

Expanding Opportunities for People with Disabilities

Meeting Our Greatest Challenges: The President's Fiscal Year 2017 Budget

Under the President's leadership, we have turned our economy around and created 14 million jobs. Our unemployment rate is below five percent for the first time in almost eight years. Nearly 18 million people have gained health coverage as the Affordable Care Act has taken effect. And we have dramatically cut our deficits by almost three-quarters and set our Nation on a more sustainable fiscal path.

Yet while it is important to take stock of our progress, this Budget is not about looking back at the road we have traveled. It is about looking forward and making sure our economy works for everybody, not just those at the top. It is about choosing investments that not only make us stronger today, but also reflect the kind of country we aspire to be – the kind of country we want to pass on to our children and grandchildren.

The Budget makes critical investments in our domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and it lifts sequestration in future years so that we continue to invest in our economic future and our national security. It also drives down deficits and maintains our fiscal progress through smart savings from health care, immigration, and tax reforms.

The Budget shows that the President and the Administration remain focused on meeting our greatest challenges – including accelerating the pace of innovation to tackle climate change and find new treatments for devastating diseases; giving everyone a fair shot at opportunity and economic security; and advancing our national security and global leadership – not only for the year ahead, but for decades to come.

Last year marked the 25th Anniversary of the Americans with Disabilities Act (ADA) and the 40th Anniversary of the Individuals with Disabilities Education Act (IDEA). People with disabilities have made great progress but still face challenges, including low graduation rates and high unemployment rates. This Administration is committed to doing everything we can to ensure that all Americans with disabilities have a fair shot at opportunity and economic security. The Budget does this by:

Encouraging Innovation to Improve Outcomes for People with Disabilities.

Over the past four years, the Department of Education (ED) has been able to redirect unspent Vocational Rehabilitation Funds to support a wide range of ground-breaking projects, including a Disability Innovation Fund (DIF) to support activities aimed at improving employment outcomes for individuals with disabilities. Since 2012, ED, in consultation with the Social Security Administration and Departments of Labor and Health and Human Services, has used the DIF to provide \$215 million to the Promoting Readiness of Minors in SSI (PROMISE) pilot to test and evaluate interventions that successfully improve child and family outcomes and reduce the need for children and youth to remain in the SSI program. In 2015, using returned funds from 2014, ED awarded \$20 million to create an Automated Personalization Computing Project that will demonstrate ways for individuals with disabilities to find and transfer accommodations across devices and networks. The Budget seeks annual

authority for ED to operate the DIF on a continuous basis. In 2016 and continuing in 2017, ED will use the DIF to fund projects designed to identify innovative transition services for youth with disabilities that lead to postsecondary education and/or competitive employment and projects intended to address the needs of individuals with disabilities who need to support to maintain employment.

Helping Workers with Disabilities Remain in the Workforce.

The Budget builds on the Bipartisan Budget Act of 2015 (BBA) reauthorization of the Social Security Disability Insurance (SSDI) demonstration authority that will enable SSA to test innovative strategies to help people with disabilities remain in the workforce. SSA can now test how changes to the SSDI benefit structure could impact employment and earnings among beneficiaries and has authority to conduct other demonstrations, including projects that seek to help those applying for or receiving SSDI to reengage in the labor market. The Budget proposes to build on these efforts by creating an Interagency Council on Workforce Attachment to better coordinate disability activities across the Federal government, including \$200 million in funding to support a suite of demonstration projects aimed at improving employment outcomes for people with disabilities before individuals apply for SSDI. Early-intervention measures, such as supportive employment services for individuals with mental illness, targeted incentives for employers to help workers with disabilities remain on the job, and incentives and opportunities for States to better coordinate services have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities. The proposed demonstrations will help build the evidence base for future program improvements.

Strengthening Job Training for People with Disabilities.

In 2014, Congress passed important improvements to the nation's job training system with the bipartisan Workforce Innovation and Opportunity Act (WIOA). WIOA requires significant improvements to the Vocational Rehabilitation system, including alignment with other federal job-training programs, and increased attention on helping individuals with disabilities enter competitive, integrated employment. To build on this progress, the Budget provides for \$3.4 billion for the Vocational Rehabilitation (VR) State Grants program.

Creating Pathways to High-Growth Jobs.

Over the last several years, Congress and the Administration have worked together to improve the Nation's job training system, including through the enactment and implementation of the bipartisan Workforce Innovation and Opportunity Act (WIOA). The Budget builds on this progress by funding the core DOL WIOA formula grants at their full authorized level for the first time since the law's enactment—a \$138 million increase over the 2016 enacted level. The Budget also provides additional resources to train disadvantaged populations with barriers to employment, including ex-offenders, Native Americans, and individuals with disabilities.

Expanding the Learn-and-Earn Strategy of Apprenticeship.

Apprenticeship is a proven strategy for preparing workers for middle-class jobs. On average, apprentices who finish their program earn \$50,000 a year and increase their lifetime earning potential by \$300,000. The Budget proposes new investments that build on the progress underway in expanding apprenticeships. Today, there are 75,000 more apprentices in training than when the President first launched the American Apprenticeship Initiative in 2014, the largest increase in nearly a decade. The

Budget further invests in this proven strategy, sustaining the new \$90 million in grants provided in 2016 — a landmark investment – and proposing a \$2 billion mandatory Apprenticeship Training Fund to support state strategies to expand apprenticeship, add new youth apprenticeships and pre-apprenticeships, and spur new innovations in apprenticeship. These investments would help meet the President’s goal to double the number of apprentices across the United States, giving more workers the opportunity to develop job-relevant skills while they are earning a paycheck. Additionally, these investments complement a proposed rule published by the Department of Labor in 2015 to modernize the equal employment opportunity requirements for apprenticeship programs to ensure they can provide a pathway to middle class jobs for women and other groups that have been historically under-represented in these programs.

Support for the Education of Children with Disabilities.

The Budget continues the Department of Education's commitment to supporting education for students with disabilities, providing \$11.9 billion for the Individuals with Disabilities Education Act (IDEA) Grants to States to provide a high quality education and help offset State and local education costs for children with disabilities. The Budget also provides an increase of \$10 million through IDEA Technical Assistance and Dissemination, for competitive Model Demonstration grants, to identify and implement evidence-based strategies and interventions for children with disabilities.

The Budget provides \$907 million in IDEA Preschools Grants and the IDEA Infants and Families program, an increase of \$80 million compared to 2016. This proposal includes \$15 million for a demonstration initiative for public and private entities to expand early screening, referral, and interventions services for infants and toddlers with learning and developmental delays, with a potential focus on autism, intended to help identify, develop and scale-up evidence-based practices.

Finally, the Budget includes substantial new investments in Head Start, child care, and preschool programs. All of these programs serve children with disabilities and these new investments – which seek to expand access as well as quality – will include an important focus on the needs of children with disabilities, ensuring that these children have access to care that meets their needs.

Improving Services for Individuals with Disabilities.

To ensure individuals with disabilities receive services in the most appropriate setting, the Budget expands access to Medicaid home and community-based long-term care services and supports. The Budget gives states the option to expand eligibility for the Community First Choice and 1915(i) home and community-based state plan options. Additionally, the Budget establishes a pilot for up to five states to test a comprehensive long-term care state plan option that would allow states to provide long-term care services and supports across the continuum of care. The Budget also includes \$8 million for the Aging and Disability Resource Centers (ADRCs) program, which make it easier for Americans nation-wide to learn about and access their health and long-term services and support options. ADRCs support state efforts to create consumer-friendly entry points into long-term care at the community level.

Providing Housing for Persons with Disabilities.

Providing supportive housing for very low-income people with disabilities helps a population often at risk of homelessness or institutionalization. The HUD Housing for Persons with Disabilities program

(also known as “Section 811”) subsidizes developments that provide a platform for disabled persons to live independently in integrated community-based settings. The Budget provides \$154 million to continue assistance to over 27,000 low-income households.

Supporting Housing Assistance for People Living with HIV/AIDS.

The Budget provides \$335 million for HUD’s Housing Opportunities for Persons with AIDS (HOPWA) program to address housing needs among people living with HIV/AIDS and their families. The program provides States and localities with the resources to create comprehensive strategies for providing housing assistance that gives patients the stability needed for effective treatment. In partnership with other Federal agencies, HUD is working to promote greater achievements in viral suppression through the coordination and alignment of housing support with medical care. The Administration is also proposing legislative reforms that would update HOPWA's grant formula to distribute funds based on recent Centers for Disease Control and Prevention data on persons living with HIV, rather than the cumulative number of AIDS cases.

Supporting New Transit Investments.

The Budget dramatically increases annual transit investment with resources supporting both existing capacity and capacity expansion (New Starts) in projects involving bus rapid transit, subway, light rail, and commuter rail systems. Transit systems are critical not only in fast-growing cities but in suburbs, small towns, and rural areas across the country, providing much-needed services to seniors, Americans with disabilities and others. Data shows that demand for public transit continues to climb and the Administration’s proposal would help meet this growing need.

In addition, the FY 2017 budget requests \$350 million per year over the next six years for the Federal Railroad Administration (FRA) to implement a Ladders of Opportunities Initiative to bring all Amtrak-served stations into ADA compliance. For FY 2017, FRA is requesting that \$100 million from the Current Passenger Rail Service program be dedicated to Amtrak’s ADA program. FRA is requesting an additional \$250 million from the Rail Service Improvement Program for the new Building Railroad Infrastructure for Dignity and Greater Equality (BRIDGE) grant program to fund ADA implementation at intercity passenger rail stations owned by entities other than Amtrak. Grant recipients would include state and local governments, transit agencies, and other responsible entities (including Amtrak if it chooses to apply). While Amtrak is responsible for 377 stations, there are over 100 stations where other entities are responsible for achieving compliance with the ADA. The BRIDGE Grant Program is an opportunity to address access challenges in these critical locations in an efficient and timely manner.

Improving Health Care for Active Duty Servicemembers and Families.

To continue providing quality health care for the Nation's 9.4 million eligible military beneficiaries, the Budget provides \$48.8 billion for the Department of Defense (DOD) Unified Medical Budget to support the Military Health System (MHS). The primary mission of the MHS is to ensure the readiness of the active duty forces and support the health care needs of beneficiaries who rely on the system for quality health services. The FY 2017 budget includes health care reform proposals to improve access, choice, and the value of health care to beneficiaries. There are no changes for Active Duty members, who will retain priority access to health care without any cost sharing, but will continue to require authorization for civilian care. The FY 2017 proposals build on the proposals in last year’s budget, but

make some important adjustments, such as modernizing TRICARE and creating a simpler system that provides beneficiaries with two care alternatives. The current three TRICARE plans would become TRICARE Select, a managed, Military Treatment Facility centric option, and TRICARE Choice, offering greater choice at a modestly higher cost. Other program changes will provide improved access to care that beneficiaries' requested including a greatly improved referral process and seamless health care experience as beneficiaries move around the globe. These changes will help ensure that TRICARE remains one of the best health benefits in the United States, with comparable or superior benefits and lower out-of-pocket costs compared to those provided by other employers. DOD will continue to invest in programs and services like medical readiness and support to wounded warriors and their families that are critical to sustaining a strong MHS and the All-Volunteer Force.

Advancing Medical and Prosthetic Research.

The Budget includes \$663 million for development of innovative and cutting-edge medical research for veterans, their families, and the Nation. For example, the Budget includes funds to continue the Million Veteran Program (MVP), a groundbreaking genomic medicine program, in which VA seeks to collect genetic samples and general health information from one million veteran volunteers in the next five years, aligning with the Administration's Precision Medicine Initiative. MVP will help provide answers to many pressing medical questions and lead to improvements in care and prevention for veterans and the Nation. In addition to VA's direct research appropriation, medical research will be supported through an additional \$1.2 billion from VA's medical care program and grants. As part of the largest integrated health system in the United States, VA's research program benefits from clinical care and research occurring together, allowing research to be directly coordinated with veterans' care.

Strengthening Medicare.

Millions of people with disabilities rely on Medicare for health coverage. The Budget proposes a robust set of initiatives to strengthen Medicare by encouraging health care providers to deliver better care and better outcomes for their patients. The Budget also proposes to accelerate the closing of the prescription drug coverage gap (also known as the donut hole) initiated by the Affordable Care Act to reduce drug costs for seniors and persons with disabilities. These and other proposals in the Budget are estimated to extend the solvency of the Medicare Hospital Insurance Trust Fund by more than 15 years.

Maintaining Affordable, High-Quality Primary and Preventive Care.

Across the United States, over 1,300 health centers operate over 9,000 primary care sites that serve as high-quality, dependable sources of primary care services for nearly 23 million patients. The Budget invests \$5.1 billion in the Health Centers program in 2017 and extends mandatory resources for the program through FY 2019 so that these clinics can continue to be an accessible and dependable source of primary care services in underserved communities.

Implementing the Affordable Care Act.

The Affordable Care Act (ACA) has taken significant steps toward putting the nation back on a sustainable fiscal course while laying the foundation for a higher quality, more secure health care system. Through financial assistance to make coverage more affordable and increased Federal support to States expanding Medicaid coverage for newly eligible low-income adults, the ACA has provided

high-quality, affordable coverage to millions of Americans who would otherwise be uninsured, while also strengthening coverage for those who already had insurance.

Now in the third year of full ACA implementation, millions of people have enrolled in either private insurance through the Health Insurance Marketplace or for coverage through Medicaid and the Children's Health Insurance Program (CHIP). Additionally, millions more young adults already have gained coverage under the health care law by staying on their parents' plans until their 26th birthday.

We now live in an era where no child will be denied coverage because of a pre-existing condition like asthma. No American will have to worry that losing a job means you can't get health coverage. And small businesses may be able to get financial help to pay for new affordable coverage options for their employees.

The challenges in our health care system were decades in the making and will not be solved overnight, but millions of Americans have signed up for insurance and are getting the peace of mind of knowing that they can get the care they need without losing everything they have worked and saved for. And Americans across the country have new options with health plans that give them the security of knowing that if they want to change jobs or start their own business, they will have access to affordable health insurance for their family.

Preventing Hunger.

The Administration strongly supports the Supplemental Nutrition Assistance Program (SNAP) and other federal nutrition programs as an investment that ensures American families and children have the support they need to build a better future, especially when weathering life's ups and downs, such as loss of a job, illness, or work that pays less than a livable wage. Research increasingly shows links between food security, nutrition, and improved long-term outcomes such as better health, higher educational attainment and greater economic self-sufficiency.

Thus, the Budget maintains robust support for federal nutrition programs that reduce hunger and help families meet their nutritional needs. Chief among these is SNAP, the cornerstone of our Nation's nutrition assistance safety net, touching the lives of about 45 million Americans, the majority of whom are children, the elderly, or people with disabilities.

In addition to supporting SNAP, the Budget invests in providing healthy meals to children during the school day. It supports almost 5.5 billion school lunches and snacks for 32 million children and almost 2.6 billion breakfasts served to 15 million children. In addition, the Budget includes \$10 million for grants to expand direct certification of children for school meals using income data from other programs, including SNAP, to ensure eligible students can access these programs and to reduce the administrative burden on schools and districts.

The Budget also seeks to ensure all children have consistent and adequate access to nutritious food year round to learn and grow. That is why the Budget invests \$12 billion over ten years to create a permanent Summer Electronic Benefits Transfer for Children (SEBTC) program that will provide all families with children eligible for free and reduced price school meals access to supplemental food benefits during the summer months. During the academic year, school meals help meet this need for the nearly 22 million low-income children who rely on free and reduced price school meals. However, only a fraction of those children receive free and reduced price meals in the summer months. As a

result, low-income children are at higher risk of food insecurity and poorer nutrition during the months when school is out of session. Rigorous evaluations of USDA pilots have found that providing additional food benefits on debit cards to low-income families with school-aged children during summer months can significantly reduce food insecurity.

Ensuring that the EITC and CTC Continue to Support Working Families.

The tax and budget agreement signed in December 2015 made permanent improvements to the EITC and Child Tax Credit (CTC) that provide about 16 million families a year with an average tax cut of roughly \$900, as the President proposed in earlier Budgets. These improvements provide additional benefits to low-income working families, families with three or more children, and married families, but were scheduled to expire at the end of 2017. The legislation making them permanent will, for example, prevent a roughly \$1,700 tax increase for a single worker with two children who works full-time year-round at the federal minimum wage. Research has consistently shown that helping low-income working families through the EITC and CTC not only boosts parents' employment rates and reduces poverty, but has positive longer-term effects on children, including improved health, educational outcomes, and work effort and earnings in adulthood.

Expanding the EITC for Childless Workers.

The Earned Income Tax Credit (EITC) is a pro-work tax credit that reduces poverty and strongly promotes employment among families with children. However, the EITC available to “childless” workers – workers without dependent children and non-custodial parents – is much smaller with a maximum of about \$500, phases out when workers still have very low earnings, and is unavailable to workers under age 25, which means that it cannot shape work decisions during the crucial years at the beginning of a young person's career. The Budget will double the maximum credit for these workers (to roughly \$1,000), making the credit available to workers up to about 150 percent of the poverty line. It would also expand eligibility to workers age 21-24, encouraging employment and on-the-job experience for young adults and helping them to make ends meet, and age 65 to 66 to match long-scheduled increases in the Social Security retirement age. Altogether, the proposal would reduce poverty and hardship for 13.2 million low-income workers, while promoting work.

Expanding the EITC for Older Workers.

The EITC is among the nation's most effective tools for reducing poverty and promoting employment. But because the EITC available to “childless” workers – workers without dependent children and non-custodial parents – is small, they largely miss out on the EITC's anti-poverty and employment benefits. The Budget would double the maximum EITC for childless workers, making the credit available to workers with earnings up to about 150 percent of the poverty line. This would help many older workers, including those who had children but those children are now adults. The proposal would also harmonize the maximum age at which older workers are eligible for the EITC for childless adults with the Social Security full retirement age, which is increasing in stages over the coming years and will reach 67 in 2022. The proposal would directly reduce poverty and hardship for millions of low-income older workers struggling to make ends meet.

Creating a Talent Compact to Keep and Attract Jobs to the United States.

One of the main assets a business considers when deciding where to locate and grow is the availability of talent. The President is proposing in his Budget \$3 billion in competitive funding to create more than 50 “Talent Hotspots” across the U.S. These Talent Hotspots would consist of employers, training programs, and workforce and economic development leaders that prioritize one sector and make a commitment to recruit and train the workforce to help local businesses grow and thrive, attract more jobs from overseas, and fuel the talent needs of entrepreneurs. This proposal would produce a pipeline of about half a million skilled workers over the next five years.