

Memorandum

From: Rick Spees, Jane Sargent and Jose Villalobos
To: Board of County Commissioners
CC: Phillip Drujak
Date: April 3, 2022
Subject: March 2022 Monthly Report

Appropriations Update:

In March the Congress finally completed action on the Fiscal Year 2022 comprehensive budget bill. Fiscal Year 2022 started on October 1, 2021, so the budget was over five months late in getting passed. During the interim, Congress passed a number of Continuing Resolutions (CR) to keep the government running and to avoid a government-wide shut down.

Usually there are twelve appropriations bills that are enacted that, taken together, make up the entire federal budget. Unfortunately none of the bills were passed before the start of the fiscal year. There were three reasons for this. First, the Republicans opposed the overall level of spending that the President proposed in his budget. President had proposed a significant increase in federal spending. Second, the Republicans objected that defense spending did not increase at the same level as domestic spending. During the Trump years, there was a rough parity between the growth of defense and non-defense spending. President Biden's budget had double digit growth in spending for domestic spending and far less for defense spending. Finally the Republicans opposed the addition of a number of policy riders the Democrats added to their versions of the appropriations bills. The stalemate between the two parties lasted for months. Finally a deal was worked out that reduced the overall size of the federal budget, established rough parity between defense and non-defense spending and eliminated many of the policy riders.

What did the Democrats get from the deal? They did get more for domestic spending. And within the details of the bills, they got the priorities of the Biden Administration included.

So the FY 2022 budget finally got done.

Fiscal Year 2023 Budget:

On March 28th, the Biden Administration released its Fiscal Year 2023 budget. Its release was delayed due to the fact the Congress didn't pass the FY 2022 budget until the middle of March. Agency budgets are prepared by using the previous year's budget as a base line. It is hard for agencies to know how much they need for the FY 2023 budget until they know how much they got in FY 2022. And it is impossible to indicate the level of increase (or decrease) on budget documents without knowing the previous year's final budget numbers. What this means is that the FY 2023 budget documents are not as complete as in the past and not as complete as we would like to see. Also a number of agencies have not yet released the line item details of their budgets.

Having said that, a number of generalizations can be made. Overall the level of discretionary spending grew from \$1.51 trillion in FY 2022 to \$1.64 trillion in FY 2023. Defense spending is slated to grow by 4% while non-defense spending is slated to grow by 14%. The budget also recommends a new tax on individuals with incomes over \$100 million. While obviously this tax would not impact anyone reading this report, it is important because the tax would raise additional revenues. If Congress does not pass the tax increases, either some spending will need to be cut or the deficit will be larger.

Please keep in mind that we are talking about the discretionary budget. The actual overall federal budget is much larger. For FY 2023, it is estimated to be \$5.8 trillion. There are two overriding parts of the federal budget. The discretionary spending is the part that the Congress enacts every year. It goes for things like the defense budget, the salaries and expenses of all federal employees, one year grant programs like those that go to law enforcement, the arts, the national parks and thousands of other purposes. The other part of the budget is called mandatory spending. It goes for ongoing programs like Medicare, Social Security, commodity agriculture programs, interest on the debt and veterans benefits. The way to best understand the concept is to consider the example of Social Security. Once individuals reach retirement age, they receive a check each month. The money flows directly out of the social Security Trust fund and is not dependent on Congressional action. In a similar way, those individuals qualify for Medicare. Reimbursements for medical care flow directly from the federal government and are not dependent on Congressional action. The benefits are automatic for everyone that qualifies without any further action required by Congress. Mandatory spending also includes interest on the federal debt. If the interest rates go up, more federal money is used to pay the costs of borrowing. The point is that while we focus on the part of the budget that Congress controls, it is a small part of the overall federal budget.

But back to the FY 2023 budget. Both parties want to get the twelve appropriations bills that make up the discretionary budget done before the start of the fiscal year, which is on October 1st. Can they get it done? Well, they are starting the process late. To get the bills done, the two parties will need to agree on an overall framework in the near future. The Republicans have already said they want more defense spending. They also oppose any tax increases. There has also been lots of the usual criticism of the budget from all sides. The progressives want more for climate change programs and less for defense. And so on. Given the size of the problems and the short time frame, we doubt that all the appropriations bills will get done before October 1st. Perhaps some of the bills will be completed, but it is hard to see that they will all get done. That means that the Congress will probably enact a Continuing Resolution that will run until after the election. In the meantime we will be following the process closely.

Miami Dade County Programmatic Requests:

In March, we worked with the County on its FY 2023 programmatic appropriations requests to be submitted to the House members of the Miami-Dade delegation. We worked with the Office of Intergovernmental Affairs to complete and submit five of the County's programmatic appropriations requests, including the necessary forms and letters. This includes requests for law enforcement, community development, public housing and health priorities. We will be working on the submissions to the Senate offices shortly. Throughout the FY 2023 appropriations process, we will work with the County to weigh in on the items it supports and opposes in the President's budget and help to secure funding for the County's priorities in the appropriations process.

FY 2023 Budget Highlights:

All federal budgets are partially aspirational in nature and are changed when they go before Congress. Just as last year the President's budget had much more for domestic funding that did not survive the appropriations process, the FY 2023 budget also includes funding that will change. This happens whether the President is a Republican or Democrat. Generally the federal budget ends up with incremental changes and not dramatic ones. Having said that, it is interesting to see what the Biden Administration's FY 2023 budget included for programs of interest to local governments. However, many of the proposed increases and cuts to key programs are likely to be changed by the Congress.

Department of Justice

Community Oriented Policing Services (COPS) Programs: \$651 million for COPS programs, including \$537 million for COPS Hiring Grants. This is significantly above the FY 2022 level of \$511.7 million for COPS programs, including \$246 million for COPS Hiring Grants.

Byrne Justice Assistance Grants (JAG): \$533.5 million for the Byrne JAG program. Within the total amount proposed, there are several set-asides for other programs, including \$40 million for

Project Safe Neighborhoods (\$20 million more than FY 2022). The FY 2022 level for Byrne JAG is \$674.5 million, which includes \$184.7 million for Community Project Funding so the budget actually increases the amount for the program.

State Criminal Alien Assistance Programs (SCAAP): The budget does not propose funding for SCAAP, which provides federal payments to state and local governments for the costs of incarcerating undocumented immigrants. The FY 2022 level is \$234 million for SCAAP.

DNA Analysis Grants: \$147 million is proposed for these grants (\$4 million below FY 2022), including \$112 million for Debbie Smith DNA Backlog Grants (\$8 million less than FY 2022) and \$19 million for State and Local Forensic Activities (\$4 million more than FY 2022).

Coverdell Forensic Science Grants: \$35 million (\$2 million more than FY 2022)

Opioid Initiative: \$418 million (\$3 million more than FY 2022) for programs to reduce opioid abuse authorized under the Comprehensive Addiction and Recovery Act (CARA) of 2016. This includes \$190 million for the Comprehensive Opioid Abuse Program (COAP) (\$5 million more than FY 2022).

Juvenile Justice and Delinquency Prevention Programs: \$760 million for juvenile justice programs (\$400 million more than FY 2022).

Domestic Violence and Sexual Assault Grants: \$1 billion for Violence Against Women Act (VAWA) Prevention and Prosecution Programs (\$425 million more than FY 2022).

Victims of Trafficking Grants: \$90 million (\$2 million more than FY 2022)

Bulletproof Vest grants: \$30 million (same as FY 2022)

Body Worn Camera Partnership Program: \$35 million (same as FY 2022)

Missing and Exploited Children Programs: \$120 million (\$21 million above FY 2022) for these programs, including the Internet Crimes Against Children (ICAC) program.

Project Safe Neighborhoods (PSN) Block Grants: \$40 million (\$20 million more than FY 2022) for this program which aims to create safer neighborhoods through sustained reductions in gang violence and gun crime. The program is based on partnerships of federal, state and local agencies led by the U.S. Attorney in each federal judicial district.

Victims of Crime Act (VOCA) Funds: The budget proposes to distribute \$1.75 billion from the Crime Victims Fund. VOCA funds are used to provide federal support to state and local programs that assist victims of crime. This is below the FY 2022 VOCA distribution cap of \$2.6 billion and the FY 2021 cap of \$2.015 billion.

Department of Commerce

Economic Development Administration: \$432.5 million for Economic Development Assistance Programs (\$102.5 million more than FY 2022). The budget proposes \$50 million for new pilot grant program for communities experience high prime-age employment gaps.

Department of Housing and Urban Development

Community Development Block Grants (CDBG): \$3.77 billion for CDBG formula grants (\$470 million more than FY 2022)

HOME: \$1.95 billion for the HOME Investment Partnerships program (\$450 million more than FY 2022)

Homeless Assistance Grants: \$3.576 billion for Homeless Assistance Grants (\$363 million above FY 2022)

Emergency Solutions Grants: \$290 million for the ESG program (same as FY 2022)

Housing Opportunities for People with AIDS: \$455 million for HOPWA (\$5 million more than FY 2022)

Choice Neighborhoods: \$250 million (\$100 million less than FY 2022 for the Choice Neighborhood Initiative, which helps to revitalize underserved communities.

HUD-Veterans Affairs Supportive Housing: The budget includes funding to renew 80,000 HUD-VASH vouchers for veterans, but do not propose funding for new vouchers. The FY 2022 amount is \$50 million for HUD-VASH.

Public and Indian Housing: \$42.4 billion for the Office of Public and Indian Housing (\$5.05 billion more than FY 2022). Within this amount, Tenant-Based Rental Assistance is funded at \$32.1 billion, an increase of \$4.73 billion over FY 2022. In FY 2021, the Public Housing Capital Fund and Public Housing Operating Fund were consolidated into the new Public Housing Fund. The bill includes \$8.8 billion for the Public Housing Fund (\$350 million more than FY 2022). Within this amount, \$40 million is provided for public housing emergency capital needs and not less than \$20 million of this amount is to be used for safety and security measures in public housing.

Department of Transportation

FTA Formula and Bus Grants: \$13.634 billion (\$279 million more than FY 2022) for transit formula grants as authorized by the Infrastructure Investment and Jobs Act (IIJA).

FTA Transit Infrastructure Grants: \$200 million for transit infrastructure grants (\$394.26 million less than FY 2022), including \$50 million for Low-No-Emission Grants, \$50 million for Integrated Smart Mobility grants, and \$100 million for Climate Resilience and Adaption Grants.

FTA Capital Investment Grants: \$2.85 billion for the New Starts/Small Starts program (\$602 million more than FY 2022)

USDOT National Infrastructure Investments (RAISE) Grants: \$1.5 billion million for another round of RAISE grants (formerly TIGER/BUILD grants). This is \$725 million more than FY 2022.

Highways: The bill provides \$59.5 billion federal-aid highways, roads, tunnels and bridges consistent with the IIJA. This is \$2 billion more than FY 2022.

Aviation: The bill provides \$18.6 billion for the Federal Aviation Administration (\$140 million more than FY 2022). The IIJA included \$3 billion annually for Airport Infrastructure grants from FY 2022 to FY 2026.

Department of Health and Human Services

Ryan White HIV/AIDS Programs: \$2.655 billion (\$160 million more than FY 2022) to provide HIV-related services.

Head Start: \$12.2 billion for Head Start (\$1.17 billion more than FY 2022)

Child Care: \$7.562 billion for Child Care and Development Block Grants (CCDBG) (\$1.4 billion more than FY 2022)

Preschool Development Grants: \$450 million (\$160 million more than FY 2022) to support States' efforts to expand or create high-quality pre-school systems for 4-year-olds from low- and moderate-income families.

Healthy Start: \$145 million for the Healthy Start program (\$13.2 million more than FY 2022)

Older Americans Act Programs: \$1.272 billion (\$306 million more than FY 2022) for Senior Nutrition programs, which provides congregate meals and meals on wheels to needy seniors, and \$500 million for Home and Community-based Supportive Services (\$101 million more than FY 2022).

State Opioid Response Grants: \$2 billion for these grants authorized under the 21st Century Cures Act to combat the opioid epidemic (\$475 million more than FY 2022).

Mental Health Block Grants: \$1.7 billion for the MHBG (\$795 million more than FY 2022). The bill includes a 10 percent set-aside for evidence-based crisis care programs.

Department of Labor

Job Training: \$4.4 billion (\$740 million more than FY 2022) for Training and Employment Services programs, which provide job training skills and assistance to low-skilled adults, dislocated workers, and low-income youth with barriers to employment. The bill includes \$150 million for Reentry Employment Opportunities, \$145 million for YouthBuild, \$10 million for the Veterans' Clean Energy Training Program, \$900 million for Adult Employment and Training Activities, and \$1.16 billion for formula grants to states to provide WIOA dislocated worker services.

Veterans Employment and Training: \$330.97 million (\$5.6 million more than FY 2022) to expand employment services to transitioning service members, veterans with disabilities, and their spouses and caregivers.

Department of Homeland Security

FEMA State and Local Programs: The bill includes the following for State and Local Programs:

- State Homeland Security Grant Program: \$616.2 million (\$28.8 million below FY 2022)
- Urban Area Security Initiative (UASI): \$711.2 million (\$28.8 million below FY 2022)
- Public Transportation Security Assistance, Railroad Security Assistance and Over-the-Road Bus Security Assistance: \$100 million (\$5 million below FY 2022)
- Port Security Grants: \$100 million (same as FY 2022)
- Education, Training, and Exercises: \$312 million (\$18.5 million above FY 2022)
- Firefighters Assistance Grants: \$370 million each for SAFER and Assistance to Firefighter Grants (AFG) (\$10 million above FY 2022)
- Emergency Management Performance Grants: \$355 million (same as FY 2022)
- Emergency Food and Shelter Program: \$130 million (same as FY 2022)
- FEMA Disaster Relief: \$19.74 billion for disaster relief to fund recent major disaster response and recovery activities (\$940 million billion above FY 2022).

Customs and Border Protection (CBP): \$15.26 billion in discretionary spending for CBP (\$460 million above FY 2022). This includes \$309 million for border technology but no funding for additional border barrier construction.

Immigration and Customs Enforcement (ICE): \$8.26 billion for ICE, which is \$284.7 million more than FY 2022, for immigration enforcement.

Transportation Security Administration (TSA): \$8.1 billion (\$160 million more than FY 2022)

Activities for April:

The House and Senate will start hearings on the President's FY 2023 budget request and the Appropriations Committee will start the annual appropriations process. The full Senate plans to consider the nomination of Judge Ketanji Brown Jackson to the U.S. Supreme Court before adjourning for the April recess. Both chambers plan to be out of session from April 9th through April 24th. The Administration and Congress will also continue closely tracking the situation between Russia and Ukraine and providing assistance and diplomatic support to help resolve the conflict. As always, we will continue to monitor and report on Presidential actions and other legislative developments of interest to the County.