



# Federal Funding

## FACT SHEET

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### Background

People with disabilities, their families, and advocates remain extremely concerned about the outlook for federally-funded programs. While Medicaid, Medicare, Social Security, and SSI have so far largely been protected from deficit reduction efforts, there are growing calls to cut eligibility and benefits for these essential programs. As the population ages, more demands are placed on these critical programs. Meanwhile, the discretionary programs that people with disabilities rely on to live in the community (such as employment, education, and housing) also continue to face threats of major cuts in this austere budget environment.

Congress is also divided on the fundamental issue of the role and size of the federal government. This is reflected in differing positions on the key issues the entitlement programs (Medicaid, Medicare, Social Security, and Supplemental Security Income) and the revenue that pays for these programs (individual, corporate, and social insurance taxes).

President Obama signed the Bipartisan Budget Act of 2015 (P.L. 114-74) November 2, 2015. The law raised discretionary spending caps by \$80 billion over two fiscal years (2016 and 2017). This action reduced continued sequestration cuts and allowed for FY 2016 spending bills to be passed. With this agreement in place, the House and Senate technically do not have to pass budget resolutions that set overall spending and revenue targets for FY 2017.

### Key Issues

**FY 2017 President's Budget Request:** The President transmitted the Administration's federal FY 2017 Budget Request to Congress on February 9, 2016. The President's Budget Request would maintain investments in many important programs that support the health and wellbeing of people with disabilities, preserves the structure of Medicaid, and recognizes the need for a balanced approach to deficit reduction.

**House Budget Resolution:** The House Budget Committee passed its FY 2017 Budget Resolution on March 16, 2016. In exchange for adhering to the higher discretionary spending caps in the budget resolution that were negotiated in the Bipartisan Budget Act, many House members are pushing a number of measures to cut spending on mandatory programs, including:

### Key Message to Congress

Congress must preserve Medicaid, Medicare, Social Security, SSI, and other vital programs for people with disabilities.

- **Medicaid Per Capita Caps:** A per capita cap would shift large costs to states and almost certainly lead over time to substantial cuts affecting low-income beneficiaries and health care providers. The federal government would pay its share of a state's Medicaid costs only up to a fixed amount per beneficiary.
- **Eliminating the Medicaid expansion under the Affordable Care Act (ACA):** The ACA allowed for millions of previously uninsured Americans to be covered by Medicaid by expanding the programs to cover those earning up to 138% of the federal poverty level.
- **Eliminating the Social Services Block Grant (Title XX):** Title XX is a uniquely flexible funding source that helps states meet the specialized needs of their most vulnerable populations - people with disabilities, low- and moderate-income children, and the elderly.
- **Eliminating the Prevention and Public Health Fund:** Eliminating the fund would significantly cut public health and prevention initiatives, including those at the Centers for Disease Control and Prevention (CDC), which gets 95% of the fund's resources.

**FY 2017 Appropriations:** The House and Senate Appropriation's Subcommittees are expected to begin to develop appropriations bills. Negotiations on the overall spending amounts are ongoing and will influence the negotiations on individual appropriations bills. If Congress does not pass spending bills by October 1, the beginning of the new fiscal year, they will have to pass continuing resolutions or reach other agreements to avoid a government shutdown.

### Recommendations

- Congress should oppose cuts and structural changes to mandatory programs, including Medicaid and the Social Services Block Grant.
- Congress should oppose repealing the ACA's expansion of Medicaid which provides health insurance to low income Americans.
- Congress should increase funding for critical education, employment, housing, developmental disability, and other programs that support people with developmental disabilities.
- Congress should raise sufficient revenues to help reduce the deficit and finance the federal government's role in providing essential supports, services, and benefits for people with disabilities and their families.

### Relevant Committees

House and Senate Budget Committees

House and Senate Appropriations Committees

House and Senate Appropriations Subcommittees on Labor, Health and Human Services, Education and Related Agencies

For more information, please contact The Arc at (202) 783-2229, Association of University Centers on Disabilities at (301) 588-8252, American Association on Intellectual and Developmental Disabilities at (202) 387-1968, National Association of Councils on Developmental Disabilities at (202) 506-5813, Self-Advocates Becoming Empowered at [SABEnation@gmail.com](mailto:SABEnation@gmail.com), or United Cerebral Palsy at (202) 776-0406.