

# Progress? Or Same Old, Same Old?

## NCSL Legislative Summit

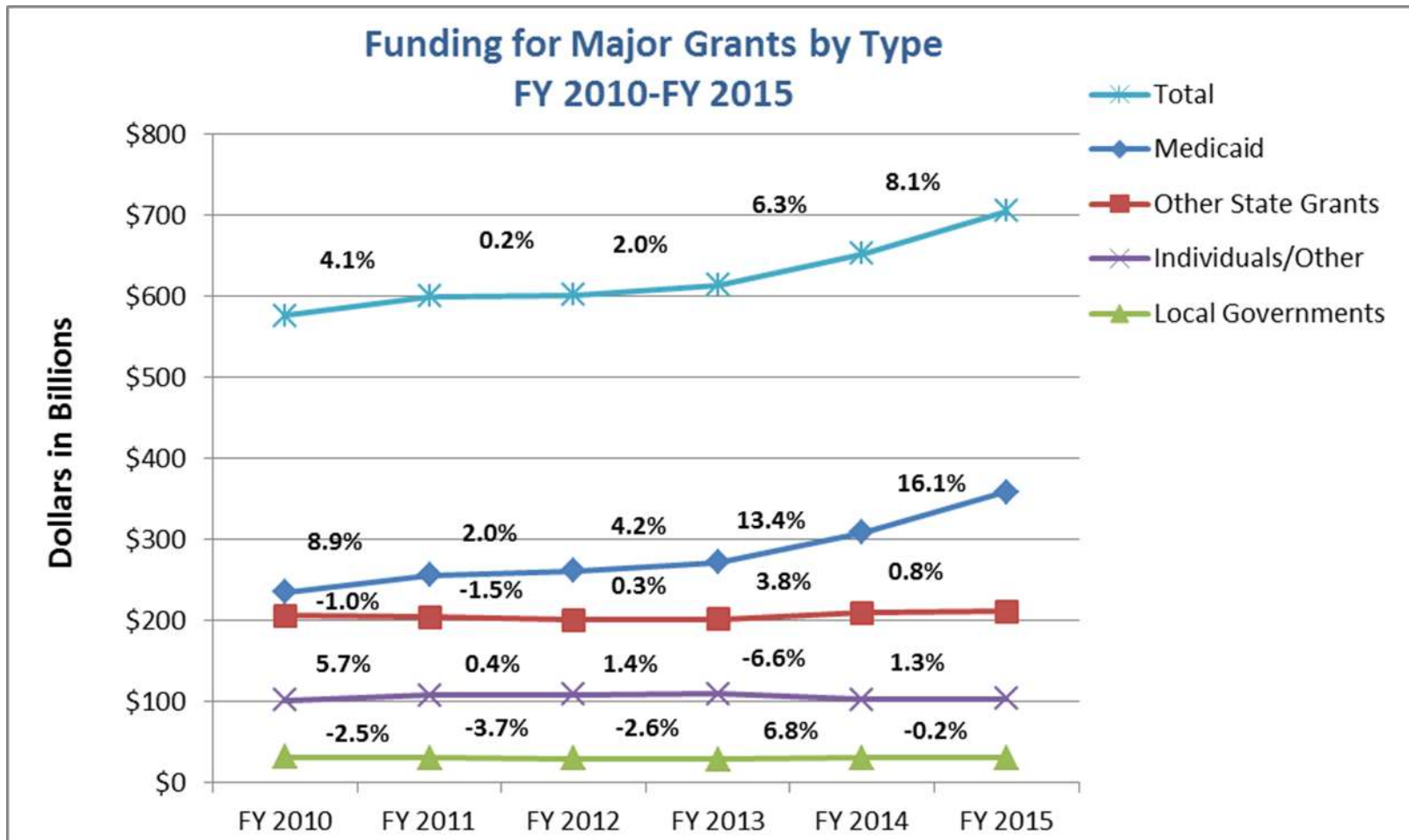
### Seattle, Washington

# 2015 Congressional “To Do” List

- ✓ FY 2016 appropriations
- ✓ Reconciliation
- ✓ Surface transportation
- ✓ ESEA (No Child Left Behind)
- ✓ Debt limit
- ✓ Other issues/deadlines



# Many grants have been flat...



# ...and the future is uncertain

**Comparison of Current Law/CBO Discretionary Baseline, FY 2016 Budget Resolution, and President's Budget**  
(\$ in billions)

**FY 2015 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020 FY 2021 FY 2022 FY 2023 FY 2024 FY 2025**

**Defense:**

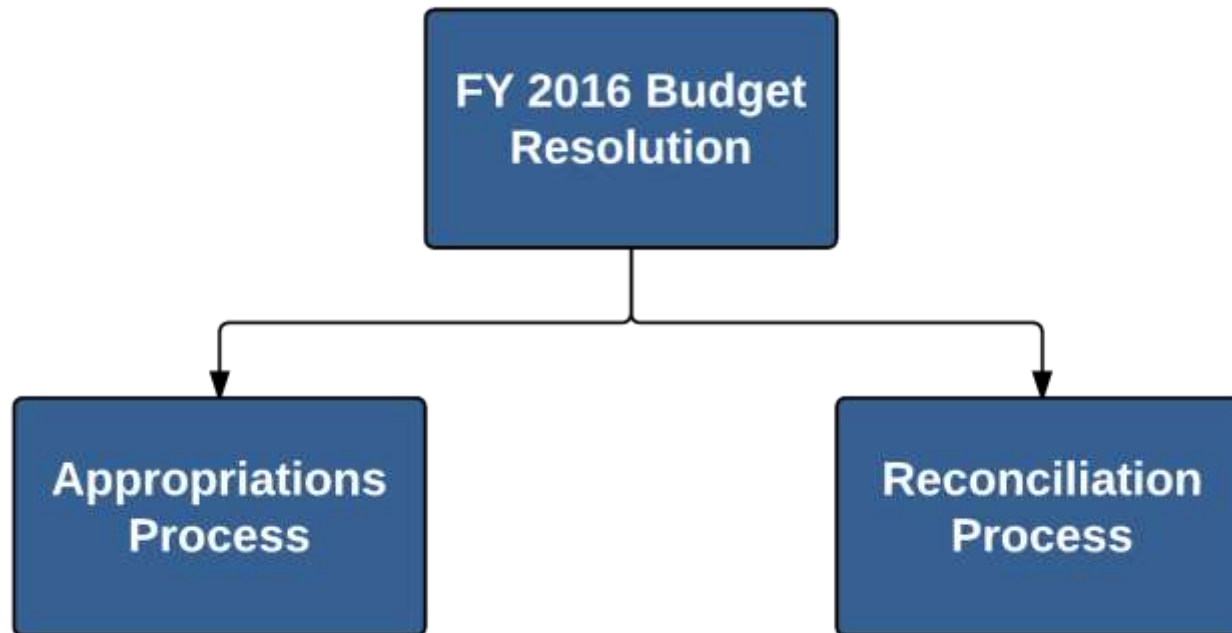
BCA/CBO Baseline*	\$521	\$523	\$536	\$549	\$562	\$576	\$590	\$605	\$620	\$635	\$651
Budget Resolution	\$521	\$523	\$536	\$549	\$562	\$576	\$590	\$623	\$636	\$649	\$662
President	\$522	\$561	\$573	\$584	\$592	\$598	\$610	\$622	\$635	\$648	\$661

**Non-Defense:**

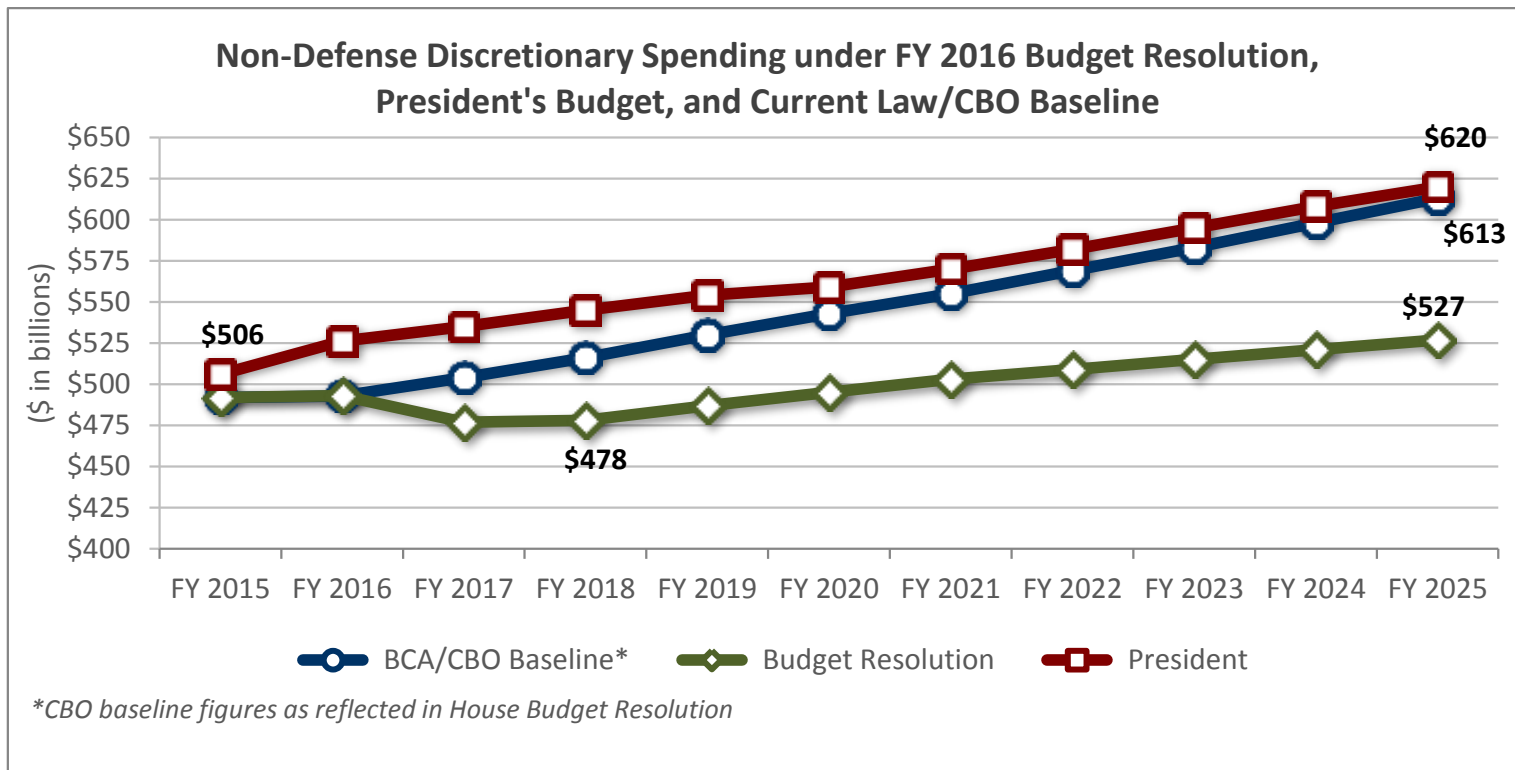
BCA/CBO Baseline*	\$492	\$493	\$504	\$516	\$530	\$543	\$555	\$569	\$583	\$598	\$613
Budget Resolution	\$492	\$493	\$477	\$478	\$487	\$495	\$503	\$509	\$515	\$521	\$527
President	\$506	\$526	\$535	\$545	\$554	\$559	\$570	\$582	\$595	\$608	\$620

*\*CBO baseline figures as reflected in House Budget Resolution*

# Budget Resolution Process



# Divergent paths create problems



# Differences of magnitude, not direction

302(b) Sub-allocations, FY 2016 (\$ in billions)					
Appropriations Subcommittee	FY 2015	FY 2016		Change from FY 2015	
		House	Senate	House	Senate
Agriculture	\$20.6	\$20.7	\$20.5	0.2%	-0.4%
Commerce-Justice-Science	50.1	51.4	51.1	2.5%	1.9%
Defense	490.2	490.2	489.1	0.0%	-0.2%
Energy-Water	34.2	35.4	35.4	3.5%	3.4%
Financial Services	21.8	20.3	20.6	-7.1%	-5.7%
Homeland Security	39.7	39.3	40.2	-0.9%	1.3%
Interior-Environment	30.4	30.2	30.0	-0.8%	-1.3%
Labor-Health and Human Services-Education	156.8	153.1	153.2	-2.4%	-2.3%
Legislative Branch	4.3	4.3	4.3	0.0%	0.2%
Military Construction	71.8	76.1	77.6	5.9%	8.0%
State-Foreign Operations	40.0	40.5	39.0	1.3%	-2.5%
Transportation-Housing and Urban Development	53.8	55.3	55.6	2.7%	3.4%
<b>TOTAL</b>	<b>\$1,013.7</b>	<b>\$1,016.6</b>	<b>\$1,016.6</b>	<b>0.3%</b>	<b>0.3%</b>



# The most progress in years

Approval Status of FY 2016 Appropriations				
Appropriations Subcommittee	House		Senate	
	Level	Veto?	Level	Veto?
Agriculture	Full Committee	*	Full Committee	*
Commerce-Justice-Science	House	X	Full Committee	*
Defense	House	X	Full Committee	X
Energy-Water	House	X	Full Committee	*
Financial Services	Full Committee	*	Full Committee	*
Homeland Security	Full Committee	*	Full Committee	*
Interior-Environment	Full Committee	X	Full Committee	*
Labor-HHS-Education	Full Committee	*	Full Committee	*
Legislative Branch	House	*	Full Committee	*
Military-Veterans	House	X	Full Committee	*
State-Foreign Operations	Full Committee	*	Full Committee	*
Transportation-HUD	House	X	Full Committee	*

Note: X = specifically threatened with veto  
 \*The Office of Management and Budget has stated that it would recommend that the president veto any legislation "that implements the current Republican budget framework."





# How do major program areas fare?

<u>Federal Agency</u>	(\$ in millions) <u>FY 2015</u>	Proposed FY 2016 vs. FY 2015		
		<u>President</u>	<u>House</u>	<u>Senate</u>
Agriculture	\$6,902	0%	-2%	-1%
Education	36,547	6%	-4%	-2%
HHS	26,714	5%	-2%	-1%
HUD	42,269	8%	3%	2%
Energy/EPA	2,599	0%	-22%	-20%
Justice	1,255	1%	6%	-3%
Homeland Security	1,482	1%	0%	-1%
Labor	6,066	10%	-11%	-4%
Transportation	55,568	29%	-0%	-1%
<b>Total – Discretionary</b>	<b>179,614</b>	<b>13%</b>	<b>-1%</b>	<b>-1%</b>

# There's always a "but"

- OMB recommends a veto of any legislation “that implements the current Republican budget framework”
- CR all but certain
- A new budget deal to amend the BCA?
  - Changes to mandatory programs?
- Focus on timing: a mid-December convergence?



# All's quiet on the reconciliation front

Reconciliation Directives in FY 2016 Concurrent Budget Resolution (\$ in millions)			
House		Senate	
Committee	Savings/10 years	Committee	Savings/10 years
Education-Workforce	\$1,000	Finance	\$1,000
Energy-Commerce	1,000	Health, Education, Labor, Pensions	1,000
Ways and Means	1,000	<b>TOTAL</b>	<b>\$2,000</b>
<b>TOTAL</b>	<b>\$3,000</b>		

- Ambitious agenda gave way to “replace ACA, deal with *King v. Burwell*”
- July 24 deadline came and went
- Project creep?



# Must do: surface transportation

- Short-term: Extend HTF, surface transportation programs (expire 7/31)
- Long-term: reauthorize programs for multiple years
- House focused on the former (passed 5-month, 3-month extensions), Senate on the latter (6-year reauthorization)
- Compromise: 3-month extension that will likely be extended....to December.



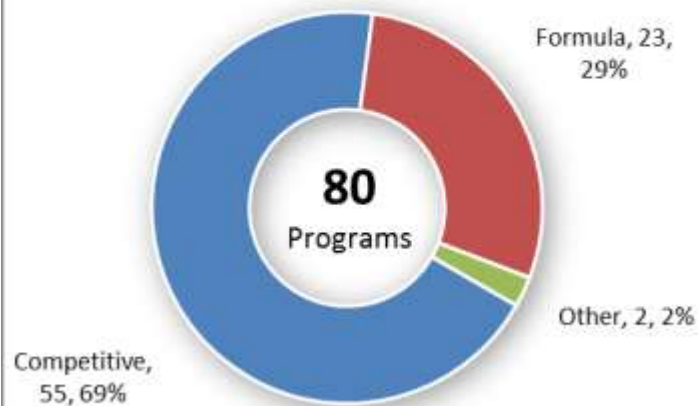
# ESEA reauthorization on the move

- Heading to conference. Issues:
  - Title **structure**
  - Authorized **spending** levels
  - Title I **portability**
  - Title I **formula change** in Senate
  - Title II **formula change** in House/Senate
  - **MOE** requirements
  - **Eliminated** and **added** programs
  - See [www.ffis.org](http://www.ffis.org) for full coverage

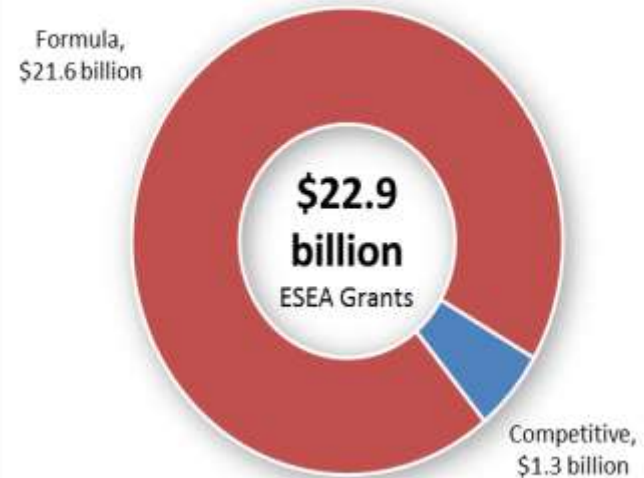


# ESEA money is in formula grants

## Distribution of Grants by Type



## Distribution of Funding by Type



# ESEA formula money is in Title I

Five Largest ESEA Programs (\$ in thousands)		
Program	FY 2015 Funding	Cumulative %
Title I Grants to LEAs	\$14,409,802	62.9%
Improving Teacher Quality State Grants	2,349,830	73.1%
21st Century Community Learning Centers	1,151,673	78.1%
Impact Aid, Basic Support Payments	1,151,233	83.2%
English Language Acquisition State Grants	737,400	86.4%



# Title I drives \$14.4B

**Potential Winners, Losers Under Senate Title I Changes**  
(based on CRS estimates of earlier draft of amendment)

<b>Winners</b>	<b>Losers</b>
Utah	New York
Oklahoma	Illinois
Colorado	Pennsylvania
North Carolina	Maryland
Tennessee	Massachusetts
Alabama	New Jersey
Florida	Connecticut
Texas	Ohio
Arizona	Louisiana
South Dakota	Virginia





# Title II drives \$2.3B

<b>Winners and Losers Under House and Senate Title II Changes</b>			
<b>House</b>		<b>Senate</b>	
<b>Winners</b>	<b>Losers</b>	<b>Winners</b>	<b>Losers</b>
Nevada	West Virginia	Nevada	West Virginia
Arizona	Puerto Rico	Arizona	New York
North Carolina	New York	North Carolina	Pennsylvania
Utah	Louisiana	Georgia	Michigan
Georgia	Michigan	South Carolina	Connecticut
Colorado	Pennsylvania	Tennessee	Massachusetts
South Carolina	Mississippi	Florida	Maryland
Tennessee	Massachusetts	Texas	Louisiana
Florida	Kentucky	Utah	Minnesota
Texas	Connecticut	Arkansas	Wisconsin



# Will the debt limit wreak havoc?

- Current estimate: end of CY 2015.
- Will budget deal/CR/HTF be added to the mix?
- Will reductions to mandatory programs be on the table?
- These events always pose a risk to the economy, state tax revenues.



# Other Issues/Deadlines

- TANF reauthorization (9/30/15; House discussion draft)
- Child welfare financing (Senate discussion draft)
- Older Americans Act (Senate passed)
- Child nutrition (9/30/15 for some; no action)
- PILT/SRS (9/30/15)
- AIP (9/30/15)
- Tax extenders (for CY 2015)



# Take-aways

- Appropriations: CR for sure, budget deal possible, conflict certain
- Reconciliation: delayed, and president must sign
- Surface transportation: short-term fix, long-term problem
- ESEA: optimism abounds
- Debt limit: poses the greatest risk for mayhem
- Focus on mid-December



# Questions?

- Check for updates at [www.ffis.org](http://www.ffis.org)  
[mhoward@ffis.org](mailto:mhoward@ffis.org)  
202-624-5848

