

NSDC SPECIAL REPORT SUMMARY OF FISCAL YEAR 2024 APPROPRIATIONS ACTS

APRIL 8, 2024

Nearly six months after the start of the federal fiscal year, lawmakers cleared and President Biden signed into law two separate fiscal year 2024 appropriations Acts. Combined, the measures provide funding for all federal departments and agencies through September 30 of this calendar year.

The first bill – enacted on March 9 and codified as the <u>Consolidated Appropriations Act, 2024</u> – provides funding for a number of major departments, including Agriculture, Commerce, Energy, Interior, Justice, Housing & Urban Development, and Transportation. The Act (P.L. 118-42) also funds dozens of other agencies and bureaus.

The second spending measure – which was signed into law on March 23 and entitled the <u>Further Consolidated Appropriations Act, 2024</u> (P.L. 118-47) – funds the Departments of Defense, Health and Human Services, Homeland Security, Labor, Treasury, and State, as well as a number of independent agencies and governmental bodies.

As a unified package, the two budget Acts adhere to the topline appropriations levels that were announced by congressional leaders in early January. Incidentally, final spending also largely tracks the funding targets that were negotiated between President Biden and then-House Speaker Kevin McCarthy (R-CA) as part of last year's debt ceiling law (the *Fiscal Responsibility Act* (P.L. 118-5)).

All told, the enacted budget provides \$773 billion in domestic discretionary resources for fiscal year 2024. Although that level of spending is roughly on par with FY 2023, lawmakers imposed cuts across a number of individual departments and programs while others received notable increases. With regard to discretionary spending for Defense programs, the final budget provides \$825 billion or a roughly 3.4 percent boost in funding.

The recent congressional action on the two appropriations measures concludes a lengthy and tumultuous budget cycle for the fiscal year that began last October. In the intervening months, lawmakers were forced to pass several Continuing Resolutions in order to avoid a series of partial government shutdowns. In the end, the final spending bills garnered relatively strong bipartisan backing in the upper chamber as a majority of Senate Republicans joined most Democrats in

supporting the legislation. In the GOP-controlled House, however, Speaker Mike Johnson (R-LA) was forced to rely heavily on Democratic votes in order to get the bills over the finish line due to strong opposition from conservative members of the Freedom Caucus.

To follow are key funding highlights of the final appropriations Acts for fiscal year 2024.

Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

The Agriculture spending title of P.L. 118-42 provides discretionary funding of \$26.3 billion, or a roughly three percent decrease compared to FY 2023. The Act includes a total of \$211 billion when accounting for both discretionary and mandatory programs.

With regard to conservation programs, the final budget provides \$915 million to help farmers, ranchers, conservation districts and non-governmental organizations conserve and protect their land. The Act also provides \$35 million for USDA water and flood prevention projects.

It should be noted that the final budget reduces spending for USDA rural development programs by roughly \$500 million. Among the programs receiving budget reductions are the ReConnect broadband program, the Distance Learning, Telemedicine and Broadband Program, and the Community Connect Grant Program. USDA's water and wastewater disposal program also was cut under the final budget.

Commerce, Justice, Science and Related Agencies

P.L. 118-42 provides non-defense topline resources of \$69.9 billion for the Departments of Justice and Commerce, or a 16 percent reduction from the FY 2023 enacted level.

All told, the Act provides \$468 million for community economic development programs through the Commerce Department's Economic Development Administration (EDA), including \$100 million for Public Works grants, \$25 million for the Good Jobs Challenge Program, and \$50 million for the Regional Innovation Program. The Act also provides \$41 million for the Regional Technology and Innovation Hub Program, which was authorized for the first time in the CHIPS and Science Act of 2022.

Energy and Water Development and Related Agencies

The final budget provides \$58.2 billion in FY 2024 resources for the Energy and Water Development funding title. The defense portion of the allocation totals \$33.2 billion, which is \$1.89 billion (6 percent) above the FY 2023 enacted level. Non-defense spending is \$24.9 billion, or two percent below previous spending.

U.S. ARMY CORPS OF ENGINEERS – P.L. 118-42 provides nearly \$8.7 billion for programs and projects under the purview of the U.S. Army Corps of Engineers, or a \$21 million increase. The Act includes over \$2.77 billion for the Harbor Maintenance Trust Fund, a \$253 million increase in spending, as well as \$456 million for construction projects on the inland waterways system, fully funding ongoing work for FY 2024. Roughly \$2.2 billion is included for flood and storm damage reduction activities.

BUREAU OF RECLAMATION – The Act provides a total of \$1.9 billion in resources for the Bureau of Reclamation, a slight decrease in spending. Within Reclamation's budget, the Act directs over \$135 million for rural water projects and includes \$134 million for water storage projects authorized by the *WIIN Act*.

U.S. DEPARTMENT OF ENERGY – P.L. 118-42 provides a total of \$50.2 billion for the Department of Energy, including \$3.5 billion for Energy Efficiency and Renewable Energy programs, or the same level of funding as FY 2023. Of the aforementioned total, \$471 million is dedicated to State and Community Energy Programs (or level funding) to support the Weatherization Assistance Program, Weatherization Readiness Fund, State Energy Program, Local Government Energy Program, and Energy Future Grants.

Finally, the budget Act includes \$200 million for *Cybersecurity, Energy Security, and Emergency Response activities*, equal to previous spending levels. Among other activities, funding is dedicated to programs that protect energy infrastructure, as well as programs designed to reduce the risks of and impacts from cybersecurity events.

Interior, Environment, and Related Agencies

The FY 2024 Interior, Environment, and Related Agencies title includes \$41.3 billion in funding for the U.S. Department of the Interior (not including the Bureau of Reclamation), the U.S. Environmental Protection Agency (EPA), the U.S. Forest Service, and related agencies. The overall funding level is \$11.4 billion below the FY 2023 enacted levels.

- **U.S. DEPARTMENT OF THE INTERIOR** The final budget provides a total of \$14.7 billion for the Interior Department, which is approximately \$31 million above FY 2023.
- **U.S. ENVIRONMENTAL PROTECTION AGENCY** The Act provides a total of \$9.2 billion for the EPA, which is a cut of \$977 million. The biggest reduction (\$745 million) came out of the Hazardous Substance Superfund program, although the *Infrastructure Investment and Jobs Act* (IIJA) provides the Superfund with a separate pot of funding that makes up for the loss of FY 2024 discretionary funding.
- EPA's *Clean Water and Drinking Water State Revolving Funds*, which provide resources for special districts and other local governments to support the development of water and wastewater projects, are funded at FY 2023 levels.
- **U.S. FOREST SERVICE** The budget provides \$8.4 billion for the U.S. Forest Service, which is \$1.3 billion above the FY 2023 enacted level. Of this amount, \$3.8 billion is for non-fire responsibilities, which is \$157 million below previous spending. The remaining \$4.6 billion is reserved for wildland fire management, which is an increase of nearly \$1.5 billion.

Wildfire Suppression – The budget fully funds essential wildfire preparedness and suppression efforts by providing over \$4 billion for wildfire suppression, of which \$2.65 billion is provided to

the Wildfire Suppression Operations Reserve Fund. The Reserve Fund provides the Forest Service and the Interior Department an assured amount of funding to be used when major fire activity requires expenditures exceeding regular base suppression operations funding. This funding level – in addition to carryover balances – will meet projected needs for FY 2024 wildfires.

Wildland Firefighter Pay – The budget law continues the additional pay authority provided by the IIJA and protects current staffing levels.

Payments-in-Lieu-of-Taxes – The final budget fully funds the Payments-in-Lieu-of-Taxes (PILT) program. In FY 2023, the Interior Department distributed more than \$578 million in PILT funding to over 1,900 local governments.

Labor, Health and Human Services

P.L. 118-47 provides over \$222 billion in funding for the Departments of Labor, Health and Human Services, and Education, or a roughly 7.2 percent increase compared to previous spending.

The vast majority of programs under the purview of the U.S. Department of Health and Human Services are funded at last year's levels (with departmental revenues totaling \$116.8 billion). Health professional workforce programs, such as the National Health Service Corps, are level-funded.

It should be noted that the final budget delays the \$8 billion annual cut to Medicaid Disproportionate Share (DSH) hospital payments. Pursuant to P.L. 118-47, DSH cuts are now delayed to January 1, 2025. The DSH program provides supplementary payments to hospitals serving large numbers of uninsured and Medicaid patients.

Transportation, Housing and Urban Development and Related Agencies

The Transportation-Housing and Urban Development funding title of P.L. 118-42 provides \$103 billion in discretionary spending for federal highway, transit, aviation, and housing programs. After accounting for dramatic declines in housing revenues this year, the funding levels in the final budget provide for a net increase of \$1.7 billion, or 1.6 percent, from FY 2023.

U.S. DEPARTMENT OF TRANSPORTATION – The Act provides a total of \$106.4 billion in budgetary resources, or an increase of \$15.5 million from FY 2023. These amounts are in addition to the \$36.8 billion in discretionary spending under the *Infrastructure Investment and Jobs Act* (IIJA) for FY 2024.

FEDERAL TRANSIT ADMINISTRATION – The FTA is funded at \$16.6 billion, including \$13.9 billion for Transit Formula Grants to expand bus fleets and increase the transit state of good repair, consistent with the IIJA. The Act also provides a total of \$2.4 billion for Capital Investment Grants to create new transit routes nationwide, as well as \$252 million for Transit Infrastructure Grants and projects to assist transit agencies in purchasing low and no emission buses and to carry out other key local projects. Together with advance appropriations under the IIJA, the final budget

provides nearly \$21 billion for public transit in FY 2024, or \$364 million (2 percent) less than the FY 2023 enacted level.

FEDERAL AVIATION ADMINISTRATION – The Act provides \$20.1 billion for the FAA, or \$1.1 billion above FY 2023. This includes a seven percent increase from 2023 for FAA operations to expand the national air traffic controller workforce by 1,800 personnel, as well as \$1.7 billion to support 125 new personnel to carry out flight standards, aircraft certification, and accident prevention activities. With regard to the Airport Improvement Program (AIP), the final budget provides just over \$3 billion in funding, a slight decrease compared to FY 2023.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT – The Department of Housing and Urban Development is receiving \$75.5 billion in FY 2024, or an increase of \$3.4 billion. Under the final budget, the Community Development Block Grant (CDBG) is level-funded at \$3.3 billion.

Homeland Security

The Department of Homeland Security (DHS) is funded at \$90.4 billion, an increase of nearly \$4 billion. When excluding offsetting collections and major disaster funding, the total provided in the final budget Act is \$61.8 billion, which is \$1.1 billion above the FY 2023 enacted level.

With regard to FEMA, the agency's primary Disaster Relief Fund is receiving \$20.3 billion, or a \$316 million increase. However, the Act imposes cuts to a number of FEMA grant programs, including the Assistance to Firefighters Grant (AFG) and the Staffing for Adequate Fire and Emergency Response (SAFER) programs. Under the final budget, both programs were cut by \$36 million to \$324 million. Likewise, the Urban Areas Security Initiative (UASI) was cut by \$61.5 million to \$553.5 million and the State Homeland Security Grant Program (SHSGP) was reduced by \$52 million to \$468 million.

Veterans Affairs

P.L. 118-42 provides a nominal increase for the Department of Veterans Affairs, though certain VA programs received significant increases. For example, Veterans Mental Health Programs and Veterans Homeless Assistance Programs are funded at \$16.2 billion and \$3.1 billion, respectively (increases of 17 percent and 15 percent). Operating expenses for administering veterans' benefits are funding at nearly \$3.9 billion, or a roughly one percent increase.

