



A Federal Budget Update

NCSL Budget and Tax Academy

Federal Funds Information for States
www.ffis.org

Washington, DC
June 28, 2019

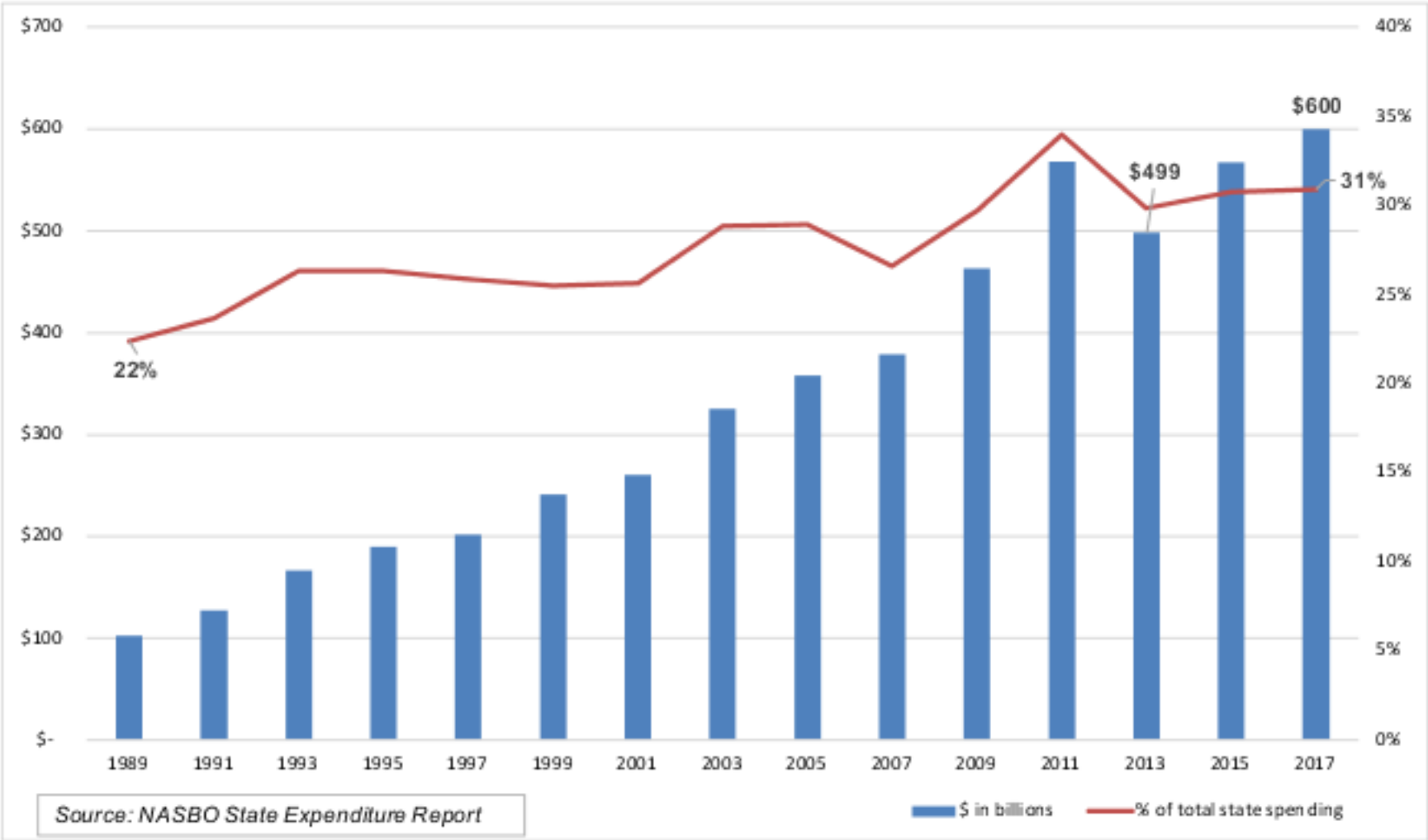
Overview

Background on federal grants

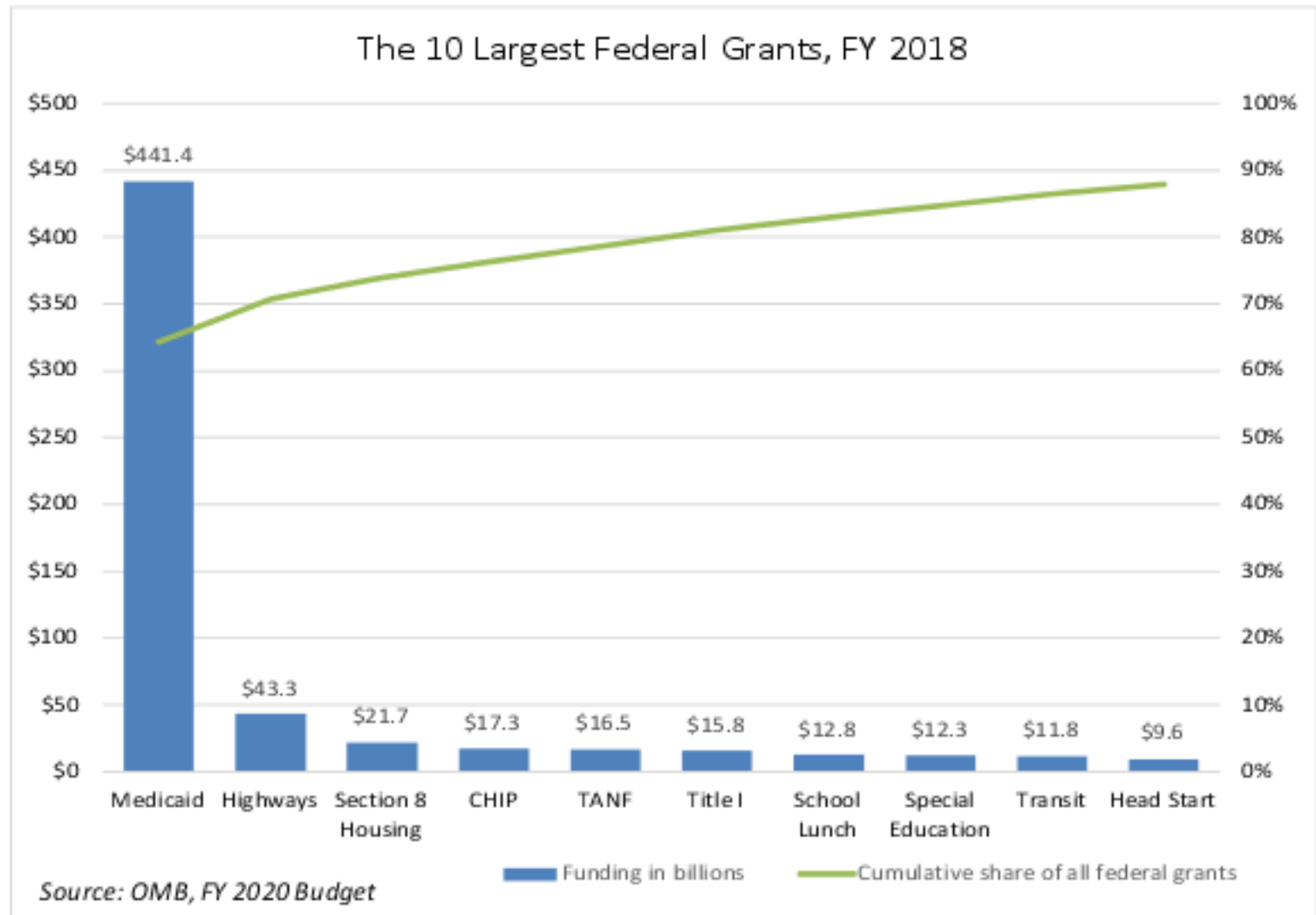
A federal budget update

A few reality checks

Grants are a growing share of state spending



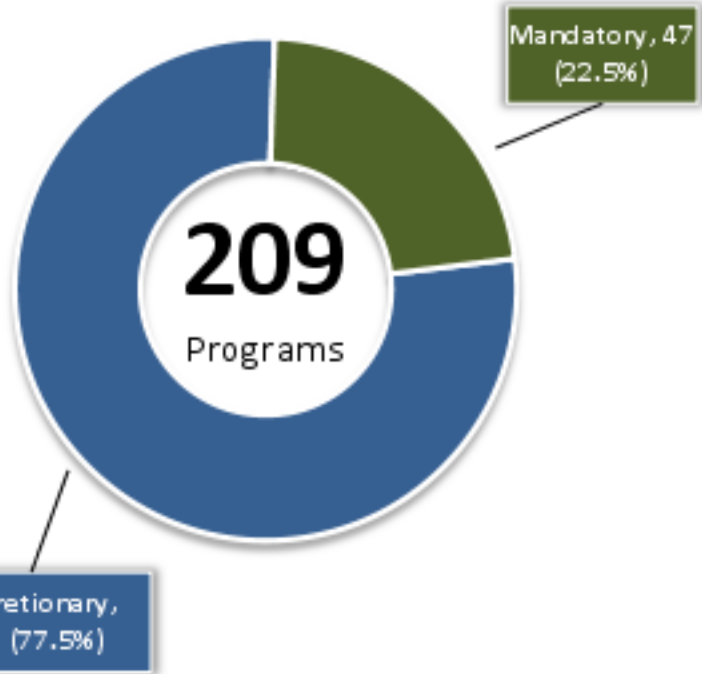
The largest grants dominate total funding



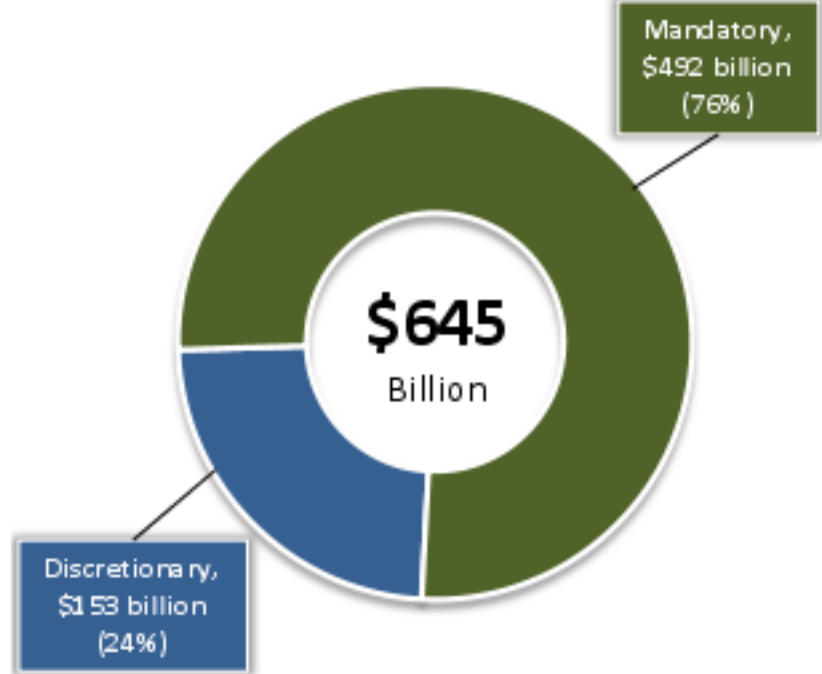
Lots of discretionary programs

Lots of mandatory money

**Distribution of Grants
by Type, FY 2017**



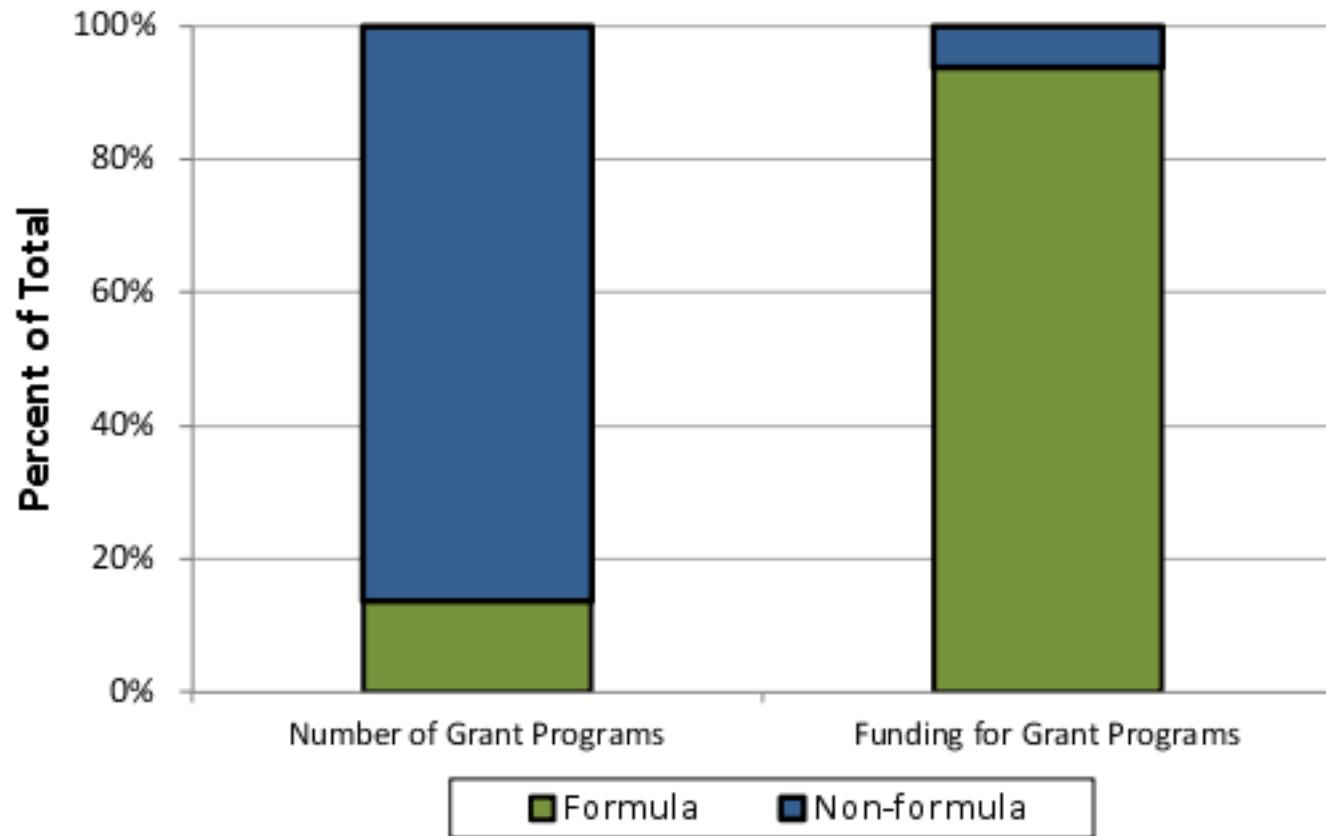
**Distribution of Grants
by Funding, FY 2017**



Lots of competitive programs

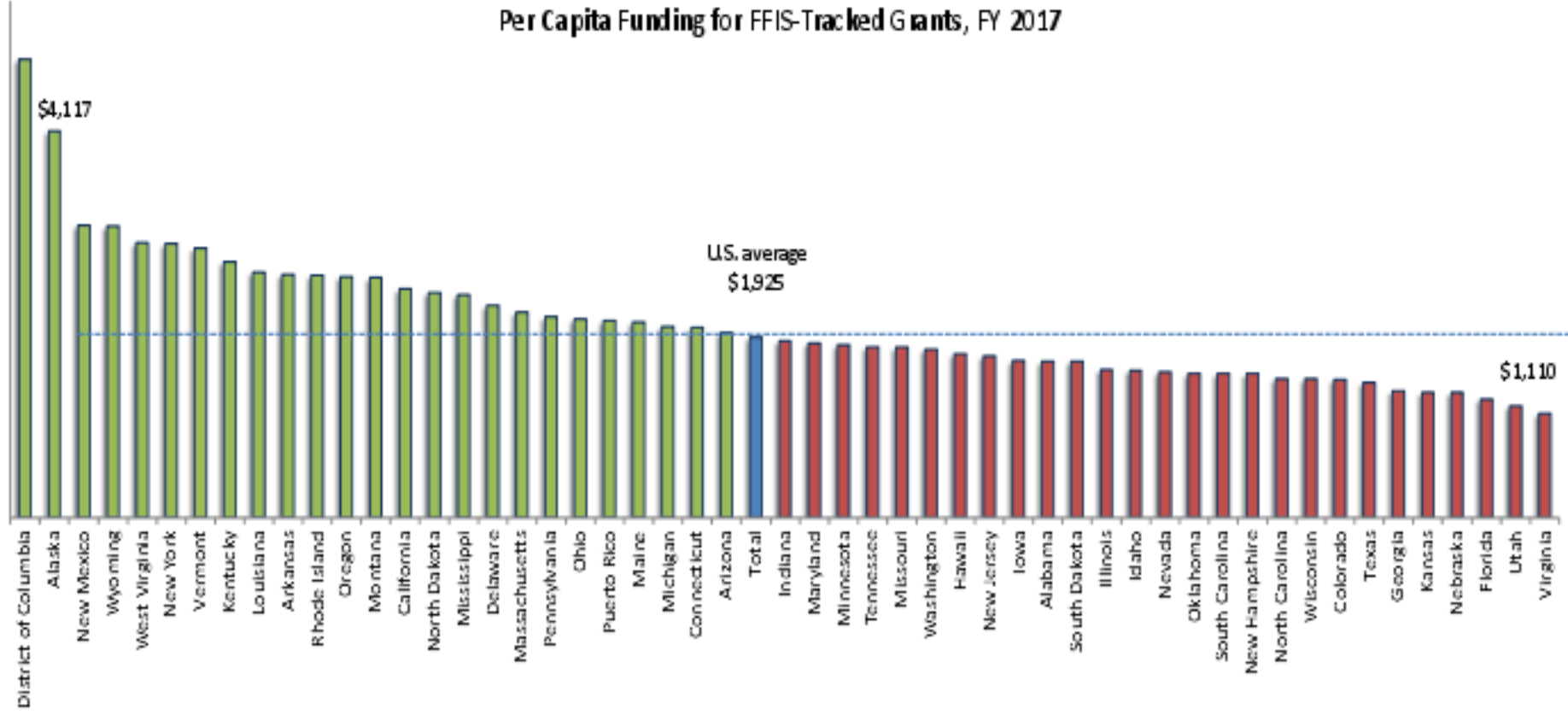
Lots of formula money

Formula Grants as a Share of Total Federal Grants and Funding to State and Local Governments, FY 2017



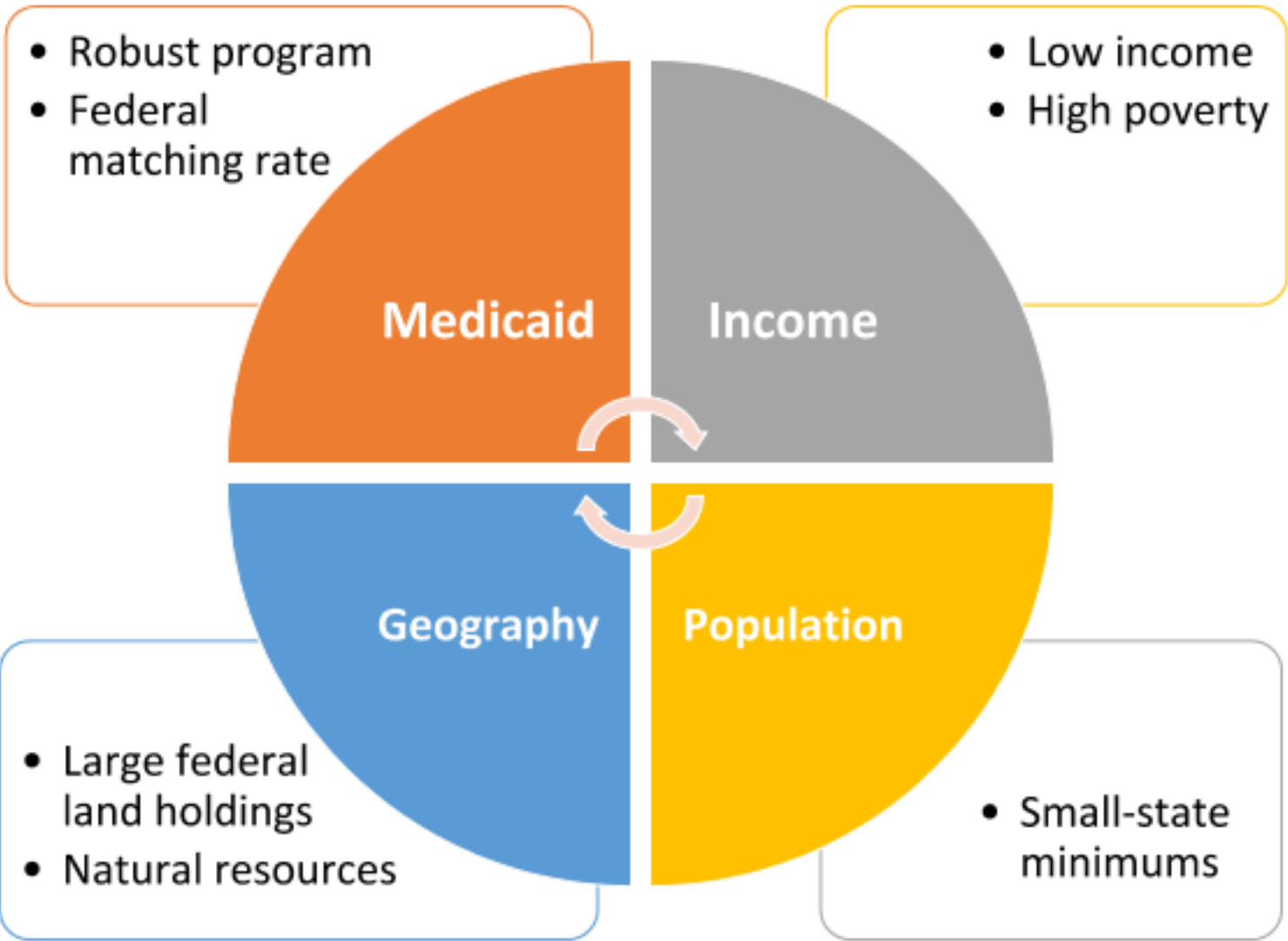
How states line up

Per Capita Funding for FFIS-Tracked Grants, FY 2017



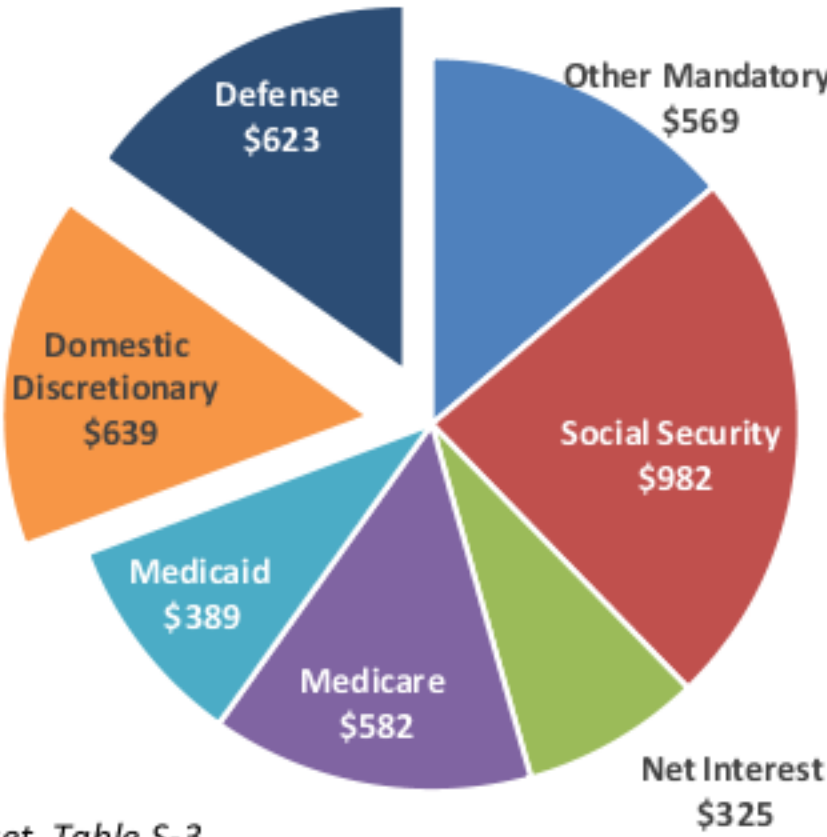
Source: FRS Special Analysis 28-03

But why? How the money flows



Federal budget update

Federal Outlays in FY 2018
(\$ in billions)



Other mandatory includes:
 Federal retirement
 UI
 Nutrition
 TANF
 SSI
 EITC

Source: FY 2020 budget, Table S-3

BBA 2018

Raised discretionary caps in FY 18 and FY 19

“Side agreement” extra funding

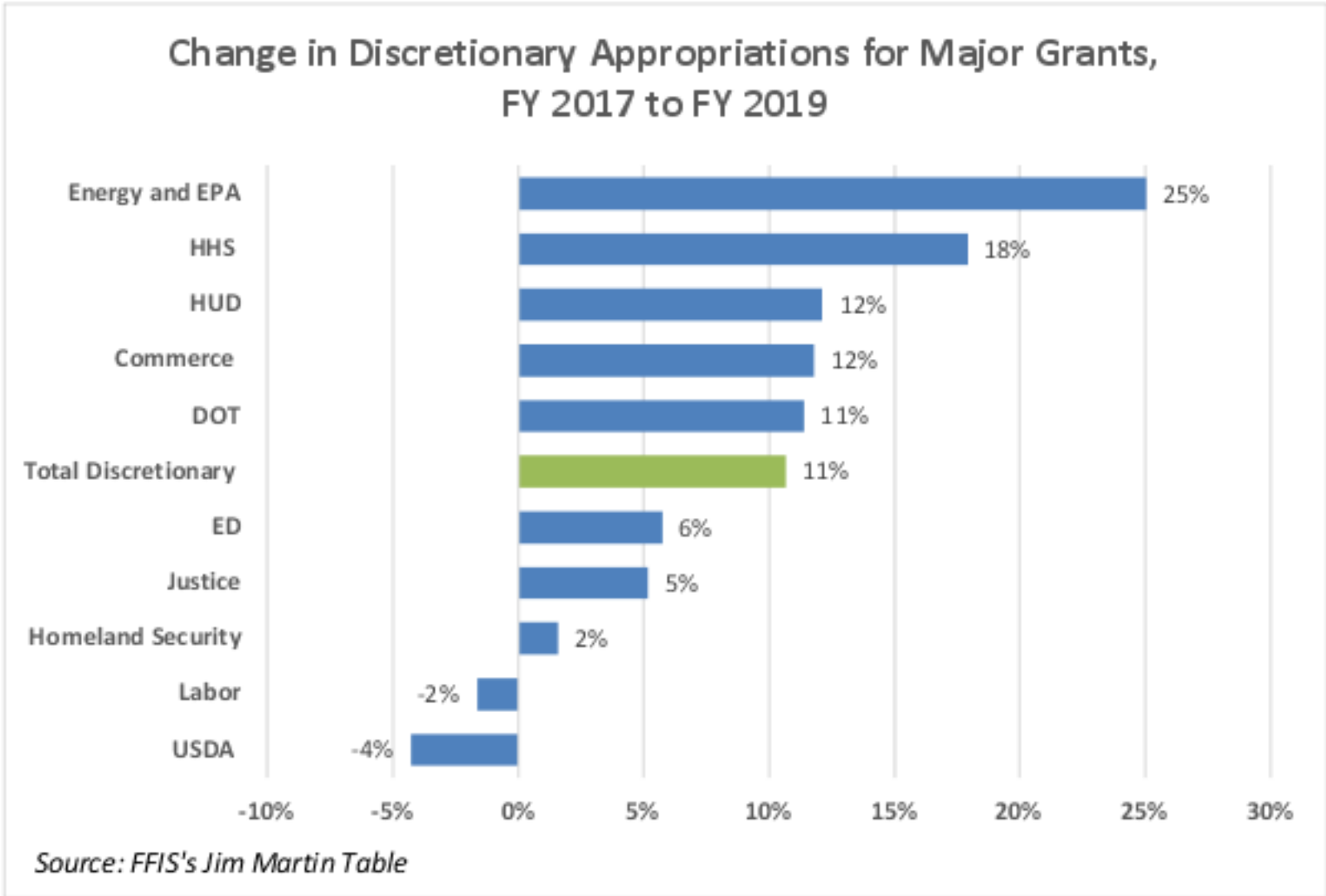
Extended mandatory sequestration

Disaster relief

Suspended debt limit until March 2019



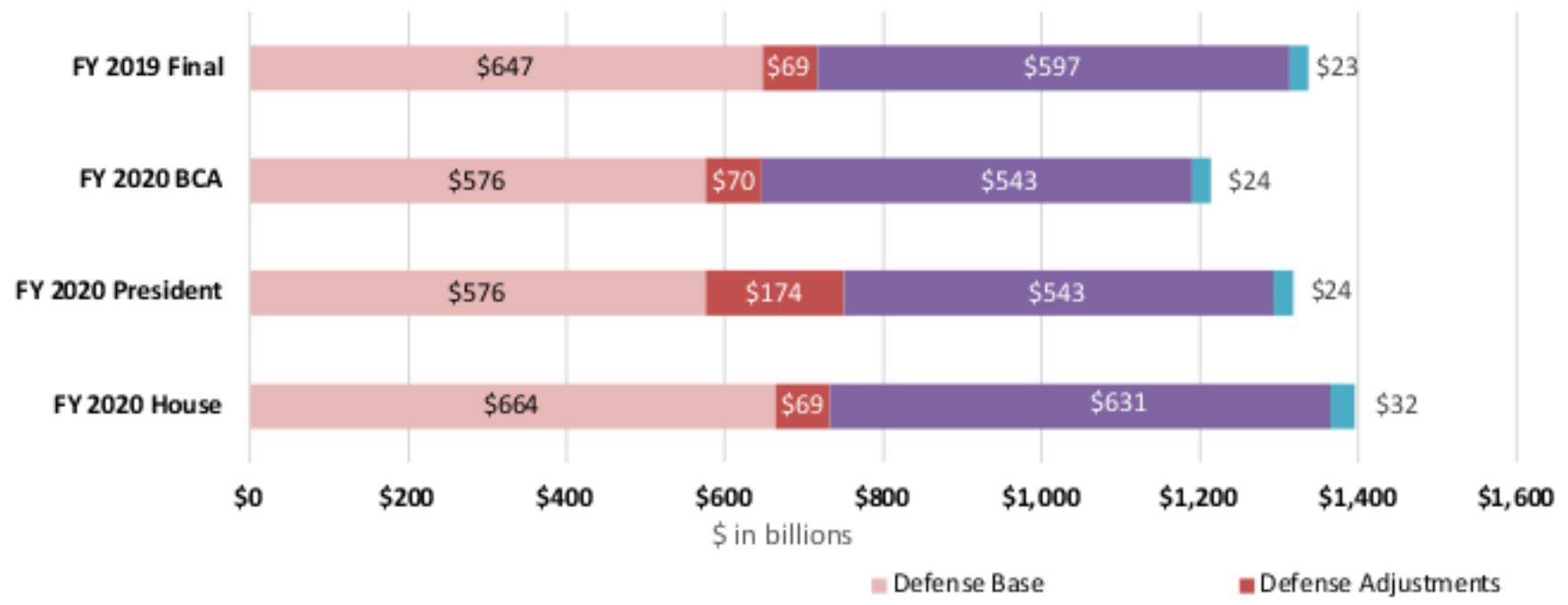
BBA led to big spending increases



Back to the BCA?



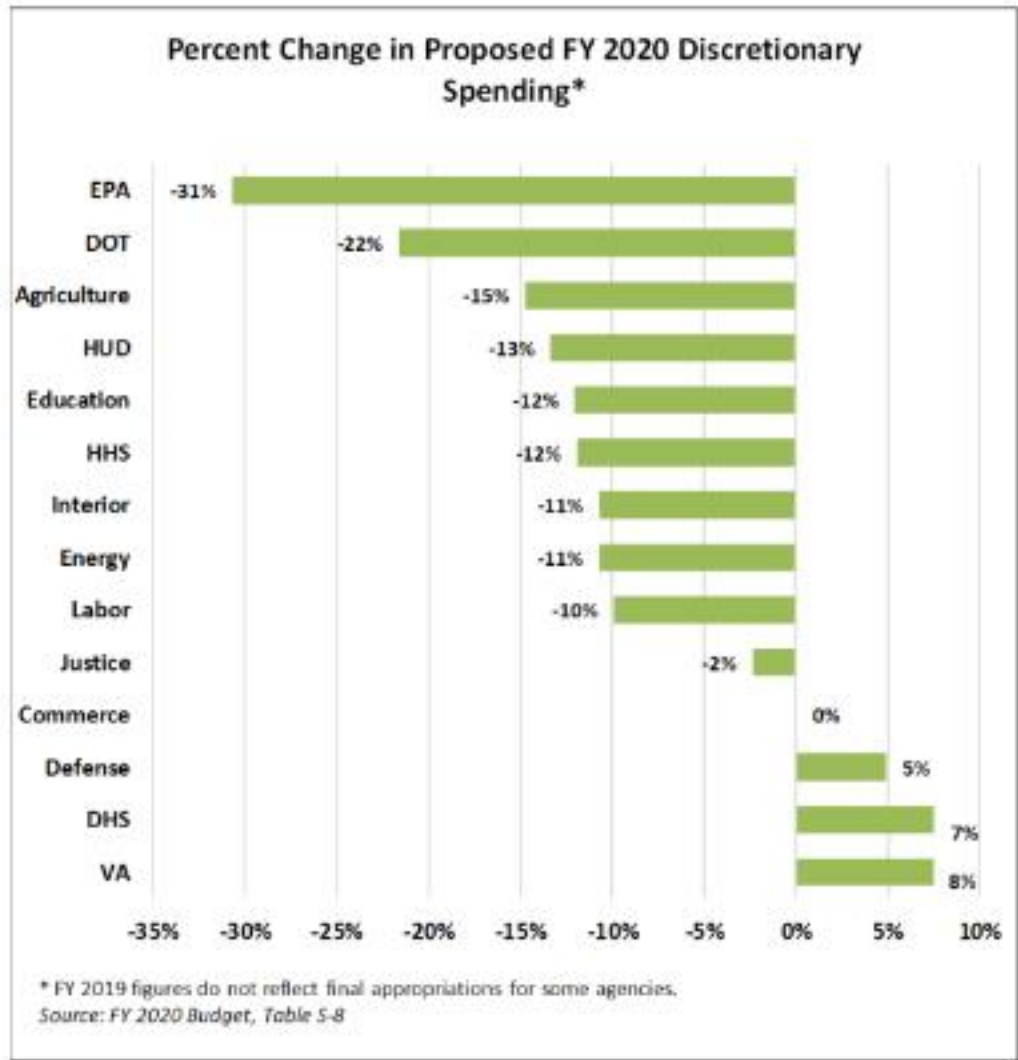
Current-Law and Proposed Discretionary Spending



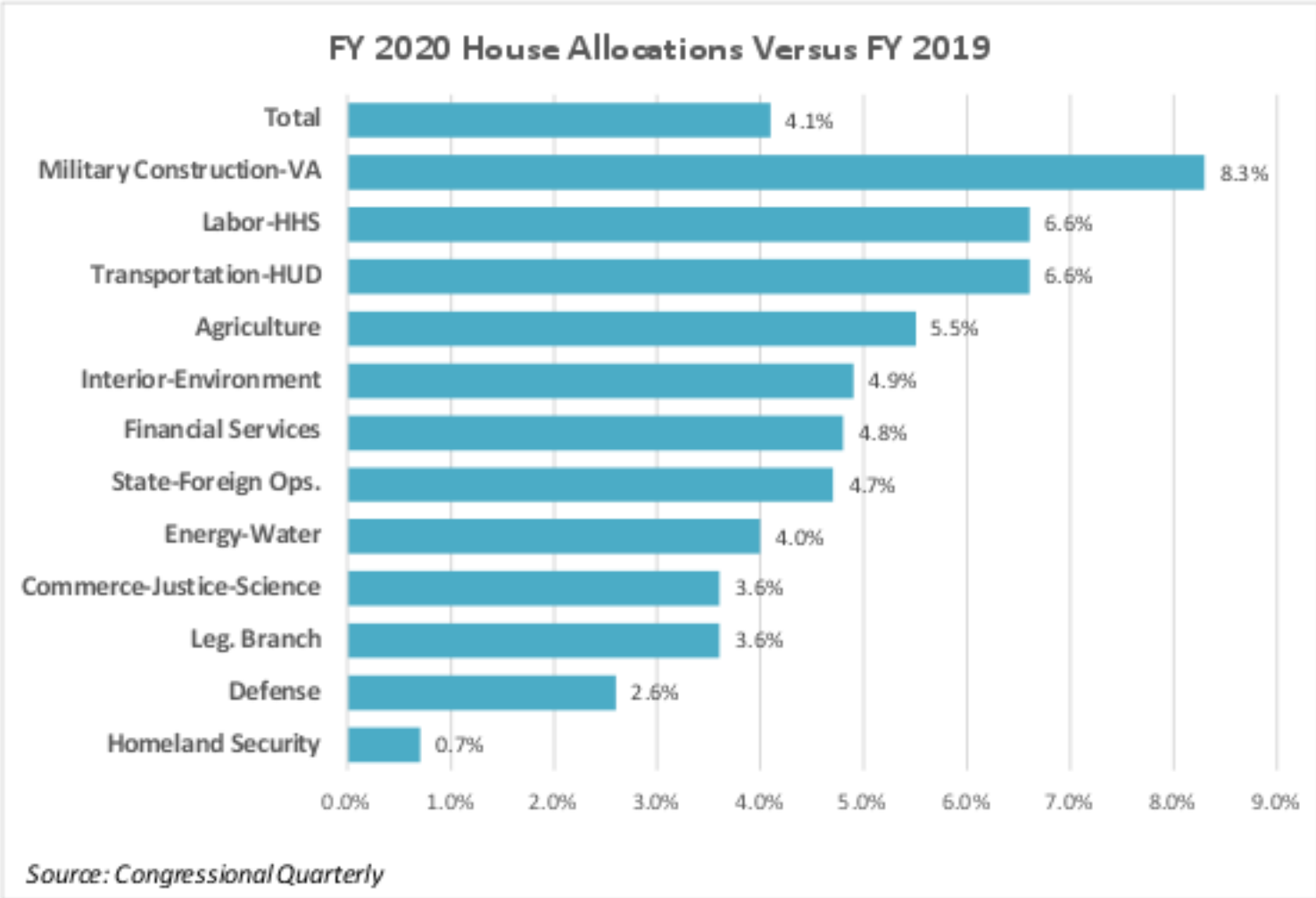
Source: FY 2020 Budget, Table S-7; H.R. 2021

■ Defense Base ■ Defense Adjustments
■ Non-Defense Base ■ Non-Defense Adjustments

The president's priorities



House priorities

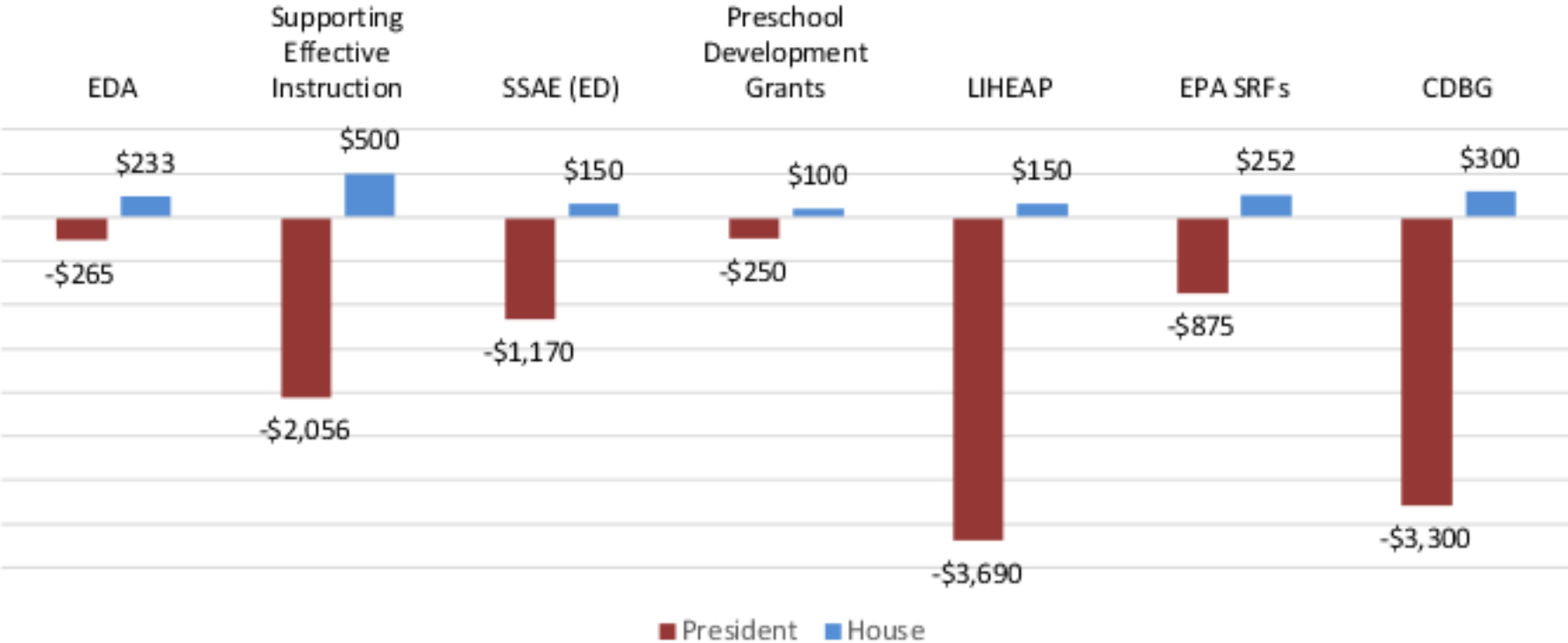


President v. House, Illustrated



Change from FY 2019: FY 2020 President's Budget and House Recommendation

(\$ in millions)



Progress so far



Appropriations Subcommittee	FY 2020 Appropriations Progress	
	Status	
	House	Senate
Defense	P	
Energy and Water	P	
Labor/HHS/Education	P	
State/Foreign Operations	P	
Agriculture	C	
Commerce/Justice/Science	C	
Interior and Environment	C	
Military Construction/Veterans	C	
Transportation/HUD	C	
Legislative Branch	C	
Financial Services/General Gov.	C	
Homeland Security	C	

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



2019 program expirations

TANF+ (6/30/19)

- Mandatory
- \$20+ billion
- Requires extension or reauthorization

Secure Rural Schools (9/30/18)

- Mandatory
- \$252 million
- Reverts to 25% authorization

Money Follows the Person

- Medicaid demonstration
- Funds appropriated through FY 2019 (\$132 million)

Flood Insurance (9/30/19)

BBA extensions (9/30/19)

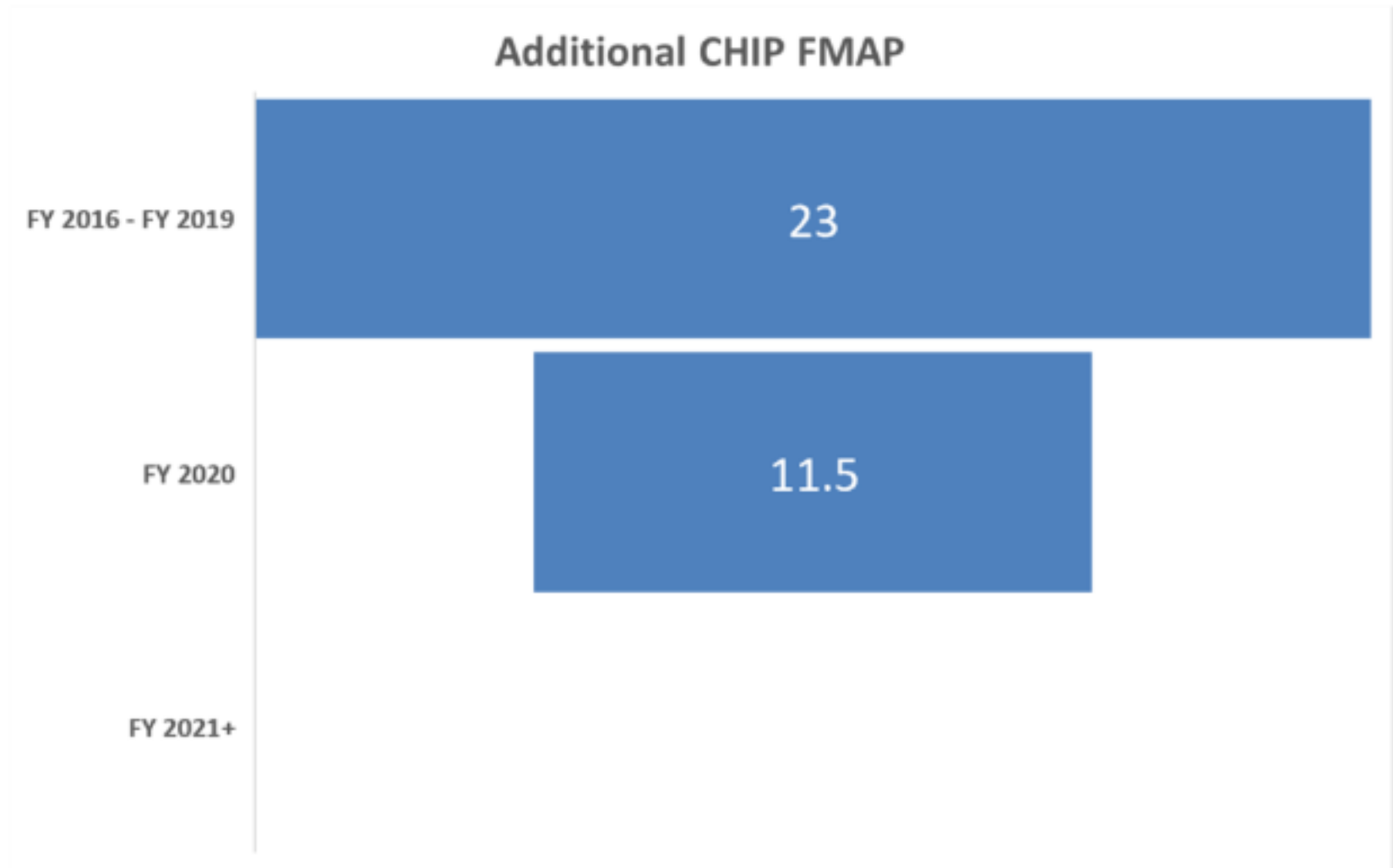
- Community Health Centers
- National Health Service Corps
- Pregnancy Prevention, others
- \$4.7 billion

Older Americans (9/30/19)

- Discretionary
- \$2 billion



The CHIP dip looms large





The CHIP dip by state

Reductions in CHIP FMAP, FY 2019 to FY 2021			
Greater than 23.0	Exactly 23.0	20-22.99	Less than 20.0
Oregon	Alaska	Colorado	Arkansas
Nevada	California	Georgia	Oklahoma
Maine	Connecticut	Minnesota	Alabama
Tennessee	Maryland	Wisconsin	Kentucky
Hawaii	Massachusetts	Ohio	New Mexico
Illinois	New Hampshire	Missouri	West Virginia
Montana	New Jersey	Vermont	Mississippi
Michigan	New York	Delaware	
Indiana	Virginia	Rhode Island	
Pennsylvania	Washington	Florida	
North Carolina	Wyoming	Utah	
	Puerto Rico & Territories	Iowa	
		Louisiana	
		North Dakota	
		District of Columbia	
		South Dakota	
		Kansas	
		Arizona	
		Idaho	
		South Carolina	
		Texas	
		Nebraska	



FMAP projections

Projected Change in FMAP, FY 2020 to FY 2021

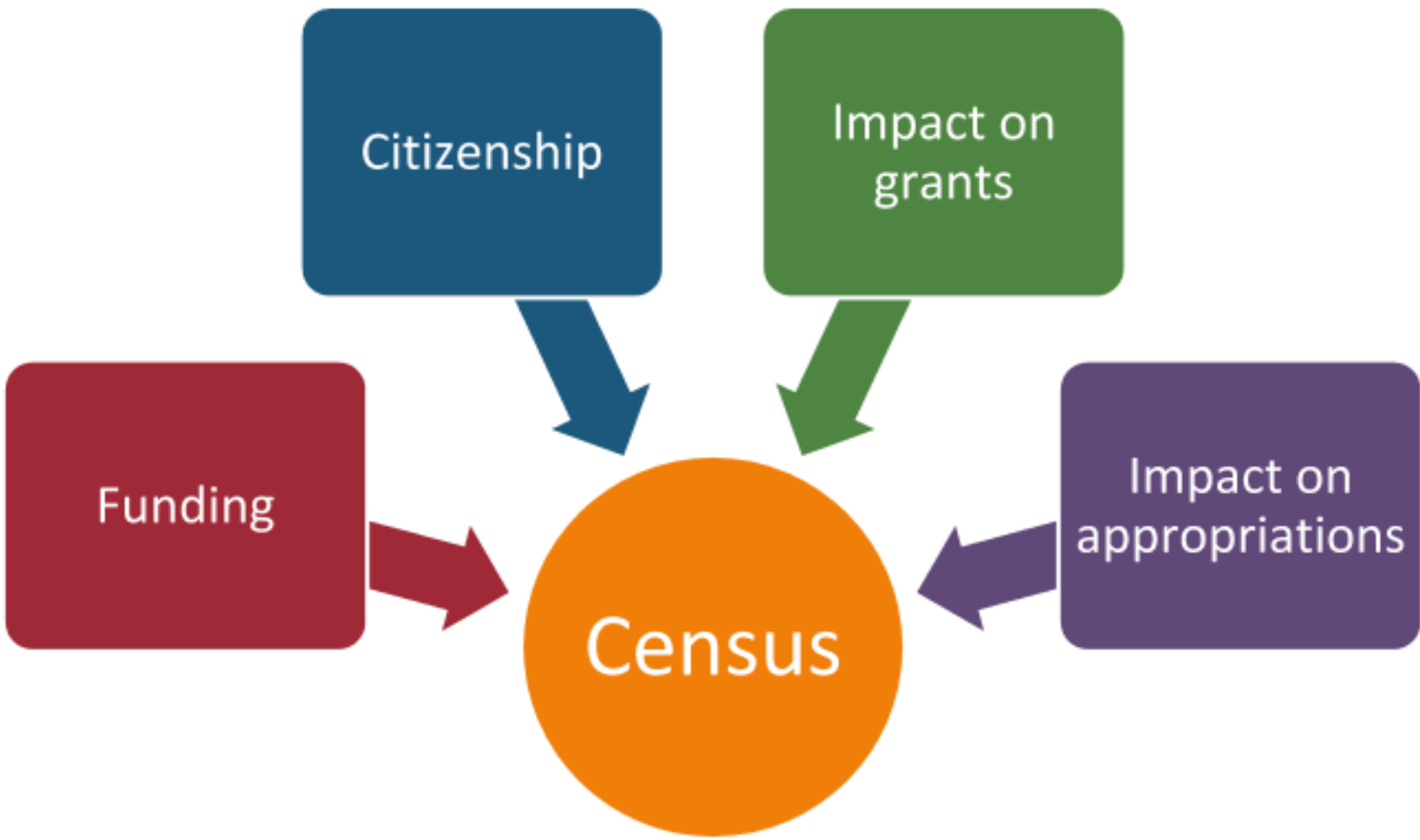
Increase

Decrease

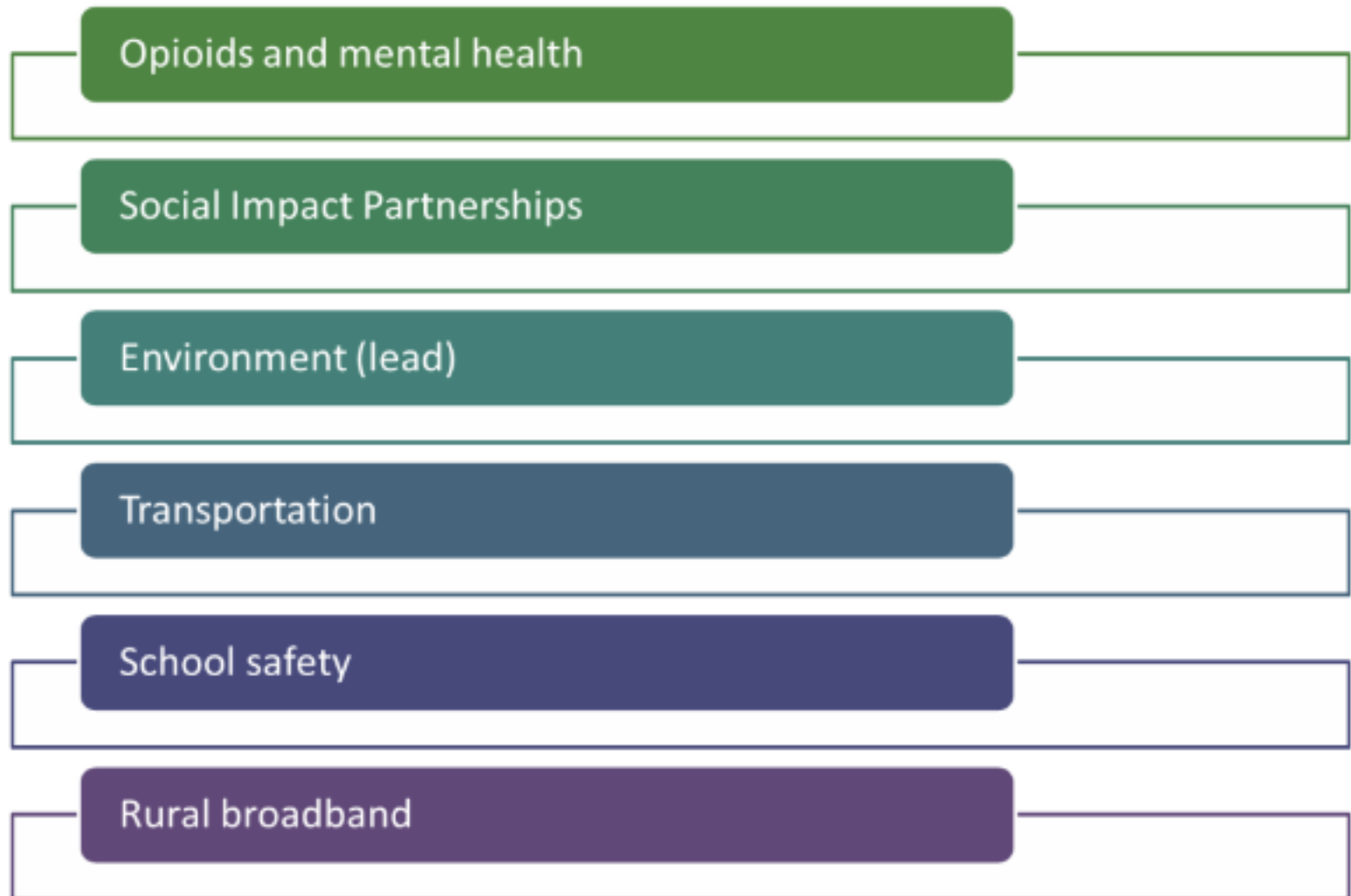
No change

North Dakota	Delaware	Nevada	Alaska
South Dakota	Mississippi	Hawaii	California
Nebraska	Rhode Island	Utah	Connecticut
Oklahoma	South Carolina	Illinois	District of Columbia
Texas	Arizona	Georgia	Maryland
Iowa	Wisconsin	Oregon	Massachusetts
Kansas	Michigan	Maine	New Hampshire
Louisiana	Missouri	Pennsylvania	New Jersey
New Mexico	Florida	Tennessee	New York
Montana	Arkansas	Indiana	Virginia
Vermont	Minnesota	West Virginia	Washington
Kentucky	Alabama		Wyoming
Ohio	North Carolina		Puerto Rico & Territories
Idaho	Colorado		

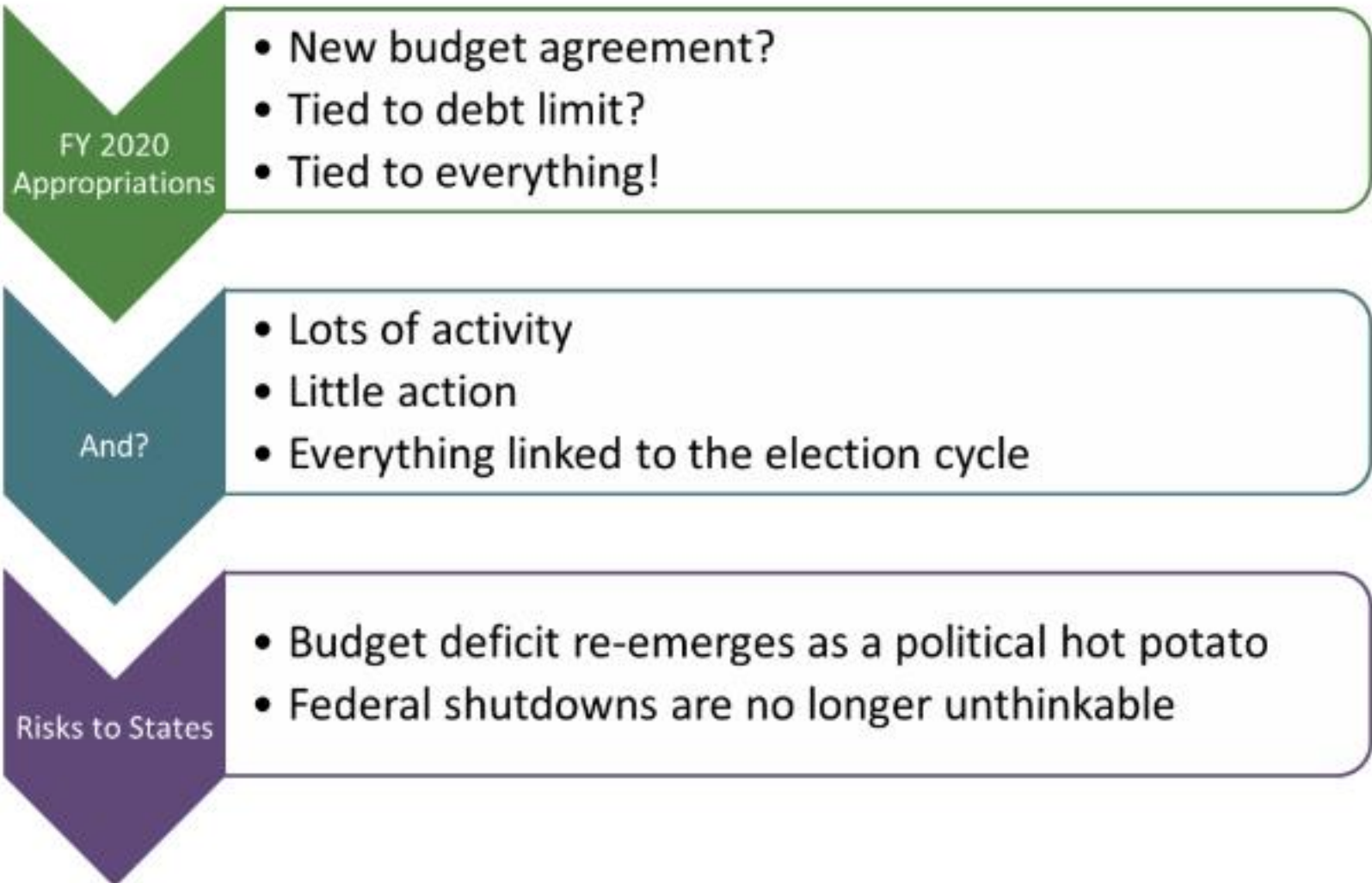
2020 census sets 10-year baseline



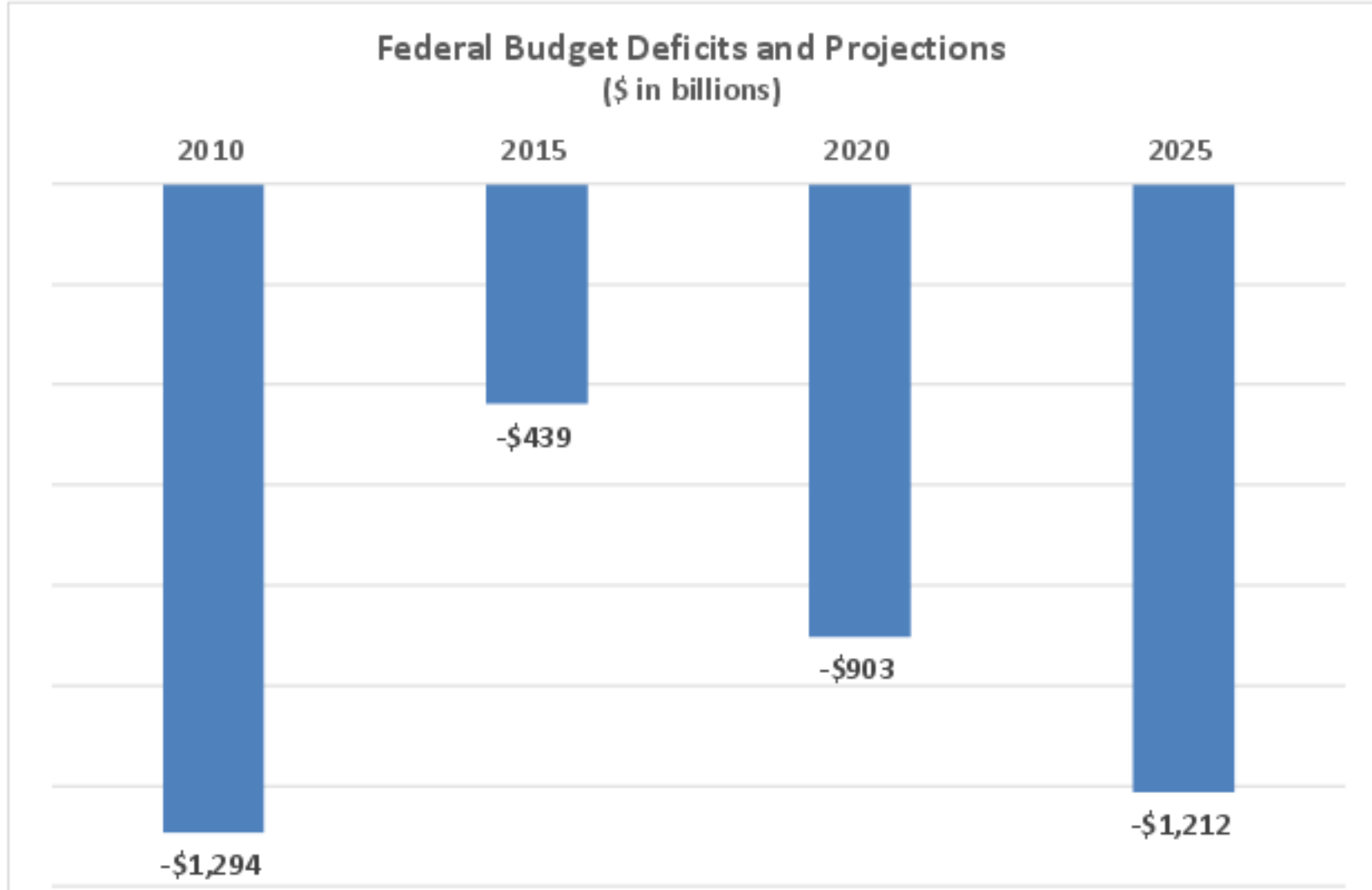
Favored funding in recent years



What's in play

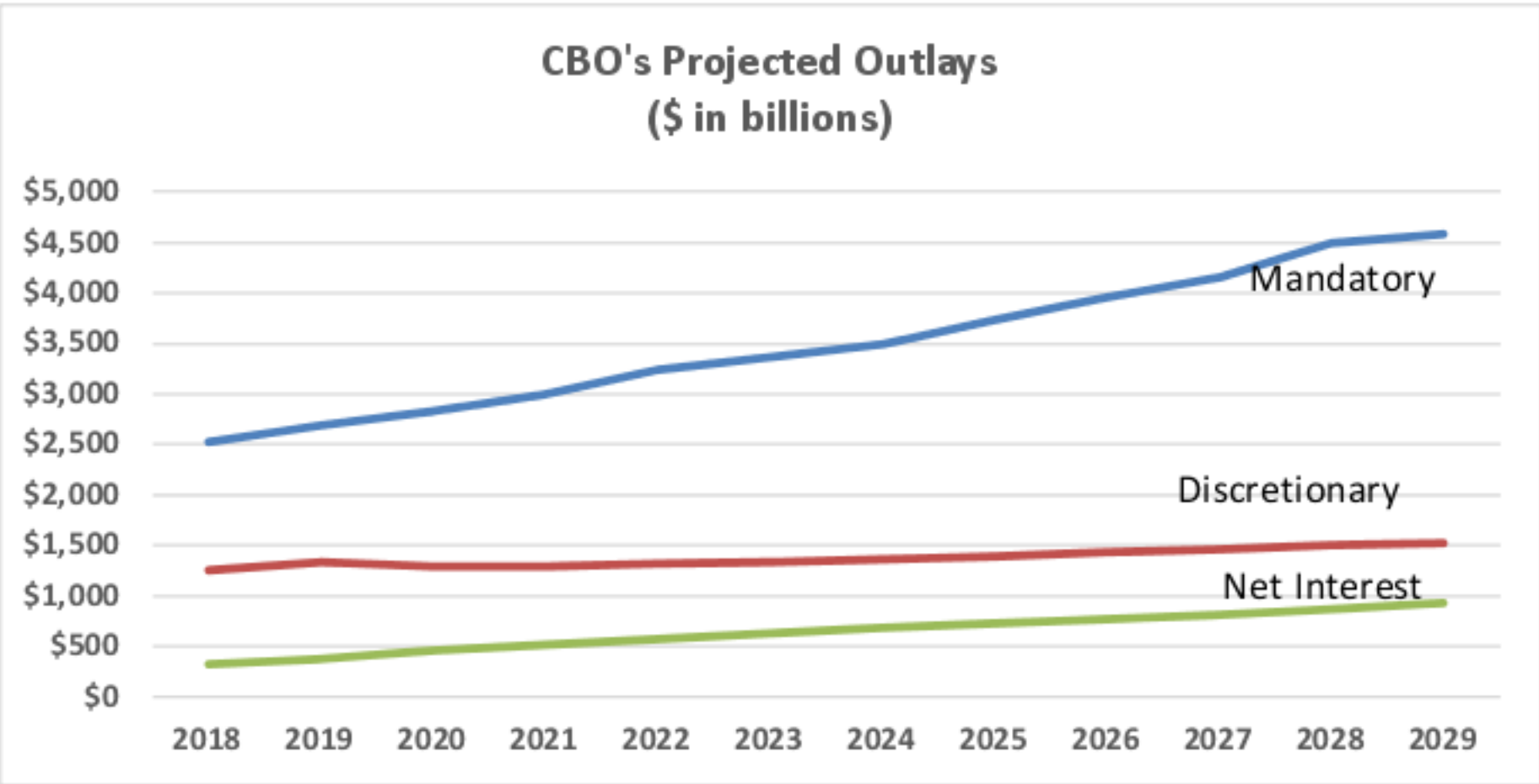


Reality check #1



Source: CBO Budget and Economic Outlook: 2019-2029

Reality check #2





Questions?

Check for updates at www.ffis.org

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