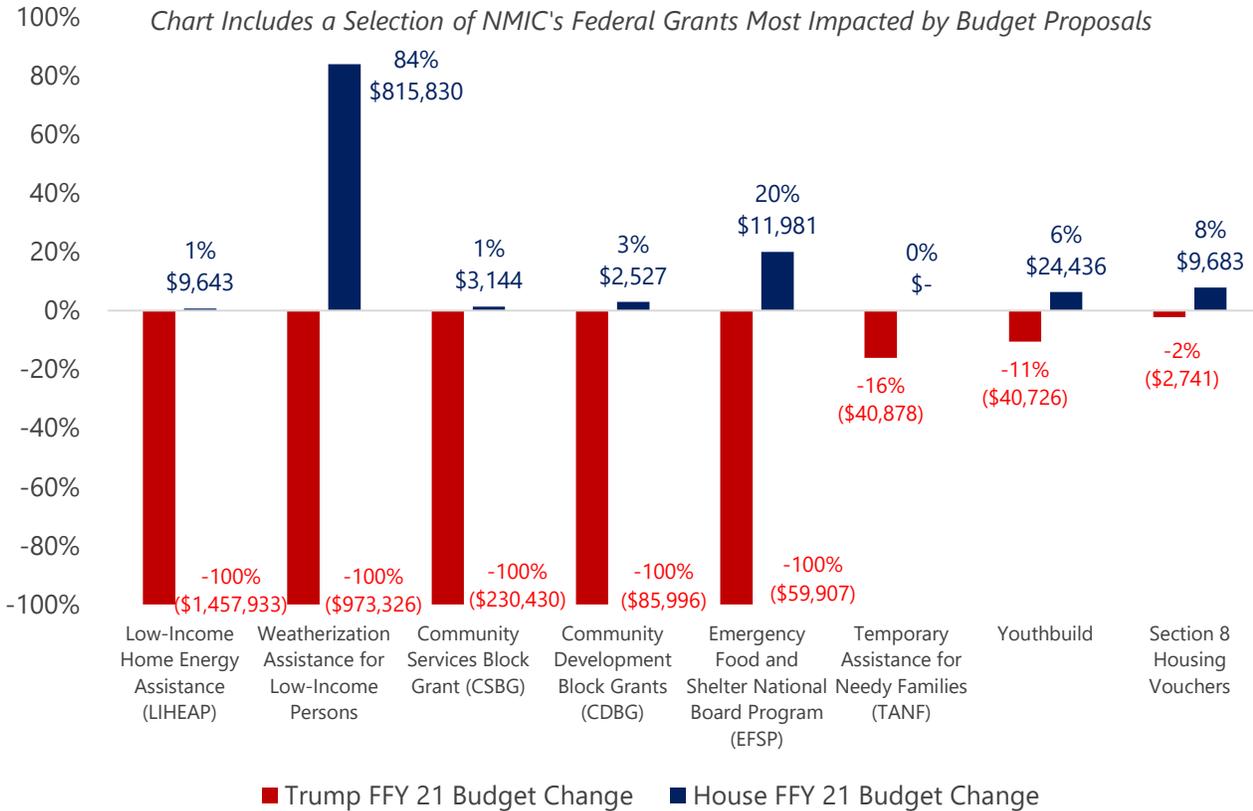
Trump's FFY 2021 budget proposal would cut NMIC's federal grants by 62 percent, or by nearly \$2.9 million, primarily by eliminating the Community Services Block Grant (CSBG), Community Development Block Grant (CDBG), Weatherization Assistance for Low-Income Persons (WAP), Low-Income Energy Assistance Program (LIHEAP), and the Emergency Food and Shelter National Board Program (EFSP).

While the House's FFY 2021 budget would increase those federal grants by 20

² All FPWA human service providing members that receive more than \$750 thousand in federal grants – the threshold for federal reporting – can use our '[Federal Budget Analyzer](#)' to easily analyze and visualize the impacts of federal budget proposals on their organizations' budgets. Analysis assumes cut to these grants would be evenly distributed across organizations.

percent, or \$901 thousand. In contrast, the House’s budget proposal would increase CDBG by 2.9 percent, WAP by 83.8 percent, LIHEAP by 0.7 percent, CSBG 1.4 percent, and EFSP by 20 percent.

President Trump's FFY 21 Budget Would Cut NMIC's Federal Grants by 62% (\$2.9 Million), While the House's FFY 21 Budget Would Increase Them by 20% (\$901 Thousand)



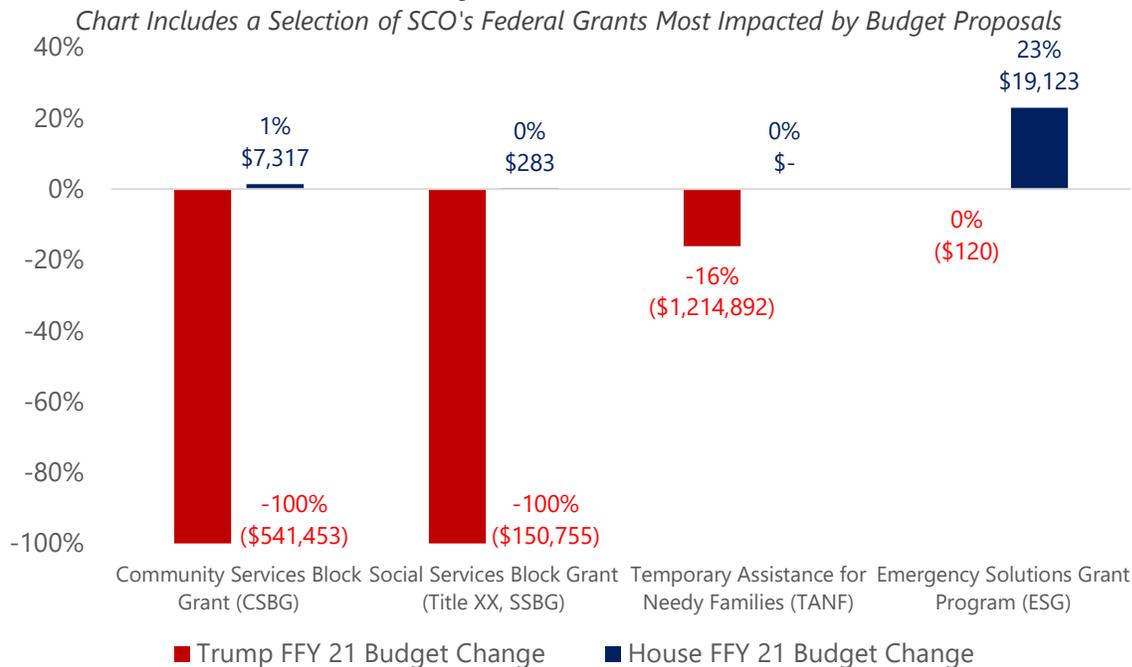
FPWA analysis of FFIS and NMIC's fiscal year 2019 audit data. Because audits run a year behind, our analysis examines FFY21 proposals on a member's FY19 federal revenue. This chart only represents a sample of a member's grants while the chart title reflects total cuts to a member's federal revenue – to see full analysis of NMIC's federal grants, download the Federal Budget Analyzer on [FPWA's Federal Funds Tracker Open Data page](#). Analysis assumes cut to these grants would be evenly distributed across organizations.

SCO Family of Services

Established in 1895, [SCO Family of Services](#) provides a comprehensive array of services to children and families throughout New York City, serving 60,000 New Yorkers each year. SCO has 84 programs that are focused on early childhood, independent youth, and special needs programming.

Trump’s FFY 2021 budget proposal would cut SCO’s federal grants by 13 percent, or by \$1.2 million, by eliminating the Community Services Block Grant (CSBG), the Social Services Block Grant (SSBG), and by cutting Temporary Assistance for Needy Families (TANF) and the Emergency Solution Grant Program (ESG). The House’s FFY 2021 budget would increase their federal grants overall by 1 percent, or \$165 thousand. The increase in the House’s budget proposal is driven by a 1.4 percent increase in CSBG and a 23 percent increase in ESG.

President Trump's FFY 21 Budget Would Cut SCO's Federal Grants by 13% (\$1.2 Million), While the House's FFY 21 Budget Would Increase Them by 1% (\$165 Thousand)



FPWA analysis of FFIS and SCO's fiscal year 2019 audit data. Because audits run a year behind, our analysis examines FFY21 proposals on a member's FY19 federal revenue. This chart only represents a sample of a member's grants while the chart title reflects total cuts to a member's federal revenue – to see full analysis of SCO's federal grants, download the Federal Budget Analyzer on [FPWA's Federal Funds Tracker Open Data page](#). Analysis assumes cut to these grants would be evenly distributed across organizations.

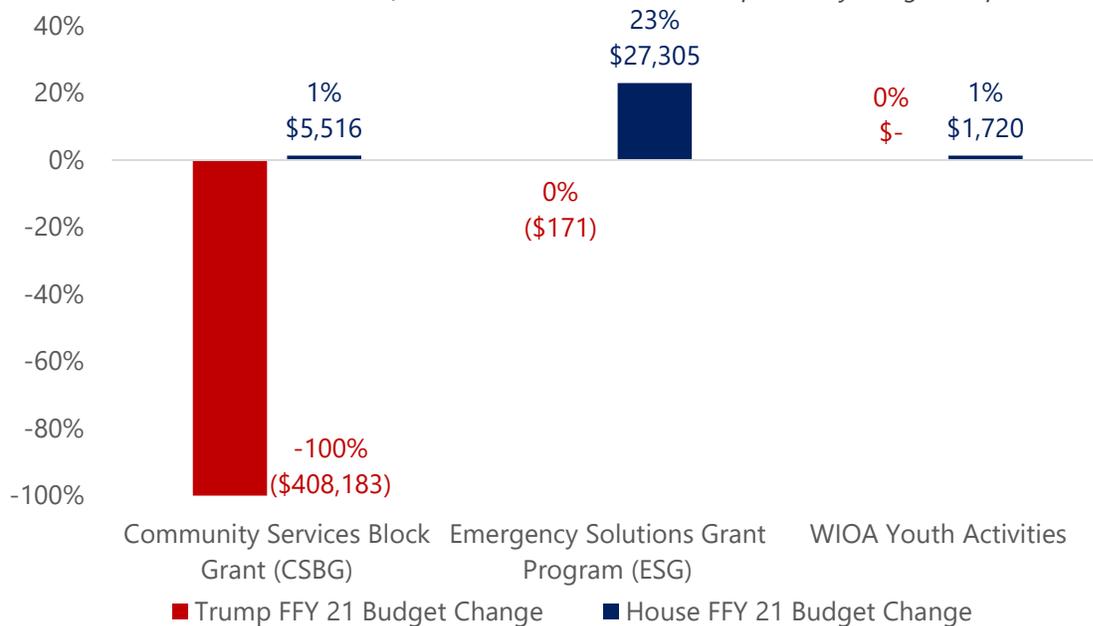
Brooklyn Community Services

Founded in 1866, [Brooklyn Community Services \(BCS\)](#) is one of the oldest nonprofits in New York City and one of the largest in Brooklyn. Through 35 programs that strengthen families at risk of separation, support and stabilize people with psychiatric illnesses, and enable people to move from welfare to work. BCS serves more than 20,000 people each year.

Trump’s FFY 2021 budget proposal would cut BCS’s federal grants by 21 percent, or by \$368 thousand, primarily by the elimination of CSBG and the less than one percent cut to ESG. While the House’s FFY 2021 budget would increase those federal grants by 21 percent, or \$368 thousand. In contrast, the House’s budget proposal would increase CSBG by 1 percent and ESG by 23 percent.

President Trump's FFY 21 Budget Would Cut BCS's Federal Grants by 21% (\$368 Thousand), While the House's FFY 21 Budget Would Increase Them by 4% (\$75 Thousand)

Chart Includes a Selection of BCS's Federal Grants Most Impacted by Budget Proposals



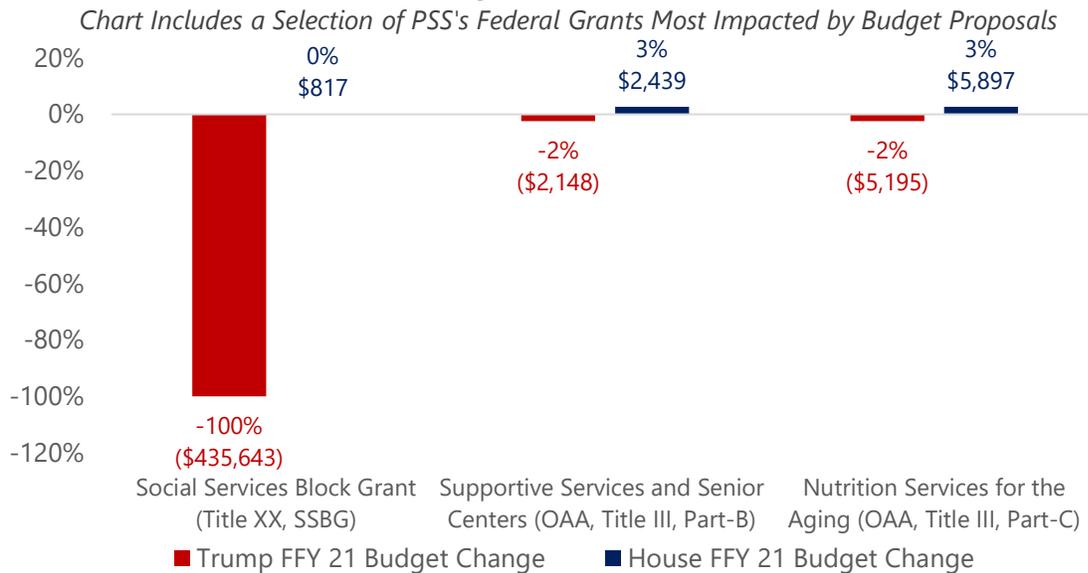
FPWA analysis of FFIS and BCS's fiscal year 2019 audit data. Because audits run a year behind, our analysis examines FFY21 proposals on a member's FY19 federal revenue. This chart only represents a sample of a member's grants while the chart title reflects total cuts to a member's federal revenue – to see full analysis of BCS's federal grants, download the Federal Budget Analyzer on [FPWA's Federal Funds Tracker Open Data page](#). Analysis assumes cut to these grants would be evenly distributed across organizations.

Presbyterian Senior Services

Founded in 1962, [Presbyterian Senior Services \(PSS\)](#) is a multi-service nonprofit that strengthens the capacity of older New Yorkers, their families, and their communities. Located primarily in the Bronx, PSS currently runs ten community centers for older adults and popular educational programs that inspire older adults to live with passion and purpose.

Trump’s FFY 2021 budget proposal would cut PSS’s federal grants by 31 percent, or by nearly \$443 thousand, primarily by the elimination of SSBG and by cutting services to older adults. While the House’s FFY 2021 budget would increase those federal grants by 1 percent, or \$9 thousand. In contrast, the House’s budget proposal would increase SSBG by 0.2 percent, and increase funding for older adults by 2.7 percent.

President Trump's FFY 21 Budget Would Cut the PSS's Federal Grants by 31% (\$443 Thousand), While the House's FFY 21 Budget Would Increase Them by 1% (\$9 Thousand)



FPWA analysis of FFIS and PSS's fiscal year 2019 audit data. Because audits run a year behind, our analysis examines FFY21 proposals on a member's FY19 federal revenue. This chart only represents a sample of a member's grants while the chart title reflects total cuts to a member's federal revenue – to see full analysis of PSS's federal grants, download the Federal Budget Analyzer on [FPWA's Federal Funds Tracker Open Data page](#). Analysis assumes cut to these grants would be evenly distributed across organizations.

Learn Lessons from the Great Recession: Next Year’s Budget Should Reflect This Year’s Economic Calamity

Nearly two years ago, FPWA launched the [Federal Funds Tracker](#) to advocate for increased federal human services funding and social safety net programs that nonprofits in New York City, and the city itself, rely on to support our communities. We do so, in part, by analyzing proposed and enacted federal budgets [in the context of](#) more than a decade of austerity that occurred following the Great Recession.

Like the federal Covid-19 relief packages, policymakers responded to the Great Recession by passing a stimulus measure (the American Recovery and Investment Act (ARRA)) to shore up the economy and provide support for struggling Americans. However, many of these provisions were one-offs that ended arbitrarily, and what followed was a [slogging recovery](#) in part due to spending caps and further reductions of funding to housing, food, heating, and childcare assistance, aging, and other poverty-fighting programs through across-the-board spending cuts known as [sequestration](#).

More than a decade later, in the midst of a global pandemic and a looming depression, we are in a pivotal moment; policymakers must reject yesterday's austerity politics and honor the millions who made tremendous sacrifices by meaningfully investing in our nation, including the lives of the more than two-hundred thousand who died, many unnecessarily.

The caring economy kept the nation's economic lights on by making sacrifices to protect and provide for each other, even under the constraints of insufficient federal support. Human services workers helped keep food on the table and roofs over heads; shopkeepers and workers at bodegas, bars, and restaurants opened their doors to keep their communities and livelihoods intact; medical staff tirelessly cared for the sick and dying; and parents struggled to keep their families safe and nurture their children's growth and education in isolation while managing their own jobs. Policymakers owe it to all of us to avoid the mistakes of the past and pass both a comprehensive and well-targeted [coronavirus relief package](#) and federal budgets that reflect the real needs of their constituents.

The economic climate has changed significantly because of Covid-19 and the level of human services funding will need to be considerably increased to meet growing needs for housing, food assistance, child care, support for older adults, and other poverty fighting programs. While poverty declined and incomes inched up in New York City, according to the latest census data, these data [do not reflect the realities and economic hardships](#) millions of New Yorkers have experienced this year.

The City's [unemployment rate in September was 14.1 percent](#) – down from 16 percent in August, but nearly quadruple the unemployment rate in September 2019

and nearly twice the national average. Measuring unemployment by the percent of the workforce receiving unemployment benefits, however, [one-third](#) of New York City's workforce were unemployed in June. According to the New School's Center for New York City Affairs, from mid-July to late-September, 16.1 percent of households reported food insecurity over the prior seven days, 23.5 percent of renter households reported being behind on the previous month's rent, and nearly a third of households with incomes below \$50,000 are food and housing insecure. As is historically the case, this economic pain [has been](#) and [will continue to be](#) disproportionately inflicted on communities of color because racist systems and institutions have left them vulnerable.

From federal coronavirus relief aid, New York City [received \\$831 million for human services programs](#)³, such as child care, housing and homelessness prevention, food assistance, mental health, support for older adults, and more. Because this aid was poorly targeted – based on population, rather than need – [New York City was shortchanged](#). In some cases, Covid-19 stimulus aid made whole, [relative to 2010 levels](#), many of the federal programs included in the relief packages in FY 2020, but these are one-off funds and will not be sufficient.

It is imperative that during the FFY 2021 budget negotiations, Congress [spend boldly without the recent pasts' constraints of deficit concerns](#) to ensure these critical human services programs are fully restored and strengthened to reflect the needs that existed prior to, and certainly after, the current crisis. The final step in the [federal budget process](#), prior to the President signing into law, is the Senate's role in filling in the line-by-line details of agency budgets when they return from campaigning in October. The [unprecedented economic hardship](#) faced by a growing number of New Yorkers highlights both the fragility of the economic gains of recent years and the need for immediate policy interventions to support those who are increasingly struggling to make ends meet.

As such, the House budget should serve as the baseline for FFY 2021 budget negotiations, and if an agreement for another stimulus measure is not reached before election day, lawmakers should include some coronavirus relief provisions in

³ See FPWA's Sept. 1 analysis of federal Covid-19 aid for human services programs: <https://federalfundstracker.org/publications/covid-analysis-title/>



the next legislative vehicle funding the government (as they did with the current CR) or, depending on the makeup of Congress, they could use a process known as [budget reconciliation](#) to expedite consideration of a Covid-19 relief package in 2021.