



# Looking Back, Looking Forward

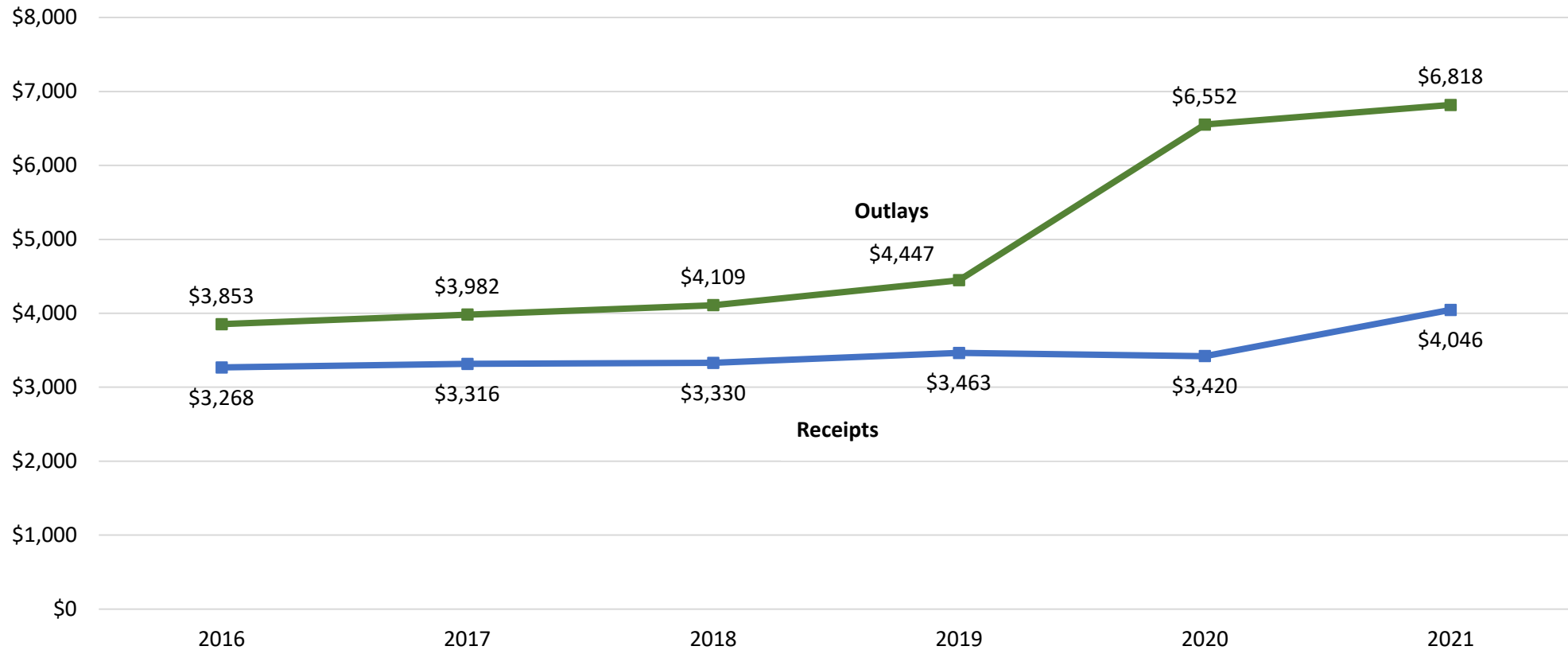
Vermont Legislative Briefing  
December 7, 2022

Looking Back

# Lots of new federal spending

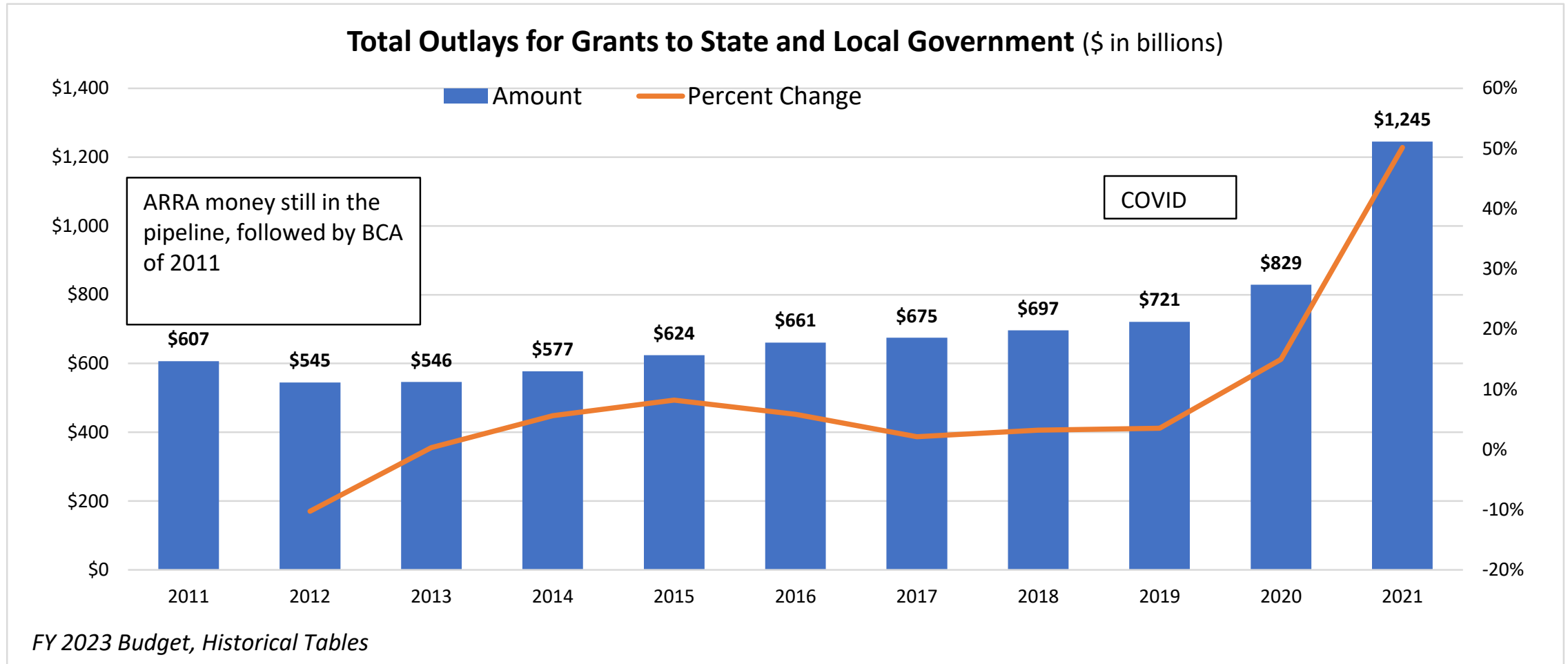


**Federal Receipts, Outlays, FYs 2016-2021**  
(\$ in billions)

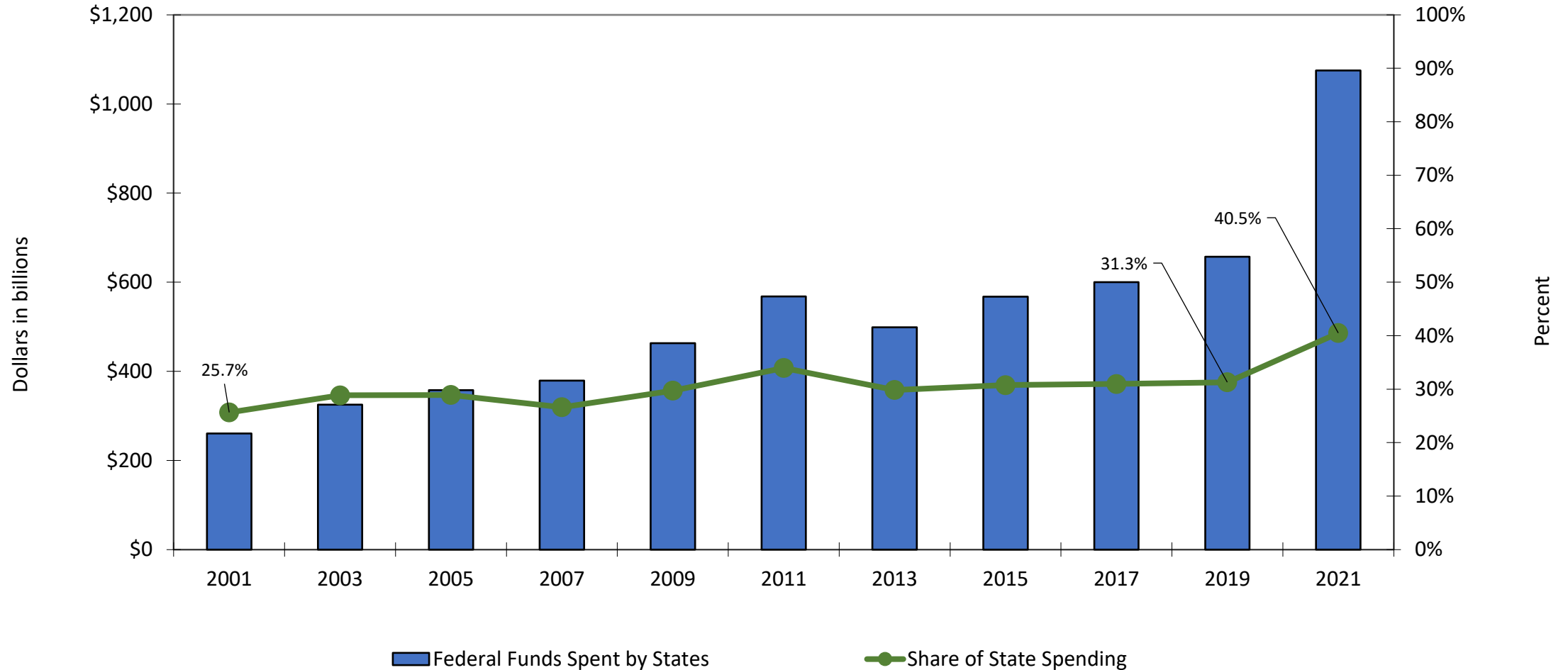


Source: CBO, Monthly Budget Review, November 2021

# It's been quite a ride

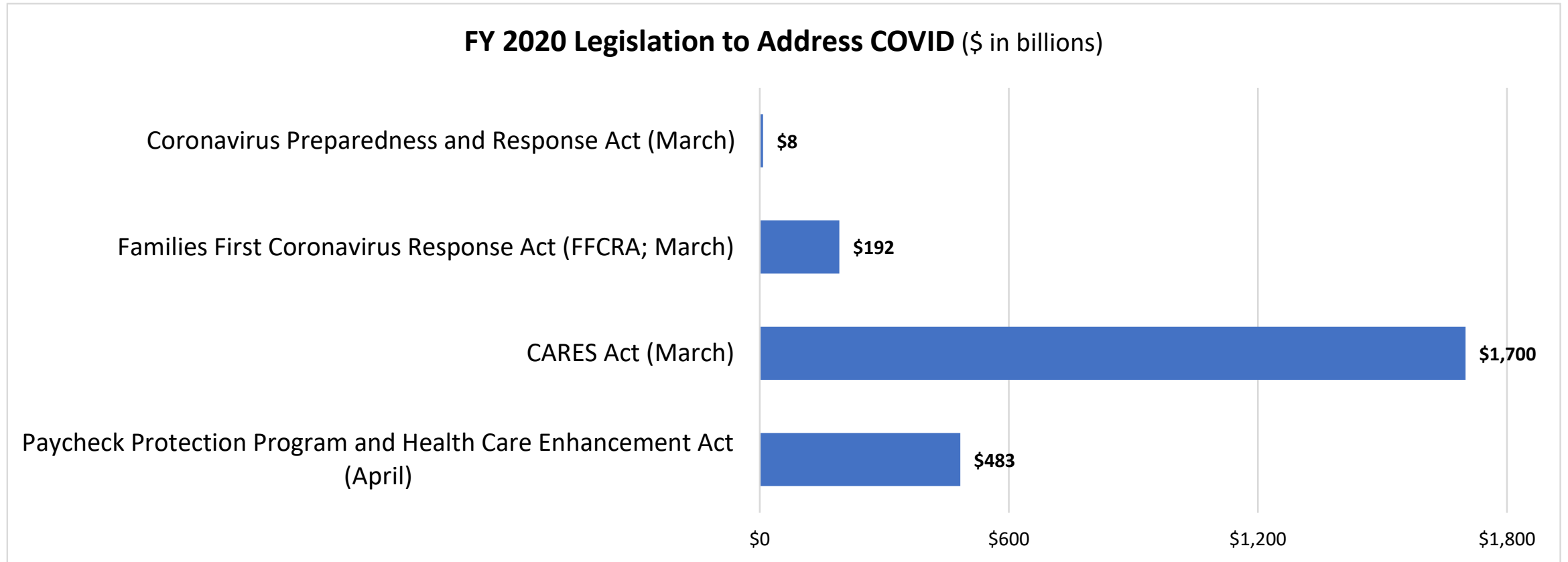


# And states have felt the impact



Source: NASBO State Expenditure Report, various years

# FY 2020 started out like normal, until...



# Key features



## FFCRA

- 6.2 percentage-point FMAP increase

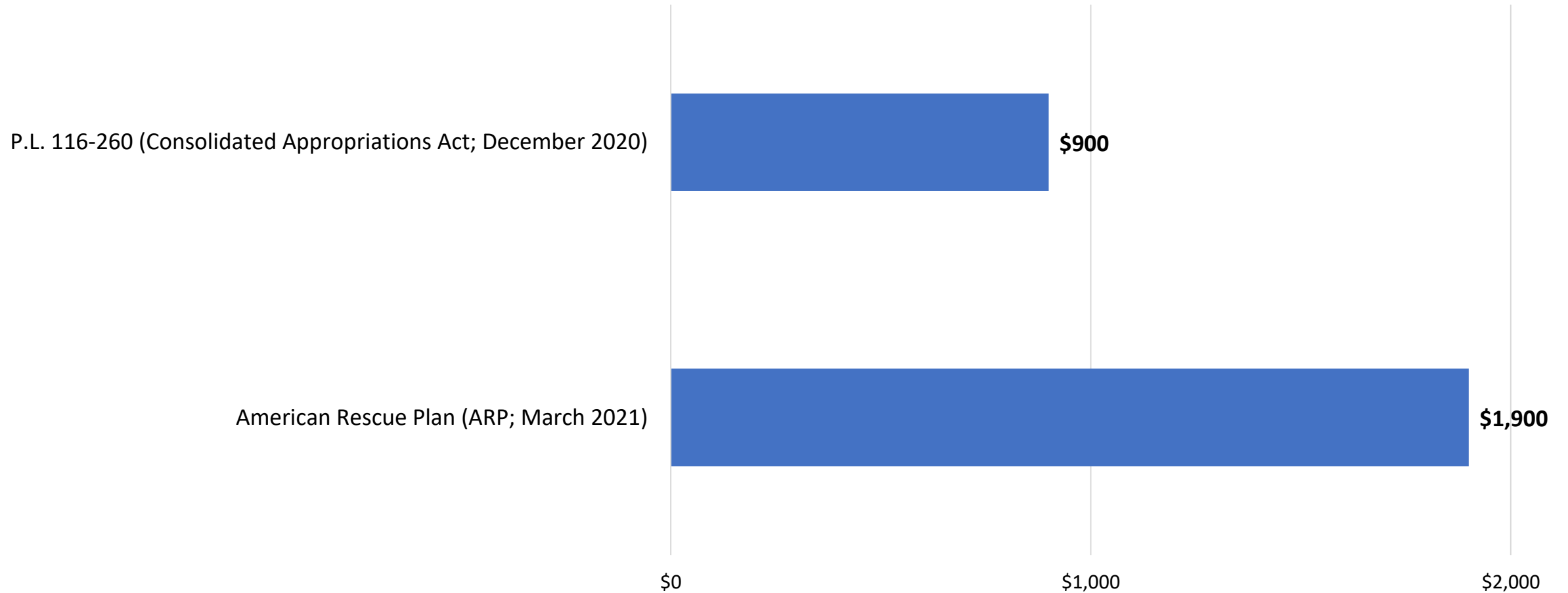
## CARES Act

- Coronavirus Relief Fund (\$150 B)
- Education Stabilization Fund #1 (\$31 B)
- Economic Impact Payment #1 (not a grant, but important)
- Many other grants, more than \$300 B in total
- UI enhancements

# FY 2021 picked up where FY 2020 left off



**FY 2021 Legislation to Address COVID (\$ in billions)**





# Key features



## Consolidated Appropriations Act

- Education Stabilization Fund #2 (\$82 B)
- Emergency Rental Assistance (ERA; \$25 B)
- UI extensions
- The beginnings of the broadband effort
- Economic Impact Payment #2

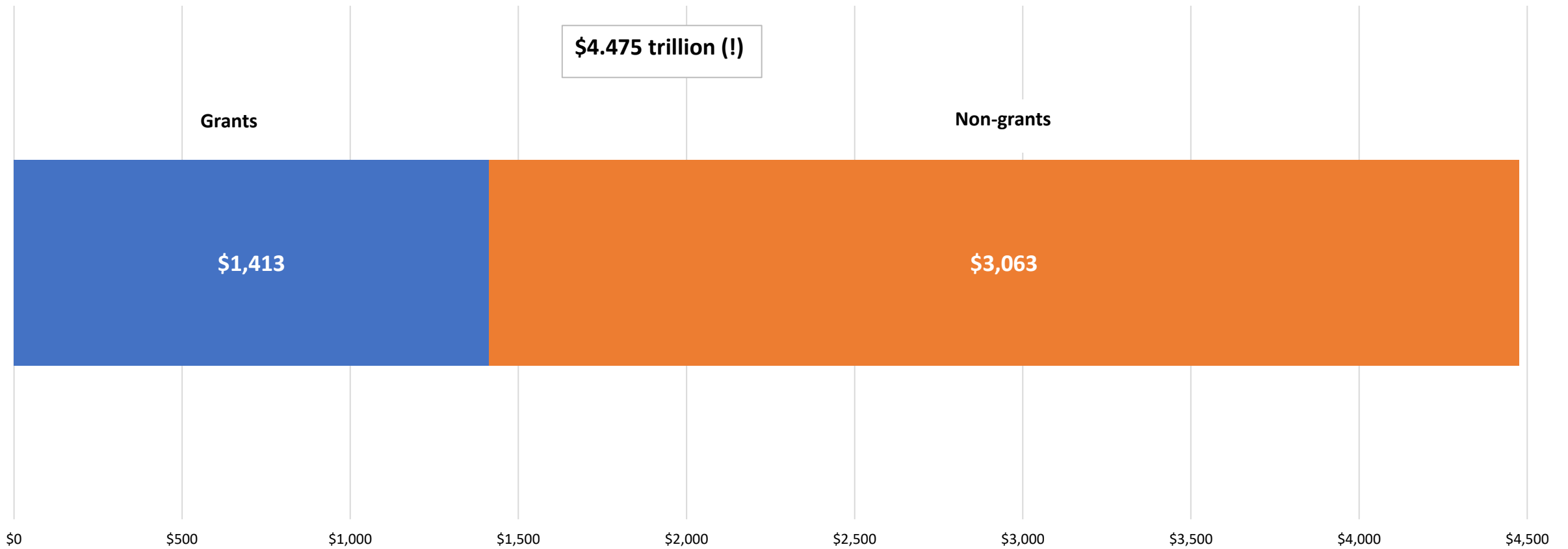
## American Rescue Plan

- State and Local Fiscal Recovery Funds (\$350 B)
- Capital Projects Fund (\$10 B)
- Education Stabilization Fund #3 (\$166 B)
- More UI extensions
- More ERA (\$21.5 B) + Homeowner Assistance Fund (\$10 B)
- State Small Business Credit Initiative (\$10 B)
- Economic Impact Payment #3
- Many other grants, more than \$800 B in total

# In summary



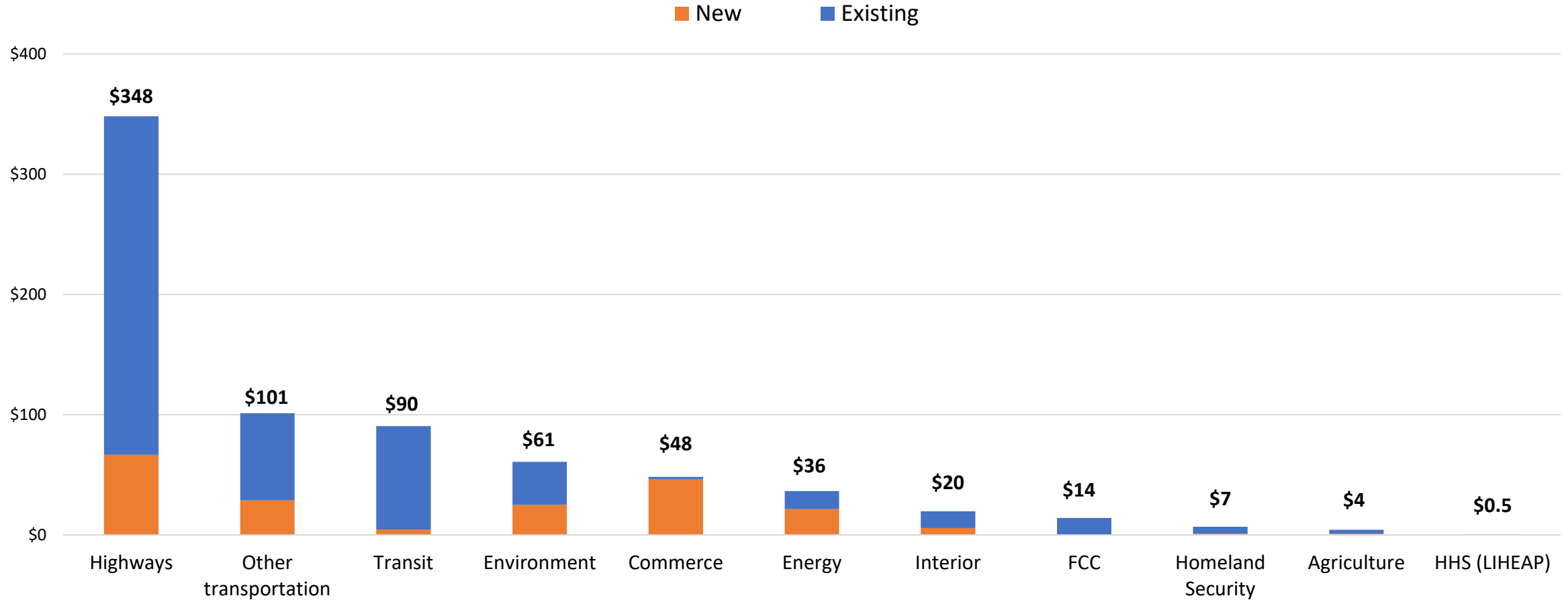
Federal COVID Spending Traceable to States (\$ in billions)



# The dust settled until November 2021

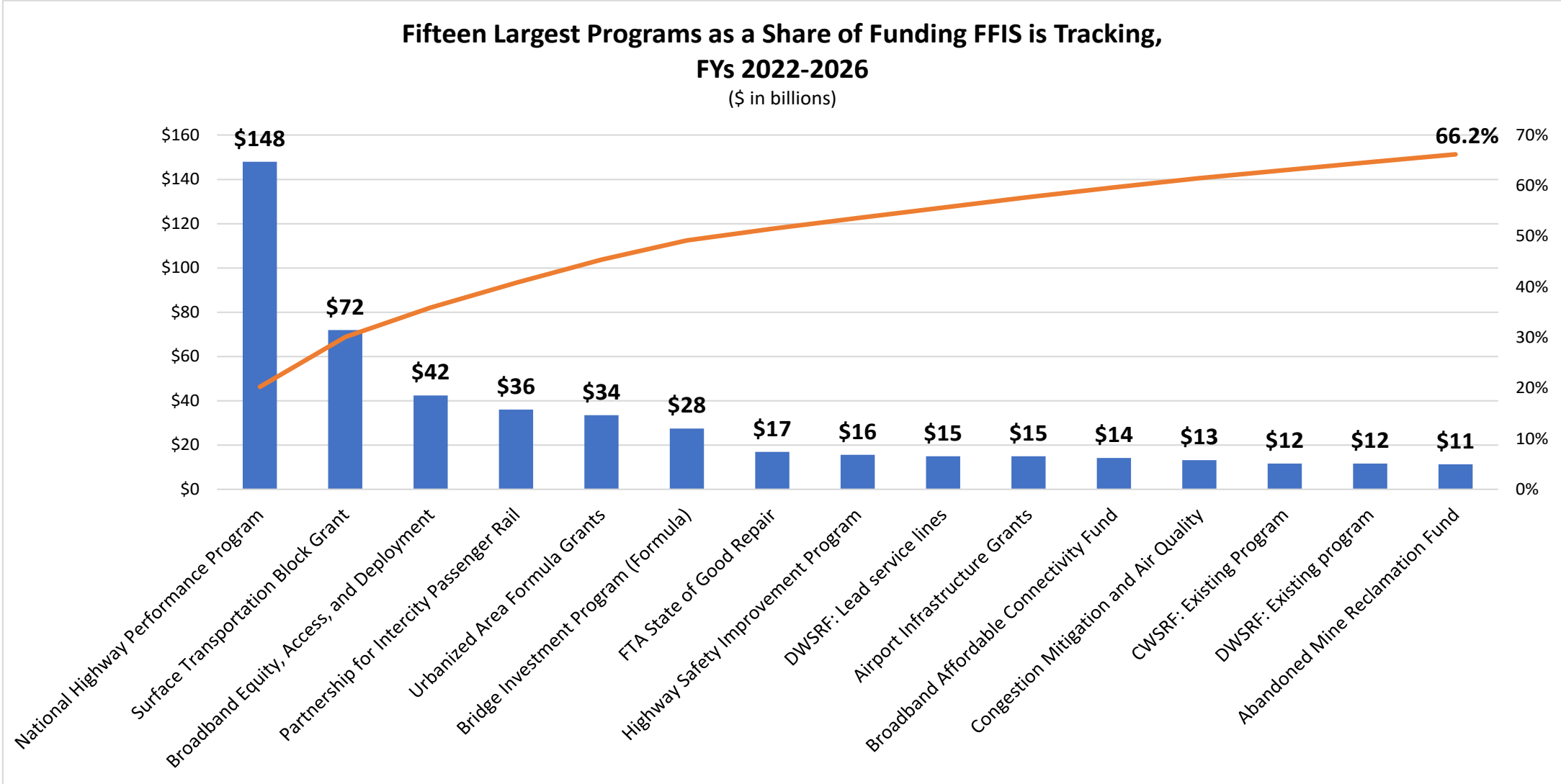


Infrastructure Investment and Jobs Act (IIJA) Provides \$731 Billion, FY 2022-2026





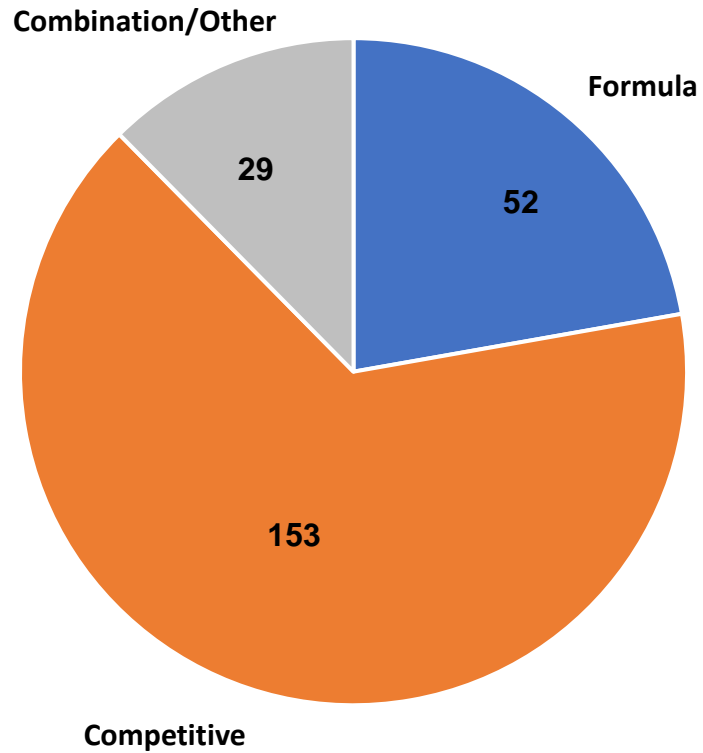
# IJA takeaway #1: big programs dominate



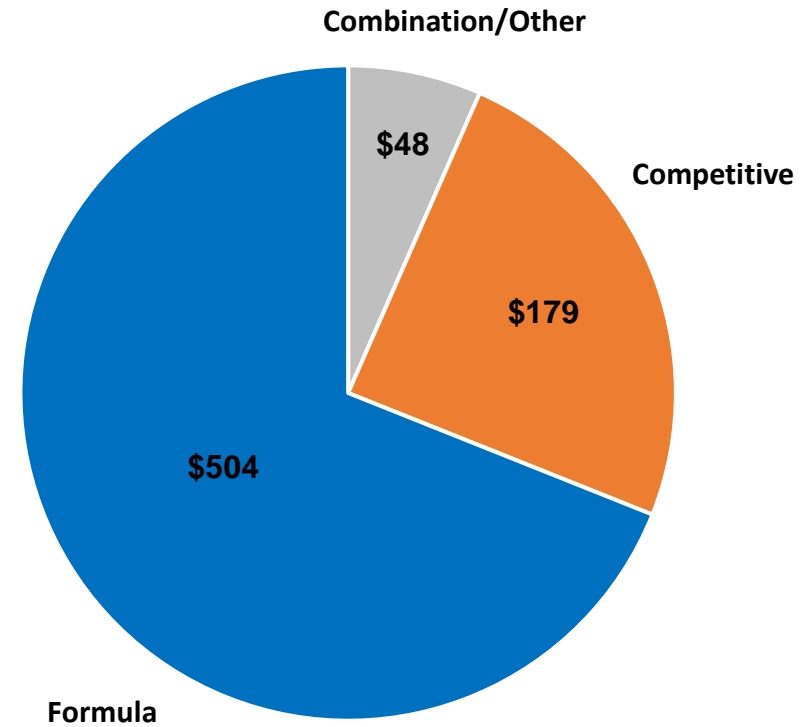
# IIJA takeaway #2: formula funds dominate



Grant Programs Funded in IIJA



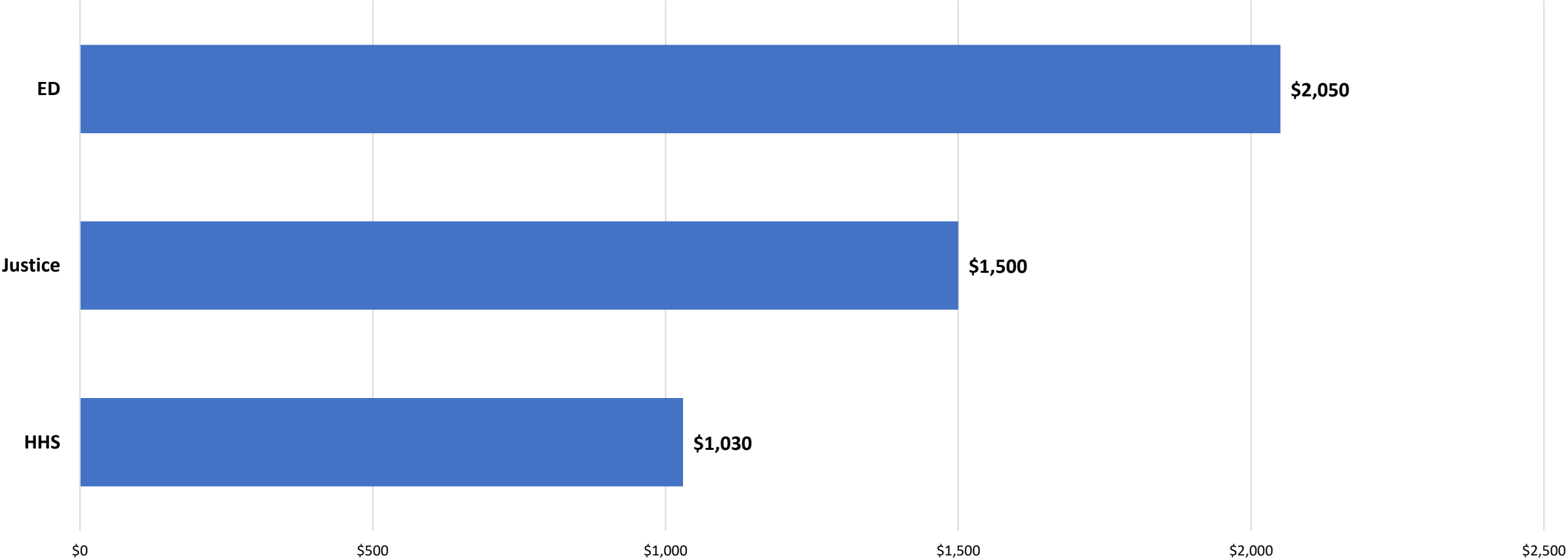
Funding Provided in the IIJA  
(\$ in billions)



# But wait, there's (\$4.6 B) more in FY 2022



**Appropriations in Bipartisan Safer Communities Act, FYs 2022-2026**  
(\$ in millions)



# Key BSCA features



All grants are for existing programs and must be released by end of CY 2022

Most are competitive (~13)

Four formula grants (JAG, MHBG, SSAEBG, 21CCLC) account for \$2 billion

Funds were appropriated so funding is guaranteed

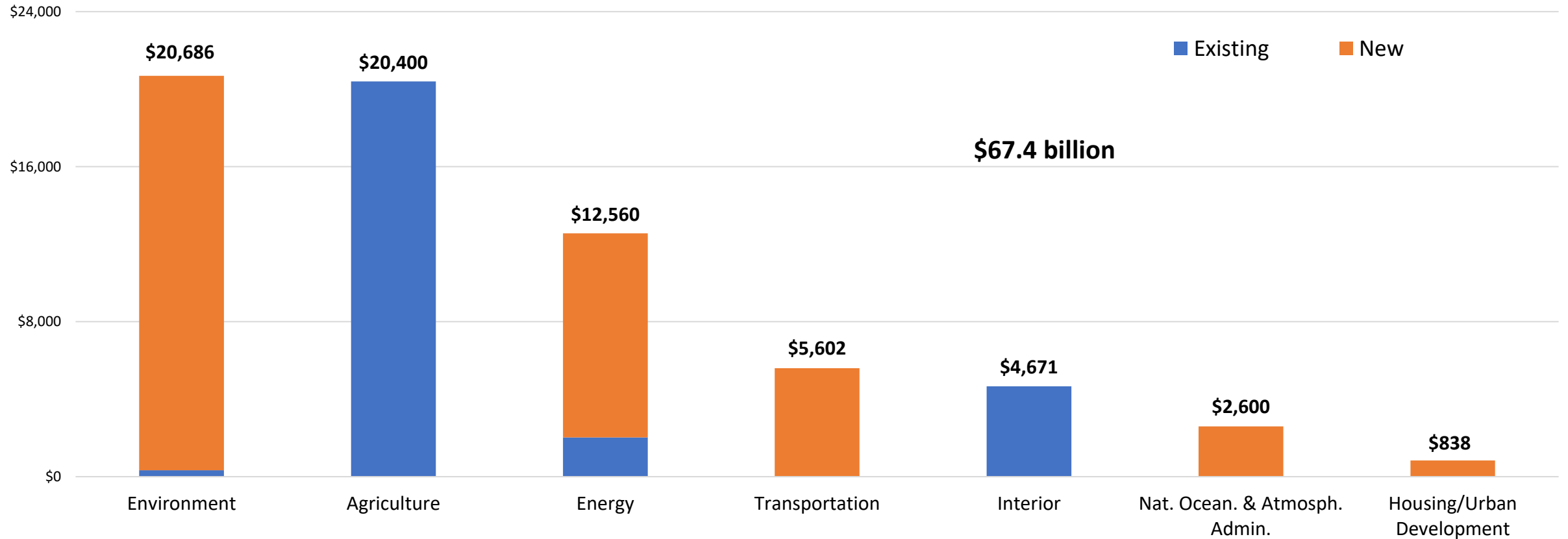
Most funds are assigned to specific years between FY 2022-FY 2026, with a few exceptions

Only a few require a state match

# And finally, a climate bill to close out FY 2022



**Inflation Reduction Act Grant Totals (\$ in millions)**





# Key IRA features



Passed under reconciliation, so funding is mandatory.

Most grants received one-time appropriations with varying periods for expenditure.

Revenue increases include 15% corporate AMT, IRS enforcement, stock repurchase excise tax.

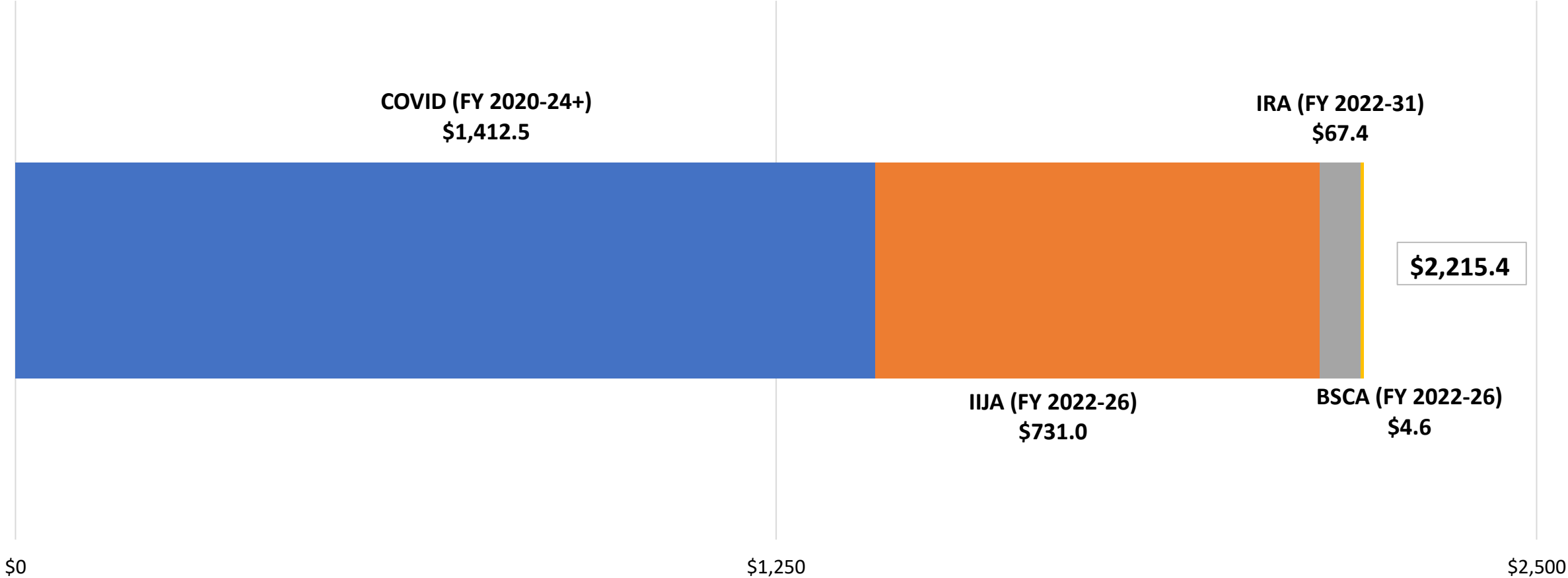
Tax incentives are plentiful for individuals, business, and even states.

Health policies mostly affect Medicare, but some affect Medicaid too (vaccine coverage mandate).

# Upshot: a lot of federal money in play



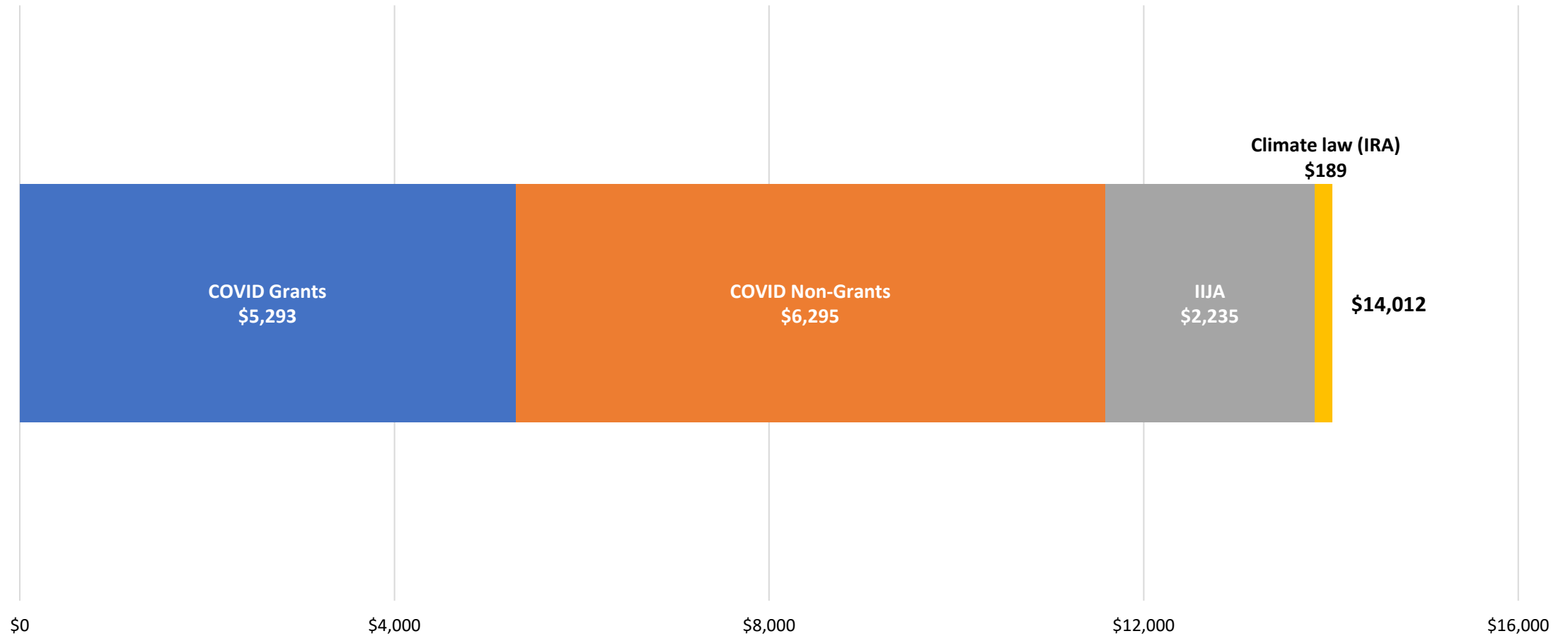
Recent Appropriations for State Grants (\$ in billions)



# And a lot of federal money for Vermont



**Funds Flowing to Vermont for COVID, IIJA, IRA**  
(as of November 18, 2022; \$ in millions)



# Footnotes for states



Matching requirements?

Extra FMAP is incomplete (reporting issues)

The hassle of unwinding

In the event of a recession, additional federal fiscal relief is uncertain

VT's FMAP rises from 55.82 (FY 2023) to 56.75 (FY 2024).

Looking Forward

# FY 2023 Continuing Resolution (CR)



Runs until 12/16

Extends TANF, Home Visiting program, Promoting Safe and Stable Families

\$1 B in additional funding for LIHEAP (awarded)



# What's ahead

## FY 2023 Appropriations

- Top-line agreement elusive; more CRs?
- Election results create different incentives for timing of final deal

## When will the Public Health Emergency end?

- Current PHE until early January (FMAP through end of March 2023)
- Administration to provide 60 days' notice of non-renewal
- No such notice came in November

## Debt limit increase in 2023

- Lame duck session?

# Questions?



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IRA Allocations: [ffis.org/ira](https://ffis.org/ira)

Contact [eableman@ffis.org](mailto:eableman@ffis.org) for login help

- **Follow-up questions?**

Contact: Marcia Howard: [mhoward@ffis.org](mailto:mhoward@ffis.org)