Most spending is spoken for

- Social Security: $924B, 23%
- Medicare: $589B, 15%
- Medicaid: $367B, 9%
- Other Mandatory: $608B, 15%
- Domestic Discretionary: $627B, 16%
- Defense: $595B, 15%
- Net Interest: $178B, 6%

Includes:
- Federal Retirement
- Unemployment Compensation
- Food and Nutrition Assistance
- Supplemental Security Income
- EITC

Federal Outlays, FY 2016
$ in billions
Source: OMB Historical Tables, FY 2017
Health dominates

Includes:
- Child Nutrition
- Low Income Home Energy Assistance
- Temporary Assistance for Needy Families
- Public Housing Operating Fund
- Unemployment Insurance

Health $368B (59%)
Income Security $101B (16%)
Transportation $61B (10%)
E & T, Education, Social Services $61B (10%)
Other $20B (5%)

Grants to State and Local Governments by Function, FY 2015; $ in billions; OMB Historical Tables, FY 2017
10 largest grants = 79% of total

<table>
<thead>
<tr>
<th>Rank</th>
<th>Program</th>
<th>FY 2016 ($ in billions)</th>
<th>% of Total</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Medicaid</td>
<td>$370</td>
<td>56.1%</td>
<td>56.1%</td>
</tr>
<tr>
<td>2</td>
<td>Highway Planning and Construction</td>
<td>43</td>
<td>6.6%</td>
<td>62.7%</td>
</tr>
<tr>
<td>3</td>
<td>Section 8 Housing Vouchers</td>
<td>20</td>
<td>3.0%</td>
<td>65.6%</td>
</tr>
<tr>
<td>4</td>
<td>TANF</td>
<td>17</td>
<td>2.5%</td>
<td>68.2%</td>
</tr>
<tr>
<td>5</td>
<td>Title I - Grants to LEAs</td>
<td>15</td>
<td>2.3%</td>
<td>70.4%</td>
</tr>
<tr>
<td>6</td>
<td>CHIP</td>
<td>13</td>
<td>2.0%</td>
<td>72.5%</td>
</tr>
<tr>
<td>7</td>
<td>National School Lunch Program</td>
<td>12</td>
<td>1.8%</td>
<td>74.3%</td>
</tr>
<tr>
<td>8</td>
<td>Special Education Grants to States</td>
<td>12</td>
<td>1.8%</td>
<td>76.1%</td>
</tr>
<tr>
<td>9</td>
<td>Transit Formula Grants</td>
<td>11</td>
<td>1.6%</td>
<td>77.7%</td>
</tr>
<tr>
<td>10</td>
<td>Head Start</td>
<td>9</td>
<td>1.3%</td>
<td>79.0%</td>
</tr>
</tbody>
</table>

*Source: OMB Analytical Perspectives, FY 2017*
The big story in federal aid

Per Capita Federal Grants, FYs 2010-2015

Source: FFIS Database
FY 2015 grants per capita varied widely

Source: FFIS Grants Database
Removing Medicaid levels the playing field for many states

Source: FFIS Grants Database
What influences results?

- Robust program
- Federal matching rate
- ACA expansion

- Low income
- High poverty

- Large federal land holdings
- Natural resources

- Small-state minimums
- Demographics of population
Non-defense spending in BBA

<table>
<thead>
<tr>
<th>Year</th>
<th>BCA</th>
<th>BBA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018</td>
<td>516</td>
<td>516</td>
</tr>
<tr>
<td>FY 2017</td>
<td>504</td>
<td>519</td>
</tr>
<tr>
<td>FY 2016</td>
<td>493</td>
<td>518</td>
</tr>
<tr>
<td>FY 2015</td>
<td>492</td>
<td>518</td>
</tr>
</tbody>
</table>

Dollars in Billions

- **BCA**
- **BBA**
Major provisions in CR

**Funding**
- Expires December 9
- -0.496% ATB cut (discretionary)
- $1.1B for Zika
- $27M for opioid legislation
- $500M for disaster relief

**Programs**
- Extends TANF, CCDF
- Technical fixes
Potential lame-duck issues

**Opioids**
- Big increase likely, but how big?
- Will new programs get funded?

**Child Welfare**
- Senate action?
- Funding gains and losses

**TANF**
- Extension?
Potential lame-duck issues

WRDA
- Flint
- New programs, funding

Part B
- $1.1B projected (CY 2017)
- Congressional fix?

Mental Health
- Senate action?
- Additional funding?
What’s on our radar for next year?

<table>
<thead>
<tr>
<th>Budget</th>
<th>Reconciliation</th>
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</thead>
<tbody>
<tr>
<td>• BCA changes</td>
<td>• Entitlement reform</td>
</tr>
<tr>
<td>• President’s budget</td>
<td>• ACA, Medicaid, TANF</td>
</tr>
<tr>
<td>• Budget process reforms</td>
<td>• Infrastructure, tax reform</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Programs</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>• CHIP</td>
<td>• A Better Way Agenda</td>
</tr>
<tr>
<td>• Health expirations</td>
<td>• Debt Limit</td>
</tr>
<tr>
<td>• DSH cuts effective</td>
<td>• FEMA disaster assistance</td>
</tr>
<tr>
<td>• Higher education</td>
<td></td>
</tr>
</tbody>
</table>
End-Game Speculation

- Congress returns Nov. 14 with a 3-week window under Continuing Resolution (CR)
- FY 2017 minibuses, omnibus, or another CR?
- New funding for opioids likely
- A few loose ends could get tied up
FFIS resources

- Federal Grants Per Capita, FY 2015: *Special Analysis 16-02*
- CR: *Budget Brief 16-08*
- Water resources: *Issue Brief 16-47*
- TANF reauthorization: *Issue Brief 16-37*
- Child welfare: *Issue Brief 16-34*
- Child nutrition: *Issue Brief 16-06*
- Comprehensive Addiction and Recovery Act: *Issue Brief 16-37*
- FY 2018 FMAPs: *Issue Brief 16-49*
- Medicare Part B premiums: *Issue Brief 16-39*
- Medicare clawbacks: *Issue Brief 16-19*
- FEMA issues: *Issue Brief 16-02, Issue Brief 16-48*
Questions?

• Check for updates at www.ffis.org
  – mreese@ffis.org; 202-624-8577