

The Human Needs Report

June 7, 2021

SPECIAL EDITION: President Biden's FY22 Budget Request

President Biden's FY22 Budget Invests in Critical Human Needs Programs

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President Biden's FY22 Budget Invests in Critical Human Needs Programs

The Biden Administration released its detailed <u>Fiscal Year 2022 budget request</u> on Friday, May 28. The full budget request, which provides greater detail than the President's "<u>skinny budget</u>" released on April 9, is the first 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.

President Biden's budget calls for spending to rise steadily from \$6 trillion in FY22 to \$8.2 trillion in FY31. Of the \$6 trillion in projected FY22 spending, \$1.7 trillion is spending that would be annually appropriated by Congress, also known as discretionary spending. *CQ* notes that includes money appropriated in prior years that hasn't yet been spent, as well as \$1.52 trillion in newly-requested funds. Of this, roughly \$770 billion is for non-defense (domestic and international) discretionary (NDD) funding. This reflects a 16.5 percent increase over FY21 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 \$753 billion in defense discretionary funding, a roughly 1.6 percent increase over FY21. This includes the previously uncapped and controversial Overseas Contingency Operations (OCO) fund, which would now be included in the base defense budget. In a break from the past, the Pentagon budget would dip below half of total discretionary spending (to 49.5 percent). While advocates praised the expansion of funding for human needs programs, many progressives have called for cuts to the defense budget. Some Republicans say the defense request amounts to a cut after accounting for inflation and are calling for parity, or equal increases in defense and nondefense spending.

The Biden Administration budget includes \$4 trillion in mandatory spending for FY22. 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. Much of the increase in the Biden budget over the 10-year window comes from the rising costs of entitlement programs such as Social Security and Medicare.

The Biden budget includes funds to implement the policy changes laid out in the President's historic <u>American Jobs Plan</u> and the <u>American Families Plan</u>. The <u>Center on Budget and Policy Priorities</u> said the Biden budget, "includes a set of investments... that would dramatically reduce child poverty and help children thrive; improve our nation's health; expand opportunity in early and higher education; create new workforce development opportunities; bolster households struggling to afford the basics; and allow people to take paid time off from work to meet their own health needs and to provide care for their families." It proposes to increase the corporate income tax rate and reduce incentives for U.S. multinational corporations to shift profits and investments overseas, and increases taxes on individuals with incomes over \$400,000 a year.

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, and when the president and congressional leadership are from the same party, many of those priorities are influential in shaping congressional action, from appropriations levels to major initiatives.

It is expected that a budget resolution passed by both the House and Senate will contain instructions that will allow Congress to pass all or part of the President's economic recovery proposals using the reconciliation process. Both the budget resolution and the reconciliation bills that emerge only need a simple majority to pass. A recent <u>decision</u> by the rules-keeper of the Senate (the Senate Parliamentarian) means that Democrats will only have one chance later this year to use budget reconciliation, through a budget resolution the House and Senate agree upon for FY22. This means that anything Democrats need to pass through the Senate with a simple majority vote between now and when they take up a FY23 budget resolution will have to go into one budget reconciliation package.

However, appropriations bills cannot be enacted through a reconciliation process; that means appropriations bills will need 60 votes – and therefore Republican support – to pass in the Senate. With

the release of the President's budget, Congress will begin the process of drafting and debating the 12 annual spending bills covering government functions. The House will likely soon pass a "deeming resolution," essentially an informal agreement to set the FY22 top-line limit on discretionary spending; this allows appropriators to move forward with drafting spending bills absent a more-formal budget resolution in place. The House Appropriations subcommittees are expected to begin the process of voting on FY22 spending bills later in June, with full committee votes held in July. The Senate Appropriations Committee may begin its work in July. As bipartisan support is needed to pass spending bills in the Senate, many are already predicting the need for a stopgap spending measure, known as a Continuing Resolution, to keep the government funded when the new fiscal year begins October 1.

For more information on congressional FY22 budget and appropriations work, see the <u>April 19 Human</u> <u>Needs Report</u>. Stay tuned to upcoming <u>Human Needs Reports</u> for additional analysis of as the FY22 federal budget and appropriations process moves forward.

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Select Biden Administration FY22 Departmental Budget Requests

The Coalition on Human Needs compiled information from the President's FY22 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. The budget requests \$27.9 billion in discretionary spending for USDA, up 16.7 percent (\$4 billion) from FY21 to FY22. 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 \$168.1 billion, a \$20 billion decrease from FY21 enacted levels.

The Department of Agriculture's budget includes \$105.8 billion for the **Supplemental Nutrition Assistance Program (SNAP)/food stamps,** a decrease of roughly \$8.2 billion from FY21, to serve an estimated 45.4 million Americans per month. The budget ensures that SNAP benefits will continue to include the emergency allotment payments first authorized by the Families First Coronavirus Response Act as well as the 15 percent benefit increase for as long as the Public Health Emergency continues, but assumes the emergency will be over sometime before the end of FY22, at which time the increased benefits will expire. Similar to the American Families Plan, the budget proposes removing the ban on the participation in SNAP for those with past drug convictions. The budget includes \$26.9 billion for **Child Nutrition Programs**, up from \$25.2 billion in FY21. This includes the National School Lunch Program, School Breakfast Program, the Summer Food Service Program, and others. The American Families Plan, as part of the budget, invests more than \$25 billion to make **Summer Electronic Benefit Transfer (EBT)** permanent and available to all 29 million children eligible for free and reduced-price school meals.

The budget includes \$6 billion in discretionary funding for the **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**. This includes two new funding steams: \$200 million to support benefits should cost or participation increase and \$100 million to support WIC technology systems. WIC is estimated to serve 6.4 million Americans per month in FY22.

The **Commodity Supplemental Food Program**, which distributes food boxes to low-income home-bound seniors, would see an increase of \$7 million to \$332 million. This program was slated for elimination in former President Trump's FY21 budget request. The budget also requests a \$65 million increase above FY21 levels of \$635 million for the ReConnect program, which is designed to expand **broadband access** in rural areas.

For more information, see the <u>National WIC Association</u> and the budget summary from the <u>Department</u> of <u>Agriculture</u>.

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Department of Education

President Biden's proposed budget would increase the Department of Education's budget by \$29.8 billion, or 40.8 percent above the FY21 level, to \$102.8 billion; this would be the largest percentage increase of any Cabinet department. Additionally, the proposal includes nearly \$50 billion in new mandatory spending tied to proposals in the President's American Jobs Plan and American Families Plan.

The proposal would provide free **preschool** to all three- and four-year-olds as well as two years of free **community college**. The budget includes \$36.5 billion for **Title I** grants for high-poverty schools, a \$20 billion increase from FY21 that represents the largest year-over-year increase since the program's inception in 1965. The additional \$20 billion is for a new Equity Grants program to help close the \$23 billion gap between funding for majority white and majority non-white school districts. A \$2.7 billion increase (to \$15.5 billion) in included for **Individuals with Disabilities Education Act (IDEA)** grants to states that support special education and related services for students with disabilities; this is the largest increase in two decades. Additionally, the budget includes additional discretionary funds to increase the maximum **Pell Grants** by \$400 – the largest one-time increase since 2009 – and additional mandatory funds for a total increase of \$1,875 over the current maximum grant. Pell Grants would also be available to DACA (Deferred Action for Childhood Arrivals) recipients, undocumented young people who came to the U.S. as children. Funding for **historically black colleges and universities (HBCUs)** and other minority-

serving institutions (MSIs) would rise by \$600 million. The president's budget proposal also includes historic increases for community schools.

The **GEAR UP** program, which supports low-income students from high school into their first year of college, would see an increase of \$40 million to \$408 million. **Federal Supplemental Education Opportunity Grants** that augment Pell Grants for more than a million of the neediest college students would be level-funded. Funding for the **TRIO** programs would increase \$200.8 million, or 18.3 percent over FY21.

The Federal Work Study program would be level-funded from FY21, as would adult education and family literacy state grants that help foundation skills and English literacy instruction to over 1.5 million individuals. Perkins career and technical education state grants, which support post-secondary education for more than 12 million students, would receive a small \$20 million, or 1.5 percent, increase in discretionary funds over FY21; additionally, the budget includes \$1 billion annually over the next 10 years in mandatory funding under the American Jobs Plan to expand career pathways for middle and high school students. Vocational Rehabilitation State Grants would rise \$44.1 million from FY21 to \$3.7 billion in mandatory funds in FY22.

In K-12 education programs, migrant education and education for homeless children and youth would be flat funded from FY21; rural education would receive a \$5 million bump to \$192.8 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 \$50 million. The budget provides \$443 million, an increase of \$413 million, for **Full-Service Community Schools**, which prove comprehensive wrap-around services to students and their families, from afterschool, to adult education opportunities, and health and nutrition services. The budget includes a proposal from the American Jobs Plan to provide \$10 billion in mandatory funding in FY22, and \$50 billion over five years, for grants to **upgrade and build new public K-12 schools**. It also includes a proposal from the American Families Plan to include \$280 million in mandatory funding, along with \$132.1 million (an increase of \$80 million over FY21) in discretionary spending for the **Teacher Quality Partnership** program to prepare aspiring teachers and provide professional development.

For more information, see the <u>National Education Association</u>, <u>National Skills Coalition</u> and the budget summary from the <u>Department of Education</u>.

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Department of Health and Human Services

The FY 2022 budget proposes \$133.7 billion in discretionary spending (up more than 23 percent from FY21) and \$1.5 trillion in mandatory funding for the Department of Health and Human Services (HHS). (HHS budget detail notes that one-time rescissions reduce the discretionary amount to \$107.5 billion.) While the vast majority of the budget for HHS provides 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 a proposal in the American Jobs Plan to invest \$400 billion to expand access to Medicaid **home and community-based services (HCBS)** for seniors and people with disabilities and to support the HCBS workforce. It also includes a proposal from the American Families Plan to make permanent the American Rescue Plan's expansion of premium tax credits for people who obtain coverage through the **Affordable Care Act** marketplaces, and calls for the creation of a public option within the ACA. The budget calls for a premium-free, "Medicaid-like" option in states that have not adopted Medicaid expansion.

In a long-overdue advance, the budget calls for eliminating the current **Medicaid funding caps for Puerto Rico and the other territories**, and for increasing Medicaid match rates in the territories to align with those of the states.

The health care provisions in the HHS budget also include proposals to allow Medicare to negotiate the price of **prescription drugs** and to allow people over the age of 60 to enroll in Medicare.

The budget includes an additional \$2.2 billion (a 36 percent increase) over FY21 levels for **Indian Health Services** to improve the health disparities faced by American Indian and Alaskan Natives.

Key initiatives in the HHS budget proposal focus on children, including increasing funding for early learning programs. The budget invests \$250 billion over ten years to make **child care** affordable, ensuring that low- and middle-income families pay no more than 7 percent of their income on highquality child care and offering **free**, **high-quality**, **preschool** to all three- and four-year-olds, benefitting five million children. Among annual appropriations, the budget includes \$11.9 billion for **Head Start/Early Head Start**, up 11 percent, and \$7.4 billion for the **Child Care and Development Block Grant**, up nearly 25 percent from FY21. The budget also requests \$450 million for FY22, \$175 million over FY21, 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 \$100 million over FY21, up to \$3.85 billion. This program was slated for elimination in former President Trump's FY21 budget.

The **Community Services Block Grant (CSBG)**, which provides operating expenses for roughly 1,100 poverty-fighting community action agencies, would receive \$754 million, up \$9 million over FY21.

Biden's proposed budget includes \$3.8 billion for **unaccompanied migrant children** arriving in the U.S. This marks a significant increase from the \$1.3 billion provided in FY21for the same purpose. Funding for **Refugee Support Services** would more than double, from \$207 million in FY21 to \$450 million in FY22. The budget assumes that up to 125,000 refugees will be admitted in FY22, the highest number in 30 years.

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 \$475 million in mandatory funding for the program for FY22.

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 \$9 billion, or 15 percent above 2021 enacted levels, to \$68.7 billion.

According to the <u>National Low Income Housing Coalition</u>, 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, the largest one-year expansion of vouchers in the program's history. Funding for this program would increase by \$5.4 billion over FY21 to \$30.4 billion, with the expansion focusing on those experiencing homelessness or fleeing domestic violence. Funding for **Homeless Assistance Grants** would increase by \$500 million to \$3.5 billion, enough to support more than 100,000 additional households. Funding for **Project-Based Rental Assistance** increases by \$595 million (4.4 percent) to \$14.1 billion; this amount is expected to be sufficient to renew all existing contracts.

While the **Choice Neighborhoods program** would be cut by \$15 million, **the Community Development Block Grant** would see an increase of \$295 million to \$3.77 billion, and the **HOME Investment Partnership Program** would see an increase of \$500 million to \$1.85 billion (up 37 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 increases funding over FY21 levels for the **Native American Housing Block Grant** by \$76 million (11.7 percent); in total, \$1 billion is provided for tribal housing programs. Funding for **public housing operating funds** would increase by \$23 million, fully covering public housing operating costs; the **public housing capital fund** would receive \$435 million more than FY21, up to \$3.5 billion.

A small number of other programs receive increases in the budget: the **Healthy Homes and Lead Hazard Control** program receives an increase of \$40 million, or 11.1 percent, and **Housing for People with Disabilities** receives an increase of \$45 million (19.8 percent) - \$80 million of this is to support the construction of 900 new units of permanently affordable, accessible housing for people with disabilities. The budget also includes \$100 million to support construction of 1,100 new permanently affordable **housing units for older adults**, and \$800 million in new funding distributed across HUD programs to make homes more energy efficient and climate resilient.

For more information, see the <u>National Low Income Housing Coalition</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 14 percent, or \$1.7 billion, from FY21 to FY22, for a total of \$14.2 billion in discretionary spending.

The President's budget requests \$3.7 billion, a \$203 million increase over FY21, for **Workforce Innovation and Opportunity Act (WIOA) Title I** state formula grants, which help adults and youth with barriers to work gain new skills and find employment. It also invests \$285 million, a \$100 million increase over FY21, to expand **Registered Apprenticeship** opportunities. This includes increasing access for people of color and women and diversifying the industry sectors involved. The American Jobs Plan would invest an additional \$800 million in FY22 and \$10 billion over 10 years to create 2 million new apprenticeship slots. **Indian and Native American Programs** would receive a \$2.5 million increase to \$58 million in Biden's FY22 budget, and **Dislocated Workers grants** would see an increase of \$100 million to \$380.9 million.

The American Jobs Plan would provide \$81.5 billion over 10 years for a variety of **job training/employment programs**, including \$18 billion over 10 years for a new Comprehensive Supports for Dislocated Workers program and \$22 billion for a new program called SECTOR (Sectoral Employment Through Career Training for Occupational Readiness). Also included would be a subsidized jobs program, funded at \$600 million in FY22 and \$4 billion over 10 years, targeted mainly to recipients of public assistance, \$9 billion over 10 years for community college training programs, \$1 billion for justiceinvolved trainees, and \$2 billion in order to phase out the current sub-minimum wage for workers with disabilities. There would also be \$7.5 billion committed to **worker protection/enforcement activities**.

The request includes \$150 million for FY22 for **Reentry Employment Opportunities** to prepare justiceinvolved adults and youth for the job market, an increase of \$51.9 million; this will fund more than 10,000 additional participants in 2022. The budget requests \$145 million for **YouthBuild**, an increase of \$48.5 million over FY21; this will fund more than 3,000 additional participants in the program in 2022. There is also \$50 million in new funding for a **National Youth Employment Program**. Funding would increase by \$2.8 million (3 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 lowincome senior citizens find work, would receive level funding; this program was slated for elimination in former President Trump's FY21 budget request. **Job Corps** would receive a small increase of \$9.1 million, or 0.5 percent.

Funding for the **Office of Disability Employment Policy** is increased by \$4.2 million, or more than 10.9 percent, from FY21 to FY22. Funding for the **Women's Bureau** is increased by nearly \$5 million, or 32.9 percent. The budget proposes an increase of \$30.5 million to \$276.5 million for the **Wage and Hour Division** to help protect workers' paychecks.

For more information, see an analysis from the <u>National Skills Coalition</u> and the budget summary from the <u>Department of Labor</u>.

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Other Areas of Note

The **Department of Justice** would get \$35.3 billion, or an increase of 5.3 percent over FY21. This includes funds to speed immigration courts, combat gun violence (including \$232 million in new spending), and overhaul state and local criminal justice systems; it would double the FY21 level for Violence Against Women Act programs. Some advocates expressed concern over increases in law enforcement funding. According to *CQ*, the White House also wants to increase the budget for the Justice Department's Executive Office for Immigration Review, which houses the U.S. immigration court system, by 21 percent, from \$734 million to more than \$891 million; this includes funds to provide pro bono representation and other legal aid to immigrants fighting deportation without lawyers and would also fund the hiring of 100 additional immigration judges to chip away at a lengthy immigration court backlog.

The **Department of Homeland Security** would get \$54.9 billion, roughly flat funding from FY21. This includes \$345 million for U.S. Citizenship and Immigration services to adjudicate a backlog of naturalization and asylum cases. The budget does not include funding for U.S.-Mexico border wall construction. The budget for Immigration and Customs Enforcement (ICE) would be \$7.9 billion, roughly the same as in FY21, enough to allow the agency to hold up to 30,000 adults daily in immigration detention facilities.

The FY22 request for the <u>Census Bureau</u> (under the Department of Commerce) is \$1.4 billion, an increase of \$335.8 million from the FY21 enacted level. The budget requests \$11.5 billion for the Commerce Department, up 29.4 percent (\$2.6 billion) from FY21.

According to *CQ*, the **State Department** would get \$550 million for the U.S. refugee admissions program, a significant jump from the \$280 million allocated to refugee admissions last year.

The **Department of Transportation** discretionary budget would see a 3.3 percent bump, and the Department of Veterans Affairs discretionary budget would see a 8.5 percent increase. Funding for the **Environmental Protection Agency** would increase by 21.3 percent, or \$2 billion, to \$11.2 billion.

The budget proposal extends the <u>American Rescue Plan</u> changes to the **Child Tax Credit** and makes permanent full refundability; makes permanent the American Rescue Plan expansion to the **Earned Income Tax Credit** for workers without children; and makes permanent the American Rescue Plan changes to the **Child and Dependent Care Tax Credit**. However, it only extends through 2025 the American Rescue Plan's increase in the maximum Child Tax Credit to \$3,000 for children 6 years or older and \$3,600 for children under age 6.

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