

Congress of the United States
Washington, DC 20515

Testimony of Congressman Brendan F. Boyle
before the
Committee on Fiscal Stability and Intergovernmental Cooperation
Hon. Darrell L. Clarke, Chair
Philadelphia City Council
Resolution No. 170038

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Good afternoon, Council President Clarke and Members of the Committee.

Thank you for the opportunity to speak with you today about the threats posed by President Trump and Congressional Republicans to important federal funding in Philadelphia.

Republicans in Congress have long threatened to reduce our debt and deficit on the backs of working people by cutting the programs they rely upon. For the past six years we relied on Barack Obama or a Democratic U.S. Senate to protect Medicaid, nutrition assistance, affordable housing, Pell grants and environmental protection from Republican attacks. Now, with Donald Trump in office vowing to rubber stamp many of the GOP's most conservative proposals, Republicans have a real opportunity to put their money where their mouth is.

Lower and middle class folks, especially in poor cities like Philadelphia, stand to be the hardest hit; particularly the most vulnerable: the sick, the homeless, foster children, low-income mothers and children, victims of domestic violence. Cities and states – already overburdened – will be left to pick up the tab or suffer the consequences.

Donald Trump and Congressional Republicans have vowed to repeal the Affordable Care Act, which will result in higher costs of care and higher uninsured rates for Philadelphia. If the ACA is repealed without an adequate replacement, more than 220,000 Philadelphians will lose their health insurance – over one million statewide within a few years – and the rate of uninsured children would double. At least 130,000 jobs will be lost in the Commonwealth. A full repeal of the ACA would cost \$350 billion nationwide over the next decade and double Pennsylvania's projected budget deficit. Revenue for hospitals and other care providers would decline substantially. An estimated 3,425 additional Pennsylvanians would die prematurely each year. The 166,000 previously uninsured Philadelphians that now have affordable healthcare thanks to the ACA's Medicaid expansion and more than 59,000 previously uninsured Philadelphians that now have affordable healthcare through the ACA marketplace would be left without.

Republicans in Congress have long proposed a block grant system for Medicaid, which will result in losses in care for the most vulnerable in Philadelphia, as well as increased future expenses for other safety net programs. If a state exceeds the block grant provided by the federal government, the state must cover the remaining costs. With declining federal appropriations, this will surely be the case. Medicaid cuts would harm society's most vulnerable. Children make up nearly half of Medicaid beneficiaries. In 2014, over 1.3 million children were enrolled in Medicaid in Pennsylvania.

Speaker Paul Ryan has long proposed a "premium support" plan or privatized voucher system for Medicare that would pass along the high costs of care to older residents in Philadelphia, and taxpayers. Fifteen percent of Pennsylvanians (2 million) were enrolled in Medicare in 2014. In Philadelphia, the standardized cost per beneficiary is \$10,531, with a total cost of \$1.55 billion (servicing about 120,000 residents).

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Philadelphia universities, research facilities, pharmaceutical companies and other biotech entities current receive about \$725 million in federal health research funding (\$1.5 billion statewide). This funding drives health discoveries and is critical to the Greater Philadelphia economy. Our research institutions are a tremendous job creator. Unfortunately, years of virtually flat funding has reduced the National Institutes of Health's inflation-adjusted budget by over 10 percent since 2004. As it stands, the NIH can only fund 21 percent of the research proposals it receives each year due to funding constraints. President Trump's Director of the Budget, Mick Mulvaney, has questioned whether the federal government should fund any scientific or medical research at all.

Nearly two million low-income Pennsylvanians, 13.4% of the state population, and 375,000 low-income Philadelphians rely on the federal Supplemental Nutrition Assistance Program to put food on their table. Children make up 40% of SNAP participants. More than 80% of food stamps go to households with a child, senior, or disabled person. The Ryan Budget proposes a \$23 billion cut to the program. As the poorest big city in the county, Philadelphia will be especially harmed by these cuts, further exacerbating the cycle of poverty for our city's most vulnerable.

Republicans in Congress have also proposed tying public housing assistance with strict work requirements, which would increase homelessness in Philadelphia. They have also vowed to eliminate \$16 billion from the Social Services Block Grant, which would result in less funding for "Meals on Wheels," childcare subsidies, and shelters in Philadelphia. As a result, 100,000 formerly homeless people, including veterans, would be removed from their current housing and emergency shelter programs, putting them at risk of returning to the streets. Philadelphia is already experiencing an affordable housing crisis. These funding cuts would surely worsen the problem.

Donald Trump's first budget, set for release later in March, will reportedly follow the blueprint for extreme spending cuts laid out by the conservative Heritage Foundation, which guts federal support for transit and rail. Instead, these responsibilities would be transferred to state and local agencies. Urban areas like Philadelphia would be hardest hit.

The budget blueprint calls for eliminating the U.S. Department of Transportation's TIGER grant program, which funds bike, pedestrian, and transit projects through about 50 grants per year distributed directly to local transit agencies. Pennsylvania has benefitted from roughly \$235 million TIGER funds since 2010. Philadelphia has received many millions in TIGER funds for important projects like: the Roosevelt Boulevard Multimodal Study in preparation for reconfiguring the dangerous roadway to make it safer and more efficient for all users (\$2.5M); improving safe bicycle and pedestrian access to inner-city Philadelphia neighborhoods by reclaiming old industrial roadway corridors as a pedestrian and traffic friendly complete streets, removing hazards, installing elevated pedestrian footbridges, and repurposing an abandoned railroad bridge into a bicycle/pedestrian swing bridge over the Schuylkill River to connect to the regional trail network (\$10.265M); SEPTA-CSX passenger and freight line separation to improve safety and efficiency and alleviate congestion (\$10M); replacing a 1931 SEPTA substation replacement (\$12.863M); and traffic signal modernization (\$10M).

Amtrak funding would be eliminated under the Heritage-Trump blueprint and Paul Ryan's House Republican budget. Amtrak's rail service is critical to our regional economy. Amtrak's Northeast Corridor received \$616.9 million in federal funding last year. The irony here is that Amtrak's Northeast Corridor service is profitable, and federal subsidies maintain service to less populated areas many Republicans represent.

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The blueprint also calls for eliminating the Federal Transit Administration and, over five years, cutting 20% of federal surface transportation spending. This would plunge local transit agency budgets into chaos, disrupt services that tens of millions of Americans rely on, and wreck the economies of major metropolitan areas. SEPTA received \$196.79 million in federal funding in 2016, and an estimated \$210.87 million for 2017. With these cuts, FTA smart growth, new starts, and capital investments in transit (light rail, bus rapid transit, commuter rail, subway, bicycle and pedestrian) would lose \$2.2 billion annually nationwide.

President Trump has repeatedly vowed to drastically cut the federal government's role in our education system – civil rights protections and critical funding – leaving state and local governments to cover the tab. President Trump's Secretary of Education Betsy DeVos refused to commit to not cutting or diverting money from public education during her confirmation hearing. Trump has promised to do just that. House Republicans passed a bill last congress that made Title I funds portable from low-income, high-need districts to instead follow students to more affluent districts in less need. Philadelphia currently receives roughly \$170 million in Title I funding (\$2,146 per impoverished child). The bill also eliminated supports for students learning English as a second language (roughly 10% of all students nationwide), and reduced funding for teacher supports, the arts, and music programs.

The Paul Ryan Budget proposed \$1.9 billion in cuts to the Head Start early education program nationwide over two fiscal years. Over 250,000 children would be cut from the program nationwide, including 9,754 poor children in Pennsylvania. The Ryan Budget also proposed \$2.9 billion in cuts to federal special education grants nationwide over two fiscal years. Over 1.6 million special needs children would lose federal assistance nationwide, including 72,702 in Pennsylvania. Both cuts would result in tens of thousands of job losses in the state and a transfer of costs to state and local governments.

As for higher education, under President Trump's proposals, eight million students every year would lose need-based Pell grants. In Pennsylvania, 244,722 students currently rely on a Pell grant, including 5,816 in my congressional district. Under the House Republican Budget, nearly 15,000 students in Pennsylvania would lose Pell grants. Speaker Ryan also proposed eliminating the income-based repayment program that helps graduates manage their federal education loans, and slashing student loan/aid programs by \$185 billion over 10 years, making college less affordable and accessible for millions of students.

Repeatedly throughout his campaign for President and since his inauguration, Trump has proposed to dismantle or seriously cut the U.S. Environmental Protection Agency. Reports indicate the White House budget office is considering up to \$800 million in budget reductions coming from cuts to state and tribal assistance grants that fund critical land and species conservation, clean air and clean drinking water programs. House Republicans have attacked the EPA for decades and will be more than happy to oblige the president's funding threats. In 2015, House Republicans proposed a \$718 million (or 9%) budget cut to the EPA. Some have proposed budget cuts to the EPA of as much as 30%. One Republican recently introduced legislation to eliminate the agency entirely.

EPA funding is critical to Philadelphia's public health and environment. Already in 2017, the EPA announced approx. \$4 million in funding for two universities, Drexel being one of them, to research drinking water quality issues. Drexel is developing a tool that will identify high risk conditions for water quality and potential remedial actions. In 2016, a \$820,000 EPA brownfields grant was awarded to the City of Philadelphia for the assessment and cleanup of abandoned industrial and commercial properties. Last year the City was also awarded nearly \$2 million for air pollution control, over \$200,000 for Clean Air Act research and remedies, and just under \$200,000 for environmental workforce development and job training. This funding would be eliminated under the Trump-GOP proposals.

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President Trump's Executive Order promising to defund so-called sanctuary cities threatens to seriously undermine federal law enforcement funding. Many critical U.S. Department of Justice programs can be defunded without congressional approval. The Edward Byrne Memorial Justice Assistance Grant Program (JAG) supports a variety of state and local law enforcement expenses, including crime prevention and education programs. Last year, the program allocated \$274.9 million to states, including over \$6.8 million to Pennsylvania and \$1.6 million to Philadelphia (\$9 million over the last five years). The Community Oriented Policing Services (COPS) program funding supports initiatives to build trust between communities and law enforcement agencies, develop innovative policing strategies and provide technical support. This funding is used for things like bulletproof vests for police officers, re-entry programs, and youth violence prevention. There are currently over 2,000 active grants nationwide totaling \$1.4 billion. Pennsylvania received \$739,747 last year. The State Criminal Alien Assistance Program (SCAAP) helps local police departments fund corrections facilities for undocumented immigrants and pay the salaries of their officers – essentially reimbursing cities for fighting illegal immigration. Philadelphia received roughly half a million dollars from this program over the last five years.

It is also worth noting that Trump's proposed border wall would come at a substantial taxpayer expense, likely to be paid for with cuts to discretionary programs relied upon by low- and middle-income Americans. Trump's Department of Homeland Security estimated his wall would cost \$21.6 billion over 3.5 years. His Executive Order also increased the number of border patrol agents, which is already very expensive for taxpayers.

The Heritage Foundation blueprint recently proposed by White House budget office for President Trump's forthcoming budget would eliminate the COPS program, eliminate the Legal Services Corporation, which provides aid for indigent criminal defendants, and eliminate Violence Against Women (VAWA) grants, used for domestic violence arrest and enforcement support, DNA backlog reduction, and rape kit testing – issues Philadelphia continues to struggle with, and I've been focused on since my time in Harrisburg. The blueprint would severely reduce funding for the DOJ Environment and Natural Resources division, and the DOJ Civil Rights division, which prosecutes hate crimes and voter disenfranchisement – particularly salient issues today.

The Heritage blueprint would eliminate several economic development programs that conservatives consider "corporate welfare," including: the Minority Business Development Agency, the Economic Development Administration, the International Trade Administration, and the Manufacturing Extension Partnership. The MEP supports Industrial Resource Centers across the country that help small- and medium-sized manufacturing firms compete globally. The Delaware Valley Resource Industrial Resource Center (DVIRC) is based in my district, in Northeast Philadelphia, fosters our region's manufacturing community through consulting services, talent development, training, education, and networking. During the last 10 years, Pennsylvania's IRCs have served over 3,000 manufacturing establishments, resulting in \$7.5 billion in sales, \$1 billion in cost savings, and \$1.6 billion in additional investments made through MEP assistance. This federal investment directly supports local manufacturing jobs.

Finally, a frequent target of Congressional Republicans, the Community Development Block Grants (CDBG) program provides flexible financial assistance to economically distressed areas. House Republicans have reduced CDBG funding by 49% since 2000 as part of an ongoing trend of declining funding for the 13 health, housing, and social services block grants. In 2016, combined funding for all of these was \$13 billion below their 2000 levels, a 36% cut over that same time period (adjusted for inflation). Senator Toomey introduced legislation that would specifically cut CDBG funding for

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sanctuary cities, and he has called upon President Trump to include CDBG in any executive action that deprives sanctuary cities of funding. Other Pennsylvania Republicans in Congress have also expressed support for withholding CDBG funding from sanctuary cities.

In Philadelphia, CDBG funding supports more than 20 programs, including financial counseling, helping families access the earned income tax credit, and helping homeless families secure housing. This fiscal year, \$38.6 million in CDBG funding was awarded to Philadelphia. More than \$5.1 million went to housing counseling, including Philadelphia's nationally renowned foreclosure prevention program, which has kept 10,000 families in their homes since June of 2008. The Pennsylvania Horticultural Society received over \$700,000 to beautify and stabilize vacant lots in the city. The Philadelphia Industrial Development Corporation received \$1 million to issue business loans in low-income neighborhoods. YouthBuild Philadelphia, which provides job training in the building trades to high school dropouts, received \$300,000. Neighborhood Advisory Committees received over \$1.4 million to help residents access the programs, services, and support they need, including homeowners facing mortgage foreclosure. According to Philip Green of Olney's North 5th Street Revitalization project, CDBG funds paid for the revitalization of 12 storefronts on North 5th Street and litter removal campaigns that cleared away 2,435 bags of trash from the streets of the neighborhood, as well as his salary so that he could focus on helping his community.

Donald Trump's first budget is expected this coming month. Although he promised to change Washington, all reports indicate he is taking his lead from House Republicans and the most conservative think tanks in Washington. Of course, since taking office last month he has already vowed to gut the U.S. Environmental Protection Agency and withhold critical law enforcement and public safety funding from cities.

When federal funding is cut, the funding needs remain. State and local governments will be left to pick up the pieces as public values hang in the balance: clean air, clean water, health care, access to education, affordable housing, and nutrition assistance.

This concludes my testimony. I commend the council for convening this hearing. Thank you again for this opportunity, and I look forward to any questions you may have.