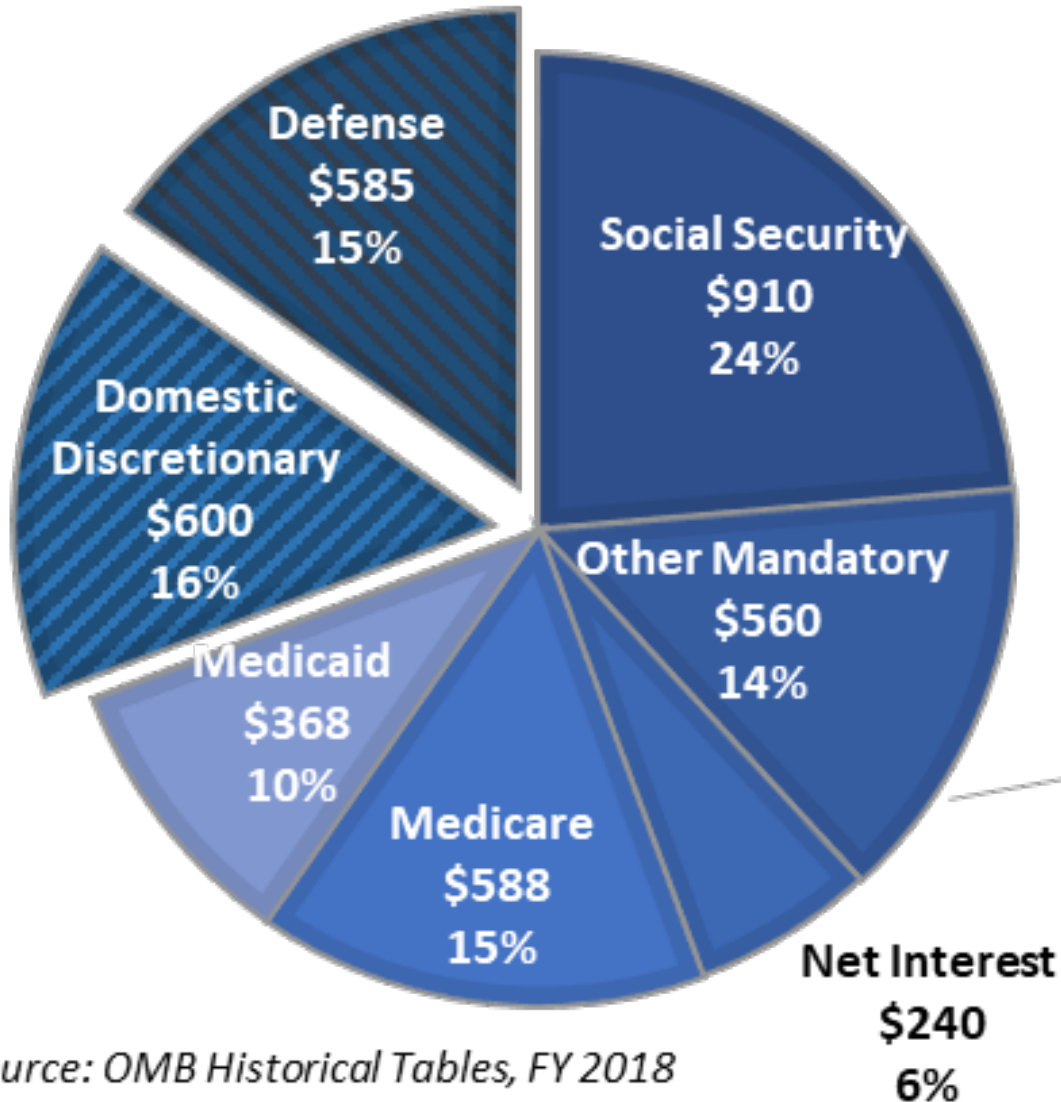


# Federal Grants Update: In Theory, an Easy Budget Year

# Overview of federal spending

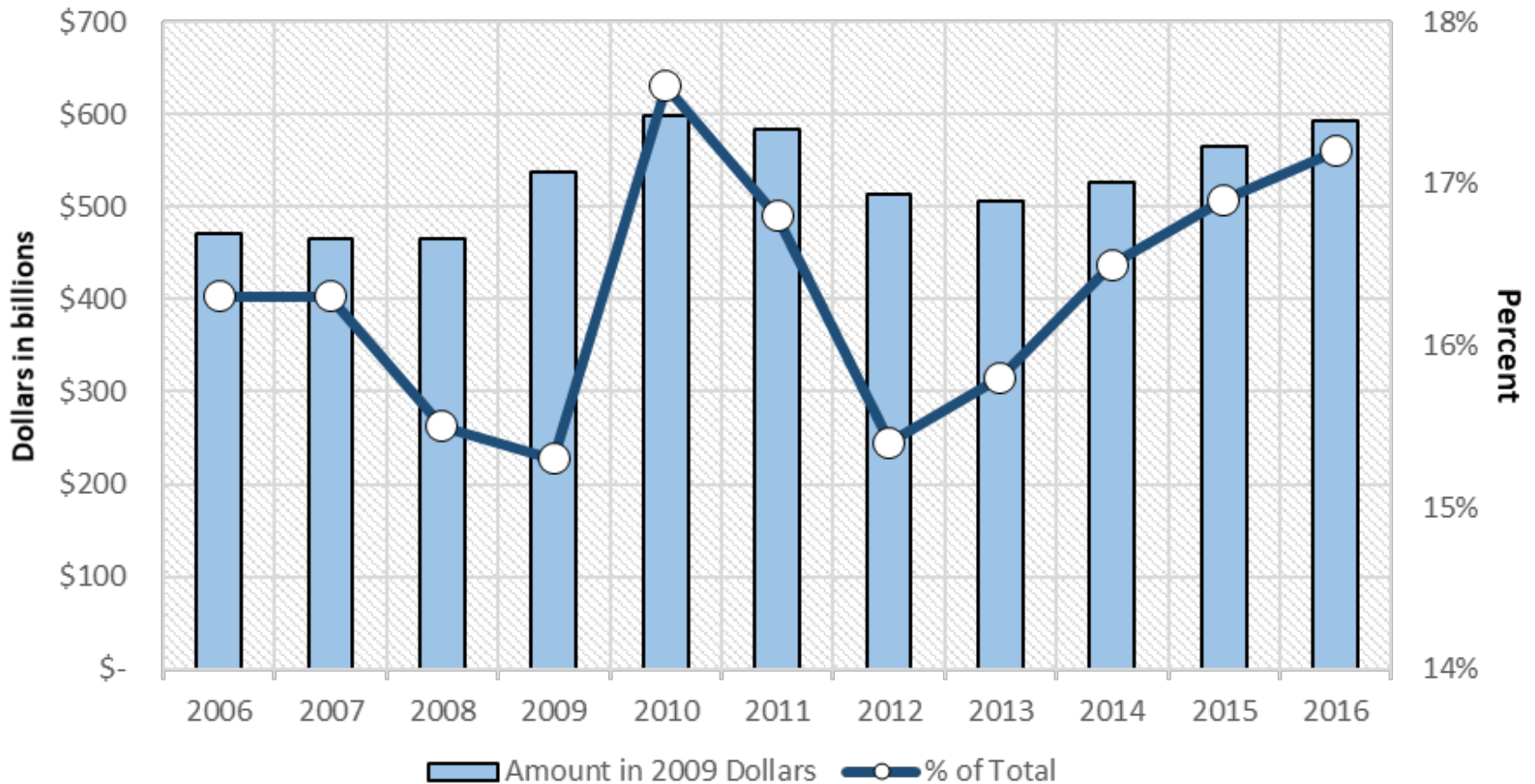


Includes programs such as:

- Temporary Assistance for Needy Families
- Supplemental Nutrition Assistance Program
- Child Nutrition
- Supplemental Security Income
- Earned Income Tax

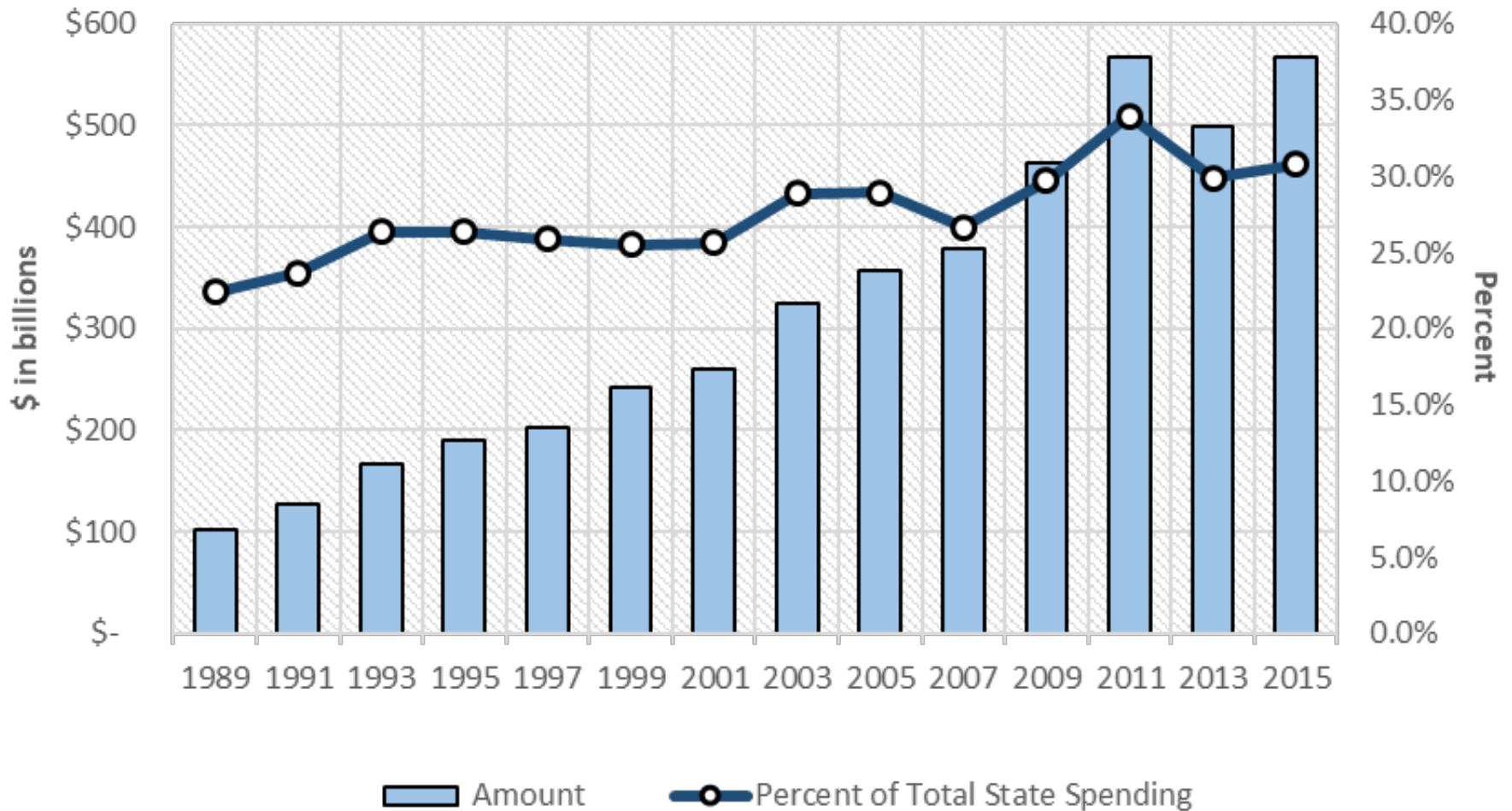
Source: OMB Historical Tables, FY 2018

# Grants play a minor role in federal spending...



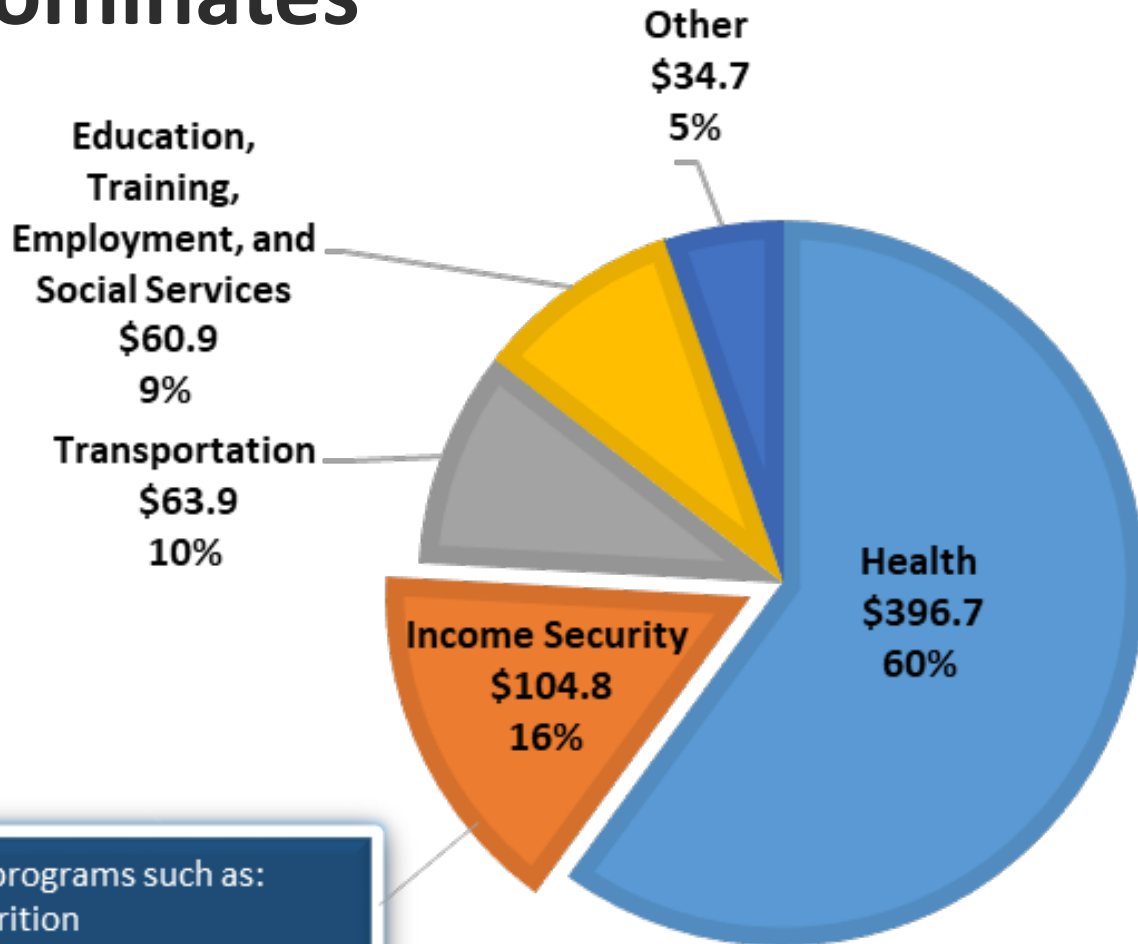
Source: OMB Historical Tables, FY 2018

# But a large (and growing) role in state spending



Source: NASBO State Expenditure Reports, Various Years

# Health dominates

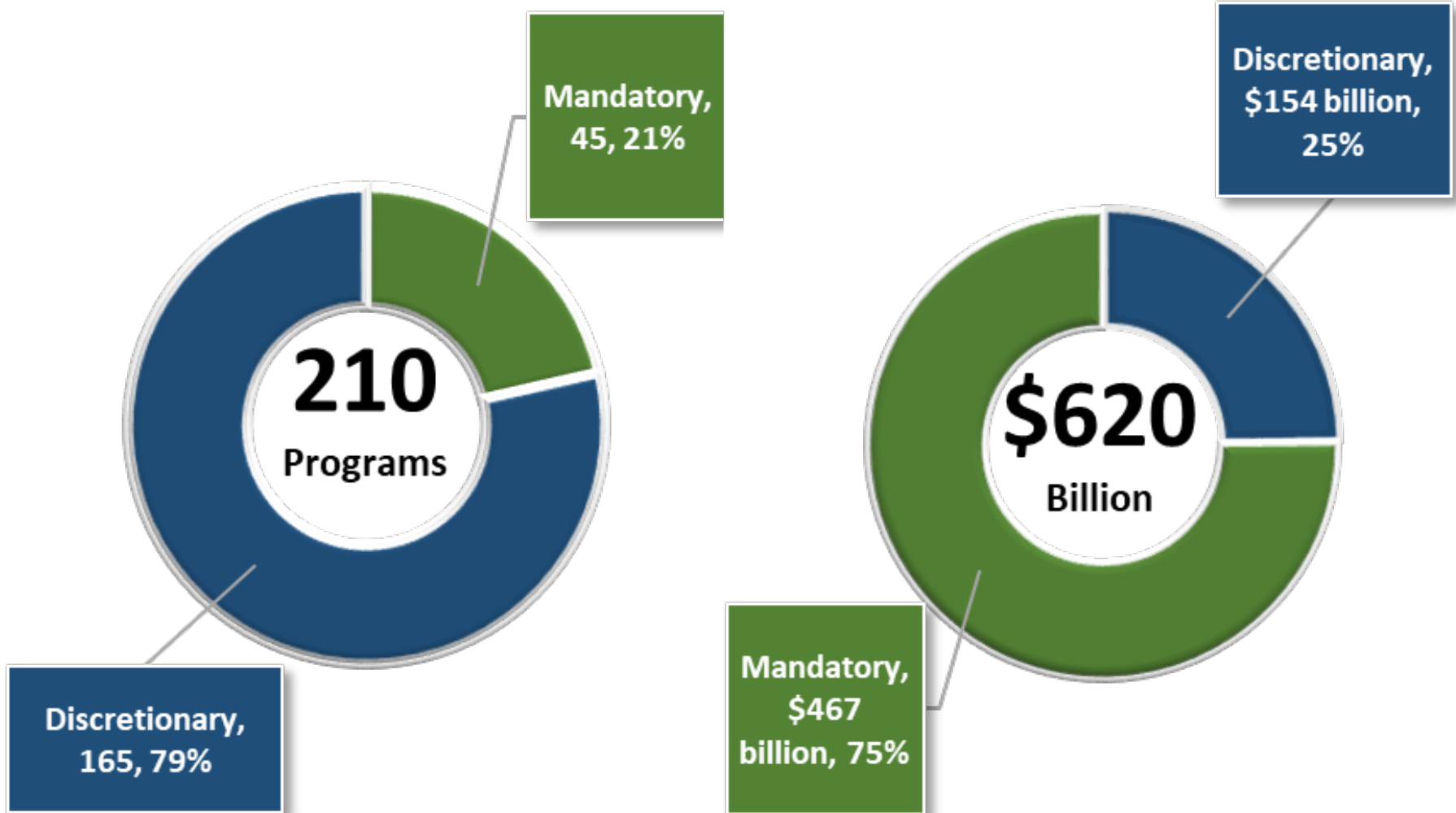


Includes programs such as:  
Child Nutrition  
Low Income Home Energy Assistance Program  
Temporary Assistance for Needy Families  
Public Housing Operating Fund  
Unemployment Insurance

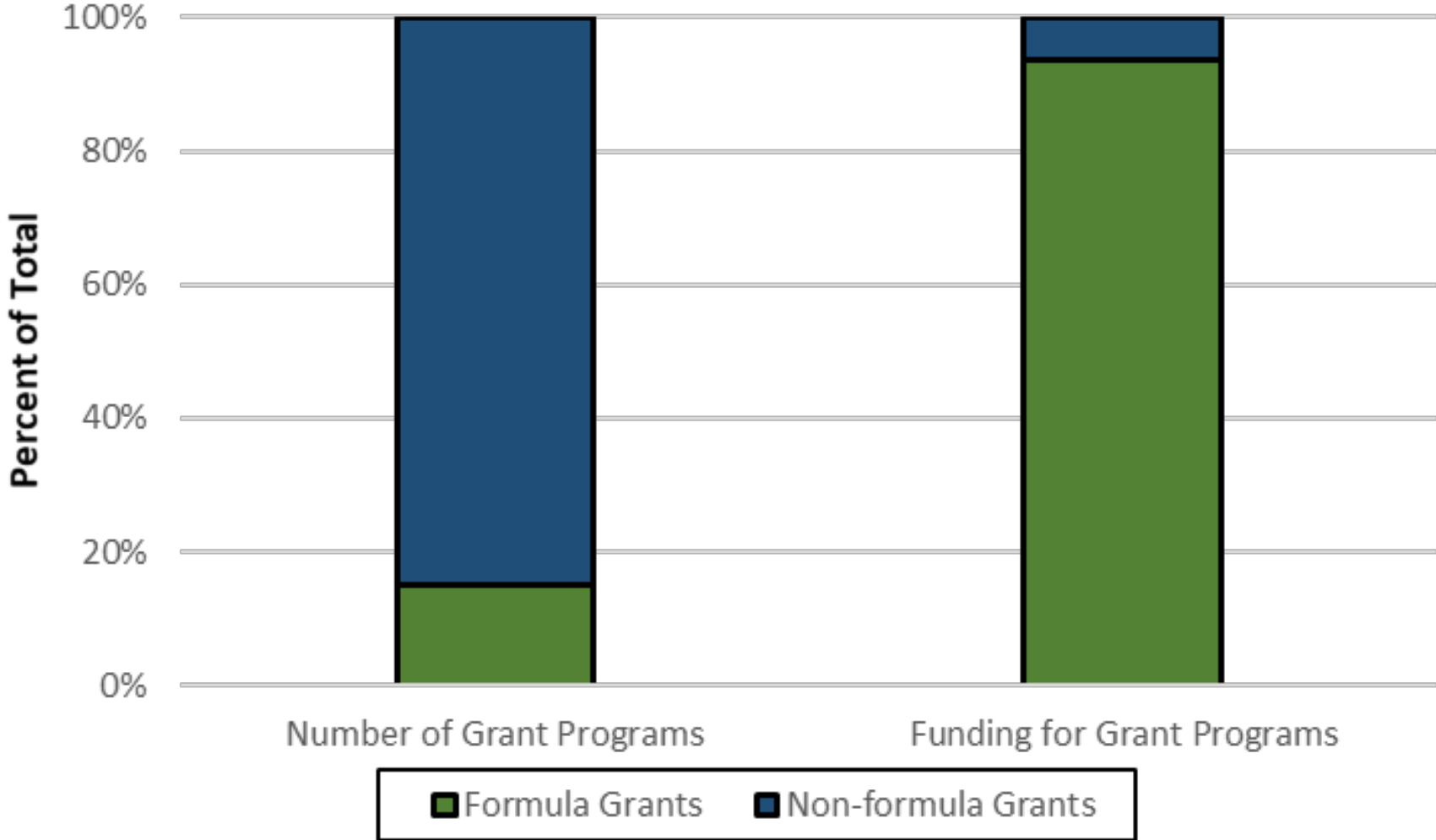
**Grants to State and Local Governments by Function, FY 2016**  
(amounts in billions)

Source: OMB Historical Tables, FY 2018, Table 12-3

# Most grants are discretionary, but most funding is mandatory



# Most grants are competitive, but most funding is by formula



Source: FFIS Grants Database, OMB Analytical Perspectives, FY 2016

# Outlook: Framing the issues



## FY 2019 Budget Overview

- BBA raised caps
- No budget resolution
- Spending bill progress

## FY 2019 Budget - President

- FY 2018 redux
- Released prior to BBA
- Out of sync w/Congress
- Infrastructure? Not.

## Expiring Programs

- FAA
- TANF
- Farm Bill

## Cats and dogs

- Opioid response
- November election





# BBA has broad reach

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Discretionary caps

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Side agreement for extra funding

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Mandatory sequestration

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Disaster relief

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Debt limit suspension (March 2019)

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HHS programs

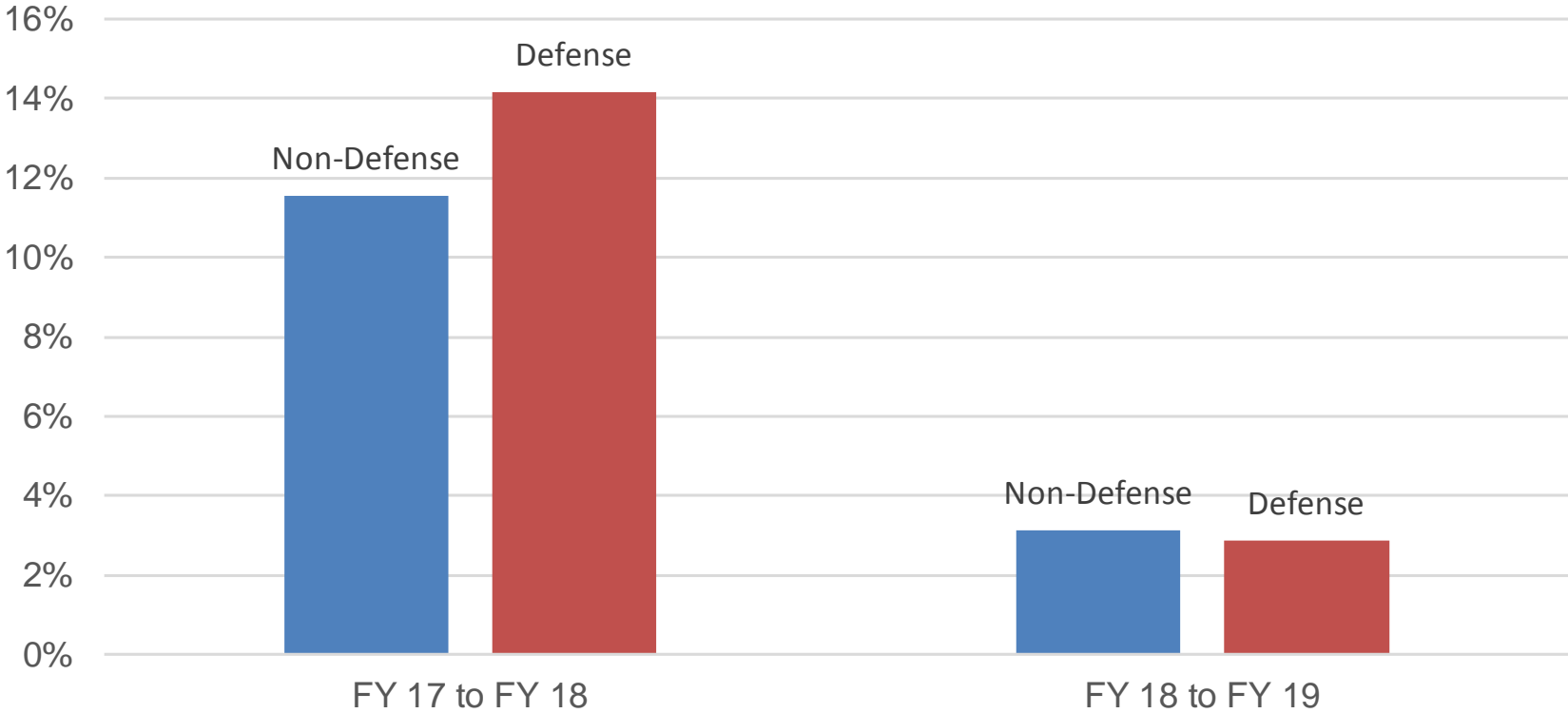
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Budget reform committee

# BBA made budgeting easy

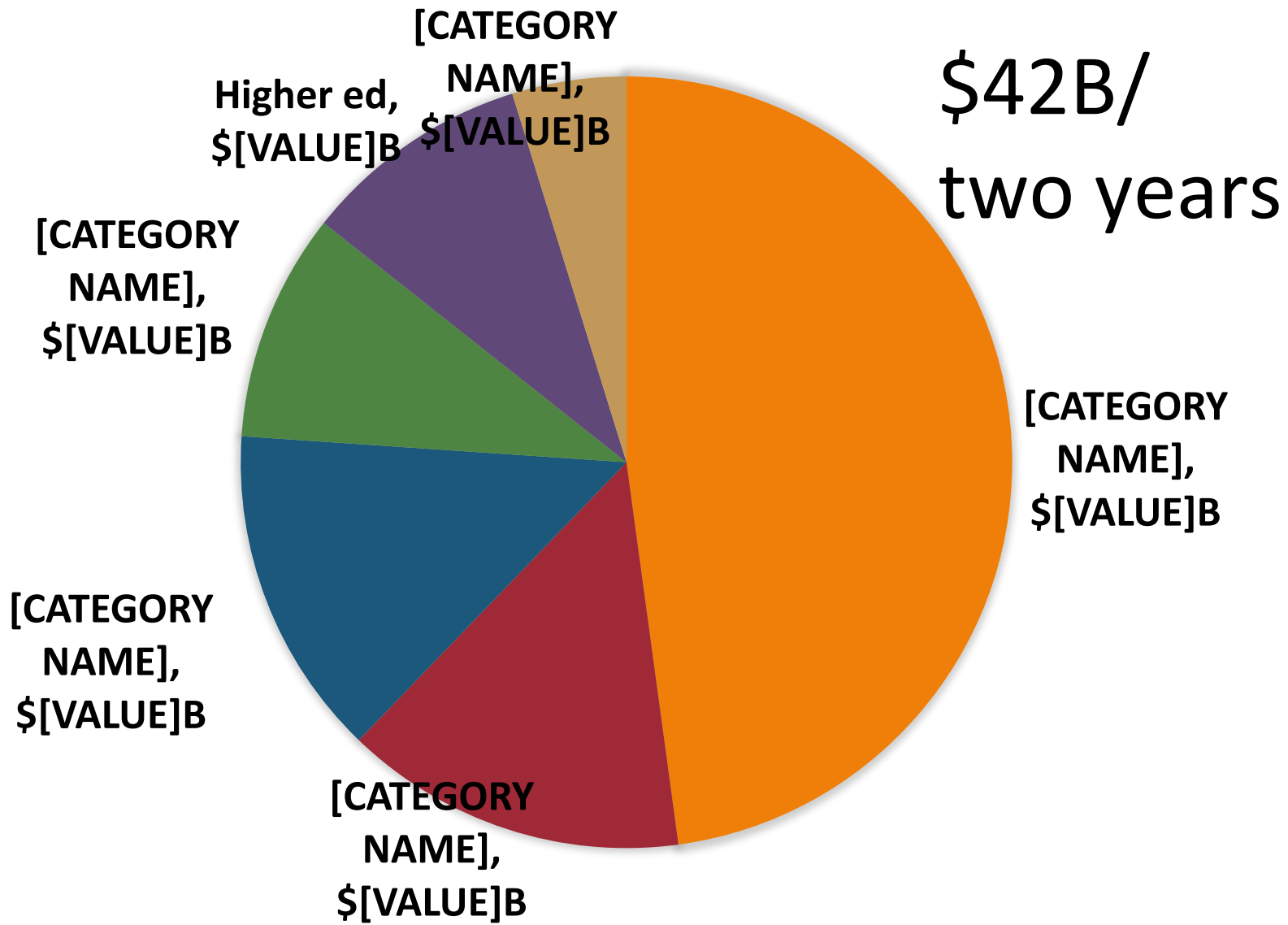


### Increases in Discretionary Spending Under BBA 2018



Source: CBO

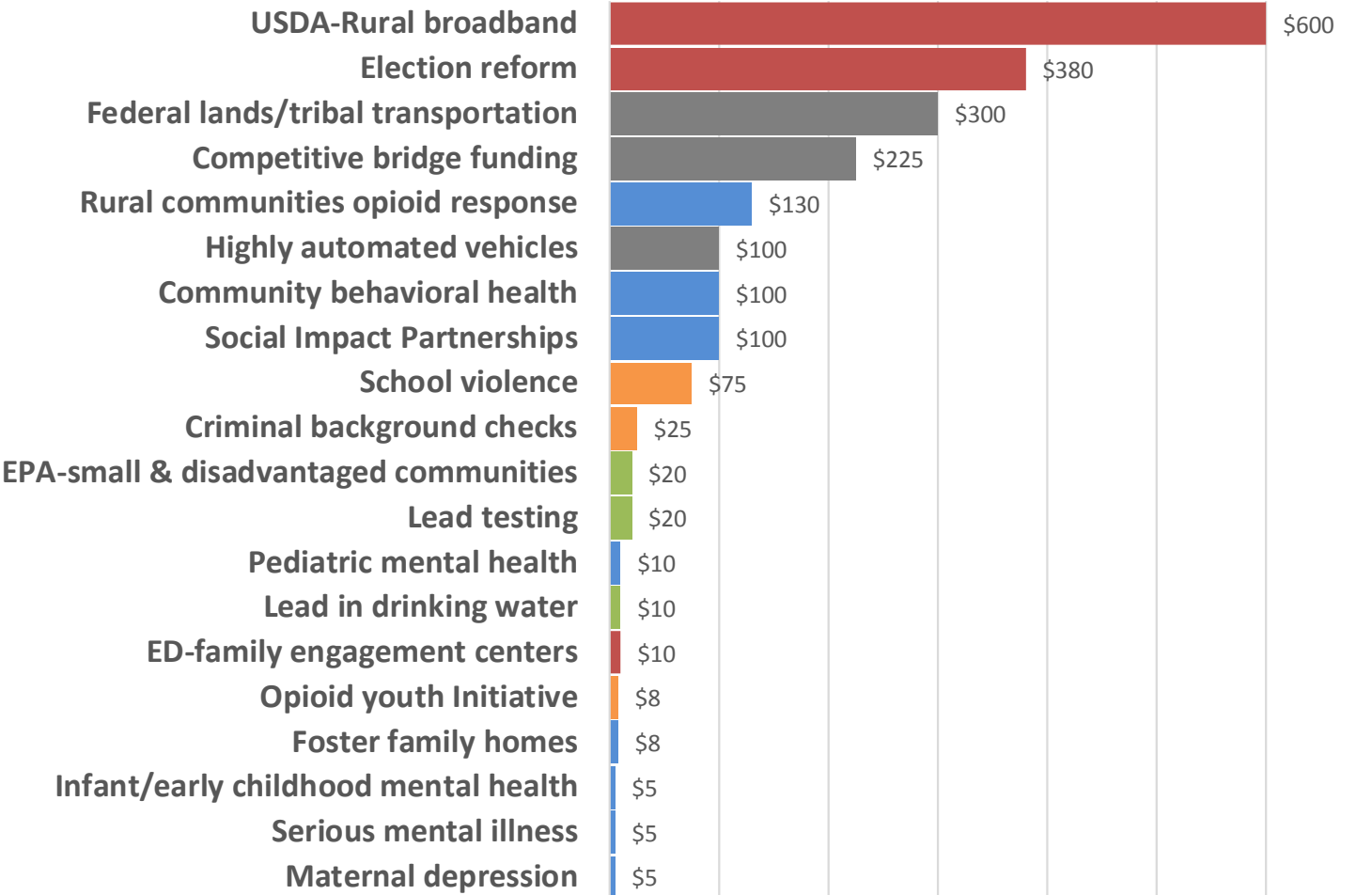
# Side agreement funding



# \$2+ billion in new spending



New Funding in FY 18 (\$ in millions)



Source: FFIS new grants tracker



# Mandatory sequestration

- Extended through FY 2027
- ATB cuts (-6.2% in FY 2019)
- Covered programs include:

Social Services  
Block Grant

Promoting Safe  
and Stable  
Families

Prevention and  
Public Health  
Fund

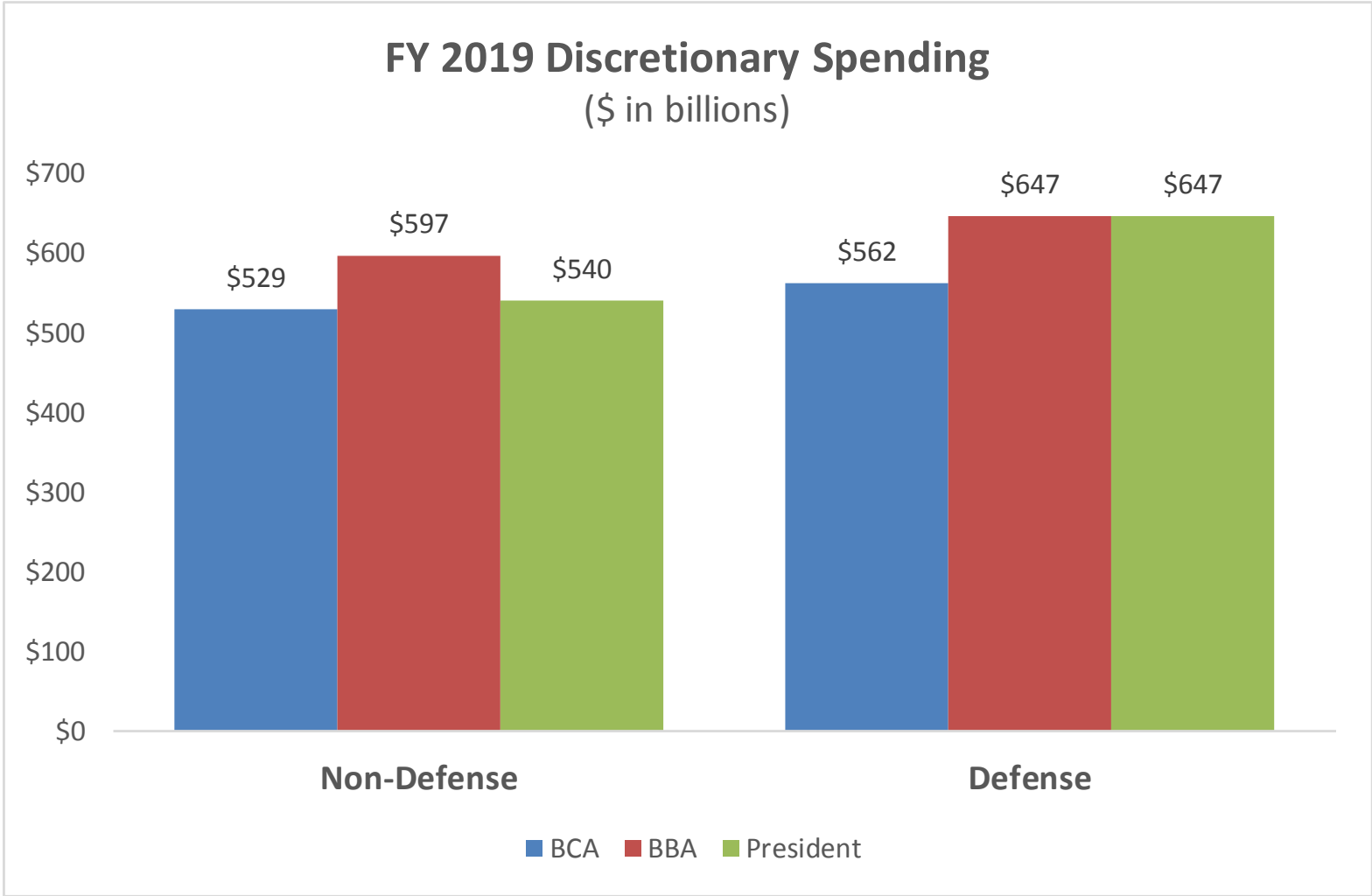
Vocational  
Rehabilitation

Portion of  
highway  
funding

Housing Trust  
Fund

Abandoned  
Mines

# FY 2019 president's budget





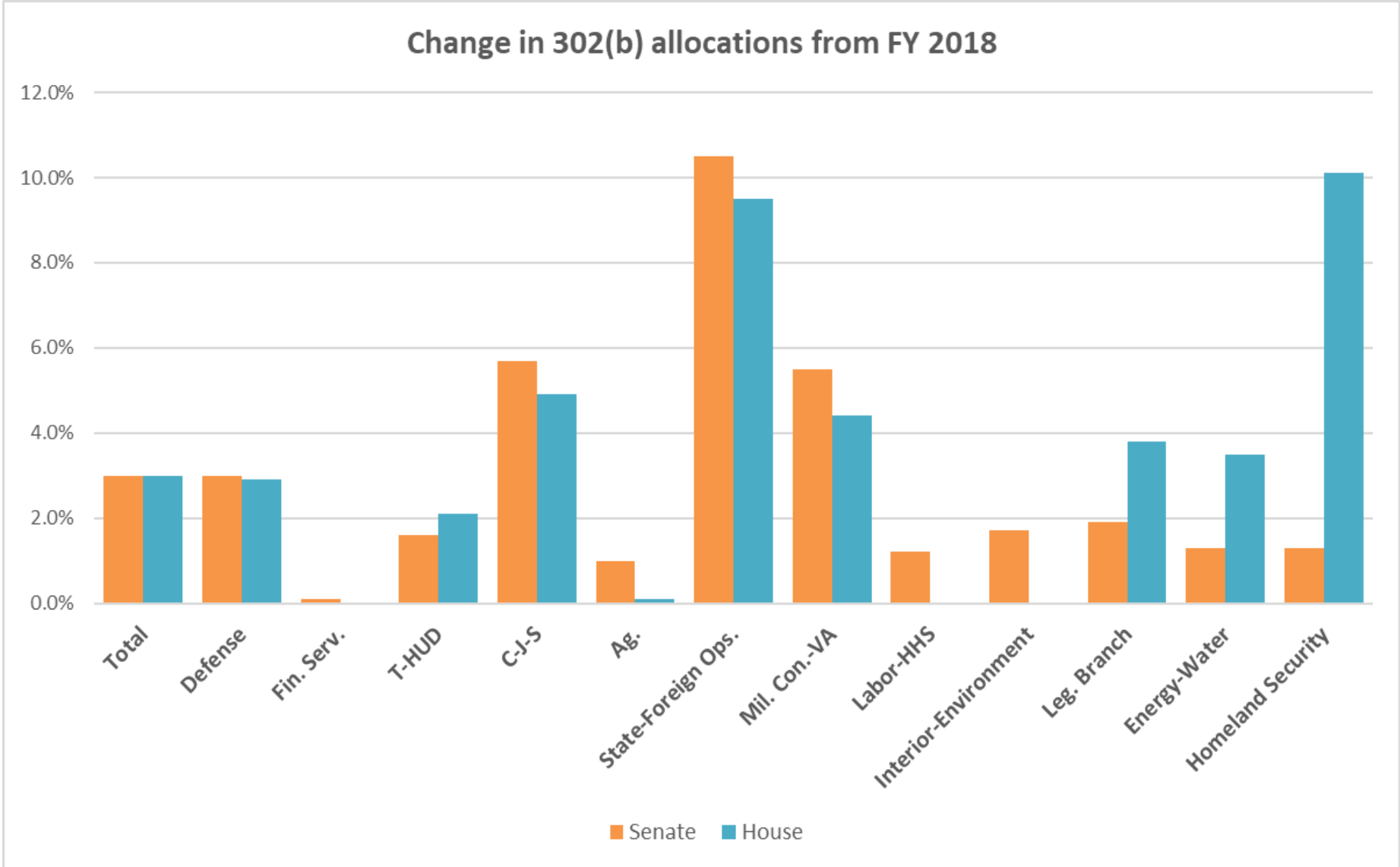
# President, Congress out of sync

- BBA to serve as budget resolution
  - House may act for political purposes
  - Senate will stick with BBA
- No budget resolution, no reconciliation
- President's budget on the sidelines, as in FY 2018
- November election an important backdrop

# House, Senate out of sync too



Change in 302(b) allocations from FY 2018







# Lots of individual progress

Appropriations Subcommittee	FY 2019 Appropriations Progress	
	Status	
	House	Senate
Agriculture	C	C
Commerce/Justice/Science	C	C
Defense	P	C
Energy and Water	P	P
Financial Services	C	C
Homeland Security		C
Interior and Environment	C	C
Labor/HHS/Education	S	C
Legislative Branch	P	P
Military/Veterans	P	P
State/Foreign Operations	C	C
Transportation/HUD	C	C

P=Full chamber; C=Committee; S=Subcommittee



# House, Senate actions of note

- Few eliminations, targeted reductions
- Reductions more likely in House
- Lots of programs level funded
- FY 2018 priorities remain: opioids, child care, etc.
- Changes within priorities, e.g., infrastructure



# Other agenda items

## Opioids

- Medicaid, new grants, grant reauthorizations
- Major differences between House and Senate bills

## Farm Bill

- SNAP work rules, categorical eligibility, eligible foods, performance bonuses

## TANF

- Extension or reauthorization?
- House bill: work requirements, performance, limits on how states spend funds

## Others

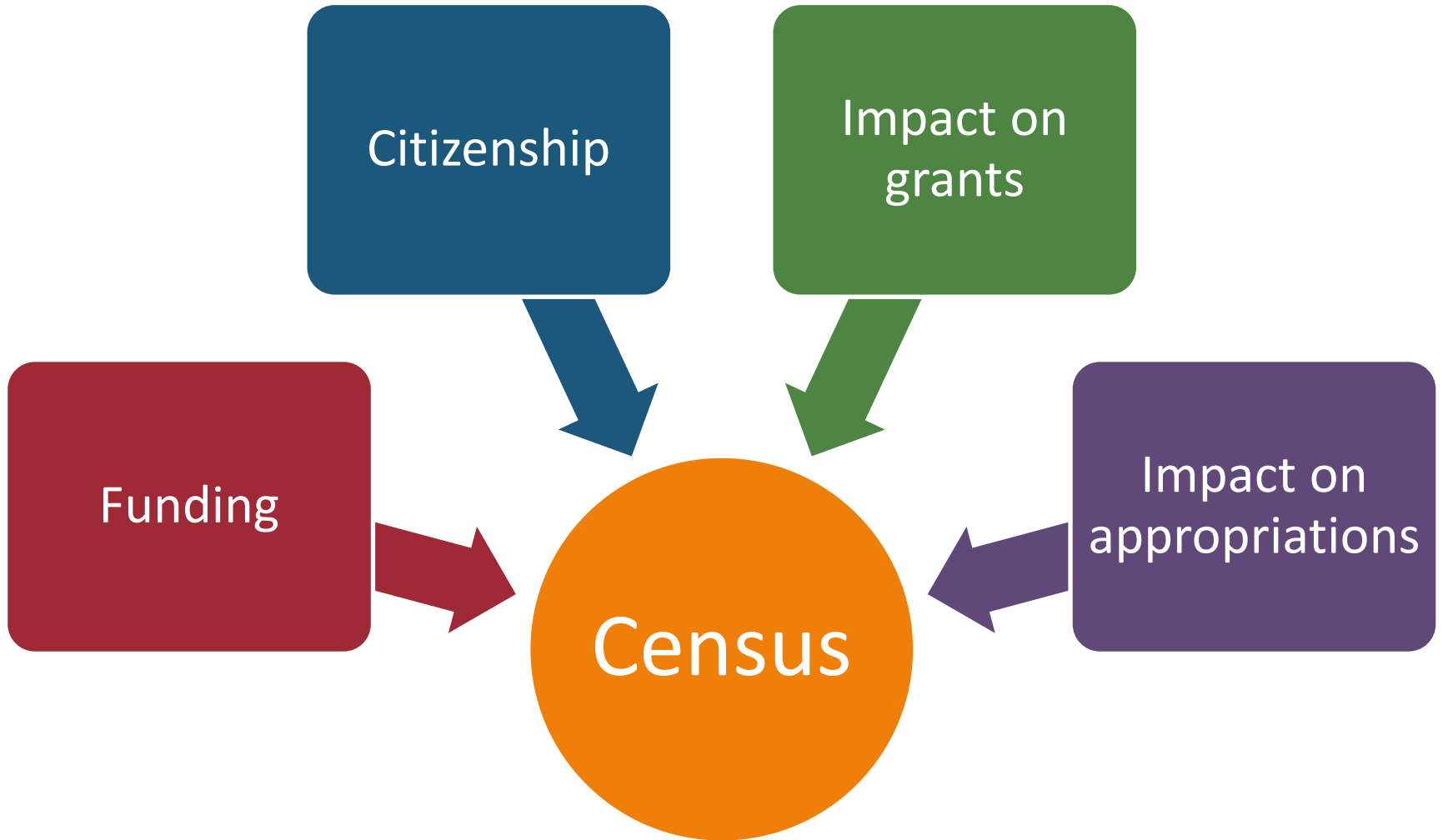
- FAA, Perkins, WRDA, public health preparedness, government reorganization



# FY 2020 Preliminary FMAPs

<b>Increases</b>	<b>Decreases</b>		<b>No Change</b>
Oklahoma	Hawaii	North Carolina	Alaska
Texas	Utah	Idaho	California
Kansas	Oregon	Indiana	Colorado
Nebraska	Michigan	South Carolina	Connecticut
Louisiana	Georgia	Delaware	District of Columbia
Iowa	Tennessee	Pennsylvania	Maryland
South Dakota	Arizona	Alabama	Massachusetts
Missouri	Maine	Montana	Minnesota
New Mexico	Nevada	Florida	New Hampshire
Kentucky	Vermont	Wisconsin	New Jersey
West Virginia			New York
Mississippi			North Dakota
Rhode Island			Virginia
Illinois			Washington
Arkansas			Wyoming
Ohio			

# 2020 Census





# What's in play?

## FY 2019 appropriations

- Higher caps
- Most progress in years
- May enact a few spending bills; CR likely

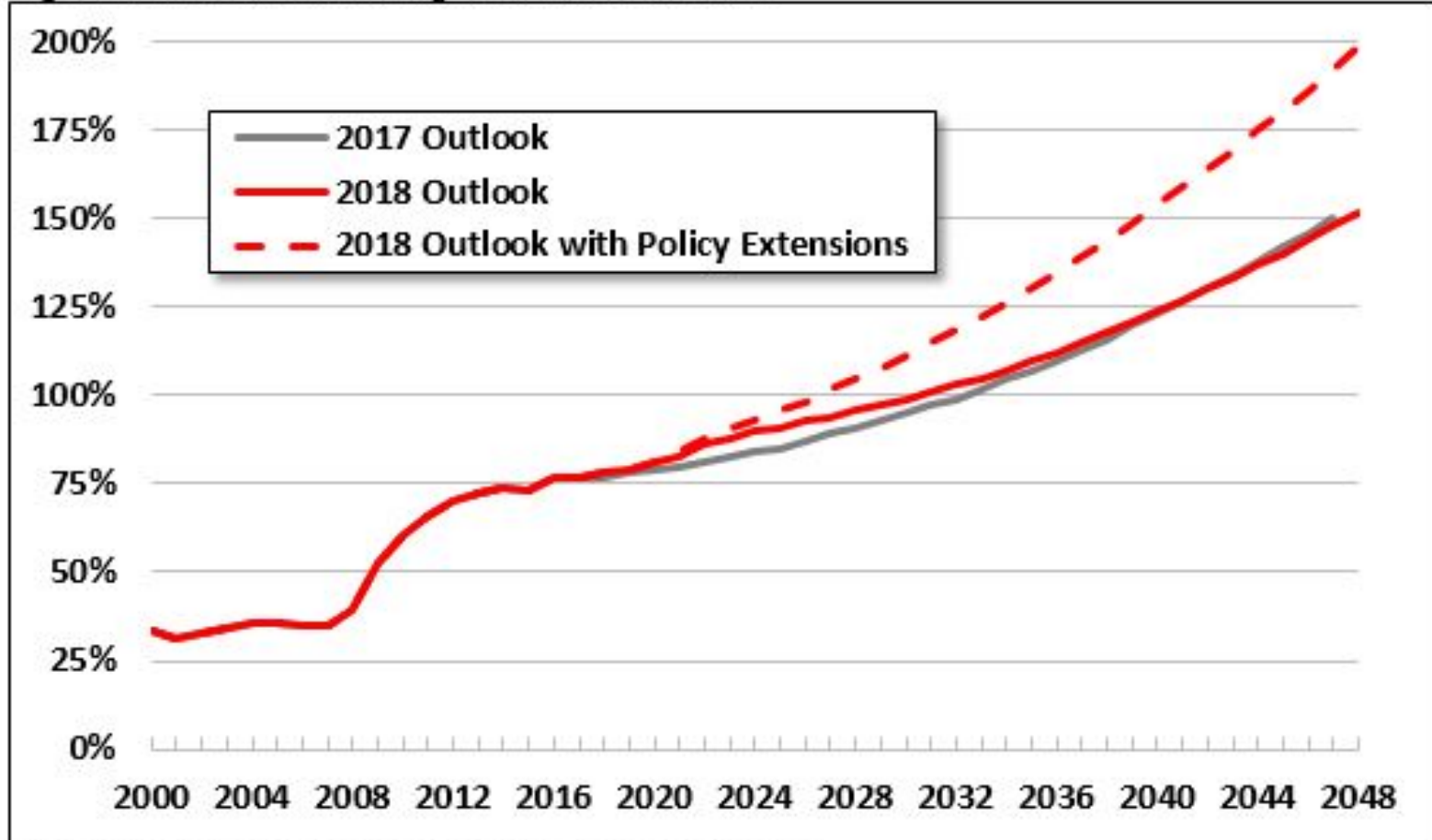
## Other stuff...

- Supreme Court nomination
- August recess?
- Opioids: likely
- Farm Bill, TANF: require bipartisan support

## Election-year budgeting is always tricky

# Spending Frenzy + Tax Cuts =

Fig. 1: Debt as a Percentage of GDP, 2000-2048



Source: Congressional Budget Office and CRFB estimates.



# FFIS resources

- FY 2019 national totals: *Jim Martin Table*
- Opioids: *Issue Brief 18-26*
- FMAPs: *Issue Brief 18-11*
- Supplemental highway funding: *Issue Brief 18-18*
- New spending: *New Grants Tracker*
- Appropriations updates on the FFIS website





# Questions?

- Check for updates:
  - [mreese@ffis.org](mailto:mreese@ffis.org)
  - (202) 624-7889
  - [www.ffis.org](http://www.ffis.org)