



April 17, 2017

The Honorable Patty Murray, U.S. Senator
The Honorable Adam Smith, U.S. Rep.
The Honorable Cathy McMorris Rodgers, U.S. Rep.
The Honorable Jaime Herrera Beutler, U.S. Rep.
The Honorable Denny Heck, U.S. Rep.
The Honorable Dan Newhouse, U.S. Rep.
United States Senate
U.S. Capitol
Washington, DC 20510

The Honorable Maria Cantwell, U.S. Senator
The Honorable Rick Larsen, U.S. Rep.
The Honorable Dave Reichert, U.S. Rep.
The Honorable Suzan DelBene, U.S. Rep.
The Honorable Derek Kilmer, U.S. Rep.
The Honorable Pramila Jayapal, U.S. Rep.
House of Representatives
U.S. Capitol
Washington, DC 20515

Dear Members of the Washington State Congressional Delegation:

I write to express my significant concerns with President Trump's recently released Budget Blueprint (Blueprint) that would slash discretionary spending on federal programs in fiscal year 2018 (FFY18). Furthermore, I also want to express my deep concerns with the recently proposed funding reductions that the White House has put forward for the remainder of federal fiscal year 2017 (FFY17). Rather than enact these draconian cuts, which would have devastating impacts for communities in Washington, I ask for your support in sustaining crucial federal investments in our state.

As Congress contemplates federal spending in FFY17 and FFY18, I join my fellow governors from both sides of the aisle in calling on Congress "to ensure the federal government upholds its commitment to critical programs," and in urging that "federal funding decisions should not shift costs to states by expanding unfunded or under-funded federal commitments."ⁱ

For decades, the federal government has been an important partner investing alongside states in programs that support our communities. Each year Congress appropriates essential federal discretionary investments in education, economic development, emergency preparedness, environmental protection, health care, infrastructure, job training, national defense, public safety, research and development, and much more.

Federal partnership with state and local governments is essential to maintaining public health, safety and well-being, and to building a prosperous American economy in the twenty-first century. In Washington State, our Legislature is currently in session, and our state is working hard to fully fund a quality basic education for every Washington student, in compliance with a Washington State Supreme Court order. In addition, we are endeavoring to increase much-needed investments to reform our mental health care system and address a homelessness crisis facing many areas of our state, while sustaining other essential services that help prevent those problems from worsening. Particularly at this time, we cannot afford the federal government shifting enormous new costs onto



our state, or slashing programs that support our economy and the health, safety and well-being of our communities.

It was therefore deeply troubling to read the White House Blueprint for federal spending in FFY18, which begins October 1. This so-called “Budget Blueprint to Make America Great Again,” was short on details but long on ugly spending cuts that would harm communities across Washington. Furthermore, the White House also recently proposed a series of suggested funding cuts for Congress to consider as it takes up a continuing resolution for federal spending for the remainder of FFY17 (between April 28 – September 30).

Enclosed find a memorandum that outlines some of our state’s most significant concerns with President Trump’s FFY18 Budget Blueprint and proposed FFY17 funding reductions.

Of course, it is Congress, and not the President, that is constitutionally empowered to write the legislation that controls federal spending. As you consider federal investments in FFY17 and FFY18, our state agencies have been communicating with your offices urging your support for important federal programs that are essential to the safety and economic growth of our state. I would appreciate your consideration of and support for these funding requests.

Finally, I urge Congress to act in a bipartisan manner to pass legislation before April 28 that will avoid a government shutdown and also avoid painful spending cuts or partisan policy riders affecting important federal programs in the short term. I also urge Congress to address the debt ceiling to ensure the United States honors its debt obligations and avoids the catastrophic economic consequences that would accompany it not doing so.

If you have any questions about the State of Washington’s federal funding priorities or how President Trump’s proposed budget cuts would impact our state or a particular program or community, please contact my Washington, DC Office Director, Sam Ricketts, at sam.ricketts@gov.wa.gov or 202-624-3691.

Thank you for your consideration of my requests.

Very truly yours,



Jay Inslee
Governor

Enclosure

ⁱ National Governors Association letter to Congress, March 30, 2017, <https://www.nga.org/cms/home/federal-relations/nga-letters/executive-committee-letters/col2-content/main-content-list/governors-principles-for-federal.html>

**Washington state impacts from the
White House *Budget Blueprint to Make American Great Again* for Federal Fiscal Year 2018
and proposed budget reductions for Federal Fiscal Year 2017**

Agriculture

The FFY18 Blueprint includes a \$300 million reduction to the **Special Supplemental Nutrition Program for Women, Infants and Children Supplemental Nutrition Program (WIC)**, from which the Washington State Department of Health (WDOH) last year received \$146 million to provide nutritional support for low-income infants, children and women who are pregnant, postpartum or breastfeeding. WIC participants receive a health assessment, referrals to needed health and social services, nutrition education, breastfeeding support and checks to buy specific healthy foods with nutrients known to be lacking in the diets of many low-income families. A \$200 million cut is also proposed for WIC in the White House's FFY17 proposed budget reductions.

The budget blueprint also calls for elimination of the **USDA Rural Development Water & Waste Disposal Loan & Grant Program**, which would undermine important infrastructure and rural economic development projects in Washington. Between FFY14-16, the USDA Rural Development Office funded 65 water and wastewater infrastructure projects in Washington with \$57.6 million in grant and loan awards. The Blueprint argues that private investment, or other federal programs such as the Drinking Water State Revolving Fund or the Clean Water State Revolving Fund (SRFs), can serve these rural communities. However, past history indicates this to be difficult, as the state has not seen significant private investment in rural infrastructure, and the SRF programs are fully vested with existing commitments.

The Blueprint provides \$2.4 billion for **U.S. Forest Service wildfire suppression activities**, which is important for Washington as the state has experienced several devastating wildfire seasons in recent years, and as it prepares for more. However, the budget departs from other recent White House proposals in that it does not call upon Congress to end "fire borrowing" – the practice in which the Forest Service raids money from various programs, including those designed to improve forest health and prevent wildfires, in order to pay for the costs of combatting wildfires. In FFY15, the Forest Service was forced to transfer \$700 million from other accounts to help pay for wildfire suppression. Ending fire borrowing is a priority for Washington and all Western states, and has bipartisan support from governors and in Congress.

Among the proposed FFY17 funding reductions is also a rescission of all \$50 million of the remaining balance of the **USDA Emergency Watershed Assistance Program (EWP)**. In 2016 Washington received an important investment of \$4.8 million from the EWP to construct earth and rock diversion berms in communities in Okanogan, Chelan, Ferry, Douglas and Stevens counties that had been scorched by the state's record-breaking 2015 wildfire season and were suffering from erosion and flooding from the rains that followed.

Commerce

Contained in the FFY18 White House Blueprint is a proposed 16 percent cut to the U.S. Department of Commerce. This includes elimination of the **Economic Development Assistance (EDA)** and **Manufacturing Extension Partnerships (MEP)** programs, which are also targeted in the White House's proposed FY17 reductions.

The EDA provides grants and technical assistance to states and localities to promote economic growth. Just last year in our state, EDA grants supported carbon fiber recycling and processing in Port Angeles, Washington, workforce training in Centralia, new and improved roadway infrastructure in Oroville, and seed funding for small businesses developing clean water technologies, in Seattle. In total, Washington received \$6.38 million in EDA grants last year.

The MEP invests in state collaboratives that provide consulting services to small and medium-sized manufacturers. These federal-state-private sector partnerships provide American manufacturers with access to technologies, resources and industry experts in order to improve their competitiveness. According to the U.S Department of Commerce, since 1988 the MEP has worked with nearly 80,000 manufacturers, leading to \$88 billion in sales and in support of more than 729,000 jobs. The MEP has supported manufacturing in Washington through Impact WA.

Also, the **National Oceanic & Atmospheric Administration (NOAA)**, which is housed under the U.S. Department of Commerce, is proposed in the Blueprint to receive a \$250 million reduction to its programs "supporting coastal and marine management, research, and education." While most of the programs are not specified, these reductions can be read to have an impact on NOAA programs that support coastal and marine management in Washington. The White House's proposed funding reductions for FFY17 contain more detailed reductions for NOAA programs, including the elimination of all funding for the **Pacific Coastal Salmon Recovery Fund (PCSRF)**, which has been funded at \$65 million in recent years and is the most essential federal program supporting recovery of endangered salmon and steelhead populations in Western states.

Defense

The FFY18 Blueprint includes a significant increase in domestic defense spending, by eliminating the impacts of the 2011-enacted "Budget Sequestration" on the Department of Defense. Washington is proud to host numerous military installations that play an essential role in the defense of our nation, and their surrounding military communities and families. Our state has repeatedly called upon Congress to repeal Sequestration that is hampering domestic discretionary investments. However, the FFY18 Blueprint fails to repeal Sequestration for non-defense discretionary spending.

The Blueprint also includes a \$1 billion, or 16 percent budget reduction for the **U.S. Army Corps of Engineers**, which would adversely affect the Corps' important mission of maintaining inland waterways, ports, dams and other facilities, and engaging in environmental restoration and permitting work in Washington.

Education

The President's FFY18 Budget Blueprint (Blueprint) calls for huge reductions in federal education investments, and dramatic cuts to or outright elimination of more than 20 important programs. It instead calls for new investments for school vouchers, which would undermine public education across the country.

This Blueprint's proposed reductions include elimination of the **Supporting Effective Instruction State Grants program**, which just last year was authorized in the bipartisan *Every Student Succeeds Act* (ESSA) and provided our state with \$36.7 million to improve teacher and principal quality. The Blueprint also calls for elimination of the **21st Century Community Learning Centers program**, which last year invested over \$18 million to assist Washington students in high-poverty schools.

The Blueprint also proposes elimination of the **Striving Readers** program that provides grants to improve literacy instruction in high-need schools, the **Teacher Quality Partnership** program that funds partnerships to improve teacher prep programs between school districts and institutions of higher education, and also important **International Education** programs.

In higher education, the Blueprint proposes to eliminate the **Federal Supplemental Educational Opportunity Grant** program, and to "significantly" reduce funding and "reform" the **Federal Work-Study** program. Both of these programs are currently benefitting students in Washington, with the former having provided \$17.5 million to support 32,117 students and the latter providing \$18.2 million in support of 8,173 students at 67 Washington schools during the 2015-16 school year. It also proposes rescinding \$3.9 billion from the **Pell Grant** program, which supports Washington students. And it contains a \$92 million cut to **TRIO Programs**, which provide services to assist low-income individuals, first-generation college students, and individuals with disabilities in navigating the academic pipeline from middle school to post-baccalaureate programs. Also in higher education, it proposes a \$100 million reduction to the **Gaining Early Awareness and Readiness for Undergraduate (GEAR UP)** Programs—slashing its budget by over 30 percent. GEAR UP supports the Washington Student Achievement Council and six other partnership programs through the University of Washington, Washington State University, Central Washington University, and Highline School District, which together serve about 37,000 students in 72 low-income districts across the state.

The Blueprint also calls for elimination of the **National Endowment of the Arts (NEA)** and the **National Endowment for the Humanities (NEH)** - two programs that profoundly benefit not just Washington schools and students, but the rich arts and cultural contributions that make our state unique. The NEA, for instance, has supported the Washington Arts Commission for nearly 50 years, and together they support access to the arts in rural and low-income areas, arts education for students in K-12 schools, and diverse cultural activities across Washington. The NEA also offers direct grants to other Washington arts organizations which last year were leveraged approximately 9:1 by other public and private funds. NEA and NEH are also targeted for cuts in the FFY17 submission to Congress.

In its FFY17 proposed budget reductions the White House also proposes troubling education funding reductions for many of these same programs, including Supporting Effective Instruction State Grants, Striving Readers, Pell Grants, and to Advanced Placement, Elementary & Secondary School Counseling and Mathematics & Science Partnerships programs that were consolidated under ESSA Title IV.

Energy

The President's FFY18 Budget Blueprint incorporates a 5.6 percent reduction for the U.S. Department of Energy (USDOE), which is charged with ensuring the safety of the nation's nuclear weapons, cleaning up the legacy of the Cold War at sites like Hanford, overseeing our nation's national labs (including Pacific Northwest National Laboratory [PNNL]), and facilitating breakthroughs in energy technology via basic and applied research and deployment.

The Blueprint's proposed cuts for USDOE would remove key funding that the State of Washington relies upon through the **Office of Energy Efficiency & Renewable Energy (EERE)** and **Office of Electricity Delivery & Energy Reliability (OE)**, which are with two other programs reduced collectively by \$2 billion. In EERE this includes elimination of the **Weatherization Assistance Program (WAP)** and **State Energy Program (SEP)**.

Washington received approximately \$4.3 million from the WAP last year, which the state Department of Commerce uses to make energy efficiency and health home upgrades for low-income households. Under the Blueprint's proposed reductions Washington would lose the ability to weatherize more than 1,200 homes in the coming year, resulting in the loss of more than 15,000 million BTUs of energy savings, and at least 140 direct jobs.

The SEP, meanwhile, supports the Washington State Energy Office (SEO) and the important work it does with the electricity and transportation sectors and other energy stakeholders. The SEO plays a critical role in maintaining Washington's accelerating leadership in the growing clean technology industry. The SEO helps companies understand and navigate the intricacies of state and federal policy landscapes. Elimination of the SEP, and the approximately \$710,000

our SEO receives from it each year, would impair Washington's efforts to realize the full economic and small business development potential of clean energy.

Furthermore, the Blueprint calls for a \$900 million cut to the **USDOE Office of Science**, which could adversely impact the national labs this office supports, like PNNL. (PNNL's ground breaking work in energy grid modernization also receives significant support from the OE program.) The Blueprint also urges the elimination of the **Advanced Research Projects Agency-Energy (ARPA-E)**, currently funded at \$291 million, which has been enormously successful catalyzing private sector breakthroughs in clean energy technology.

Fortunately, the Blueprint proposes an increase for the **USDOE Environmental Management** budget, to \$6.5 billion. If enacted this investment may help to accelerate the pace of cleanup at the Hanford, the nation's largest nuclear waste site. Although the precise funding amount proposed for Hanford cleanup is not yet known.

The proposed FFY17 funding reductions put forward by the White House also include deeply concerning reductions to EERE, ARPA-E, and the Office of Science.

Environmental Protection

The Environmental Protection Agency's (EPA) overall budget is slashed by 31 percent in the FFY18 Blueprint, with particularly deep cuts to programs designed protect clean air and water, combat climate change, support regional ecological restoration, and protect communities from waste and toxic substances.

The Blueprint calls for zeroing out the EPA's **Puget Sound Geographic Program**, which is currently funded at \$28 million to implement protection and recovery actions. Puget Sound is the nation's largest estuary, and the cultural center of the Pacific Northwest. Millions live, work and recreate on its shores. Despite recent gains, the rate of degradation still outpaces the rate of recovery, and this requires a greater commitment from all levels of government. Elimination of this program would be a stark reversal of recent positive progress made by the federal government in its commitment to Puget Sound recovery, and would have devastating consequences for the health of our Sound. Also proposed for elimination is the **National Estuary/Coastal Waterways Program (NEP)**, which provides a modest but essential \$600,000 annually to each of 28 estuary protection programs, including Puget Sound and the Lower Columbia River. The NEP funds support the basic operations of local entities who conduct the planning and management required to implement a federal Comprehensive Conservation and Management Plan, and that leverage significant state, local and other resources. The elimination of these small but impactful investments would result in significant and ultimately expensive damage to our communities.

The Blueprint also targets EPA's **Categorical Grants** for a 45 percent reduction. According to the Washington State Department of Ecology's projections, this could cost millions of dollars and many full-time employees at its Water Quality, Shorelines & Environmental Assistance, Environmental Assessment and Air Quality programs. These reductions will negatively impact core environmental and public health work related to: water quality protection, technical assistance, compliance, and local water quality project funding; laboratory analysis, biological monitoring and scientific modeling; and air quality monitoring and permitting.

EPA's **Superfund** program, which is responsible for cleaning up our nation's most contaminated waste sites, is also targeted for an enormous (30 percent) reduction in the Blueprint. This could adversely impact the pace of safe cleanup across Washington, which is home to more than 40 Superfund sites – eighth-most in the nation. The White House's proposed funding reductions for FFY17 also include untenable cuts to EPA Categorical Grants, Superfund and research programs.

The Blueprint also proposes repealing the **Clean Power Plan**, upon which President Trump has subsequently issued an executive order, and defunding EPA's work on climate change. Washington is already suffering the effects of climate change – in more devastating wildfire seasons, water resources challenges, increasingly acidic coastal waters, and more. According to the University of Washington these impacts will cost the Washington economy \$10 billion per year, by 2020. In response, Washington is taking action to tackle carbon pollution and promote clean energy technologies. But climate change is a national and an international challenge, and federal action is essential to reducing carbon pollution in every state. That is why the Clean Power Plan was constructed to give states significant flexibility to design their own plans for reducing carbon pollution, while holding them responsible for doing so. These efforts should be built upon and not repealed.

Health & Human Services

The White House FFY18 Blueprint provides for a concerning 18 percent (\$15.1 billion) budget cut to the U.S. Department of Health & Human Services (HHS). While the Blueprint does not specify all of the (HHS) programs targeted for funding reductions, such a large reduction to the department's budget would have drastic consequences for programs that provide Washingtonians with critical health and community services.

The Blueprint can be interpreted as reducing support for programs reauthorized just last year under the **Older Americans Act (OAA)**, which provides Washington about \$26 million each year and provided services to 212,000 seniors in FFY2016. The OAA funds essential services such as home delivered meals (**Meals on Wheels**), rides to medical appointments or shopping, Senior Center meals, information and person-centered options counseling, Adult Day Care, legal services and other services coordinated locally by a statewide network of Area Agencies on

Aging. According to the Washington Aging & Long-Term Support Administration, even a 10 percent cut to these programs would mean a loss of 160,000 home delivered meals and 140,000 senior center meals; 20,000 rides into the community; and 22,000 information contacts. The services under the OAA exist to provide “just enough” assistance for many of our older citizens to maintain independence, dignity, and self-determination outside of the more costly Medicaid Long Term Services & Supports system. For many, their ability to remain independent and healthy at home is dependent on services such as those provided with OAA funding.

The Blueprint also calls for a \$400 million disinvestment from health professions and nurse training programs. And it proposes the complete elimination of two programs that play a crucial role supporting low-income families in Washington: the **Low-Income Housing Energy Assistance Program (LIHEAP)** and the **Community Services Block Grant (CSBG)**.

The LIHEAP assists households that are at or below 125 percent of the federal poverty level with their home heating needs. The program is designed to help these families keep their heat on, especially those households that are most vulnerable, such as the elderly, the disabled, and households with young children. LIHEAP provides home heating assistance and crisis prevention services for approximately 75,500 Washington households. The average annual benefit was \$372 last year. These benefits would be wiped out if LIHEAP and its investments in our state (approximately \$58.7 million last year) are eliminated.

The CSBG provides essential financial resources to Washington’s Community Action Agencies, which work to help alleviate poverty, revitalize communities, and empower low-income families to become fully self-sufficient, across our state. CSBG provided \$8.4 million to Washington last year.

The Blueprint also includes a huge budget cut, of \$5.8 billion or 18 percent, for the **National Institutes of Health (NIH)**. NIH supports life-saving medical research, in which our state is a national leader. Last year the NIH provided \$522 million to support research at the University of Washington, and \$247 million for the Fred Hutchinson Cancer Research Center. This cut would adversely impact important work at these and other research institutions across the country. Additionally, the Blueprint eliminates the Agency for Healthcare Research and Quality (AHRQ) in HHS, and moves it to NIH without providing any funding. Researchers in Washington, including at the University of Washington, Group Health, and others, could lose important funding if AHRQ is eliminated.

Finally, the Blueprint omits any substantive discussion of federal investment in Medicare, Medicaid, Social Security, and the **Children’s Health Insurance Program (CHIP)**. It is widely understood that the President will issue his proposals for these mandatory federal programs as

part of his complete FFY18 budget request, in May. However, the looming expiration of CHIP's authorization, on September 30, and our own state's planning for the new state fiscal year, starting July 1, require swift congressional action to sustain this bipartisan program, which covers over 60,000 Washington children every year.

Also, the White House's proposed FFY17 reductions include concerning cuts to LIHEAP, CSBG and NIH, as well as to the State health Insurance Assistance Program (SHIP) that provides info on health coverage to Medicare-eligible individuals, Public Health Preparedness & response Grants (PHEP), and Mental Health Block Grants to states. In addition, the proposed FFY17 cuts include reductions for the **Center for Disease Control's (CDC) Public Health Programs**, which include the CDC's Cancer Research Registries and Prevention Research Centers (PRC) program. A cut to the cancer registries may impact the CDC funding that WDOH receives for this work at the state level, and could put the state in jeopardy of meeting its cancer reporting standards. Additionally, for 30 years the CDC's PRC Program has engaged communities across the country with applied research to improve the public health. PRCs address behaviors and environmental factors that lead to or worsen chronic disease, and translate promising research findings into practical, cost-effective prevention programs. The Health Promotion Research Center at the University of Washington is one of the 26 PRCs, and through it the UW has partnered with WDOH for more than 15 years to improve cancer prevention and control across the state.

Homeland Security/Emergency Management

The Washington State Military Department has expressed serious concerns with the FFY18 Blueprint's proposed reductions of \$667 million for U.S. Department of Homeland Security (DHS) and Federal Emergency Management Agency (FEMA) programs that support state and local emergency response agencies. These cuts could severely limit Washington's ability to prepare for and respond effectively to state-wide disasters and emergencies. This includes the **Emergency Management Performance Grant (EMPG), Homeland Security Grant (HSGP) and State Homeland Security (SHSP)** programs, and the **Urban Area Security Initiative (UASI)**.

According to the state Military Department, the EMPG program is "the life-blood for emergency management activities across the state, and supports a comprehensive, all-hazard emergency preparedness system." While cuts to the HSGP, SHSP and UASI programs would "inhibit our efforts to prevent terrorism and other catastrophic events and prepare for threats and hazards that pose the greatest risk to our national security."

Furthermore, an elimination or significant funding reduction for FEMA's **Pre-Disaster Mitigation (PDM) program**, as proposed in the Blueprint, would adversely affect our state's local mitigation efforts designed to lessen the severity of a natural disaster, like a Cascadia Subduction Zone earthquake and tsunami. The PDM has provided over \$42 million to support Washington communities, since 2004.

The proposed funding reductions for DHS and FEMA, which are proposed amidst a 6.8 percent overall increase in the DHS budget, are made in apparent sacrifice for investment in the construction of a border wall, and in an increased number of immigration enforcement agents. These ineffective, unnecessary and potentially inhumane investments and the cuts that are made to budgets for them would come at the expense of Washingtonians' safety.

The White House's proposed FFY17 funding reductions include a large \$20 million reduction to the PDM program, a 23 percent cut compared to last year, along with cuts to other FEMA programs.

Housing & Urban Development

The White House Budget Blueprint proposes a 13.2 percent budget cut for the Department of Housing & Urban Development (HUD). Access to decent and affordable housing is one of the most difficult challenges facing our state's communities, and HUD investments are central in promoting continued growth in our state's affordable housing stock. These cuts would set Washington backward.

The **HOME Investment Partnerships Program (HOME)** provides funding to states and local governments – often in partnership with local nonprofit groups – for a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest block grant designed exclusively to promote affordable housing for low-income households in Washington, and received \$4.3 million last year in none-entitlement funding and \$14.6 million in entitlement funding. But the White House's proposed budget completely eliminates funding for this program, just when working families in Washington need it most.

Additionally, the Blueprint stands to eliminate the **Community Development Block Grant (CDBG)**, one of the longest-running and seminal-important federal economic development initiatives. CDBG funds are critical to the economic well-being of our state's low and middle-income communities, especially in rural counties. CDBG supports local partnerships, leverages public and private resources for public health, housing rehabilitation, economic development and other enterprises that support the most vulnerable communities in our state. Last year Congress appropriated \$3 billion for CDBG, nationally, with our state receiving an \$11.3 million investment in discretionary funds, along with \$40.1 million in CDBG entitlement funding. These important investments would be wiped out if CDBG is eliminated.

With an additional \$1.77 billion in unspecified cuts to HUD's FFY18 budget, **rental assistance programs** are also likely to see a painful reduction. This would further exacerbate rental affordability issues for some of our state's most vulnerable communities.

Promoting decent, safe, and affordable housing and homeownership opportunities for all Washingtonians should be our aim. None of the proposed draconian cuts to these critical programs get us any closer to achieving this goal.

The White House's proposed FFY17 reductions also mirror some of the Blueprint's cuts, such as those to the CDBG program.

Interior

The FFY18 Blueprint calls for a 12 percent cut to the U.S. Department of the Interior, which includes the National Park Service (NPS), Fish & Wildlife Service (FWS), Bureau of Land Management (BLM), and other agencies. While the Interior section of the Blueprint is not detailed, it troublingly deemphasizes the department's important work maintaining National Wildlife Refuges and National Heritage Areas, and its land and wildlife conservation activities, and emphasizes hastening oil and gas drilling on public lands and offshore waters.

The Blueprint proposes to reduce funding for the **Payments-in-Lieu-of-Taxes (PILT)** program, and does not mention the **Secure Rural Schools (SRS)** program. Both of these programs provide essential investments for local governments, and schools and infrastructure projects, throughout Washington's rural communities. In FFY16 PILT invested \$20.5 million in Washington. The SRS has not been authorized since 2015, and Washington's allocation has since been reduced from \$17.3 million to just \$2.3 million, last year. The proposed FFY17 budget reductions also target PILT for a reduction. The bipartisan 19-state Western Governors Association recently called on Congress to fully fund PILT and SRS in FFY18 and for the remainder of FFY17.

The **Land & Water Conservation Fund (LWCF)** is not mentioned in the Blueprint. LWCF was created in 1965 with strong bipartisan support, thanks in large part to the leadership of Washington's Congressional Delegation. Since that time it has invested approximately \$600 million in over 600 projects in Washington that conserve land, water and wildlife, and that support outdoor recreation – one of Washington's most valuable industries. The LWCF was recently reauthorized through September 2018, again with bipartisan support. However, President Trump's Blueprint departs from recent past White House budget proposals which had called for fully funding the program at its \$900 million authorization.

Proposed reductions for FFY17 also include a \$150 million (12 percent) rescission to the **U.S. Bureau of Reclamation's Water and Related Resources Account**, which supports ongoing work maintaining water resources in Washington and other Western states.

Justice

Some aspects of federal government services that see increases in the White House Budget Blueprint are the counterterrorism, counterintelligence, and law enforcement activities performed by the Federal Bureau of Investigation (FBI). The proposed budget would increase FBI funding by \$249 million, or 3 percent, above the FFY17 annualized level. Additionally, the Department of Justice's (DOJ) law enforcement component sees an increase of \$175 million. However, while law enforcement activities are heavily favored in the White House Blueprint, other critical legal services provided by the DOJ are severely neglected.

The Blueprint severely underfunds or eliminates key programs that provide legal services for low and middle-income Washingtonians. For example, the FFY18 proposal calls for the elimination of the **Legal Services Corporation (LSC)**, which is the single largest funder of civil legal aid for low-income Americans. The Northwest Justice Project (NJP), the LSC Grantee in Washington State, underwrites the statewide legal aid call center (CLEAR), a range of technology initiatives designed to enhance access to justice and promote self-help on the part of low income people with legal problems, and 17 regional and satellite legal aid offices throughout the state. In 2015, NJP closed 15,000 cases involving 33,000 low-income individuals, including 14,500 children, 2,600 seniors and 1,650 veterans. Should LSC funding be eliminated, thousands of additional low-income Washingtonians will go without critically needed legal help; private volunteer legal services will dwindle, as there will be substantially fewer professional staff legal aid attorneys to work with, mentor and support them; and the civil justice system will be rendered virtually inaccessible for Washingtonians who need its protection.

The Blueprint also puts forward reductions for important local and state government resources, like the **Byrne Memorial Justice Assistance Grant (JAG)** program. JAG provides tribes and local governments in Washington with critical funding necessary to support local law enforcement, prosecution, courts, and crime prevention and education. Additionally, over \$2.5 million that Washington receives through DOJ's **State Criminal Alien Assistance Program (SCAAP)**, which reimburses state, local, and tribal governments, would be eliminated. Targeted programs such as these play an important role in supporting local law enforcement and courts in Washington.

Labor

The White House FFY18 Blueprint requests \$9.6 billion for the Department of Labor, a \$2.5 billion or 21 percent decrease from the FFY17 annualized level. This reduction in funding would eliminate support for vital training and employment services benefitting unemployed or underemployed Washingtonians, and our state's economic competitiveness.

Critical programs such as the **Workforce Innovation & Opportunity Act (WIOA)** (which was passed with strong bipartisan support in 2014) provide Washington employers with an efficient pipeline of workers. WIOA funding pays for pre-screening, on-the-job training, subsidized wages

for work experience, and other employer services. It also supports job training, mock interviews, and intensive search assistance for low-income Washington adults. Additionally, the youth component of WIOA connects 16-24 year olds with future employers through internships, business mentorships, and other career-connected learning experiences. This program has a major focus on disadvantaged youth and out-of-school youth in our state. WIOA requires extensive performance accountability, and Washington consistently outpaces federal performance targets.

If a 21 percent cut were to be applied to WIOA, it would result in an over \$12.4 million cut to workforce investments in Washington. Approximately 2,200 fewer employers and 39,000 fewer job-seekers would be served. Additionally, Washington Employment Security Department (ESD) Employment Services would be cut by \$3 million. These services cover three-fourths of the costs of the state's WorkSource system. Based on these estimates, ESD would need to close up to 12 of its 57 WorkSource centers and affiliates statewide – adversely impacting job services in local communities, and particularly in rural communities that need them most.

The FFY18 budget also eliminates funding for the **Corporation for National and Community Service (CNCS)**, and its essential service programs such as AmeriCorps and Senior Corps. The unique state-federal partnership between Serve Washington, our state service commission, and CNCS provides vital, cost-effective services to communities statewide. Today in Washington, more than 1,900 AmeriCorps members and 5,800 Senior Corps participants are tutoring and mentoring struggling students, supporting veterans and military families, providing environmental services and coordinating relief and recovery efforts in areas affected by natural disasters. Eliminating CNCS and its programs would result in the loss of more than \$38 million in resources for our state and deprive Washington's students, veterans, military families and victims of natural disasters from receiving much-needed services. Additionally, the **Senior Community Service Employment Program (SCSEP)**, which gives low-income unemployed older Washingtonians minimum wage community service employment opportunities at non-profits and government agencies, is set to be eliminated in the Blueprint. In 2016, Washington received \$6.38 million in SCSEP funds. CNCS and SCSEP are also targeted for cuts in the White House FFY17 suggested reductions proposal.

The Blueprint does expressly support helping states expand **apprenticeship** programs - a cornerstone of the Obama administration's labor policies and a federal-state partnership from which Washington has benefitted in the past.

However, while the administration talks about supporting job training in key industries, initiatives like the **Migrant and Seasonal Farmworkers Training program** are also set to be eliminated in both the Blueprint and White House FFY17 suggested reductions. Migrant and seasonal labor is vital to the continued success of Washington agriculture.

Now, more than ever, skills training and professional development are the major determinants of economic success in our state. The proposed reduction and elimination of the above programs only hurt working Washingtonians by limiting life-changing opportunities and services.

Transportation

The President's budget blueprint proposes detrimental cuts to the U.S. Department of Transportation, including the elimination of the over-subscribed **Transportation Investment Generating Economic Recovery (TIGER)** grant program and the popular **Capital Investment Grants (New Starts)** program. Since its inception in 2009, Washington state recipients have been awarded 16 TIGER grants worth \$239 million. These grants have rebuilt bridges, improved transit connections, and made key improvements at our ports. Similarly, the New Starts program has been a critical source of revenue for our transit agencies to build out their systems, which give people transportation choices, help relieve congestion on our highways, and reduce greenhouse gas emissions. The President's proposal to eliminate funding for future New Starts contracts would have a particularly negative impact on Washington. Sound Transit has been working with the Federal Transit Administration in anticipation of receiving \$1.7 billion for the Lynnwood Link Extension project and the Federal Way Extension project. Washington is a self-help state, as evidenced by our passage of the Connecting Washington transportation revenue package in 2015. However, our transportation system only works if the federal government continues to serve as a strong funding partner.

Proposed funding reductions in FFY17 mimic the Blueprint, in that they contained elimination of the TIGER program and a significant cut to the New Starts program.

Treasury

The FFY2018 Budget Blueprint proposes a \$519 million decrease in the Department of the Treasury's domestic programs - a 4.1 percent decrease. Close to half of this proposed budget decrease comes from the elimination of the **Community Development Financial Institutions Fund (CDFI)**, an innovative program that promotes economic development in Washington by increasing the availability of credit, investment capital and financial services available. Since 1996, Washington has received over \$27 million in CDFI Fund awards and \$347 million in New Markets Tax Credit awards facilitated by CDFI. As it stands, there are 26 CDFIs helping underserved communities in both urban and rural Washington. The elimination of the CDFI Fund would severely limit these communities' access to vital financial products and services.

Veterans

The Washington State Department of Veterans Affairs (WDVA) was encouraged to see an increase in spending for our nations' veterans, via the U.S. Department of Veterans Affairs

(Federal VA). The expansion and continuation of the **Veterans Choice Program** is a positive change for veterans in more rural areas of our state. However, WDVA is uncertain how programs and services for homeless or at-risk-of-homelessness veterans will be supported in the ultimate budget request, and is also eager to understand how construction funding will be proposed for updating or building new State Veterans Homes. WDVA also holds very significant concerns about cuts to DOL, HHS, AmeriCorps, HUD, USDOJ and other federal agencies that directly or indirectly serve veterans and their families. Veterans are weaved in these agencies grant and services opportunities, and the Federal VA offers little or no services to many families who sometimes need the assistance of social services networks.

International Affairs and Aid

The FY18 Blueprint includes a 28 percent reduction for the U.S. State Department and the U.S. Agency for International Development (USAID) programs, including elimination of American contributions to the United Nations-led global initiatives to confront climate change, and reductions to important programs supporting refugee resettlement and international development and aid.