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## Spending Reprieve May Be Illusory

While HUD programs will be sufficiently financed through September under the Omnibus FY 2017 spending law, the future of those programs become hazy as FY 2018 approaches. The Trump administration, which conceded spending billions extra on domestic programs, including \$513 million extra for HUD, in exchange for a hike in defense spending, is digging it to fight for deep cuts in FY 2018.

Whether the administration's bluster is authentic -- President Donald Trump laid down a marker by inviting Democrats to call his bluff on a government shutdown -- or merely a smokescreen remains to be seen. But HUD program administrators and the thousands of public housing authorities and private housing contractors aren't taking the issue lightly.

Congress now faces the prospect of enacting a new national debt ceiling before the advent of the new spending plan. Staring at a \$20 trillion plus debt and billions to service the debt interest (\$223 billion in 2015 alone), lawmakers likely will be reluctant to inflate spending next year.

The opposite is more likely to be the case. The administration still proposes cutting \$6.2 billion in funding for HUD next year. At the same time, the funding sequester is set to resume Oct. 1. The budget sequester of 2013, which intended to trim spending by \$1.1 trillion over 10 years, has been in abeyance through the 2015-2016 election season.

Faced with the spending double-whammy, lawmakers are likely to tread on the budget more lightly heading into a crucial election year, especially for Democrats whose power bases rest largely in areas where cuts would be felt most.

Unless there is a massive retreat from campaign promises, and activities emerge showing his call for a government shutdown if his spending cuts are ignored is a bluff, Trump likely will dig in his heels over spending for a wall separating the United States from Mexico, billions for infrastructure repairs and construction, and more money for defense.

The prospect of the federal government continuing its reliance on stopgap spending laws for the ninth consecutive year increases each day lawmakers delay concerted efforts to reach a consensus on national spending.

With nearly 5 million families depending on federal subsidies for subsistence -- Section 8

vouchers for 2.2 million households, landlord Section 8 vouchers for another 1.2 million families, and public housing for 1.1 million families -- lawmakers are reluctant to offend such large voting blocs.

Instead, programs not likely to raise much physical fuss if cut, such as housing for the elderly, disabled, and AIDS victims, will be the primary targets. They were singled out this year but the defense spending tradeoff preserved most of their funding.

One big elephant in the room this time is the Congressional Progressive Caucus. Armed with the legislative militancy generated by the Democrat Party's new leaders, Chairman Tom Perez and Co-Chair Rep. Keith Ellison (D-MN), Caucus co-chairs Ellison and Rep. Raul Grijalva (D-AZ) unveil "The People's Budget: A Roadmap for the Resistance." The proposal stands in sharp contrast to Trump's FY 2018 budget vision and focuses heavily on HUD spending.

The Republican strategy now is to set up Democrats to take the blame if the government shuts down Oct. 1. If the Ellison-Grijalva ploy is successful, sentiment could shift and depict the GOP as the shutdown culprit.

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