

The Republican Budget: Wrong for New York City, Wrong for America

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EXECUTIVE SUMMARY

- The federal government is a major source of funding for New York City.
- The Republican budget would cut programs that benefit the city by \$13.4 billion, requiring it to replace these dollars through other means, cutting services, or a combination of both.
- The Republican budget would reduce federal contract awards to New York City businesses by \$3.6 billion, reducing job creation by more than 53,000 positions.
- If enacted, the Republican budget will create tough challenges for City Hall, NYC residents, and local businesses.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Cuts programs essential to New York City residents' health and well-being, as well as the biomedical research community, including:

- The Head Start program by \$487 million;
- The National Institutes of Health by \$2.3 billion;
- The Health Center Program by \$148 million; and
- The Substance Abuse and Mental Health Services Administration by \$59 million.

DEPARTMENT OF HOUSING AND URBAN AND DEVELOPMENT

Reduces funding that is used to provide New Yorkers with affordable housing, including:

- Tenant-Based Assistance/Housing Choice Voucher Program by \$1.4 billion;
- Project-Based Rental Assistance by \$635 million;
- The Public Housing Capital Fund by \$459 million; and
- Housing for the Elderly by \$29 million.

DEPARTMENT OF EDUCATION

Decreases financial support and assistance for New York City's schools, students, and teachers, including:

- Federal Pell Grants by \$1.3 billion and
- Magnet Schools Assistance by \$9 million.

DEPARTMENT OF TRANSPORTATION

Cuts funding for New York City's subways, buses, railroads, and roads including:

- Federal Transit Formula Grants by \$1 billion;
- The State of Good Repair Grants Program by \$708 million; and
- Federal Transit Capital Investment Grants \$686 million.

HOMELAND SECURITY

Reduces funding to mitigate the threat of terrorism in New York City and protect our rail systems and ports including:

- The Department of Transportation's Port Security Grant Program by \$14 million;
- The Department of Transportation's Rail and Transit Security Grant Program by \$32 million; and
- The Department of Homeland Security's Securing the Cities Program by \$12 million.

DEPARTMENT OF VETERANS AFFAIRS

Decreases support for the city's veterans, including those that are homeless and seeking shelter by reducing the:

- VA Homeless Providers Grant and Per Diem Program by \$12 million.

DEPARTMENT OF LABOR

Cuts job training programs for the city's youth including:

- The Youthbuild initiative by \$2 million.

SMALL BUSINESS ADMINISTRATION

Reduces access to capital for New York City's small businesses by decreasing funding for the:

- Microloan Program by \$2 million.

ARTS AND CULTURE

Decreases support for the arts, humanities, and culture across New York City's neighborhoods by cutting the:

- National Endowment for the Arts by \$22 million and
- National Endowment for the Humanities \$15 million.

INTRODUCTION

Last year, New York City received nearly \$9 billion in direct funding from the federal government (see table 1). This financial support was essential to the city's provision of services in a wide range of areas, including housing, health care, transportation, education, homeland security, research, veterans assistance, and the arts.

Table 1: FY 2014 Federal Spending, Grants and Direct Assistance

Agency	Total
Health And Human Services, Department of	\$ 2,555,366,868
Transportation, Department of	\$ 2,003,051,962
Housing and Urban Development, Department of	\$ 1,658,083,896
Education, Department of	\$ 1,062,158,714
Agency For International Development	\$ 662,835,662
State, Department of	\$ 201,789,182
National Science Foundation	\$ 186,953,077
Defense, Department of	\$ 132,360,351
Homeland Security, Department Of	\$ 44,674,699
Energy, Department of	\$ 24,125,809
Labor, Department of	\$ 21,298,944
Corporation For National and Community Service	\$ 18,421,018
National Aeronautics and Space Administration	\$ 17,936,833
National Endowment For the Arts	\$ 13,999,866
National Endowment For the Humanities	\$ 9,905,328
Commerce, Department of	\$ 8,357,914
Justice, Department of	\$ 8,168,011
Veterans Affairs, Department of	\$ 8,039,807
Agriculture, Department of	\$ 6,351,939
Interior, Department of the	\$ 6,271,418
National Foundation on the Arts and the Humanities	\$ 3,831,507
Environmental Protection Agency	\$ 2,836,435
Treasury, Department of the	\$ 2,140,064
Small Business Administration	\$ 701,802
National Archives and Records Administration	\$ 387,726
Social Security Administration	\$ 290,118
Japan-U.S. Friendship Commission	\$ 65,000
Grand Total	\$ 8,660,403,950

Unfortunately, the recently released House Republican budget for FY 2016 undermines the federal government's commitment to New York City. The Republican \$11 trillion, 10-year budget would reduce spending by \$13.4 billion leaving New York City and its residents without the assistance and support they have counted on for years.

The following report provides an assessment of the Republican budget's impact on New York City by analyzing its impact on the federal agencies – and their programs – that the city relies on most. What it finds is that federal funding for New York City's vast array of programs, services, and activities would be significantly curtailed under the Republican budget, as well as federal support for research and economic development. The result would be less city services and reduced levels of job creation, while stressing local taxpayers and city government further to compensate for the lack of federal funding.

With a \$1.33 trillion economy that ranks first among cities by a wide margin, New York City is a solid investment for the nation. A leader across a wide range of industries including banking, insurance, advertising, health care, technology, fashion, and design, it is clear that as New York City goes, so goes the nation. To continue to thrive, however, it requires a commitment from the federal government – a principle that the House Republican FY 2016 budget subverts.

While ensuring that government operates efficiently is a priority, the decrease in resources for New York City does not represent a promising path forward. Experience has demonstrated that such reductions only serve to widen inequality and dampen economic activity, rather than act as a catalyst for renewed growth. Ensuring that all sectors and geographic regions have access to the resources they need is vitally important, especially for urban epicenters like New York City that are so critical to our nation's growth.

As the following report details, many residents of New York City will face tougher challenges receiving the assistance and support they need under the Republican budget. By not adequately funding the programs that promote housing, transportation, education, health care, and economic development, the city – and the United States – will be less able to build on its recent advances and risks relinquishing the hard-fought gains it has realized during the last few years.

REPUBLICAN BUDGET IMPACT: CITY-WIDE

The federal government is a major source of funding for New York City, providing more than \$8 billion in annual funding for health, transportation, housing, research and other priorities. If the House Republican budget were enacted, **the total federal contribution to New York City would be cut by \$13.4 billion** (see Table 2). It is unclear how or if the city would be able to compensate for this loss of funding. As a result, it would be probable that either services would be cut or revenue would have to be raised from other sources.

Table 2: City-Wide Cuts in Federal Funding

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Total Federal Funding to NYC - Republican Budget	\$8,660	\$8,080	\$ 7,940	\$ 8,045	\$ 8,151	\$ 8,274	\$ 8,379	\$ 8,484	\$ 8,607	\$ 8,713	\$ 83,333
Total Federal Funding to NYC - Baseline	\$8,660	\$8,853	\$ 9,064	\$ 9,310	\$ 9,538	\$ 9,749	\$ 9,995	\$10,241	\$10,504	\$10,768	\$ 96,683
Decrease Due to Republican Budget	\$ -	\$ (773)	\$ (1,124)	\$ (1,265)	\$ (1,388)	\$ (1,476)	\$ (1,616)	\$ (1,757)	\$ (1,897)	\$ (2,055)	\$ (13,350)

In addition to cuts to federal grants and direct assistance, the government also is a major source of contracts for New York City's business. Many of these firms – both large and small - rely on federal government contracts as their main source of revenue. Others look to the procurement marketplace as a means to grow their businesses and enter a new market. Still other firms use contracts as a means to diversify their revenue base, so that in an economic downturn they still have the stable funding that often is associated with federal contracts. In the last year for which data was available, New York City businesses were awarded approximately \$2.4 billion in federal contracts.¹ These contracts provide the basis for many firms to hire additional employees and provide a stimulus to the communities that these companies are located in.

If the Republican budget is enacted, **federal contracting opportunities to New York City's businesses would be reduced by \$3.6 billion over the budget period** (see Table 3). Agencies that are key customers to New York City's firms, such as the Department of Defense and Department of Health and Human Services, would be forced to decrease their procurement spending.

¹ USASpending.gov, FY 2014 New York contracting data, accessed January 2015.

Table 3: Impact on Federal Procurement Spending on New York City Businesses

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Federal Procurement Spending in NYC - Republican Budget	\$2,364	\$2,206	\$ 2,167	\$ 2,196	\$ 2,225	\$ 2,259	\$ 2,287	\$ 2,316	\$ 2,350	\$ 2,378	\$ 22,748
Federal Procurement Spending in NYC - Baseline	\$2,364	\$2,417	\$ 2,474	\$ 2,541	\$ 2,604	\$ 2,661	\$ 2,728	\$ 2,796	\$ 2,867	\$ 2,939	\$ 26,392
Decrease Due to Republican Budget	\$ -	\$ (211)	\$ (307)	\$ (345)	\$ (379)	\$ (403)	\$ (441)	\$ (480)	\$ (518)	\$ (561)	\$ (3,644)

For small businesses, the result would be lower revenue and profitability, layoffs among existing contractors, and lower rates of job creation among new contractors. Based on research, it is estimated that employment opportunities would be reduced by more than 53,000 positions.^{2,3} In turn, this would affect the broader economy as many companies would decrease their size and overall activity.

REPUBLICAN BUDGET IMPACT: DEPARTMENT OF HEALTH AND HUMAN SERVICES

New York City receives funding from the Department of Health and Human Services through a wide-range of programs. This includes:

The Head Start Program

New York City receives funding for Head Start, a federal program that has provided comprehensive early childhood development services to low-income children since 1965. The program seeks to promote school readiness by enhancing the social and cognitive development of children through the provision of educational, health, nutritional, social, and other services.

Because federal Head Start funds are provided directly to local grantees rather than through states, the program operates at the community-level. In New York City, there are 269 Head Start centers, serving 21,678 children ages three and four.⁴

² Robert Pollin and Heidi Garrett-Peltier, "The U.S. Employment Effects of Military And Domestic Spending Priorities: An Updated Analysis," Political Economy Research Institute, University of Massachusetts, Amherst; October 2009.

³ Prime Awardee Spending Data obtained at <http://www.usaspending.gov/>.

⁴ NYC Administration for Children's Services, "Head Start Community Assessment 2013," January 2014.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Head Start - Republican Budget	\$ 316	\$ 295	\$ 290	\$ 294	\$ 297	\$ 302	\$ 306	\$ 310	\$ 314	\$ 318	\$ 3,041
Head Start - Baseline	\$ 316	\$ 323	\$ 331	\$ 340	\$ 348	\$ 356	\$ 365	\$ 374	\$ 383	\$ 393	\$ 3,528
Decrease Due to Republican Budget	\$ -	\$ (28)	\$ (41)	\$ (46)	\$ (51)	\$ (54)	\$ (59)	\$ (64)	\$ (69)	\$ (75)	\$ (487)

The Republican budget would reduce funding for New York City's Head Start program by \$487 million over the ten-year budget window. At an average salary of \$21,000,⁵ this loss of funding could result in a decrease of 2,500 teachers. Assuming a teacher-to-student ratio of 1:8, this could reduce Head Start enrollment by 20,000 students.

The National Institutes of Health

The National Institutes of Health (NIH) is the focal point for federal health research, using its resources to support medical and health research throughout the U.S. For New York City's medical, health care, and biotechnology community, NIH is a substantial source of funding and is important to advancing cures and treatments for illnesses such as cancer and heart disease.

With nine major academic medical centers including Columbia University, Weill Cornell Medical College, NYU, Albert Einstein College of Medicine, and The Rockefeller University, as well as over 120 bioscience companies, New York City has a vibrant health care sector. Together, New York City institutions received nearly \$1.5 billion in NIH federal funding last year.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
NIH - Republican Budget	\$1,484	\$1,385	\$1,361	\$1,379	\$1,397	\$1,418	\$1,436	\$1,454	\$1,475	\$1,493	\$14,280
NIH - Baseline	\$1,484	\$1,517	\$1,553	\$1,595	\$1,635	\$1,671	\$1,713	\$1,755	\$1,800	\$1,845	\$16,568
Decrease Due to Republican Budget	\$ -	\$ (132)	\$ (193)	\$ (217)	\$ (238)	\$ (253)	\$ (277)	\$ (301)	\$ (325)	\$ (352)	\$ (2,288)

⁵ <http://www.nieer.org/resources/factsheets/4.pdf>

If enacted, the Republican budget would reduce NIH funding for New York City by \$2.3 billion over the ten-year budget window. This would reduce the number of research projects at local universities and medical centers, while lessening high-quality employment opportunities in the city.

Grants for New and Expanded Services under the Health Center Program

The federal Health Center program awards grants to support outpatient primary care facilities that provide care to primarily low-income individuals or individuals located in areas with few health care providers. Federal health centers are required to provide health care to all individuals regardless of their ability to pay and are required to be located in geographic areas with few health care providers. These requirements make health centers part of the health safety net—providers that serve the uninsured, the underserved, or those enrolled in Medicaid. Some research also suggests that health centers are a cost-effective way of meeting this population's health needs because researchers have found that patients seen at health centers have lower health care costs than those served in other settings. In general, research has found that health centers, among other outcomes, improve health, reduce costs, and provide access to health care for populations that may otherwise not obtain health care.

Almost 900,000 New York City residents, including 60,000 homeless, visited a federal health center in 2012, and 75 percent of those lived at or below the poverty level.⁶

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Health Center Grants - Republican Budget	\$ 96	\$ 90	\$ 88	\$ 89	\$ 90	\$ 92	\$ 93	\$ 94	\$ 95	\$ 97	\$ 924
Health Center Grants - Baseline	\$ 96	\$ 98	\$ 100	\$ 103	\$ 106	\$ 108	\$ 111	\$ 114	\$ 116	\$ 119	\$ 1,072
Decrease Due to Republican Budget	\$ -	\$ (9)	\$ (12)	\$ (14)	\$ (15)	\$ (16)	\$ (18)	\$ (19)	\$ (21)	\$ (23)	\$ (148)

The Republican budget would reduce funding for New York City's federal health centers by \$148 million. This would leave more than 230,000 patients without the health care they need.⁷

⁶ Goldberg, Dan. "De Blasio Pushes for Federal Health Center Grants," Capital New York, October, 2014.

⁷ See National Association of Community Health Centers, A Sketch of Community Health Centers, Chartbook, Washington, DC, 2013, <http://www.nachc.com/client/Chartbook2013.pdf>; hereinafter, 2013 Health Center Chartbook.

The Substance Abuse and Mental Health Services Administration

The Substance Abuse and Mental Health Services Administration (SAMHSA) is the lead federal agency for increasing access to behavioral health services. SAMHSA funds community-based mental health and substance abuse treatment and prevention services and collects information on the incidence and prevalence of mental illness and substance abuse at the national and state level. These activities support SAMHSA's mission to improve the lives of people with substance abuse disorders and mental illnesses.

In New York City, SAMHSA provided 93 grants for \$38 million. This supported counseling for disaster-related stress occurring after Hurricane Sandy, suicide prevention, AIDS prevention, addiction counseling, and mental health services.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
SAMHSA - Republican Budget	\$ 38	\$ 35	\$ 35	\$ 35	\$ 36	\$ 36	\$ 37	\$ 37	\$ 38	\$ 38	\$ 366
SAMHSA - Baseline	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42	\$ 43	\$ 44	\$ 45	\$ 46	\$ 47	\$ 424
Decrease Due to Republican Budget	\$ -	\$ (3)	\$ (5)	\$ (6)	\$ (6)	\$ (6)	\$ (7)	\$ (8)	\$ (8)	\$ (9)	\$ (59)

The Republican budget would cut this mental health and substance abuse funding by \$59 million.

REPUBLICAN BUDGET IMPACT: DEPARTMENT OF HOUSING AND URBAN AND DEVELOPMENT

Tenant-Based Assistance/Housing Choice Voucher Program

HUD's Section 8 Tenant-Based Assistance program, also known as the Housing Choice Voucher program, is used primarily for the annual renewal of vouchers used by families to subsidize their housing. This program also provides funding for the administrative costs incurred by the public housing authorities (PHAs) that administer these voucher programs.

In FY 2014, the New York City Housing Authority (NYCHA) received \$901 million for Section 8 tenant-based vouchers and their administration. As of January 2014, there were 220,470 New York City residents in Section 8 units.⁸

⁸ <http://www.nyc.gov/html/nycha/html/about/factsheet.shtml>

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Tenant-Based Rental Assistance - Republican Budget	\$ 901	\$ 841	\$ 826	\$ 837	\$ 848	\$ 861	\$ 872	\$ 883	\$ 896	\$ 906	\$ 8,670
Tenant-Based Rental Assistance - Baseline	\$ 901	\$ 921	\$ 943	\$ 969	\$ 992	\$1,014	\$1,040	\$1,065	\$1,093	\$1,120	\$10,059
Decrease Due to Republican Budget	\$ -	\$ (80)	\$ (117)	\$ (132)	\$ (144)	\$ (154)	\$ (168)	\$ (183)	\$ (197)	\$ (214)	\$ (1,389)

The Republican budget would cut Section 8 tenant-based assistance by \$1.4 billion over the ten year budget window, reducing vouchers by more than 75,000.⁹ This would leave many residents unable to afford housing in the city.

Project-Based Rental Assistance

The Project-Based Rental Assistance program provides funding to administer and renew existing project-based Section 8 rental assistance contracts between HUD and private multifamily property owners. Under those contracts, HUD provides subsidies to the owners to make up the difference between what eligible low-income families pay to live in subsidized units (30 percent of their incomes) and a previously agreed-upon rent for the unit. Last year, the federal government made 1,082 direct payments to New York City landlords for \$412 million.

⁹ According to NYCHA, a voucher payment a two-bedroom apartment is \$1,555 per month, or \$18,660 per year.
Source: http://www.nyc.gov/html/nycha/html/section8/voucher_payment.shtml

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Project-Based Rental Assistance - Republican Budget	\$ 412	\$ 384	\$ 378	\$ 383	\$ 388	\$ 394	\$ 399	\$ 404	\$ 409	\$ 415	\$ 3,965
Project-Based Rental Assistance - Baseline	\$ 412	\$ 421	\$ 431	\$ 443	\$ 454	\$ 464	\$ 476	\$ 487	\$ 500	\$ 512	\$ 4,600
Decrease Due to Republican Budget	\$ -	\$ (37)	\$ (53)	\$ (60)	\$ (66)	\$ (70)	\$ (77)	\$ (84)	\$ (90)	\$ (98)	\$ (635)

The Republican budget would cut project-based rental assistance by \$635 million, resulting in fewer housing options for the city's residents.

Public Housing Capital Fund

Funding from the Public Housing Capital Fund is used by public housing authorities (PHAs) to maintain and modernize their properties. In FY 2014, the New York City Housing Authority (NYCHA) received \$298 million from this fund to improve the physical living conditions in its developments. As of March, 2014, NYCHA owned 178,557 apartments in 334 developments throughout the city. These were located in 2,563 residential buildings containing 3,330 elevators.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Public Housing Capital Fund - Republican Budget	\$ 298	\$ 278	\$ 273	\$ 277	\$ 280	\$ 285	\$ 288	\$ 292	\$ 296	\$ 300	\$ 2,868
Public Housing Capital Fund - Baseline	\$ 298	\$ 305	\$ 312	\$ 320	\$ 328	\$ 335	\$ 344	\$ 352	\$ 361	\$ 371	\$ 3,327
Decrease Due to Republican Budget	\$ -	\$ (27)	\$ (39)	\$ (44)	\$ (48)	\$ (51)	\$ (56)	\$ (60)	\$ (65)	\$ (71)	\$ (459)

During the ten-year window, the House Republican budget would cut funding for public housing capital improvements by \$459 million. The result would be fewer improvements and repairs to the city's public housing stock, leading to further deterioration of living conditions.

Housing for the Elderly

HUD provides funding to support housing for elderly individuals. It provides project-based rental assistance funds to cover the difference between the HUD-approved operating cost for the project and the tenants' contribution towards rent. Project rental assistance contracts are approved initially for 3 years and are renewable based on the availability of funds. Last year, in support of housing for the elderly, the federal government made 79 direct payments to New York City landlords for \$19 million.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Elderly Housing - Republican Budget	\$ 19	\$ 18	\$ 17	\$ 18	\$ 18	\$ 18	\$ 18	\$ 19	\$ 19	\$ 19	\$ 183
Elderly Housing - Baseline	\$ 19	\$ 19	\$ 20	\$ 20	\$ 21	\$ 21	\$ 22	\$ 22	\$ 23	\$ 24	\$ 212
Decrease Due to Republican Budget	\$ -	\$ (2)	\$ (2)	\$ (3)	\$ (3)	\$ (3)	\$ (4)	\$ (4)	\$ (4)	\$ (5)	\$ (29)

The Republican budget would cut support for elderly housing by \$29 million, resulting in less housing options for older residents.

REPUBLICAN BUDGET IMPACT: DEPARTMENT OF EDUCATION

Federal Pell Grants

The federal Pell Grant program, authorized by Title IV of the Higher Education Act of 1965, as amended (HEA; P.L. 89-329), is the single largest source of federal grant aid supporting post-secondary education students. Last year, the program provided approximately \$873 million. With a maximum FY 2014 award of \$5,730, this could have provided more than 150,000 students to further their secondary education in the city last year alone.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Pell Grants - Republican Budget	\$ 873	\$ 815	\$ 800	\$ 811	\$ 822	\$ 834	\$ 845	\$ 855	\$ 868	\$ 878	\$ 8,401
Pell Grants - Baseline	\$ 873	\$ 892	\$ 914	\$ 939	\$ 962	\$ 983	\$1,008	\$1,032	\$1,059	\$1,085	\$ 9,746
Decrease Due to Republican Budget	\$ -	\$ (78)	\$ (113)	\$ (127)	\$ (140)	\$ (149)	\$ (163)	\$ (177)	\$ (191)	\$ (207)	\$ (1,346)

If enacted, the Republican budget would cut Pell grants funding in New York City by \$1.3 billion. This could impact up to 250,000 students, leaving many without the financial needs to attend college or receive a post-secondary education.

Magnet Schools Assistance

The Magnet Schools Assistance program provides grants to plan and operate magnet schools—public schools of choice designed to encourage voluntary enrollment by students of different racial backgrounds. New York City received nearly \$6 million in grants under this program.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Magnet Schools - Republican Budget	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 58
Magnet Schools - Baseline	\$ 6	\$ 6	\$ 6	\$ 6	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7	\$ 67
Decrease Due to Republican Budget	\$ -	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (9)

During the ten-year window, the Republican budget would cut magnet school grants to New York City by \$9 million.

REPUBLICAN BUDGET IMPACT: DEPARTMENT OF TRANSPORTATION

Federal Transit Formula Grants

This formula-based program provides funds for transit administration or reserved for specific transit-related purposes. Funds can be spent on capital, planning, job access and reverse commute projects, and, in some circumstances, operating expenses. The NYC Department of Transportation and the Metropolitan Transit Authority together received a total of 4 grants for \$671 million last year. These funds are being used for a variety of transit related projects and expenses across the NYC metro area.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Transit Formula Grants - Republican Budget	\$ 671	\$ 626	\$ 615	\$ 623	\$ 632	\$ 641	\$ 649	\$ 657	\$ 667	\$ 675	\$ 6,457
Transit Formula Grants - Baseline	\$ 671	\$ 686	\$ 702	\$ 721	\$ 739	\$ 755	\$ 774	\$ 793	\$ 814	\$ 834	\$ 7,491
Decrease Due to Republican Budget	\$ -	\$ (60)	\$ (87)	\$ (98)	\$ (108)	\$ (114)	\$ (125)	\$ (136)	\$ (147)	\$ (159)	\$ (1,034)

The Republican budget would cut transit formula grants by more than \$1 billion. Such a reduction will lead to the delay or cancellation of transportation projects in the NYC metropolitan region.

The State of Good Repair Grants Program

The State of Good Repair program was created in 2012 and provides funding primarily for repairing and upgrading rail transit systems, but also other fixed-guideway systems (such as passenger ferries and bus rapid transit) and bus systems that use high occupancy vehicle (HOV) lanes. The Metropolitan Transit Authority received \$459 million in FY 2014 for these purposes.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
State of Good Repair Grants - Republican Budget	\$ 459	\$ 428	\$ 421	\$ 426	\$ 432	\$ 439	\$ 444	\$ 450	\$ 456	\$ 462	\$ 4,417
State of Good Repair Grants - Baseline	\$ 459	\$ 469	\$ 480	\$ 493	\$ 506	\$ 517	\$ 530	\$ 543	\$ 557	\$ 571	\$ 5,124
Decrease Due to Republican Budget	\$ -	\$ (41)	\$ (60)	\$ (67)	\$ (74)	\$ (78)	\$ (86)	\$ (93)	\$ (101)	\$ (109)	\$ (708)

The Republican budget would cut New York City funding from the State of Good Repair program by \$708 million leaving the MTA without a critical source of funding to maintain the city's transportation infrastructure.

Federal Transit Capital Investment Grants

This is the Federal Transit Administration's primary grant program for funding major transit capital investments, including rapid rail, light rail, bus rapid transit, commuter rail, and ferries. Through the NYC Department of Transportation and the Metropolitan Transit Authority, New York City received 7 grants for \$445 in FY 2014. These funds were used to improve subway and bus services in New York City.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Transit Capital Investment - Republican Budget	\$ 445	\$ 415	\$ 408	\$ 413	\$ 419	\$ 425	\$ 431	\$ 436	\$ 442	\$ 448	\$ 4,282
Transit Capital Investment - Baseline	\$ 445	\$ 455	\$ 466	\$ 478	\$ 490	\$ 501	\$ 514	\$ 526	\$ 540	\$ 553	\$ 4,968
Decrease Due to Republican Budget	\$ -	\$ (40)	\$ (58)	\$ (65)	\$ (71)	\$ (76)	\$ (83)	\$ (90)	\$ (97)	\$ (106)	\$ (686)

The Republican budget would cut funding for transit-related capital projects by \$686 million. Without such funding, NYC would face additional limitations of transportation-related, capital projects.

REPUBLICAN BUDGET IMPACT: HOMELAND SECURITY

The Department of Transportation's Port Security Grant Program

The Port Security Grant program directly supports maritime transportation infrastructure security activities. It is designed to strengthen the nation's critical infrastructure against risks associated with potential terrorist attacks. The vast majority of U.S. maritime critical infrastructure is owned and operated by state, local, and private sector maritime industry partners. In New York City, the Port Authority and the New York City Fire Department were among the recipients of this funding last year. As a hub for shipping and leisure travel, safeguarding New York City's harbors and ports is essential.

These funds are intended to improve port-wide maritime security risk management; enhance maritime domain awareness; support maritime security training and exercises; and to maintain or reestablish maritime security mitigation protocols that support port recovery and resiliency capabilities. These investments address Coast Guard identified vulnerabilities in port security and support the prevention, detection, response, and/or recovery from attacks involving improvised explosive devices (IED) and other non-conventional weapons.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Port Security - Republican Budget	\$ 9	\$ 8	\$ 8	\$ 8	\$ 8	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 87
Port Security - Baseline	\$ 9	\$ 9	\$ 9	\$ 10	\$ 10	\$ 10	\$ 10	\$ 11	\$ 11	\$ 11	\$ 100
Decrease Due to Republican Budget	\$ -	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (14)

The Republican budget would cut New York City's port security grants awards by \$14 million. This could leave many entities – such as the NYC Fire Department and Port Authority – without the funds necessary to safeguard and prepare for attacks on critical maritime infrastructure.

The Department of Transportation's Rail and Transit Security Grant Program

The Rail and Transit Security Grant program directly supports transportation infrastructure security activities. Similar to the Port Security Grant program, it is also designed to safeguard critical infrastructure against potential terrorist attacks. The program provides funds to owners and operators of transit systems (which include intra-city bus, commuter bus, ferries, and all forms of passenger rail) to protect critical surface transportation infrastructure and the traveling public from acts of terrorism and to increase the resilience of transit infrastructure.

In New York City, recipients include the Port Authority and the Metropolitan Transportation Authority.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Rail and Transit Security - Republican Budget	\$ 21	\$ 20	\$ 19	\$ 20	\$ 20	\$ 20	\$ 20	\$ 21	\$ 21	\$ 21	\$ 202
Rail and Transit Security - Baseline	\$ 21	\$ 21	\$ 22	\$ 23	\$ 23	\$ 24	\$ 24	\$ 25	\$ 25	\$ 26	\$ 234
Decrease Due to Republican Budget	\$ -	\$ (2)	\$ (3)	\$ (3)	\$ (3)	\$ (4)	\$ (4)	\$ (4)	\$ (5)	\$ (5)	\$ (32)

The passage of the Republican budget would result in a \$32 million decline in rail and transit security funding for New York City. A reduction in these funds will reduce safeguards in the city's transportation infrastructure network.

The Department of Homeland Security's Securing the Cities Program

The DHS Domestic Nuclear Detection Office's (DNDO) Securing the Cities program is part of the government's effort to detect and protect against radiological and nuclear threats. The Securing the Cities program seeks to lessen the threat posed by dangerous radiological or nuclear materials against major metropolitan areas in the United States by establishing sustainable capability among state, local, and tribal agencies to detect and report dangerous radiological and nuclear materials within their jurisdictions.

New York City received nearly \$8 million last year for such nuclear and radiological detection efforts.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Securing the Cities - Republican Budget	\$ 8	\$ 7	\$ 7	\$ 7	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 77
Securing the Cities - Baseline	\$ 8	\$ 8	\$ 8	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 10	\$ 10	\$ 89
Decrease Due to Republican Budget	\$ -	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (2)	\$ (2)	\$ (2)	\$ (12)

The Republican budget would result in a \$12 million decline in nuclear and radiological detection funding for New York City. Such funding is necessary to guard against terrorist attacks.

REPUBLICAN BUDGET IMPACT: DEPARTMENT OF VETERANS AFFAIRS

VA Homeless Providers Grant and Per Diem Program

VA's Homeless Providers Grant and Per Diem program is offered annually to fund community agencies providing services to homeless veterans. The purpose is to promote the development and provision of supportive housing and supportive services with the goal of helping homeless veterans achieve residential stability, increase their skill levels and income, and obtain greater self-determination.

In FY 2014, New York City veteran service providers received 52 grants for \$8 million.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Homeless Veterans Grants - Republican Budget	\$ 8	\$ 7	\$ 7	\$ 7	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 77
Homeless Veterans Grants - Baseline	\$ 8	\$ 8	\$ 8	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 10	\$ 10	\$ 89
Decrease Due to Republican Budget	\$ -	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (2)	\$ (2)	\$ (2)	\$ (12)

The Republican budget would result in a \$12 million decline in funding for New York City's homeless veterans, which will reduce their access to housing and supportive services.

REPUBLICAN BUDGET IMPACT: DEPARTMENT OF LABOR

The Youthbuild initiative

YouthBuild provides low-income young people ages 16 to 24 with full-time job opportunities for 6 to 24 months that can be used toward their GEDs or high school diplomas. Through the program students learn job skills by building affordable housing for homeless individuals and low-income people in their communities. Emphasis is placed on leadership development, community service, and the creation of a positive mini-community of adults and youth committed to each other's success. Students may earn AmeriCorps education awards through their homebuilding and other community service. At exit, they are placed in college, jobs, or both.

Last year, the New York City YMCA received over \$1 million to carry out the Youthbuild program locally.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Youthbuild - Republican Budget	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 10
Youthbuild - Baseline	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 11
Decrease Due to Republican Budget	\$ -	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (2)

As a result of the Republican budget, youth career development funding for New York City would be decreased by \$2 million, limiting the resources for young New Yorkers.

REPUBLICAN BUDGET IMPACT: SMALL BUSINESS ADMINISTRATION

Microloan Program

The Microloan program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand. The average microloan is about \$13,000. The SBA provides funds to specially designated intermediary lenders, which are nonprofit community-based organizations with experience in lending as well as management and technical assistance. These intermediaries administer the Microloan program for eligible borrowers.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Microloan - Republican Budget	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 10
Microloan - Baseline	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 11
Decrease Due to Republican Budget	\$ -	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (2)

The Republican budget would result in a \$2 million decline in microlending funds for New York City. At current credit subsidy rates, this would reduce microloans by \$22.5 million, decreasing the ability of the city's smallest firms to access capital.

REPUBLICAN BUDGET IMPACT: ARTS AND CULTURE

National Endowment for the Arts

The NEA is a major federal source of support for all arts disciplines. Since 1965 it has awarded more than 135,000 grants that have been distributed to all states. In New York City, NEA awarded \$418 grants last year for \$14 million. This supported a range of artistic and theatrical projects including dance productions in Harlem, jazz at Lincoln Center, the Red Hook Fest, and art exhibitions in the Bronx.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
National Endowment for the Arts - Republican Budget	\$ 14	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 14	\$ 14	\$ 14	\$ 14	\$ 135
National Endowment for the Arts - Baseline	\$ 14	\$ 14	\$ 15	\$ 15	\$ 15	\$ 16	\$ 16	\$ 17	\$ 17	\$ 17	\$ 156
Decrease Due to Republican Budget	\$ -	\$ (1)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (3)	\$ (3)	\$ (3)	\$ (3)	\$ (22)

Arts funding would be reduced by \$22 million, leading to less resources for arts and music productions in New York City.

National Endowment for the Humanities

The NEH generally supports grants for humanities education, research, preservation, and public humanities programs; creation of regional humanities centers; and development of humanities programs under the jurisdiction of the state humanities councils. Since 1965, NEH has awarded more than 61,000 grants. In New York City, the NEH made 64 grants for \$10 million last year. It supported work on the Vietnam War, Jewish history, AIDS, and immigration.

<i>Dollars in Millions</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
National Endowment for the Humanities - Republican Budget	\$ 10	\$ 9	\$ 9	\$ 9	\$ 9	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 96
National Endowment for the Humanities - Baseline	\$ 10	\$ 10	\$ 10	\$ 11	\$ 11	\$ 11	\$ 12	\$ 12	\$ 12	\$ 12	\$ 112
Decrease Due to Republican Budget	\$ -	\$ (1)	\$ (1)	\$ (1)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (15)

The Republican budget would result in a \$15 million decline in humanities funding, limiting educational and cultural initiatives in the city.

CONCLUSION

A budget resolution provides the blueprint for the government's fiscal and economic policies. By outlining fiscal priorities, it is the vision for how the U.S. economy should grow and expand. For this reason, residents of New York City should be concerned about the economic policies contained in the Republican budget. Instead of prioritizing programs and policies that support health, housing, transportation, education, and job creation, the Republican budget significantly reduces its commitment to the city. The Republican budget requests deep cuts in federal programs designed to assist large urban centers like New York City.

While recognizing the need for fiscal constraint given the current budget deficit, these broad cuts are troublesome. The federal budget deficit is not a result of the relatively minimal costs associated with these programs. If the ultimate concern is the effect of budget deficits, these programs have paid for themselves by increasing federal tax revenues.

The current deficit developed as a product of a number of economic forces, but has been primarily driven by the loss in federal revenues related to the tax cuts passed in 2001 and 2003 and the failure of these measures to generate tax revenues. The tax cuts simply did not create their predicted growth, and when combined with the spending on two wars, left the U.S. in significant debt.

A better course to reduce the deficit is to target investment in proven revenue-generating initiatives along with tax reform. By doing this, new jobs would be created, while at the same time reducing the budget deficit through economic growth and increased tax revenues. Supporting working families while investing in our communities leads to a more robust local economy, which ultimately will generate higher tax receipts and a broader tax base.

Instead of changing course and offering a balanced proposal that incorporates targeted tax relief as well as adequate funding for programs that spur economic growth, the Republican budget relies on cuts that have a great probability of widening inequality and leading to economic stagnation. Without a reordering of the Republican budget's priorities, the livelihood of all New Yorker's will be jeopardized.

APPENDIX: METHODOLOGY

In order to estimate the impact that the Republican budget would have on the individual agencies and programs that provide funding to New York City, the office analyzed the Republican budget's discretionary budget authority allocations for defense and non-defense functions contained in the Republican Budget Appendix Table S-5. Using the spending caps contained in the Bipartisan Budget Act of 2013 (P.L. 113-067) and CBO estimates for discretionary budget authority as a baseline, Appendix Table S-5 provides annual discretionary spending levels for defense and non-defense during the 10 year budget window. Using these numbers, the office was able to calculate annual and aggregate percent reductions in non-defense discretionary spending under the Republican budget. These percent reductions were then used to calculate funding decreases in the agency budgets, spending areas, and programs contained in this report. This is appropriate given that all of the activities contained in this report are funded through the non-defense discretionary portion of the budget. Similar to the recent sequestration, it is also assumed that these cuts would be allocated evenly across agencies and programs.