



COALITION ON HUMAN NEEDS

The Human Needs Report

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SPECIAL EDITION: *President Biden's FY23 Budget Request*

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President Biden's FY23 Budget Invests in Critical Human Needs Programs

The Biden Administration released its detailed [Fiscal Year 2023 budget request](#) on Monday, March 28. The budget request is only the second in a decade that is not limited by the low spending caps for annual appropriations required by the Budget Control Act. Highlights from select agency budgets are found in the articles that follow.

Of the \$5.8 trillion in projected FY23 spending included in the President's request, \$1.6 trillion is spending that must be annually appropriated by Congress, also known as discretionary spending; this is roughly 9 percent more than FY22 spending enacted recently. Of this, roughly \$830 billion is for non-defense (domestic and international) discretionary (NDD) funding. This reflects a 14 percent (about \$100 billion) increase over FY22 levels. Most education and housing programs fall into this category, plus many social service, public health, veterans' services, criminal justice, homeland security, environmental and community development programs.

The budget also calls for \$813 billion in defense discretionary funding, a roughly 4 percent (\$31 billion) increase over FY22. While advocates praised the expansion of funding for human needs programs, many progressives have called for cuts to the defense budget. Republicans say the defense request amounts to a cut after accounting for inflation. While there is often a call for parity, or equal increases in defense and nondefense spending, Sen. Richard Shelby (R-AL), the top Republican on the Senate Appropriations Committee, said he may push for a larger boost to defense spending than nondefense for FY23.

The Biden Administration budget includes over \$4 trillion in mandatory spending for FY23. Mandatory spending programs, including Social Security, Medicare, Medicaid, the Children's Health Insurance Program, SNAP/food stamps, Temporary Assistance for Needy Families, and other basic safety net programs, do not require annual appropriations. Instead, Congress authorizes the way they spend money through legislation. Congress can cut or expand these programs by amending the legislation that authorizes them. The Biden Administration proposes to shift some programs from discretionary to mandatory, so that they would not require annual appropriations. Examples include the Indian Health Service and the Bureau of Indian Affairs. Congress has not in the past agreed to such proposals, so for purposes of comparison to previous years, our figures continue to include these programs as discretionary.

The proposal includes a reserve fund for many of the initiatives the House passed last year as part of the Build Back Better Act, which remains stalled in the Senate, that provide economic security and reduce costs for American families (and that under Senate rules can pass with only a simple majority instead of requiring at least 60 votes). These initiatives include the continuation of the expanded Child Tax Credit and Earned Income Tax Credit, reducing the cost of child care, health coverage and prescription drugs, expanded school meals and summer food for children, providing for free pre-kindergarten and free or reduced college costs, paid family leave, climate change mitigation, and more housing assistance. The budget does not set a specific amount for the fund, but indicates in [summary statements](#) that the Administration is "...preserving the revenue from tax and prescription drug reforms the President proposed last year for this legislation for the investments needed to bring down costs for American families and expand our productive capacity." The budget materials state that the revenues set aside for this purpose will at least pay for the items negotiated for inclusion, and may go beyond that to add to deficit reduction.

On the revenue side, the Biden budget proposes to increase the corporate tax rate and reduce incentives for U.S. multinational corporations to shift profits and investments overseas. It also proposes a new 20 percent minimum tax on the income of individuals with more than \$100 million in wealth, which [would raise an estimated \\$360 billion](#) over ten years. About 0.01 percent of taxpayers are worth \$100 million or more, or about 20,000 households in the U.S. The budget projects that the deficit in 2022 will be more than \$1.3 trillion lower than in 2021, the largest ever one-year decline. In total, the budget predicts \$1 trillion in deficit reduction over the next decade.

In a [statement](#), CHN's Executive Director Deborah Weinstein said President Biden's budget, "makes vital investments in our future, while providing economic and public health protections needed now. His comprehensive plan recognizes that, despite unprecedented growth, the many dislocations beyond any

family's control are currently putting economic strain on our people. The Biden budget offers protection from those dislocations in the short term and builds lasting economic security and opportunity.”

While the President's budget as a whole does not move through Congress or become law, at minimum a president's budget is a proposal to Congress used to signal an administration's priorities.

It is unclear whether Congress will pass a budget resolution as it did in 2021. A budget resolution can contain instructions that can allow Congress to pass pieces of a president's economic agenda using the reconciliation process, by which bills only need a simple majority to pass. However, the difficulty of using this procedure so far this year because of the objection of a few key Democrats means that House and Senate Democrats will likely not pursue this course of action a second time, later. Efforts are still underway to pass the economic package described above.

Nor is it necessary for Congress to pass a budget resolution in order to agree upon funding for annual appropriations. It is expected that the Democratic and Republican leadership of both the House and Senate Appropriations Committees will convene as soon as this week to begin discussions in the hopes of reaching an agreement on discretionary topline numbers so that work on appropriations bills can begin. As bipartisan support is needed to pass spending bills in the Senate, and with control of Congress in question following the November 2022 elections, it is considered likely that a stopgap spending measure, known as a Continuing Resolution, will be needed to keep the government funded from the start of the new fiscal year on Oct. 1 until after the elections.

Stay tuned to upcoming *Human Needs Reports* for additional analysis as the FY23 federal budget and appropriations process moves forward.

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Select Biden Administration FY23 Departmental Budget Requests

The Coalition on Human Needs compiled information from the President's FY23 budget request for select government departments that most directly impact people with low incomes, including the Departments of Agriculture, Education, Health and Human Services, Housing and Urban Development, and Labor, as well as other areas of note. Our comparisons to FY 2022 (the current fiscal year) are based on Congressional documents listing the funding levels for programs as enacted in the omnibus appropriations bill. (The Biden budget had to be printed before the omnibus was enacted, and so shows comparisons to FY 2021.)

Department of Agriculture

In addition to supporting rural and agricultural programs, the Department of Agriculture's budget funds a variety of nutrition assistance programs for people with low incomes. Nutrition assistance makes up 70 percent of USDA's spending, according to the Department. According to CQ, the budget requests \$30.7 billion in discretionary spending for USDA, up 11.6 percent (\$3.2 billion) from FY22 to FY23. The

discretionary side of USDA spending includes programs like WIC and the Commodity Supplemental Food Program; mandatory spending within USDA includes SNAP and most child nutrition programs. In the proposed budget, funding for mandatory programs is estimated to be \$164.8 billion.

The Department of Agriculture's budget includes \$111.2 billion in mandatory funding for the **Supplemental Nutrition Assistance Program (SNAP)/food stamps**, a decrease of roughly \$29.2 billion from FY22, to serve an estimated 43.5 million Americans per month.

The budget includes \$28.6 billion for **Child Nutrition Programs**, up from \$26.8 billion in FY22. This includes the National School Lunch Program, School Breakfast Program, the Summer Food Service Program, and others.

The budget includes \$6 billion in discretionary funding for the **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**, the same as FY22. WIC is estimated to serve 6.3 million Americans per month in FY23.

The **Commodity Supplemental Food Program**, which distributes food boxes to low-income home-bound seniors, would be funded at \$338.6 million, up 2 percent from FY22. This program was slated for elimination in former President Trump's FY21 budget request.

The Emergency Food Assistance Program (TEFAP), a federal program that works with U.S. farmers and food banks to source and distribute healthy foods to families in need, would receive \$100 million in discretionary funds in FY23, up 23.5 percent from FY22.

USDA also includes funding to mitigate climate change, for conservation programs, to provide housing in rural areas, and to reduce wildfire risk.

For more information, see the [National WIC Association](#) and the budget summary from the [Department of Agriculture](#).

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Department of Education

President Biden's proposed budget would increase the Department of Education's budget by \$11.9 billion, or 15.5 percent above the FY22 enacted level, to \$88.3 billion.

The budget includes \$36.5 billion for **Title I** grants for high-poverty schools, a \$19 billion increase from FY22 that would more than double the current spending. \$16 billion of that increase would be in mandatory funding. A \$2.9 billion increase over FY 2022 levels (to \$16.3 billion) is included for **Individuals with Disabilities Education Act (IDEA)** grants to states that support special education and related services for students with disabilities. **Special education Grants for Infants and Families** is funded at \$932 million, about double the funding in FY22. The **Preschool Development Grants** program is funded at \$502.6 million, an increase of more than \$93 million over FY22 enacted levels. The budget

includes \$24.3 billion in discretionary funds for **Pell Grants**, an 8 percent increase over FY22, and more than doubles the mandatory funding for this program. It proposes to double the maximum Pell Grant by 2029, beginning with a maximum award of \$8,670 for the 2023-2024 school year. The budget continues to support making Pell Grants available to Deferred Action for Childhood Arrivals (DACA) recipients.

The **GEAR UP** program, which supports low-income students from high school into their first year of college, would see an increase of \$30 million to \$408 million. **Federal Supplemental Education Opportunity Grants** that augment Pell Grants for more than a million of the neediest college students would see a decrease of \$15 million from FY22 enacted levels. Funding for the **TRIO** programs would increase \$160.8 million, or 14.1 percent over FY22, to nearly \$1.3 billion. The budget includes \$450 million in new investments to expand the research capacity of **Historically Black Colleges and Universities (HBCUs), Minority Serving Institutions (MSIs), and Tribally Controlled Colleges and Universities (TCCUs)**.

The **Federal Work Study** program would see a \$20 million decrease from FY22. **Adult education and family literacy** programs that help foundation skills and English literacy instruction to over 1.5 million individuals would see a \$34.5 million increase. **Perkins career and technical education state grants and national activities**, which support post-secondary education for more than 12 million students, would receive a \$182.7 million, or 13.2 percent, increase in discretionary funds over FY22. The budget increases funding for **Vocational Rehabilitation Demonstration and Training programs** by more than 600 percent, from \$5.8 million in FY22 to \$40.8 million in FY23. This increase is proposed in part to address “long-term barriers as well as novel challenges due to the pandemic that limit employment of individuals with disabilities.”

In **K-12 education programs, migrant education** would be flat funded from FY22; **education for homeless children and youth** would see a 3.5 percent cut from FY22 to \$110 million; and **rural education** would receive a \$7.8 million bump to \$202.8 million. Funding for **21st Century Community Learning Centers**, which provide before-school, after-school, and summer school programs for nearly 2 million children, would increase by \$20 million, or just 1.6 percent. The budget provides \$468 million, an increase of \$393 million or 524 percent, for **Full-Service Community Schools**, which provide comprehensive wrap-around services to students and their families, from afterschool, to adult education opportunities, and health and nutrition services.

For more information, see the [National Education Association](#) and the budget summary from the [Department of Education](#).

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Department of Health and Human Services

According to CQ, the FY 2023 budget proposes \$139.7 billion in discretionary spending (up 18 percent from FY22) for the Department of Health and Human Services (HHS). While the vast majority of the

budget for HHS provides mandatory funds for Medicare and Medicaid, the agency covers a wide variety of programs, from the Affordable Care Act and medical research to child care and vital community services for people with low incomes.

Among annual appropriations, the budget includes \$12.2 billion for **Head Start/Early Head Start**, up 10.6 percent, and \$7.6 billion for the **Child Care and Development Block Grant**, up nearly 23 percent from FY22. The budget also requests \$450 million for FY23, up 55 percent over FY22, for **Preschool Development Grants**. This would allow states to build or expand high-quality preschool systems.

Funding for the **Low Income Home Energy Assistance Program (LIHEAP)**, which provides heating and cooling assistance to about 6 million low-income households, would get a boost of \$175 million over FY22, up to \$3.98 billion. This does not include funding of \$100 million available each year for FY22-FY26 included in the Infrastructure Investment and Jobs Act, passed in FY21.

The **Community Services Block Grant (CSBG)**, which provides operating expenses for roughly 1,100 poverty-fighting community action agencies, would be funded at \$754.2million, a slight cut of \$800,000 from FY22.

Biden's proposed budget includes \$4.9 billion in discretionary funding for **unaccompanied migrant children** arriving in the U.S. and proposes \$1.8 billion in a new mandatory contingency fund to provide additional funding during a surge. The FY22 omnibus spending package included \$3.9 billion for unaccompanied minors; an additional \$4.1 billion was included in the two FY22 Continuing Resolutions passed. The FY23 discretionary amount assumes that up to 125,000 refugees will be admitted in FY23.

The **Promoting Safe and Stable Families program** provides formula grants to states for services to families to improve child safety at home. The grants also fund supportive services for reunifying and adoptive families, which promote safety and permanency for children and families and helps to prevent the need for foster care. The budget includes \$106 million in discretionary funding for the program for FY23, up from \$82.5 million.

The budget includes \$81.7 billion in mandatory funding for **pandemic-related activities** over five years. It also includes a new \$7.5 billion **Mental Health System Transformation Fund** to increase access to mental health services through workforce development and service expansion, including the development of nontraditional health delivery sites, the integration of quality mental health and substance use treatment into primary care settings, and the dissemination of evidence-based practices.

The request would boost **Indian Health Service funding** to \$9.1 billion in fiscal 2023 to improve the health disparities faced by American Indian and Alaskan Natives. The budget proposes shifting this funding to mandatory spending, meaning funding would then grow with costs annually and would not be subject to yearly congressional approval. This total does not include an additional \$147 million in current law mandatory funding for the Special Diabetes Program for Indians (together, Indian Health Service funding would total closer to \$9.3b). The FY22 enacted level of discretionary funding for IHS is \$6.6 billion.

For more information, see the budget summary from the [Department of Health and Human Services](#).

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Department of Housing and Urban Development

The Biden Administration proposes to increase HUD's budget by \$6.2 billion, or 9.4 percent above 2022 enacted levels, to \$71.9 billion.

According to the [National Low Income Housing Coalition](#), President Biden's budget would provide substantial investments in affordable homes and increase the availability of housing assistance to families with the greatest need. Rental assistance through the **Housing Choice Voucher Program** (also known as **Tenant-Based Rental Assistance**) would be expanded to 200,000 additional households; if enacted, it would be the largest one-year expansion of vouchers in the program's history. Funding for this program would increase by \$4.8 billion over FY22 to \$32.1 billion, with the expansion focusing on those experiencing homelessness or fleeing domestic violence and trafficking. Funding for **Homeless Assistance Grants** would increase by 11 percent, or \$363 million, to about \$3.6 billion, enough to support more than 25,000 additional households. Funding for **Project-Based Rental Assistance** increases by \$1.1 billion (7.6 percent) to \$15 billion; this amount is expected to be sufficient to renew all existing contracts.

The **Choice Neighborhoods program** would be cut by \$100 million, down to \$250 million. The **Community Development Block Grant** would receive \$3.77 billion, an increase of about \$400 million from FY22 levels, excluding the \$1.5 billion in earmarked funding included in the final FY22 omnibus. The **HOME Investment Partnership Program** would see an increase of \$450 million to \$1.95 billion (up 30 percent). These three programs, which together aid low-income communities in improving basic infrastructure, providing services to youth and seniors, rehabilitating housing, and promoting economic development, were slated for elimination in former President Trump's FY21 budget. The Biden budget proposes level funding at FY22 levels for the **Native American Housing Block Grant**; in total, a flat \$922 million is provided for tribal housing programs. Funding for **public housing operating funds** would decrease by \$4 million to just over \$5 billion; the **public housing capital fund** would receive \$332 million more than FY22, up to \$3.7 billion.

Several other programs receive cuts in the budget: the **Healthy Homes and Lead Hazard Control** program is cut by \$15 million, or 3.6 percent; **Housing for People with Disabilities** funding is decreased by \$64 million (18 percent); and **Housing for the Elderly** is cut \$67 million, or 6.5 percent, compared to FY22 levels.

According to the [Center on Budget and Policy Priorities](#), the budget also proposes \$50 billion in mandatory funding and additional Low-Income Housing Tax Credits to increase housing supply. This includes \$35 billion for a new HUD program called the Housing Supply Fund.

The proposal also includes funding for a new **Mobility Related Social Services** program to assist approximately 148,000 families with children in finding housing in neighborhoods with access to jobs, services, schools, and other resources.

For more information, see the [National Low Income Housing Coalition](#) and the budget summary from the [Department of Housing and Urban Development](#).

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Department of Labor

The proposed budget would increase the Labor Department's discretionary budget by 12.9 percent, or \$1.7 billion, from FY22 to FY23, for a total of \$14.9 billion in discretionary spending. According to CQ, this includes a special \$258 million allocation for reemployment services and rooting out waste and fraud in unemployment insurance claims.

In total, the request includes more than \$7 billion for worker training programs. The President's budget requests \$900 million, a \$29.4 million increase over FY22, for **Workforce Innovation and Opportunity Act (WIOA)** adult employment and training services, which help adults with barriers to work gain new skills and find employment. Also included within WIOA is Youth training, at \$964 million, up \$31 million over FY22. It also invests \$303 million, a \$68 million increase (28.9 percent) over FY22, to expand **Registered Apprenticeship** opportunities. This includes increasing access for people of color and women and diversifying the industry sectors involved. **Indian and Native American Programs** would receive a \$6.8 million increase (11.9 percent) to \$63.8 million in Biden's FY23 budget.

The request includes \$150 million for FY23 for **Reentry Employment Opportunities** to prepare justice-involved adults and youth for the job market, an increase of \$47.9 million (47 percent). The budget requests \$145 million for **YouthBuild**, an increase of \$46 million over FY22; these funds would serve nearly 8,000 youth. There is also \$75 million in new funding for a **National Youth Employment Program**. Funding would increase by \$1.3 million (1.4 percent) for the **Migrant and Seasonal Farmworkers Program** (also known as the National Farmworker Jobs Program), which provides workforce and development and employment assistance for migrant and seasonal farmworkers to help them prepare for stable, year-round employment. The **Community Service Employment for Older Americans Program**, which helps low-income senior citizens find work, would receive level funding of \$405 million. **Job Corps** would receive an increase of \$30.3 million, to \$1.78 billion, or 1.7 percent.

Funding for the **Office of Disability Employment Policy** is increased by \$18.1 million to \$58.6 million, or nearly 45 percent, from FY22 to FY23. Funding for WIOA **Dislocated Worker programs** (formula grants + National Reserve), which help workers who have lost their jobs gain new skills and find meaningful jobs in sectors that are projected to grow, would increase by more than 22 percent to \$1.68 billion. The budget proposes an increase of \$56.7 million to \$307.7 million for the **Wage and Hour Division** to help protect workers' paychecks.

For more information, see the budget summary from the [Department of Labor](#).

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Other Areas of Note

The **Department of Justice** would get \$37.7 billion, or an increase of 7.5 percent (\$2.6 billion) over FY22. The budget requests \$1 billion for the Office on Violence Against Women, nearly doubling the \$575 million the office received in FY22. The budget requests \$1.35 billion for the Justice Department's Executive Office for Immigration Review, which houses the U.S. immigration court system, up from \$760 million in FY22; the Biden Administration says this money will reduce the backlog of immigration cases, including by supporting 100 new immigration judges, expanding the virtual court initiative, and investing new resources in legal access programming.

The **Department of Homeland Security** would get \$56.7 billion in discretionary funds, a 1.4 percent decrease from FY22. This does not include special disaster aid funding. This includes \$375.4 million for U.S. Citizenship and Immigration services to adjudicate asylum cases. The Immigration and Customs Enforcement (ICE) agency would receive \$8.1 billion in discretionary funds, including \$527.1 million for Alternatives to Detention monitoring programs.

The FY23 request for the **Census Bureau** (under the Department of Commerce) is \$1.5 billion, an increase from the \$1.35 billion it received in FY22. The budget requests \$11.7 billion for the Commerce Department, up 18.2 percent (\$1.8 billion) from FY22.

According to **CQ**, the **State Department** would get \$67.6 billion in discretionary funds, a 16.6 percent increase over FY22. This includes \$3.9 billion for Refugee and Migration Assistance, \$10.6 billion for global health and health security programs, and \$1.6 billion for the U.N. Green Climate Fund.

The **Department of Transportation** discretionary budget would see a 0.5 percent decrease to \$26.8 billion, but it will see a separate boost from the Infrastructure and Jobs Act passed last year. The Department of Veterans Affairs discretionary budget would see a 20.5 percent increase to \$135.2 billion. Funding for the **Environmental Protection Agency** would increase by 24 percent, or \$2.3 billion, to \$11.9 billion.

According to the [Center on Budget and Policy Priorities](#), budget would provide more adequate funding to the **Social Security Administration** to successfully re-open field offices and help the growing number of older adults and people with disabilities gain access to the benefits they qualify for. And it would fund the IRS to rebuild its depleted staff so that it can fulfill its core responsibilities of collecting the taxes that are legally owed and providing taxpayer assistance so people can get their questions answered and properly file their returns.

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We appreciate your input. Give us your thoughts on our *Human Needs Report* at limbery@chn.org.
