

Federal Funding Update

The End of ARRA, the
Start of a New Era



**Federal Funds
Information for States**

Overview: Few Opportunities, Many Risks for States

- Progress on the federal budget
 - FY 2011 update
 - Looking toward FY 2012 and beyond
- The winding down of ARRA funds
 - Expiring ARRA provisions
 - The prospect for additional FMAP, education funding
 - Potential offsets from unspent ARRA funds



President's FY 2011 Budget

- Overall freeze on non-security discretionary spending for three years
- States still would receive sizeable increases
 - Major Discretionary Programs: 6% Increase
 - Major Mandatory Programs: 16% Increase
- Major reorganization of education programs
- Assumes extension of some ARRA provisions



Congressional Action

- Very little progress, few details on FY 2011 budget
- No budget resolution, just overall FY 2011 limits
- Some bills have passed the committee level
- Continuing resolution almost a given, omnibus bill likely, lame duck session



Overall Cap, Subcommittee Allocations

Appropriations Subcommittee	President's Request (in millions)	Senate	House
Agriculture	\$22,868	-0.1%	1.0%
Commerce/Justice	60,539	-0.7%	0.0%
Defense	530,891	-1.5%	-1.3%
Energy/Water	35,343	-1.1%	-1.9%
Financial Services	25,514	-0.4%	-4.0%
Homeland Security	43,636	-0.2%	0.0%



Overall Cap, Subcommittee Allocations, Cont.

Appropriations Subcommittee	President's Request (in millions)	Senate	House
Interior/Environmt	\$32,377	-0.1%	-0.4%
Labor/HHS/Ed	170,611	-0.6%	3.4%
Legislative Branch	5,124	-9.1%	-9.1%
Military/Veterans	75,996	0.0%	0.0%
State/Foreign Operations	56,656	-4.6%	-4.7%
Transportation/ HUD	68,739	-1.1%	-1.9%
TOTAL	\$1,128,294	-1.2%	-0.6%



Progress on Appropriations Bills

<u>Bill</u>	<u>House</u>	<u>Senate</u>	<u>Conference</u>
Agriculture		Committee: 7/15/10	
Commerce/Justice/ State		Committee: 7/22/10	
Defense			
Energy/Water		Committee: 7/22/10	
Financial Services			
Homeland Security		Committee: 7/15/10	



Progress on Appropriations Bills, Cont.

<u>Bill</u>	<u>House</u>	<u>Senate</u>	<u>Conference</u>
Interior/ Environment			
Labor/HHS/Ed			
Legislative Branch			
Military/Veterans	Committee: 7/20/10	Committee: 7/15/10	
State/Foreign Operations			
Transportation/ HUD	Committee: 7/20/10	Committee: 7/22/10	



Looking Toward FY 2012 and Beyond

- Deficit Reduction Committee
 - Focus on long-term budget deficit
 - Recommendations due December 1, 2010
- FY 2012 budget directive to agencies
 - Continue freeze on domestic discretionary spending
 - Budget request 5% below FY 2011 levels
 - Submit separate list of low-priority/low-performing programs



Potential Programs at Risk

<u>Results Not Demonstrated</u>	
Education Technology	Housing for the Elderly
Supplemental Educ. Opportunity	Housing for Persons with Disabilities
Work Study	State Energy Program
HHS Bioterrorism	COPS
CSBG	SCAAP
LIHEAP	SSBG
Public Housing Fund	Independent Living

<u>Ineffective</u>	
Voc Ed	CDBG
Substance Abuse Block Grant	Juvenile Accountability Block Grant



Expiring ARRA Provisions

- September 30, 2010:
 - TANF Emergency Fund
 - Child Support Enforcement incentive match
 - Increase for Disproportionate Share Hospitals (DSH)
- December 31, 2010:
 - ARRA FMAPs
 - Transitional Medical Assistance (TMA)
 - Qualifying Individuals (QI)



Prospect for ARRA Extensions

- Tax Extender Bill
 - ARRA FMAP extension (scaled-down)
 - TANF Emergency Fund
- FY 2010 Supplemental Appropriations
 - House version: Education Jobs Fund, Summer Youth Employment
 - Senate version: Excludes domestic discretionary spending
- Both bills include ARRA rescissions



End of ARRA: Cliff or Hill?

- Funding Cliffs
 - Medicaid, Child Support Enforcement, Human Service
- Funding Hills
 - Energy, Transportation, Justice
- Somewhere in Between
 - Education, Housing, Labor



The End

- Questions?
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