

The Human Needs Report

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SPECIAL EDITION: President Biden's FY24 Budget Request

President Biden's FY24 Budget Invests in Critical Human Needs Programs

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President Biden's FY24 Budget Invests in Critical Human Needs Programs

The Biden Administration released its <u>Fiscal Year 2024 budget request</u> on Thursday, March 9. Highlights from select agency budgets are found in the articles that follow.

Of the \$6.9 trillion in projected FY24 spending included in the President's request, \$1.7 trillion is spending that must be annually appropriated by Congress, also known as discretionary spending; this is roughly 5 percent over FY23 levels. Of this, roughly \$688 billion is for base nondefense (domestic and international) discretionary (NDD) funding. Most education and housing programs fall into this category, plus many social service, public health, criminal justice, homeland security, environmental and community development programs. According to the Center on Budget and Policy Priorities, the budget would increase overall funding for NDD programs (outside of veterans' health care, which is growing at a greater rate) by about 7.3 percent compared to FY23 funding levels. The President's budget also includes \$121 billion in discretionary spending for Veterans Affairs Medical Care, and roughly \$37 billion for emergency and disaster discretionary funding.

The budget also calls for \$886.4 billion in defense discretionary funding, a roughly 3.3 percent (\$28 billion) increase over FY23. While advocates praised the expansion of funding for human needs

programs, many progressives have called for cuts to the defense budget. Republicans are expected to push for higher amounts for defense.

The Biden Administration budget includes more than \$4 trillion in mandatory spending for FY23. Mandatory spending programs, including Social Security, Supplemental Security Income, 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.

Advocates applauded many proposals in the budget, including one that would restore the full Child Tax Credit enacted in the American Rescue Plan, which drastically cut child poverty in 2021, but was allowed to expire. The budget would again expand the credit from \$2,000 per child to \$3,000 per child for children six years old and above, and to \$3,600 per child for children under six; this extension would remain in effect through 2025. In addition, the budget would permanently reform the credit to make it fully refundable, so that it would no longer exclude children in the lowest income families and allow families to receive monthly advance payments. The budget would also permanently provide the Earned Income Tax Credit expansion for workers without minor children at home.

The President's proposal also includes funding and policies to reduce the cost of child care and prescription drugs, increase the supply of affordable housing, provide free preschool and community college to students, and provide paid family leave and sick days to workers. It would sustain Medicare for another quarter-century by increased contributions from those with incomes over \$400,000; provide benefits comparable to Medicaid to ensure access to health coverage for millions of low-income people in the 11 states that have refused to expand their Medicaid programs; and expand access to Home and Community Based Services through the Medicaid program.

On the revenue side, the Biden budget proposes a 25 percent minimum income tax on billionaires, quadruples a 1 percent surcharge on corporate stock buybacks, taxes investment income at the same rate as income from work, and raises the corporate tax rate to 28 percent, up from 21 percent. In total, the proposal would raise revenue by \$4.7 trillion over a decade and reduce the federal deficit by nearly \$3 trillion over 10 years.

In a <u>statement</u>, CHN's Executive Director Deborah Weinstein said President Biden's budget, "makes right and responsible choices: less poverty, more jobs, investments that help workers, families, and children, and more economic security for older Americans. It translates moral clarity about the need for shared prosperity into dollars and cents."

While the President's budget does not as a whole move through Congress or become law, it is a proposal to Congress used to signal an administration's priorities. House Republicans called President

Biden's budget "out of control spending" and have said they want to cut FY24 discretionary spending down to FY22 levels. If House Republicans were to exempt veterans' medical care, the average cut to other NDD programs would be 11 percent, according to the Center on Budget and Policy Priorities, with cuts over 20 percent if the defense budget were also exempt from FY22 levels.

House and Senate Appropriations subcommittees have already started holding hearings on various aspects of the President's budget request. House Republicans may release their FY24 budget proposal as early as mid-April following their spring recess (with some reports that it could be delayed until May); more information on that will follow when it is released.

Given the divided control of the House and Senate and slim majorities in both chambers, it is unlikely that Congress will pass a joint budget resolution this year. Congressional budget resolutions are spending plans that include totals for annual appropriations, setting parameters for the work of the House and Senate Committees on Appropriations. However, it is not necessary for Congress to pass a budget resolution in order to agree upon funding for annual appropriations. Given that bipartisan support (at least 60 votes) is needed to pass spending bills in the Senate, advocates anticipate many spending battles in the months to come.

For more information on President Biden's FY24 budget, including official White House budget documents, CHN materials, action alerts, and statements and analysis from CHN members and partners, see CHN's FY 2024 Budget Resource Library. Stay tuned to upcoming *Human Needs Reports* for additional analysis as the FY24 federal budget and appropriations process moves forward.

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Select Biden Administration FY24 Departmental Budget Requests

The Coalition on Human Needs compiled information from the President's FY24 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.

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 71 percent of USDA's spending, according to the USDA. According to the White House budget summary, the budget requests \$30.1 billion in discretionary spending for USDA, up roughly 14 percent from 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.

The Department of Agriculture's budget includes \$122.1 billion in mandatory funding for the **Supplemental Nutrition Assistance Program (SNAP)/food stamps,** a decrease of roughly \$31.7

billion from FY23, to serve an estimated 43.5 million Americans per month. SNAP participation is estimated to decrease by 1.3 million participants from 2023 to 2024, and emergency benefit increases put in place during the pandemic ended in February for all states that had not already discontinued them.

The budget includes \$32 billion in mandatory spending for **Child Nutrition Programs**, up from \$28.5 billion in FY23. This includes the National School Lunch Program, School Breakfast Program, the Summer Food Service Program, and others.

The budget includes \$6.3 billion in discretionary spending to fully fund the **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**. WIC is estimated to serve 6.5 million Americans per month in FY24.

The **Commodity Supplemental Food Program**, which distributes food to low-income home-bound seniors, would be funded at \$390 million, up 15 percent from FY23.

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 FY24, up 8.7 percent from FY23.

The budget provides \$400 million for the **ReConnect** program, which provides grants and loans to deploy broadband to underserved areas, especially tribal lands. 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 <u>Food Research & Action Center</u>, <u>National WIC Association</u>, 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 \$10.8 billion, or 13.6 percent above the FY23 enacted level, to \$90 billion in discretionary funding.

The budget includes \$20.5 billion for **Title I** grants for high-poverty schools, a \$2.2 billion increase from FY23 enacted levels. It also includes \$500 million in new funding for a new **Preschool Incentive Demonstration Program** that would allow school districts to expand free, high-quality preschool for children eligible to attend Title I schools. A \$2.1 billion increase over FY 2023 levels (to \$16.3 billion) is included for the **Individuals with Disabilities Education Act (IDEA) Grants to States** program that support special education and related services for students with disabilities. **Special Education Grants for Infants and Families** is funded at \$932 million, a more than 70 percent increase in funding over FY23. The **Preschool Grants** program is funded at \$502.6 million, an increase of \$82.6 million over FY23 enacted levels; this helps states ensure free appropriate public education is available to children with

disabilities ages 3 through 5. The budget also includes a major new mandatory funding proposal administered by the Department of Health and Human Services in collaboration with the Department of Education to support a federal-state partnership to provide high-quality, **free preschool** to all four-year-old children.

The budget includes \$24.3 billion in discretionary funds for **Pell Grants**, an 8 percent increase over FY23, and increases the mandatory funding for this program by nearly 35 percent over FY23. It proposes to increase the maximum Pell Grant by \$820 for the 2024-2025 school year (\$500 in discretionary) to a maximum award of \$8,215 in discretionary and mandatory spending, and it proposes to double the maximum Pell Grants by 2029. The budget continues to support making Pell Grants available to Deferred Action for Childhood Arrivals (DACA) recipients. The Budget also includes \$500 million in a new discretionary grant program that will enable community colleges to provide up to two years of **free postsecondary education**.

The GEAR UP program, which supports low-income students from high school into their first year of college, would see an increase of \$20 million to \$408 million. Federal Supplemental Education Opportunity Grants that augment Pell Grants for more than a million of the needlest college students would be see level funding from FY23 enacted levels. Funding for the TRIO programs would increase \$160.8 million, or 9 percent over FY23, to nearly \$1.3 billion. The budget includes \$350 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 level funding from FY23. **Adult education and family literacy** programs that help foundation skills and English literacy instruction to individuals would see a \$30 million increase. **Perkins career and technical education state grants and national activities**, which support post-secondary education for millions of students, would receive a \$226.5 million, or 15.5 percent, increase in discretionary funds over FY23.

In K-12 education programs, migrant education, education for homeless children and youth, and rural education programs would all be flat funded from FY23 (although a separate "special programs for migrant students" account rises from \$52 million to \$66 million). Funding for 21st Century Community Learning Centers, which provide before-school, after-school, and summer school programs for nearly 1 million children, would also remain the same as FY23 levels, at \$1.3 billion. Funding for Indian Education would increase from \$194.7 million in FY23 to \$201.7 million in FY24. The budget provides \$368 million for Full-Service Community Schools, more than doubling the \$150 million provided in FY23, to 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 <u>National Education Association</u> and the budget summary from the <u>Department of Education</u>.

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Department of Health and Human Services

According to the White House budget summary, the FY 2024 budget proposes \$144.3 billion in discretionary spending (up by more than 11.5 percent from FY23) 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.

The budget includes nearly \$1.9 billion for **Maternal and Child Health programs**, up 12.4 percent from FY23. The budget acknowledges the critical problem of worsening maternal mortality in the U.S., with especially high mortality rates among Black women. A new <u>CDC report</u> issued after the budget's release shows an extremely troubling 40 percent rise in maternal mortality in 2021 (rising from 861 maternal deaths in 2020 to 1,205 in 2021). In addition, the budget would implement a requirement that states provide 12 months of postpartum coverage in Medicaid and CHIP.

Because the **Medicaid** program is ending pandemic rules that prevented terminations of beneficiaries, it has been estimated that about 15 million people may lose benefits, including millions who remain eligible for Medicaid or CHIP, but who will be disenrolled because they do not receive notices to provide documentation, or do not respond in time. The budget commits to utilizing authority provided by Congress to require states to improve their systems so that eligible people do not lose Medicaid, and to help guide people to other insurance options, such as ACA marketplace plans with significant premium subsidies for people with low incomes.

Among annual appropriations (aka, the discretionary items), the budget includes \$13.1 billion for **Head Start/Early Head Start**, up 9.36 percent, and \$9.0 billion for the **Child Care and Development Block Grant**, up 12.2 percent from FY23. The budget also requests \$360 million for FY24, up 14.3 percent over FY23, for **Preschool Development Grants** to 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 5 million low-income households, would be \$4.1 billion, and states would have the option to use a portion of their LIHEAP funds to provide water bill assistance to low-income households in addition to heating and cooling assistance. Taking into account \$2.5 billion in supplemental funding added this year, this would effectively be a substantial cut from current year funding at a time when home energy prices are high.

The **Community Services Block Grant (CSBG)**, which provides operating expenses for roughly 1,000 poverty-fighting community action agencies, would be level-funded at \$770 million.

Biden's proposed budget includes \$5.5 billion (level funding from FY23) in discretionary funding for **unaccompanied migrant children** arriving in the U.S. and proposes a new \$2.8 billion discretionary emergency contingency fund to provide additional funding during a surge. The budget assumes that up to 125,000 refugees will be admitted in FY24.

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 FY24, up from \$87 million.

The budget includes \$20 billion in mandatory funding for **pandemic-related activities** over five years. It also includes a new \$2 billion mandatory **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 \$8.1 billion in discretionary funding in FY24 to improve the health disparities faced by American Indian and Alaskan Natives (a \$2.2 billion increase over FY23). The budget also includes \$1.6 billion in proposed mandatory funding for the Special Diabetes Program for Indians and other programs, totaling \$9.7 billion for IHS. This is \$2.5 billion above FY23 levels.

On the mandatory side, the budget requests \$150 billion in mandatory spending over 10 years for **Home and Community Based Services** in Medicaid, to enable many older people and people with disabilities to live at home and get the care they need. It also permanently extends the enhanced Affordable Care Act premium tax credits enacted in the American Rescue Plan, and includes money to close the Medicaid coverage gap for individuals in states that have not expanded Medicaid.

For more information, see the budget summary from the <u>Department of Health and Human Services</u>.

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Department of Housing and Urban Development

The Biden Administration proposes to increase HUD's discretionary budget by \$1.1 billion, or 1.6 percent above FY23 enacted levels, to \$73.3 billion. In addition, it requests \$104 billion in new mandatory funding and tax expenditures to address the housing needs of extremely low-income households.

According to the <u>National Low Income Housing Coalition</u>, President Biden's budget would provide substantial federal investments in affordable homes and increase the availability of housing assistance to families with the greatest needs. Rental assistance through the **Housing Choice Voucher Program** (also known as **Tenant-Based Rental Assistance**) would be expanded to 50,000 additional households through increased funding and another 130,000 households through program reserves. Funding for this program would increase by \$2.5 billion over FY22 to \$32.7 billion, with the expansion focusing on those experiencing homelessness or fleeing domestic violence and trafficking. This total also includes \$25

million for a new **Mobility Services** program to expand families' housing choices and improve their access to communities with high-performing schools, better jobs, and higher-quality housing options.

Funding for **Homeless Assistance Grants** would increase by 3 percent, or \$116 million, to more than \$3.7 billion, enough to support more than 25,000 additional households. **Project-Based Rental Assistance** funding would increase to \$15.9 billion, up \$1 billion (6.7 percent) from FY23.

The Community Development Block Grant program would receive \$3.4 billion, including \$3.3 billion in formula funding. The FY23 appropriations package included an additional \$2.98 billion in earmarked funding for this program; no additional funding is proposed for FY24. The HOME Investment Partnership Program would see an increase of \$300 million to \$1.8 billion (up 20 percent). These three programs aid low-income communities in improving basic infrastructure, providing services to youth and seniors, rehabilitating housing, and promoting economic development. The Biden budget proposes \$820 million, an increase of \$33 million over FY23 levels, for the Native American Housing Block Grant; HUD says that the budget request \$1.05 billion for Native American Programs in total. Funding for public housing operating funds would increase slightly to \$5.2 billion; the public housing capital fund would receive \$330 million more than FY22, up to \$3.7 billion; and funding for public housing emergency/disaster grants would decrease by \$10 million to \$40 million.

Several other programs receive cuts in the budget: **Housing for People with Disabilities** funding is decreased by \$4 million (1.1 percent), and **Housing for the Elderly** is cut \$52 million, or 4.8 percent, compared to FY23 levels. The **Choice Neighborhoods program** would be cut by \$165 million or 47.1 percent, down to \$185 million. The **Healthy Homes and Lead Hazard Control** program is level funded at \$410 million.

The mandatory part of the request, an important initiative to expand vouchers beyond the constraints of annual appropriations, would provide rental vouchers to support all youth who age out of foster care annually and expand assistance to veteran families with extremely low incomes.

For more information, see the <u>National Low Income Housing Coalition's analysis</u> and <u>updated budget</u> <u>chart</u>, and the budget summary from the <u>Department of Housing and Urban Development</u>.

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Department of Labor

The proposed budget would increase the Labor Department's discretionary budget by 11 percent, or \$1.5 billion, from FY232 to FY24, for a total of \$15.1 billion in discretionary spending.

In total, the request includes more than \$4.4 billion for worker training programs. The President's budget requests \$900 million, a \$14.3 million increase over FY23, for **Workforce Innovation and Opportunity Act (WIOA)** adult employment and training activities, which help adults with barriers to work gain new skills and find employment. Also included within WIOA is **Youth Activities**, at \$964

million, up nearly \$16 million over FY23. It also invests \$335 million, a \$50 million increase (17.5 percent) over FY23, to expand **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 \$3.8 million increase (6.3 percent) to \$63.8 million in Biden's FY24 budget.

The request includes \$170 million for FY24 for Reentry Employment Opportunities to prepare justice-involved adults and youth for the job market, an increase of \$55 million (48 percent). The budget requests \$145 million for YouthBuild, an increase of \$40 million over FY23; these funds would serve nearly 8,000 youth. Funding would be flat 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 a slight increase from \$403.5 million to \$405 million. Job Corps would receive an increase of \$75.3 million, or 4.2 percent, to \$1.8 billion.

Funding for the **Office of Disability Employment Policy** would be increased by \$17.5 million to \$60.5 million, or nearly 41 percent, from FY23 to FY24. 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 6.9 percent to \$1.5 billion. The budget proposes an increase of \$81 million to \$391 million for the **Wage and Hour Division** to help protect workers' paychecks.

The budget also includes mandatory funding for new programs to provide 12 weeks of **paid family and medical leave** and seven **paid job-protected sick days** each year to all workers.

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 \$39.7 billion in discretionary funding, or an increase of 5.9 percent (\$2.2 billion) over FY23. The budget requests \$1 billion for the **Office on Violence Against Women**, a roughly 43 percent increase over FY23 levels. The budget requests \$1.5 billion for the Justice Department's **Executive Office for Immigration Review**, which houses the U.S. immigration court system, up \$595 million from FY23; the Biden Administration says this money will reduce the backlog of over 1.8 million currently pending immigration cases, including by supporting 150 new immigration judge teams and investing new resources in legal access programming. The budget also proposes \$760 million for **juvenile justice programs**, an increase of \$360 million over FY23, to bolster diversionary juvenile justice strategies.

The **Department of Homeland Security** would get \$60.4 billion in discretionary funds, a 1.1 percent decrease from FY23. This does not include \$20.1 billion in special disaster aid funding or a proposed new \$4.7 billion Southwest Border Contingency Fund to respond to migration surges. The \$60.4 billion does include \$865 million for **U.S. Citizenship and Immigration** services to adjudicate asylum cases. The **Immigration and Customs Enforcement** (ICE) agency would receive \$831 billion in discretionary funds, including \$363 million for Alternatives to Detention monitoring programs.

The FY24 request for the **Census Bureau** (under the Department of Commerce) is \$1.6 billion, an increase of \$121 million (8.1 percent) from FY23. The budget requests \$12.3 billion in discretionary funding for the Commerce Department, up 10.7 percent (\$1.2 billion) from FY23. Advocates seeking to improve the accuracy of the count of young children and people of color are recommending a greater increase than the Biden Administration proposes, for the preparations for the 2030 census, for improvements in the count used in the years up to 2030, and to improve the American Community Survey, which provides annual detailed data about income, poverty, health insurance, housing, and much more demographic information.

The budget requests \$70.5 billion for the **State Department**, U.S. Agency for International Development, and other international programs. This includes \$3.9 billion for **Migration and Refugee Assistance**, \$10.9 billion for global health and health security programs, and \$1.6 billion for the U.N. Green Climate Fund.

According to CQ, the **Department of Transportation** discretionary budget would be \$27.8 billion; the department received \$28.7 in the FY23 omnibus spending package, including \$2.6 billion in one-time funding. The **Department of Veterans Affairs** discretionary budget would see a 2.2 percent increase to \$137.9 billion; the budget reiterates that medical care for veterans should be considered separately from other appropriations categories in order to ensure that the needs of veterans are never traded off against critical human needs programs. Discretionary funding for the **Environmental Protection Agency** would increase by 19.2 percent, or \$1.9 billion, to \$12.1 billion.

According to the <u>Center on Budget and Policy Priorities</u>, the budget would increase funding for the **Social Security Administration** budget by \$1.4 billion or 10 percent, to begin addressing long wait times, short-staffed field offices, and long delays in disability benefit decisions, due to deep funding cuts since 2010. It would also increase base funding for the **Internal Revenue Service** by \$1.8 billion or 15 percent over the FY23 level to provide taxpayer assistance, efficiently process tax returns, and collect legally owed taxes from people who would try to cheat.

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