



The Federal Budget: Where Things Stand

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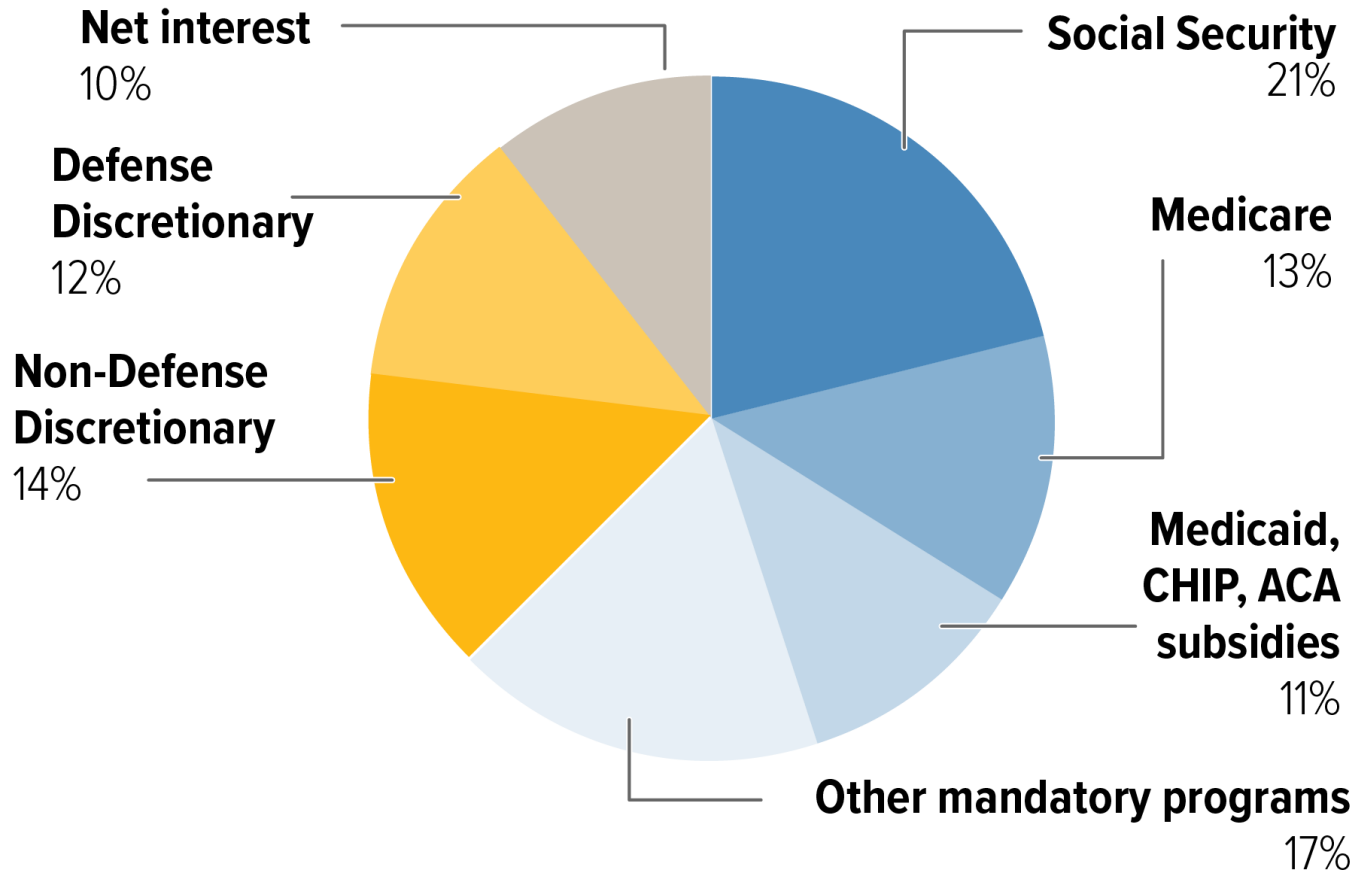
Federal Budget Issues This Year

- Appropriations (or “discretionary” programs)
 - Need funding annually
 - Fiscal year starts Oct 1
- Farm bill
 - SNAP reauthorization
- Year-end tax package
 - Chance to expand the Child Tax Credit



Federal Spending by Program

FY 2023



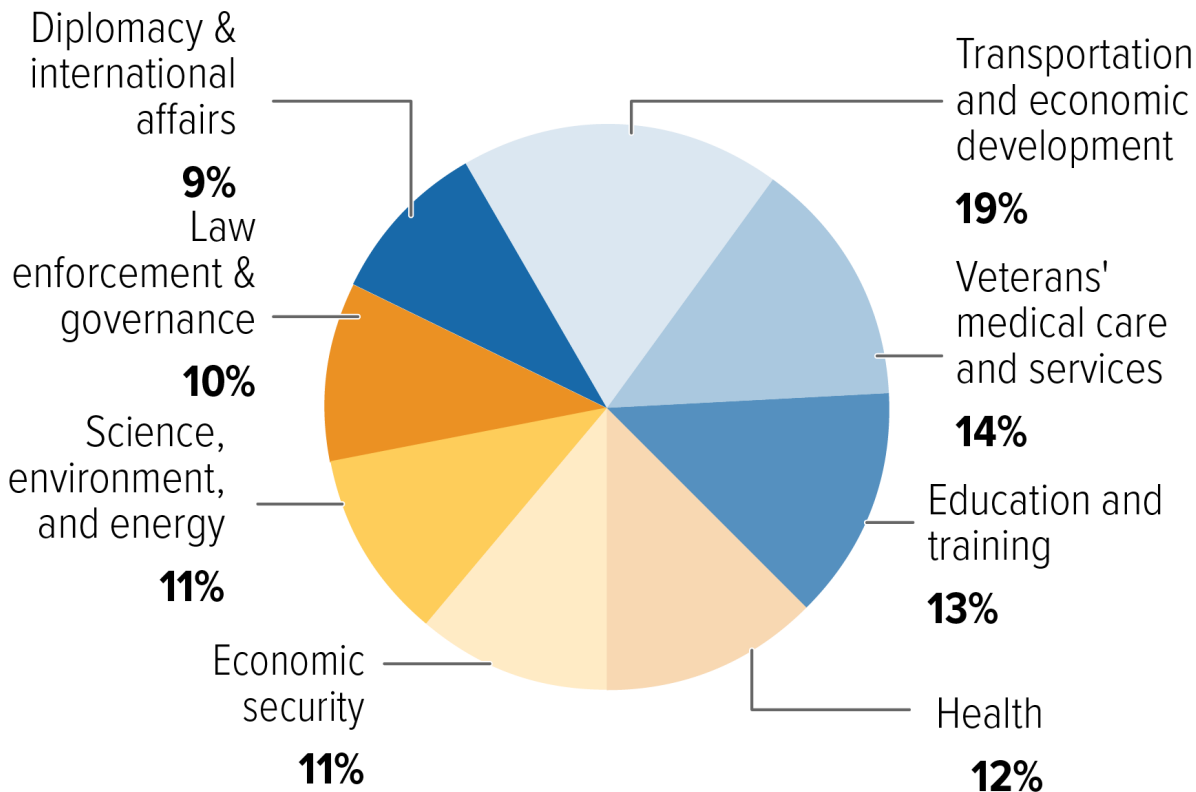
Source: CBPP analysis of data from the Congressional Budget Office



Non-defense Discretionary Spending FY 2023



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CENTERS FOR DISEASE CONTROL AND PREVENTION

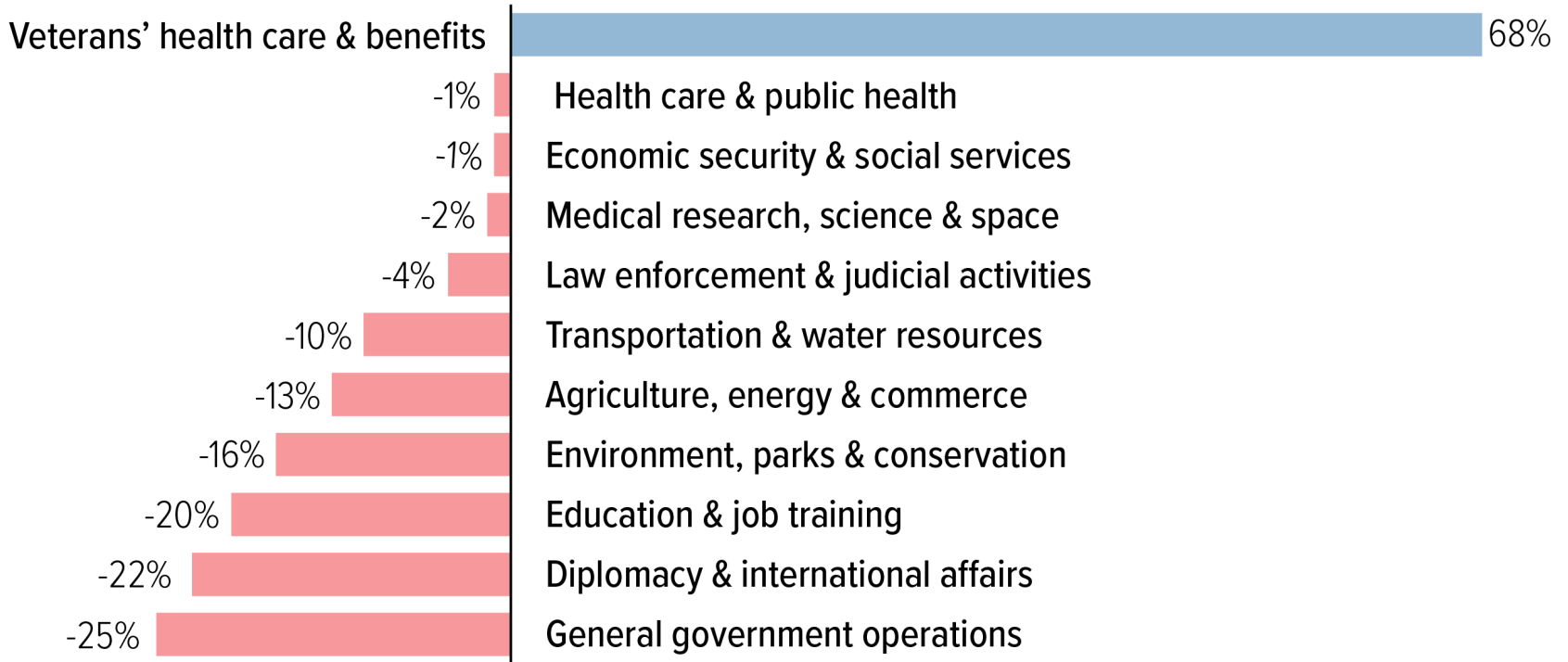
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Note: Does not add to 100% due to rounding.
Source: CBPP analysis of data from the Congressional Budget Office



Non-Defense Discretionary Funding Down for Most Categories Between 2010 and 2023

Percent change in NDD funding relative to 2010 level, adjusted for inflation & population growth



Note: Amounts include the following categories not counted against the BCA caps or budget resolution allocations: overseas contingency operations, program integrity, wildfire suppression, Cures Act, and the Harbor Maintenance Trust Fund. They exclude the Census Bureau and offsets from changes to mandatory programs (“CHIMPs”) and mortgage insurance receipts.

Source: CBPP analysis of data from Congressional Budget Office and Office of Management and Budget.



Appropriations

- Debt limit agreement set funding levels
 - Roughly a freeze for non-defense
- Senate bills largely following the agreement
- House bills cut non-defense well below deal
 - Plus include controversial “culture war” riders
- Path to avoid government shutdown (Oct 1) and then finalize bills looks rocky
 - Funding will be tight



SNAP / Farm Bill

- SNAP helps over 40 m people put food on the table each month; two-thirds are children.
- Debt limit bill expanded SNAP work requirements, provided some exemptions, thru 2030.
- Most SNAP participants that can work do work.
 - Research shows work requirements do little to increase work or earnings but increase hardship.
- Some Rs seeking more cuts to SNAP.



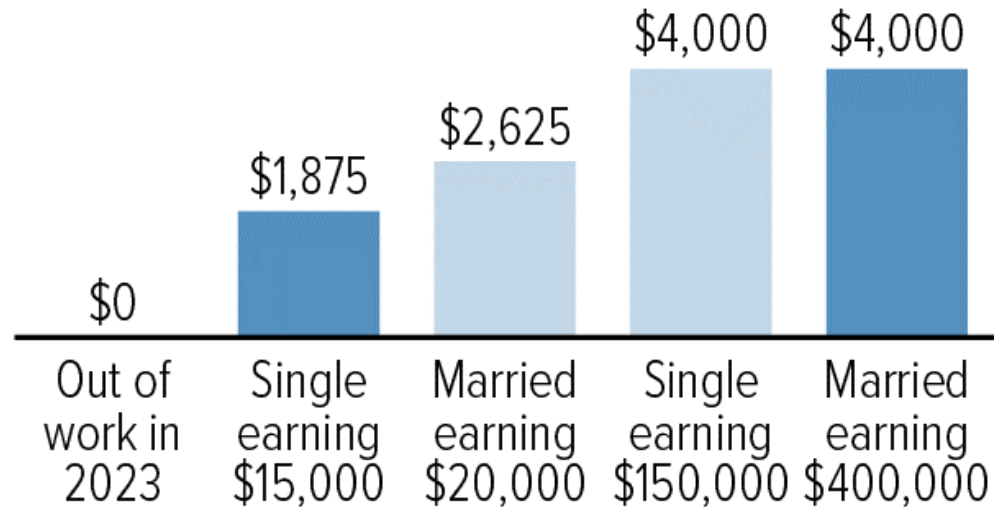
Year-end tax package

- Interest in restoring corporate tax breaks that recently lapsed
- Pressure to ensure any year-end tax package also include support for families and kids by expanding Child Tax Credit
 - Under current law, 19 m children are in families with incomes too low to receive the full credit



Families With Low Incomes Receive Smaller Child Tax Credit Than Families With Higher Incomes; the Lowest-Income Families Receive None at All

Child Tax Credit for a family with two children under current law, 2023



19 million children

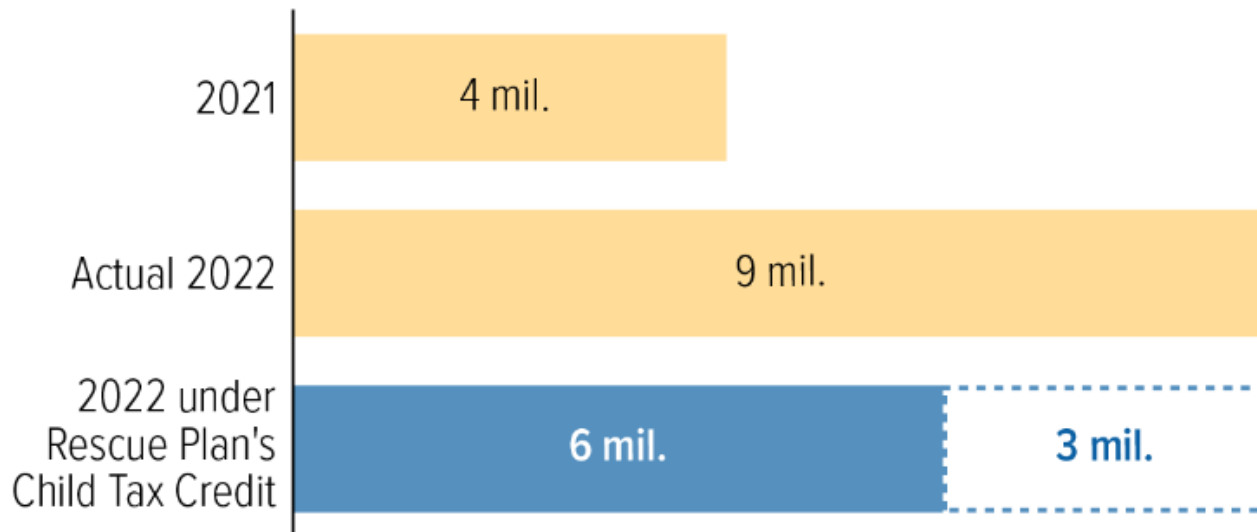
live in families that earn too little to receive the full credit. That's more than 1 in 4 children under 17, who are disproportionately Black, Latino, and Native (AIAN). **Providing the full amount to these children should be a top priority.**

Source: CBPP calculations; Tax Policy Center estimate for 2022 and shares of children by race or ethnicity based on CBPP analysis of American Community Survey data for 2017-2019;



3 Million Fewer Children Would Have Been in Poverty in 2022 Had Child Tax Credit Expansion Been Renewed

Children in poverty



Number of children who would have been kept out of poverty if the Child Tax Credit expansion hadn't expired

Note: Figures use Supplemental Poverty Measure (SPM). For 2021 the American Rescue Plan made the full Child Tax Credit available to families with low or no incomes and increased the maximum credit amount, among other expansions to the credit.

Source: U.S. Census Bureau published figures and CBPP analysis of U.S. Census Bureau's Current Population Survey