

## President Donald Trump's Fiscal Year 2020 Budget Request, Congressional Response and Links to Federal Agency Budget Information

### OVERVIEW

On Monday, March 11, President Donald Trump released his fiscal year (FY) 2020 budget request titled "[A Budget for a Better America](#)," which outlines a \$4.75 trillion blueprint. The proposal calls for significant cuts to education, research and some health care initiatives, meeting the non-defense sequestration caps set forth in the Budget Control Act of 2011.

The proposal also contains a 5 percent increase in military spending and seeks \$8.6 billion for a border wall along the U.S.-Mexico border.

In its current form, this budget request is unlikely to be adopted by Congress.

Below is a high-level summary of the president's FY 2020 budget request for higher education, research and health care programs of importance to the University of California as available on March 11. As more details and updated materials about the budget request become available, additional information will be provided.

### HIGHER EDUCATION AND STUDENT AID

The FY 2020 budget request for the Department of Education (ED) proposes the department receive \$64 billion, a \$7.1 billion decrease representing a 10 percent cut.

#### ○ **Pell Grants**

- The president's FY 2020 budget request would provide discretionary funding for the Pell Grant Program to provide \$6,195 for the maximum Pell Grant award, which is the current maximum. No cost of living adjustment is included.
- The inflation indexing that was available through FY 2017 is not extended, which will lead to a significant drop in the purchasing power of Pell in the coming years.
- The budget eliminates \$2 billion of unobligated balances in the Pell Grant program.
- Year-round Pell, which was reinstated in the FY 2017 omnibus appropriations bill, will continue in FY 2020.
- The budget proposes to expand Pell Grant recipients' eligibility to include short-term programs that provide students with a credential, certification or license in an in-demand career.

#### ○ **Campus-Based Student Aid Programs**

- The budget proposes the elimination of the federal Supplemental Educational Opportunity Grant (SEOG) program, which is a cut of \$840 million.
- Federal Work-Study would be cut from \$1.13 billion to \$500 million, a reduction of just over 55 percent. The administration would like to see \$300 million of these funds for a reformed Federal Work-Study program that would fund apprenticeship focused opportunities.
- The president's budget shows that Perkins Loans are no longer authorized in FY 2020.

- **Direct Loans:** The president's budget request proposes changes to the Direct Loan Program, which would cut more than \$207 billion from the program over the next ten years,

significantly impacting low- and moderate-income students who must borrow to attend college, and adding that burden to student loan borrowers' cost of education. The proposals outlined in the president's FY 2020 budget request would:

- Consolidate the federal government's income-based repayment programs into one plan, which cuts \$129 billion. Creating this one plan would result in fewer benefits to many student borrowers. The new option would cap monthly payment at 12.5 percent of a borrower's discretionary income (instead of the current 10 percent), with forgiveness of any remaining balance after 15 years for undergraduates, which is shorter than the current 20 years. For graduate borrowers, loan forgiveness would not occur until after 30 years of repayment, currently it is 25 years.
- Eliminate all subsidized student loans, a cut of \$24 billion over ten years. This represents a significant cut to undergraduate borrowers and would have a devastating financial impact on students who go to graduate and professional school because their student loan interest would continue to accrue even though they are still in school.
- End the Public Service Loan Forgiveness (PSLF) Program, which offers debt forgiveness to borrowers who pay on their loan for 10 years while working at a qualifying public service job; a cut of more than \$53 billion over ten years.
- **Teacher Quality Partnership Program:** The president's budget request would eliminate \$43 million for the Teacher Quality Partnership program.
- **Education Research:** The president's budget request requests \$521.6 million for the Institute of Education Sciences, which is a cut of \$93.8 million below the FY 2019 level. The cut reflects the elimination of the Regional Education Laboratories and the Statewide Longitudinal Data Systems.
- **TRIO Programs:** The budget proposes \$950 million for TRIO, which is a \$110,000 cut from the FY 2019 level of \$1.06 billion.
- **Child Care Access Means Parents in School (CCAMPIS):** The president's budget requests \$15.1 million for CCAMPIS, which is a \$34.9 million cut from the FY 2019 level of \$50 million.
- **GEAR UP:** The president's budget eliminates funding for GEAR UP, but states that many of the functions of these programs are supported through TRIO programs.
- **Graduate Assistance in Areas of National Need:** The president's budget request eliminates funding for this program.
- **Title VI, International Education and Foreign Language Studies:** Funding for Title VI programs is eliminated.

## RESEARCH

- **National Science Foundation (NSF):** \$7.1 billion, which is a \$1 billion cut below FY 2019 enacted.
- **Department of Energy:** \$31.7 billion, a \$1.1 billion increase over FY 2019 enacted.
  - Office of Science: \$5.5 billion, \$1 billion cut below FY 2019 enacted. Within the Office of Science, \$500 million is requested for exascale computing, \$169 million for quantum information science, \$71 million for artificial intelligence, and \$25 million to enhance materials and chemistry foundational research.
  - Energy Efficiency and Renewable Energy: \$696 million (total includes \$353 million in prior year balances), \$1.6 billion below FY 2019.
  - The Advanced Research Projects Agency-Energy (ARPA-E) is again proposed to be eliminated.
  - NNSA weapons: \$16.5 billion, which is \$1.4 billion over FY 2019. The budget also requests \$309 million for exascale computing and \$48 million for artificial intelligence.

- **National Aeronautics and Space Administration (NASA):** \$21 billion, which is \$500 million below FY 2019 enacted.
  - Science Mission Directorate (SMD): \$6.3 billion, a \$300 million cut below FY 2019. Within SMD, Earth Science is 1.78B, a \$152 million cut below FY 2019.
  - The budget request terminates funding for NASA's Office of STEM Engagement and WFIRST program.
- **United States Department of Agriculture (USDA), National Institute of Food and Agriculture:**
  - Agriculture and Food Research Initiative: \$500 million, \$85 million increase above FY 2019.
  - Land-grant research, extension and training (capacity) programs be cut below FY 2019: Hatch Act at \$243.2 million a \$16 million cut; Smith-Lever 3(b)-(c) at \$299.4 million, a \$15 million cut; and McIntire-Stennis is proposed for \$28.9 million, a \$6 million cut below FY 2019.
  - Includes \$50 million for a new competitive grant program to modernize agriculture research facilities at land grant universities.

## HEALTH AND HUMAN SERVICES

The president's FY 2019 budget request reflects funding priorities that impact UC Health's three-part mission of providing clinical care, medical education training and biomedical research. The **Department of Health and Human Services (HHS)** would receive \$87.1 billion, 12 percent below the FY 2019 enacted level.

- **Ending HIV:** The Administration seeks \$291 million in new funding to reduce infections by 90 percent within ten years. FY 2020 will focus investments in existing, proven activities with collaboration across the department. Specifically, \$140 million for Centers for Disease Control, \$70 million for the Ryan White HIV/AIDS Program, \$50 million for Health Resources and Services Administration, \$25 million for the Indian Health Service, and \$6 million in NIH.
- **National Institutes of Health (NIH):** \$34.4 billion, which is almost a \$5 billion cut below FY 2019 enacted.
  - Each institute is cut below FY 2019 levels, including \$897 cut to National Cancer Institute, \$769 million cut to National Institute of Allergies and Infectious Diseases, and over \$400 million cut to institutes focused on aging, heart, lung, blood research and general medicine.
  - \$157 million for 21<sup>st</sup> Century Cures, which is \$40 million below FY 2019
  - \$100 million to continue to prioritize applications that request funding for early stage investigators.
  - \$150 million increase, in mandatory funding, to boost Type 1 diabetes research at NIH.
  - \$500 million to continue the Helping to End Addiction Long-term (HEAL) initiative to advance research on pain and addiction.
- **Agency for Healthcare Research and Quality (AHRQ)** would receive just \$256 million and its research would be integrated into NIH as the National Institute for Research on Safety and Quality (NIRSQ). This \$256 million in FY 2020 funding represents an \$82 million cut below AHRQ's FY 2019 enacted level.
- Decreases **Centers for Disease Control and Prevention (CDC)** discretionary funding by \$1.27 billion, resulting in a request of \$5.27 billion in total discretionary funding for FY

2020, and proposes CDC program level funding of \$6.5 billion in FY 2020, a cut of approximately \$800 million below the FY 2019 enacted level.

- Provides a \$58 million increase to the CDC in FY 2020 for its surveillance of infectious diseases spread by injection drug use.
- Includes \$39 million to invest in partnerships with state and local health departments, universities, medical centers, and community-based organizations to prevent and control viral hepatitis.
- Proposes America's Health Block Grant, a \$500 million block grant program aimed at giving states the flexibility to support interventions that best address public health challenges specific to their locales.
- Provides \$190 million in FY 2020 to fund occupational safety and health activities through the National Institute for Occupational Safety and Health.

The administration makes steep cuts to the **Health Resources and Services Administration (HRSA)** health professions discretionary funding

- Decreases funding for several physician workforce programs under Title VII.
  - Eliminates most of the Title VIII nursing workforce development programs but funds the NURSE Corps Scholarship and Loan Repayment programs at \$83 million in FY 2020, a as compared to the nearly \$87.1 million FY 2019 enacted level.
  - Requests \$310 million in mandatory funding in FY 2020 and FY 2021 for the National Health Service Corps.  
(Specific funding levels for each of the Title VII and VIII health professions workforce programs should be available next week).
- The administration proposes **consolidating Graduate Medical Education (GME) beginning in FY 2020**, so that federal GME spending from Medicare, Medicaid, and the Children's Hospital Graduate Medical Education Program would be coalesced into single grant program for teaching hospitals administered jointly by the Centers for Medicare and Medicaid Services and HRSA. The Secretary would have authority to modify the amounts distributed based on the proportion of residents training in priority specialties or programs (e.g., primary care, geriatrics) and based on other criteria identified by the Secretary, such as addressing health care professional shortages and educational priorities. The administration anticipates that if enacted into law, this policy proposal would result in savings of \$47.9 billion over 10 years.

## LINKS TO FEDERAL AGENCY BUDGET INFORMATION

### FY 2020 PRESIDENT BUDGET REQUEST GENERAL INFORMATION

- White House/Office of Management and Budget Information: <https://www.whitehouse.gov/omb/>
- Better America. Promises Kept. Taxpayers First (FY2020 Budget Request): <https://www.whitehouse.gov/wp-content/uploads/2019/03/budget-fy2020.pdf>
- Additional Fact Sheets: <https://www.whitehouse.gov/omb/fact-sheets/>

### DEPARTMENT OF EDUCATION

- Department Budget Webpage: <https://www2.ed.gov/about/overview/budget/budget20/index.html>
- Budget in Brief: <https://www2.ed.gov/about/overview/budget/budget20/budget-highlights.pdf>
- Summary and Background Information: <https://www2.ed.gov/about/overview/budget/budget20/summary/20summary.pdf>
- Congressional Budget Justifications:
- Press Release: <https://www.ed.gov/news/press-releases/presidents-budget-expands-education-freedom-supports-teachers-protects-vulnerable-students>

### DEPARTMENT OF HEALTH AND HUMAN SERVICES

- Department Budget Webpage: <https://www.hhs.gov/about/budget/index.html>
- Budget in Brief: <https://www.hhs.gov/sites/default/files/fy-2020-budget-in-brief.pdf>
- Press Release: <https://www.hhs.gov/about/news/2019/03/11/secretary-azar-statement-on-president-trumps-fy-2020-budget.html>

### DEPARTMENT OF ENERGY

- Department Budget Webpage: <https://www.energy.gov/budget-performance>
- Congressional Budget Justifications:
- Budget in Brief: <https://www.energy.gov/sites/prod/files/2019/03/f60/doe-fy2020-budget-press-release-and-fact-sheet.pdf>
- Budget Fact Sheet: <https://www.energy.gov/articles/department-energy-fy-2020-budget-request-fact-sheet>
- Press Release: <https://www.energy.gov/articles/president-trump-releases-fy-2020-budget-request>

### National Nuclear Security Administration

- Press Release: <https://www.energy.gov/nnsa/articles/fy20-presidential-budget-request-nnsa-released>

### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

- Department Budget Webpage: <https://www.nasa.gov/news/budget/index.html>
- Budget Estimates: [https://www.nasa.gov/sites/default/files/atoms/files/fy2020\\_summary\\_budget\\_brief.pdf](https://www.nasa.gov/sites/default/files/atoms/files/fy2020_summary_budget_brief.pdf)
- Fact Sheet: [https://www.nasa.gov/sites/default/files/atoms/files/fy2020\\_agency\\_fact\\_sheet.pdf](https://www.nasa.gov/sites/default/files/atoms/files/fy2020_agency_fact_sheet.pdf)
- NASA Administrator Jim Bridenstine, NASA's Moon to Mars Plans: <https://www.nasa.gov/press-release/nasa-administrator-statement-on-nasa-s-moon-to-mars-plans-fy-2020-budget>
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## DEPARTMENT OF AGRICULTURE

- Department Website: <https://www.usda.gov/our-agency/about-usda/budget>
- Budget Summary: <https://www.obpa.usda.gov/budsum/fy2020budsum.pdf>
- Press Release: <https://www.usda.gov/media/press-releases/2019/03/11/secretary-perdue-statement-president-trumps-budget-proposal>

## DEPARTMENT OF TRANSPORTATION

- Department Budget Webpage: <https://www.faa.gov/about/budget/>
- Budget Highlights: <https://www.transportation.gov/sites/dot.gov/files/docs/mission/budget/333126/budgethighlights030719final518pm25082.pdf>

## THE NATIONAL SCIENCE FOUNDATION

No information available yet

## DEPARTMENT OF COMMERCE

- Agency Budget Website: <http://www.osec.doc.gov/bmi/budget/>
- Budget Justification:
- Press Release: <https://www.commerce.gov/news/press-releases/2019/03/statement-secretary-ross-presidents-budget-budget-better-america>

## National Oceanic and Atmospheric Administration

No information available yet

## ENVIRONMENTAL PROTECTION AGENCY

- Agency Budget Webpage: <https://www.epa.gov/planandbudget/cj>
- Budget in Brief: <https://www.epa.gov/planandbudget/fy-2020-epa-budget-brief>
- Justification of Appropriation Estimates:
- Press Release: <https://www.epa.gov/newsreleases/epa-fy-2020-budget-proposal-released>

## DEPARTMENT OF THE INTERIOR

- Department Budget Webpage: <https://www.doi.gov/budget/appropriations/2020>
- Budget in Brief: [https://www.doi.gov/sites/doi.gov/files/uploads/2020\\_highlights\\_book.pdf](https://www.doi.gov/sites/doi.gov/files/uploads/2020_highlights_book.pdf)
- Press Release: <https://www.doi.gov/pressreleases/acting-secretary-bernhardt-applauds-president-trumps-budget-proposal>

## **Congressional Reaction**

Below are excerpts from congressional leadership in response to the president's FY 2020 budget request.

### **House Speaker [Nancy Pelosi \(D-CA\)](#)**

*The cruel and shortsighted cuts in President Trump's budget request are a roadmap to a sicker, weaker America. House Democrats will reject this toxic, destructive budget request which would hollow out our national strength and fail to meet the needs of the American people. Instead of building a stronger, healthier nation, President Trump's budget would take away Americans' health care and devastate the pillars of economic security for seniors and families. After adding \$2 trillion to the deficit with the GOP tax scam for the rich, President Trump wants to ransack as much as \$2 trillion from Medicare and Medicaid. While demanding billions more for his wasteful, ineffective wall, President Trump will steal from students and hungry families, from rural communities and American farmers, from clean air and clean water, and from vital, job-creating investments nationwide...*

### **From House Appropriations Committee Chairwoman [Nita Lowey \(D-NY\)](#)**

*President Trump has somehow managed to produce a budget request even more untethered from reality than his past two. This irresponsible proposal slashes investments in America's working families to unworkable budget cap levels, resulting in cuts of 9 percent to programs like early childhood education, job training, law enforcement, safe drinking water, and scientific and medical research. The recklessness of the Trump budget is underscored by its inclusion of \$8.6 billion in border wall funding, an egregious waste of money that does nothing to make our country safer. Moreover, the use of a massive budgetary gimmick to hide the true cost of his defense spending request should outrage everyone who claims to care about fiscal responsibility...*

### **From Senate Appropriations Committee Chairman [Richard Shelby \(R-AL\)](#)**

*I look forward to reviewing additional details of the President's budget proposal in the coming week. Throughout the next few months, the Senate Appropriations Committee will conduct hearings and carefully review the President's proposal as we work to draft and pass spending bills for FY2020. I am hopeful that we can build on the early success of the FY2019 appropriations process.*

### **From Senate Appropriations Committee Vice Chairman [Patrick Leahy \(D-VT\)](#)**

*For the third year in a row, President Trump has sent a budget proposal that is dead on arrival and divorced from reality. It is not worth the paper it is printed on, and it will be rejected by Congress. Yet again, the President has proposed shortsighted cuts that would slash investments in infrastructure, medical research, and American families, cuts that have been rejected by Congress two fiscal years in a row. But now he relies on a budget gimmick, Overseas Contingency Operations funding (OCO), to fund a massive increase for the Department of Defense that is not subject to the budget caps, a gimmick his own Acting Chief of Staff rightfully criticized as a "misuse" of funding as a member of Congress, at a time when the President is actively withdrawing our country from the global stage...*