

# THE 2008 DISABILITY POLICY SEMINAR

THE ARC, AAIDD, AUCD,  
UCP AND NACDD

## FACT SHEET

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### FY 2009 BUDGET AND APPROPRIATIONS

#### Overview

President Bush submitted his Fiscal Year (FY) 2009 budget plan to Congress on February 4<sup>th</sup>. Consistent with recent Administration budgets, the FY 2009 proposal aims to reduce the federal deficit with a goal of balancing the budget by 2012. To do this, the budget limits growth in non-defense discretionary programs to 1 percent for 2009 and then holds it at that level for the next 4 years. The proposal also calls for nearly \$178.2 billion in Medicare cuts and \$17.4 billion in Medicaid cuts spread over the next five years. These figures do not include proposed regulatory changes to the Medicare and Medicaid programs. At the same time, the budget request proposes to make the President's 2001 and 2003 tax cuts permanent.

The President's budget request calls for the elimination or reduction of several disability related programs. For the eighth year in a row, the Administration proposes to eliminate the Supported Employment State Grant program. It recommends a 32 percent reduction in the Section 811 HUD Supportive Housing program, and a 55 percent reduction in the Department of Labor's Office of Disability Employment program. Special education programs continue to be underfunded, as the budget proposes very small increases for the Individuals with Disabilities Education Act (IDEA) State Grant, and flat funding for the Preschool Grant and the Part C Early Intervention programs. The proposed funding level for the IDEA State Grant would actually decrease the per pupil federal share of funding for students with disabilities below 17 percent, well below the authorized amount of 40 percent.

Last year's heated budget battles ultimately left most domestic programs -- including health, education, job training, housing, and other disability programs -- flat funded. Following almost a decade of shrinking budgets, many federally funded disability programs do not have the resources they need to serve eligible populations, address waiting lists, and meet other community priorities.

#### Action Taken by Congress and the Administration

Throughout February and March, both the House and Senate Budget Committees will prepare their response to the President's budget, with the goal of completing the Joint Budget Resolution by April 15. The Joint Budget Resolution sets a blueprint for revenue and spending policy. Congressional committees must then develop legislation to meet the spending and revenue targets. This process could impact entitlement programs, particularly Medicaid, Medicare, SSI, and Social Security. The Budget Resolution will also establish overall spending limits for all discretionary programs. The House and Senate Appropriations Committees will then be responsible for developing FY 2009 appropriations bills that meet those spending limits.

It is important to note that election year politics could have a significant impact on the budget and appropriations process this year. Congress has not met budget deadlines since 1994, and Presidential and Congressional campaigns are certain to slow things down this year. President Bush has said he will veto any FY 2009 Appropriations bill that exceeds his budget request. Yet, it is impossible for a one percent increase in human service funding to meet cost of living increases, let alone the real needs of people with disabilities.

The following table compares FY 2008 spending for key disability programs with the Administration's FY 2009 budget request and our FY 2009 recommendations.

## Recommendations

- Adopt a FY 2009 budget resolution that allows for the expansion of human services entitlement and discretionary programs, protects Medicaid and other entitlements from further cuts and rejects further tax cuts;
- Increase funding to sustain and expand federal funding to provide community-based supports for individuals with disabilities and their families;
- Restore the cuts made to key disability programs; and
- Increase funding for federal government agencies that enforce disability rights.

<b>Labor, Health and Human Services and Education (in millions)</b>	<b>FY 2008</b>	<b>FY 2009 President</b>	<b>FY 2009 Recommendation</b>
IDEA State Grant (Part B)	10,947.5	11,284.5	19,229.0
IDEA Preschool	374.1	374.1	814.0
IDEA Early Intervention (Part C)	435.7	435.7	725.0
IDEA Parent Training Centers	26.5	26.5	28.6
HEA Postsecondary Education for Students with Disabilities	6.7	0.0	6.7*
Vocational Rehabilitation State Grant	2,874.0	2,874.0	3,174.0
VR Supported Employment State Grant	29.2	0	50.0
Office of Disability Employment Policy	26.7	12.40	47.5
Work Incentive Grants	14.4	0	28.0
Assistive Technology	29.9	25.7	38.3
University Centers for Excellence in DD	36.9	36.9	41.0
Development Disabilities Councils State Grants	72.5	72.5	80.0
DD Protection & Advocacy Systems	39.0	39.0	45.0
Family Support/ Projects of National Significance	14.2	14.2	24.0
Title XX Social Services Block Grant	1,700.0	1,200.0	1,700.0
Maternal and Child Health Block Grant	666.2	666.2	850.0
HRSA Autism and other Developmental Disabilities	36.4	36.4	42.0
CDC Center on Birth Defects & DD	127.3.5	126.7	137.6
Lifespan Respite Care Act	0	0	53.3
National Institute on Child Health & Human Development	1,254.7	1,255.7	1,341.0
Social Security Administrative Expenses	9,745.0	10,327.0	11,000.0
<b>Housing and Urban Development</b>			
Section 811 Supportive Housing for Persons with Disabilities	237.0	160.0	250.0
Section 8 Rental Assistance	14,700.0	14,000.0	15,500.0
Vouchers Targeted to Nonelderly People with Disabilities	30.0	0	50.0

\* Plus additional funding for new disability provisions in pending Higher Education Act reauthorization

## Relevant Committees

House and Senate Budget and Appropriations Committees

For more information, please contact The Arc and United Cerebral Palsy Disability Policy Collaboration (202) 783-2229, Association of University Centers on Disability (301) 588-8252, American Association on Intellectual and Developmental Disabilities (202) 387-1968 or the National Association of Councils on Developmental Disabilities (703) 739-4400.

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