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## Democrats Gird For FY 17 Budget Tussle

Congressional Democrats are furious over a Republican plan to approve a short-term stopgap spending law and rework current proposals to bolster national infrastructure repair spending, a principal goal of President-elect Donald Trump.

Congressional GOP leaders decided in a closed-door meeting immediately after their return following a seven-week hiatus for the 2016 elections to rebuff Democrat insistence on a broad final budget deal with President Obama.

Sources tell *HAL* that housing will take a major hit under that scenario. Spending for the Section 8 housing voucher program would be a principal target -- Trump advisors echoing a standard Republican congressional complaint that the program is out of spending and operational control.

All housing programs would lose a portion of their funding. The money would be moved into the Transportation Department budget to help begin a massive overhaul of the country's highways, bridges and airports -- a common Trump theme during the 18-month presidential campaign.

Talks began quickly after the Nov. 8 election when it became clear Trump would be the next president. Sources tell us congressional Democrats are livid at the thought of divesting subsidies for the principal program helping to keep a lid on runaway homelessness.

Democrat leaders are said to be mapping active resistance if Republicans decide to carry out the plan, but it is uncertain at this point if they have sufficient political resources and clout to accomplish a change.

Housing program funding would be reduced to help finance Trump's \$1 trillion infrastructure proposal, at least in the short term until the new administration settles on a firm financial support structure, including a national infrastructure bank. That idea has long been favored by Democrats but spurned by the GOP.

Trump has called for \$550 billion of infrastructure investment financed through bonds and a \$1 trillion package paid for with tax credits offered to investors.

The big question: How the infrastructure program will fit into the entire budget. The nation will get a glimpse of Trump's budget priorities during debate on gutting the FY 2017 spending plan.

The first Trump budget blueprint will have to portray how the administration will tackle the federal debt; Trump has said he would continue borrowing money to finance the initial infrastructure repair thrust. The new reckoning for the approaching \$20 trillion national debt comes immediately in 2017 when Congress is faced with increasing the debt limit before the current limit expires in mid-March.

Trump is expected to unveil his generally structured budget proposal by the Feb. 6 deadline with release of a detailed version likely in April or May.

But in all of his spending projections so far -- sparse as they have been -- housing is among the last issues on Trump's priority list. An overhaul of the budget process -- the first in 42 years -- is likely before any sense of housing program spending emerges.

Overall, spending on housing likely will face the closest scrutiny it has seen in decades, largely propelled by the status and direction of the Section 8 voucher program which Democrats view as the single most important program to house poor families and the homeless.

Expect housing spending to continue at FY 2016 levels without any additional assistance for the time being.

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