
SPECIAL TOPICS

14. AID TO STATE AND LOCAL GOVERNMENTS

The analysis in this chapter focuses on Federal spending that is provided to State and local governments, U.S. territories, and American Indian Tribal governments to help fund programs administered by those entities and provide economic support. This type of Federal spending is known as Federal grants-in-aid. Grants in aid are the most direct form of Federal support to State and local governments, but the Federal Government provides other important forms of support as well, including direct payments to State residents, direct intervention in times of natural disaster, and tax expenditures benefiting States and localities.¹ Finally, the Federal Government's efforts to promote economic growth are critical to maintaining a healthy tax base for States and local governments and creating jobs for State residents.

Under our Nation's federalist structure, States are sovereign entities and generally have the authority to legislate on all activity within their borders "concerning the promotion and regulation of safety, health, welfare, and economic activity."² The Federal Government's role is limited under the U.S. Constitution to the enumerated powers, and, under the Tenth Amendment, all of the authorities not given to the Federal Government are reserved to the States and their people.³ However, the Spending Clause of the Constitution has been interpreted to allow the Federal Government to provide funds to States (and other non-Federal entities) and to specify the terms and conditions that accompany acceptance of those funds.⁴

In the 19th century, most Federal grants came in the form of land and were used for canals, waterways, railroads, and land grant colleges.⁵ During the Great Depression (1929-1939), the reach of Federal grants-in-aid expanded to meet income security and other social welfare needs. The Federal Emergency Relief Act of 1933 was the first piece of legislation that specifically provided fiscal relief to States through grants.⁶ Federal grants, however, did not become a significant portion of Federal Government

expenditures until after World War II. During the middle of the 20th century, the Eisenhower Administration made large investments in the National infrastructure system through the creation of the Interstate Highway program. Since the 1960s, there have been significant increases in grant spending for education, training, employment, and social services; income security; and health (primarily Medicaid). In the 1980s, there was an effort to control grant spending and reduce the number of Federal grants by combining programs into block grants.⁷

Today, 16, or two-thirds, of Executive Branch agencies and 13 independent agencies provide grants to State and local governments, and grant spending has increased from 1.3 percent of GDP in 1960 to 3.5 percent of GDP in 2017. Over many decades, the increasing number of grants and size of grants has created overlap between programs, and complexity for grantees, and has made it difficult to compare program performance and conduct oversight.⁸ The multiple layers of grants administration can increase the cost of administration and create inefficiencies and duplication.⁹ Less Federal control gives State and local recipients more flexibility to use their knowledge of local conditions and needs to administer programs and projects more efficiently.¹⁰ The 2019 Budget takes steps toward limiting the Federal role, and reducing spending.

Federal grants are authorized by the Congress in statute, which establishes the purpose of the grant and how it is awarded. Federal grants generally fall into one of two broad categories—block grants or categorical grants—depending on the requirements of the grant program. Block grants give States and localities more flexibility to define the use and distribution of the funding and are awarded on a formula basis specified in law. Categorical grants provide less flexibility than block grants. Categorical grants have a narrowly defined purpose and may be awarded on a formula basis or as a project grant. Project grants, a type of categorical grant, are the least flexible, are often awarded competitively, and are typified by a pre-determined end product or duration. Project grants can include grants for research, training, evaluation, planning, technical assistance, survey work, and construction. In addition, grants may be characterized by how the funding is awarded, such as by formula, by project, or by matching State and local funds.

¹ Historical Federal spending for grants and direct payments for individuals may be found in the Budget's historical tables in tables 6.1, 11.1, 11.2, and 11.3 at <https://www.whitehouse.gov/omb/historical-tables/>. Information on Federal credit programs targeted to States and localities may be found in Chapter 19, "Credit and Insurance," in this volume. Chapter 13, "Tax Expenditures," in this volume, discusses this topic and includes a display of tax expenditures that particularly aid State and local governments at the end of Tables 13-1 and 13-2.

² Yeh, Brian T. "The Federal Government's Authority to Impose Conditions on Grant Funds." Congressional Research Service, the Library of Congress. March 23, 2017. p. 3.

³ *Ibid.*, p. 1-2.

⁴ *Ibid.*, p. 4.

⁵ Canada, Ben. "Federal Grants to State and Local Governments: A Brief History. Congressional Research Service, the Library of Congress. February 19, 2003.

⁶ *Ibid.*

⁷ "Block Grants: Characteristics, Experience, and Lessons Learned." U.S. General Accounting Office. February 1995.

⁸ Keegan, Natalie. "Federal Grants-in-Aid Administration: A Primer." Congressional Research Service, the Library of Congress. October 3, 2012. p. 2.

⁹ "Federal Grants to State and Local Governments." Congressional Budget Office. March 2013, p. 8.

¹⁰ *Ibid.*, p. 2.

Most often Federal grants-in-aid are awarded as direct cash assistance, but Federal grants-in-aid can also include payments for grants-in-kind—non-monetary aid, such as commodities purchased for the National School Lunch Program. Federal revenues shared with State and local governments, such as funds distributed to State and local law enforcement agencies from Federal asset forfeiture programs, are also considered grants-in-aid.

Federal grants-in-aid are an important part of State budgets. It is estimated that 31.3 percent of total State spending in State fiscal year¹¹ 2017, which is estimated to reach nearly \$2 trillion, will have come from Federal funds.¹² Federal funds aid States particularly because many States have requirements in law or State constitutions to enact balanced budgets, limiting debt or debt service, and limiting carrying over deficits. These restrictions create fiscal discipline, but also give States few options when facing shortfalls. State budgets are formulated based on revenue projections and when actual revenues come in lower than expected States may enact mid-year budget cuts or tap budget stabilization (rainy day) funds. Only some States may carry over a deficit under certain circumstances.

In its Fiscal Survey of States, the National Association of State Budget Officers (NASBO) looks at enacted State budgets to make projections for the coming year and at general fund¹³ spending as an indication of State fiscal health. General funds are the largest category of total State spending, accounting for an estimated 40.3 percent of State spending in 2017, followed by Federal funds.¹⁴ According to the most recent report, State 2018 budgets reflect caution after two years of lower-than-expected revenue growth and increase overall by only 2.3 percent over

¹¹ According to “The Fiscal Survey of States” published by the National Association of State Budget Officers (Fall 2017), “Forty-six states begin their fiscal years in July and end them in June. The exceptions are New York, which starts its fiscal year on April 1; Texas, with a September 1 start date; and Alabama and Michigan, which start their fiscal years on October 1.”

¹² “The Fiscal Survey of States.” National Association of State Budget Officers, Fall 2017. p. 1.

¹³ A State general fund is “the predominant fund for financing a state’s operations. Revenues are received from broad-based state taxes. However, there are differences in how specific functions are financed from state to state.” State Expenditure Report, Examining Fiscal 2015-2017 State Spending. The National Association of State Budget Officers. 2017. p. 5.

¹⁴ “The Fiscal Survey of States.” National Association of State Budget Officers, Fall 2017. p. 1.

2017.¹⁵ However, the report suggests that States are forecasting modest improvements in revenue collections in 2018.¹⁶ This is bolstered by a December report from the U.S. Census Bureau, which reported that third quarter 2017 tax revenues for the four largest State and local government tax categories increased 3.1 percent over 2016.¹⁷ Many States are continuing to build back up rainy day funds after the recession in 2009. Fiscal year 2018 enacted budgets suggest 25 States are projecting total rainy day fund balances higher than last year.¹⁸

Also affecting State revenues and budgets is the Tax Cuts and Jobs Act, Public Law 115-97, enacted in December 2017, which will prompt States to look at their own tax laws. There are many differences across States as to whether or how their tax codes tie or conform to the Federal tax code. Each State will need to assess how the new Federal tax changes will affect future revenues and what adjustments they want to make.

The 2019 Budget refocuses Federal grants to State and local governments on the highest priority areas for Federal support, and recognizes a greater role for State and local governments, and the private sector as part of the Budget’s proposals to restore Federal fiscal responsibility. This Budget slows the growth of grant spending over the 10-year budget window and, in particular, starts to rein in the growth of Medicaid, which accounts for 55 percent of total grant spending to State and local governments. The Budget provides \$749 billion in outlays for aid to State and local governments in 2019, an increase of 3 percent from 2018. The increase is entirely due to spending for the Administration’s infrastructure initiative; all grant spending other than for Medicaid and the infrastructure initiative will decline by 11 percent in 2019. Total Federal grant spending to State and local governments is estimated to be 3.6 percent of GDP in 2019 and 17 percent of total Federal outlays. Below are highlights from the Budget listed by function followed by Table 14-1 which shows the Budget’s funding level for grants in every budget account, organized by functional category and by Federal agency.

¹⁵ Ibid. p. VII-1.

¹⁶ Ibid.

¹⁷ United States Census Bureau. Quarterly Summary of State and Local Government Tax Revenue for 2017: Q3. <https://www.census.gov/library/publications/2017/econ/g17-qtax3.html>

¹⁸ “The Fiscal Survey of States.” National Association of State Budget Officers, Fall 2017. p. IX.

HIGHLIGHTS

Natural Resources and Environment

To expand hunting opportunities, the Budget invests \$34 million in North American Wetlands Conservation Act grants, a program that finances conservation of wetlands and associated uplands habitat to benefit waterfowl. The Budget includes elimination of discretionary Abandoned Mine Land grants that overlap with existing mandatory grants, aid for National Heritage Areas that are more ap-

propriately funded locally, and National Wildlife Refuge fund payments to local governments that are duplicative of other payment programs.

States are the primary implementers of many Federal environmental statutes and critical partners in protecting the Nation’s environment and human health. The States have long sought flexibility to direct grant resources to their individual priorities, rather than receiving funding

only through grants dedicated to specific programs. This Budget recognizes and responds to this need by providing \$27 million for “Multipurpose Grants” within EPA’s Categorical Grant portfolio totaling \$597 million. States would be able to spend this funding on any statutorily mandated delegated duty. This proposal would enable each State to set its own environmental priorities and quickly respond to new threats as they arise.

The Budget funds water infrastructure through the State Revolving Funds. The 2019 capitalization of the State Revolving Funds would supplement the approximately \$80 billion currently revolving at the State level.

The 2019 Budget prioritizes funding for Brownfields site assessment grants in order to accelerate investment in local communities. The EPA Brownfields program provides competitive grants to local communities to address sites where redevelopment is challenged by the presence or potential presence of contamination. EPA’s Brownfields program site assessment grants provide useful information to communities about the extent of contamination at a property. Real estate developers use this information to estimate future cleanup costs and to plan for redevelopment of the property. EPA brownfields grantees report that approximately 30 percent of brownfield properties that are assessed using EPA Brownfields funding do not require remediation for the intended reuse of the property; although, in some cases, institutional controls may be required. Finding that remediation is not necessary for the intended reuse of the site means faster redevelopment and the return of the property to productive use.

Community and Regional Development

The Budget eliminates programs that are duplicative or have failed to demonstrate effectiveness, such as the Community Development Block Grant (CDBG) program, and devolves responsibility for community and economic development to State and local governments that are better equipped to respond to local conditions.

The Budget also eliminates the Economic Development Administration, which provides small grants with limited measurable impacts and duplicates other Federal programs, such as Rural Utilities Service grants at the Department of Agriculture and formula grants to States from the Department of Transportation.

The Budget continues to invest in key areas, including \$30 million to fund broadband grants and \$24 million to fund distance learning and telemedicine grants to provide rural communities with modern information access. A new program of Rural Infrastructure grants is included as part of the Budget’s infrastructure initiative. See that section below for more details.

Lead paint in housing presents a significant threat to the health, safety, and future productivity of America’s next generation. The Budget continues to make progress to promote healthy and lead-safe homes by providing \$145 million, equal to the 2017 enacted level, for the mitigation of lead-based paint and other hazards in low-income homes, especially those in which children reside. This funding level also includes resources for enforcement, education, and research activities to further support this

goal. Research suggests that this program generates high returns on investment due to higher wages and reduced medical costs.

The Budget requests \$1.9 billion for the Federal Emergency Management Agency (FEMA) for its programs that award grants to State and local governments. These funds help equip emergency responders so they can be prepared for natural or manmade disasters. Responding to and recovering from any disaster is a community-wide effort that relies on the strength of Federal agencies, such as FEMA, State, local, and tribal governments, as well as non-governmental entities and individuals. The Budget also supports efforts by communities to invest their own resources by establishing a non-Federal cost share for certain FEMA grant programs, and proposing to eliminate the National Domestic Preparedness Consortium.

Education, Training, Employment, and Social Services

The Budget maintains funding for essential formula grant programs that support the Nation’s neediest students, including those in low-income communities and students with disabilities. The Budget also streamlines and refocuses the Federal investment in K-12 education by eliminating funding for 17 programs totaling \$4.4 billion that are duplicative, ineffective, or more appropriately supported through State, local, or private funds. The Budget requests \$500 million to establish a new school choice grant program to support a wide range of innovative approaches to school choice. These might include expanding existing private school choice programs to serve more low-income and at-risk students, developing new private school choice models, or supporting school districts’ efforts to adopt student-based budgeting and open enrollment policies that enable Federal, State and local funding to follow the student to the public school of his or her choice.

To support State and local education agencies in providing high-quality special education services to more than 6.8 million children with disabilities, the Budget maintains the Federal investment in the Individuals with Disabilities Education Act (IDEA) formula and discretionary grant programs. The Budget invests \$12.8 billion for IDEA formula grants to States to support special education and early intervention services. In addition, the Budget requests \$222 million for discretionary grants to States, institutions of higher education, and other non-profit organizations to support research, demonstrations, technical assistance and dissemination, and personnel preparation and development. These investments would ensure that high-quality special education and related services would meet the unique needs of children with disabilities and their families.

The Budget invests \$43 million for School Climate Transformation grants to help school districts implement multi-tiered, evidence-based strategies to prevent opioid-misuse and address associated behavioral and academic challenges through interventions such as trauma counseling, violence prevention and targeted academic support. This funding would also support technical assistance cen-

ters that develop and provide opioid abuse prevention and treatment resources that would be publicly available to all schools and postsecondary institutions.

The Budget proposes to restructure and streamline the TRIO and GEAR UP programs by consolidating them into a \$550 million State formula grant. These grants would support evidence-based postsecondary preparation programs designed to help low-income students progress from middle school to postsecondary opportunities. The Budget supports STEM education through a variety of programs including those that test and replicate what works in education and a new, \$20 million grant program for STEM-focused career and technical education programs.

Eliminations in the Budget include Supporting Effective Instruction State Grants, and 21st Century Community Learning Centers.

Health

The Budget includes a new Market-Based Health Care Grant Program for States, as part of its two-part approach to repeal and replace Obamacare. The Market-Based Health Care Grant Program would provide more equitable and sustainable funding to States to develop affordable healthcare options. The block grant program will promote structural reforms to improve the functioning of the healthcare market through greater choice, and competition, with States and consumers in charge rather than the Washington bureaucracy. The Budget would allow States to use the block grant for a variety of approaches in order to help their citizens, including those with high cost medical needs, afford quality healthcare services. The block grant approach also reflects the Administration's view that Federal Government subsidies are better targeted directly to States and consumers rather than funneled through insurance companies as is the case under Obamacare. In addition, the Budget also includes \$5 billion over five years to combat the opioid epidemic as part of the repeal and replacement effort.

Medicaid financing reform would empower States to design individual, State-based solutions that prioritize Medicaid dollars for the most vulnerable and support innovations such as community engagement initiatives for able-bodied adults. National healthcare spending trends are unsustainable in the long term and the Budget includes additional proposals to build on the Graham Cassidy Heller Johnson bill to make the system more efficient, including proposals to align the Market-Based Health Care Grant Program, Medicaid per capita cap and block grant growth rates with the Consumer Price Index (CPI-U).

In addition to the program flexibilities included in the Budget proposal to repeal and replace Obamacare, the Budget proposes to empower States to further modernize Medicaid benefits and eligibility. The Budget would give States additional flexibility around benefits and cost-sharing, allow States to consider savings and other assets when determining Medicaid eligibility, and would reduce waste by counting lottery winnings as income for Medicaid eligibility. These proposals enable the Federal

and State Governments to be partners in greater fiscal responsibility, which would preserve and protect the Medicaid program for Americans who truly need it.

The Budget maintains funding for the Community Mental Health Services Block Grant, which requires States to support services for first episode psychosis, which is vitally important to ensuring that individuals with serious mental illness receive appropriate treatment in a timely manner.

The Ryan White HIV/AIDS Program provides a comprehensive system of primary medical care, treatment, and supportive services to over half a million people living with HIV, which is more than half of the people in the United States who have been diagnosed with HIV. The Budget supports reauthorizing the Ryan White Program to ensure Federal funds are allocated to address the changing landscape of HIV across the United States. Reauthorization of the Ryan White Program should include data-driven programmatic changes as well as simplifying and standardizing certain requirements and definitions. These changes would ensure Federal funds may be allocated to populations experiencing high or increasing levels of HIV infections/diagnoses while continuing to support Americans already living with HIV across the Nation.

Income Security

The Budget invests in a better future for Americans with a fully paid-for proposal to provide six weeks of paid family leave to new mothers and fathers, including adoptive parents, so all families can afford to take time to recover from childbirth and bond with a new child. Using the Unemployment Insurance system as a base, the proposal would allow States to establish paid parental leave programs in a way that is most appropriate for their workforce and economy. The Administration looks forward to working with the Congress to advance policies that would make paid parental leave a reality for families across the Nation.

The Budget provides \$33.8 billion across the Department of Housing and Urban Development's (HUD's) rental assistance programs, a decrease of 11 percent relative to the 2017 enacted level. To address the increasing and unsustainable Federal costs of rental assistance, the Budget requests legislative reforms that would produce significant cost savings. In addition to these reforms, the Budget proposes one-time offsets in the Housing Voucher and Public Housing programs. These funding levels should support currently assisted households while gradually decreasing the Federal footprint of HUD's rental assistance programs over time.

The Budget does not request funding for the Public Housing Capital Fund, as the provision of affordable housing should be a responsibility more fully shared with State and local governments.

The Budget also eliminates the HOME Investment Partnerships Program, which has not been authorized since 1994. The Budget devolves responsibility to State and local governments, which are better positioned to as-

sess local community needs and address unique market challenges.

The Budget provides investments and statutory authorities to facilitate a shift from the Public Housing funding platform to Housing Vouchers and Project-Based Rental Assistance (PBRA). The Voucher and PBRA programs benefit from greater private sector involvement and are able to leverage private financing to modernize their units, generally resulting in higher quality housing for assisted low-income families. To further this objective, the Budget requests \$100 million for the Rental Assistance Demonstration, which supports the redevelopment of Public Housing units through conversion to the Housing Voucher and PBRA funding platforms. Additional authorities in the Public Housing program, such as tenant protection vouchers and the strategic release of certain public housing assets, would also assist in this effort.

The Budget provides \$2.4 billion for the Homeless Assistance Grants (HAG) program, equal to the 2017 enacted level. HAG primarily funds the Continuum of Care program, which is designed to prevent and address homelessness through a coordinated community-based network of programs. HUD uses its annual grant competition to encourage grantees to allocate funds to evidence-based and cost-effective strategies. These policies have encouraged communities to increasingly support evidence-based interventions such as permanent supportive housing rather than models like transitional housing that have been proven less effective. The Budget also provides \$255 million for Emergency Solutions Grants, which enable municipalities to support emergency shelter, rapid rehousing, and homelessness prevention.

The Budget proposes to provide \$5.8 billion to serve all projected participants in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which provides for nutritious supplemental food packages, nutrition education and counseling, and health and immunization referrals to low-income and nutritionally at-risk pregnant and postpartum women, infants, and children. The Budget promotes using data to improve efficiency and integrity in State operations of the Supplemental Nutrition Assistance Program (SNAP), and proposes to encourage State innovation in developing pathways to self-sufficiency through work among able-bodied adults.

The Budget continues to invest in programs that help American families and children thrive. The Budget supports States in providing key services to children and youth by increasing State flexibilities and reducing administrative burdens in foster care. The Budget also helps working families afford and access child care by maintaining funding for key HHS child care programs and using these investments to leverage additional State support for child care.

The Budget continues the 2018 Budget proposals to eliminate low-performing or ineffective programs, such as the Low Income Home Energy Assistance Program (LIHEAP) and the Community Services Block Grant (CSBG).

Administration of Justice

The Budget includes \$103 million for opioid-related State and local assistance including: \$20 million for the Comprehensive Opioid Abuse Program to support a variety of activities such as treatment and recovery support services, diversion, and alternative to incarceration programs; \$59 million for Drug Courts, Mental Health Courts, and Veterans Treatment Courts; \$12 million for Residential Substance Abuse Treatment; and \$12 million for Prescription Drug Monitoring Programs. The Budget also supports key State and local assistance programs, including \$333 million for the Byrne Justice Assistance Grants (JAG) Program, which provides State and local governments with crucial Federal funding to prevent and control crime. These resources also contribute to important officer safety programs serving State and local law enforcement such as the Bulletproof Vest program. Additionally, \$70 million is provided for the Violent Gang and Gun Crime Reduction Program/Project Safe Neighborhoods (PSN). This program will reinvigorate and build on DOJ's ongoing PSN Initiative to create safer neighborhoods through sustained reductions in gang violence and gun crime. This program relies on partnerships of Federal, State, and local agencies led by U.S. Attorneys to enhance the effectiveness of its crime and violence reduction efforts.

The Budget also supports \$230 million for State and local juvenile justice programs, including programs aimed at delinquency prevention, intervention, and making improvements to the juvenile justice system. Another \$5 million is set aside to support the Public Safety Partnership program, which leverages DOJ resources to reduce violence in cities with the highest violent crime rates in the Nation. The Budget provides \$486 million to reinforce efforts to combat and respond to violent crimes against women, including \$215 million for the STOP Violence Against Women Formula Grant Program.

Transportation

The Budget provides \$2.6 billion to the Federal Highway Administration's (FHWA) Highway Safety Improvement Program, to assist States in the implementation of their safety plans. The request also funds other FHWA, National Highway Traffic Safety Administration (NHTSA), and Federal Motor Carriers Safety Administration (FMCSA) safety programs, to prevent highway fatalities. The Budget requests \$57.4 billion in mandatory funds and obligation limitation to improve the Nation's highways, bridges and transit systems. This request includes \$46 billion for highway infrastructure and safety programs, \$9.9 billion for transit infrastructure, and \$1.4 billion for NHTSA and FMCSA safety programs. These levels match the authorized amounts in the Fixing America's Surface Transportation Act of 2015 (FAST Act).

The Budget also eliminates funding for the unauthorized TIGER discretionary grant program, which awards grants to projects that are generally eligible for funding under existing surface transportation formula grant and loan programs. In addition, DOT's Infrastructure

for Rebuilding America grant program, authorized by the FAST Act, supports larger highway and multimodal freight projects with demonstrable national or regional benefits. The Budget also proposes to wind down the Federal Transit Administration's Capital Investment Grant program (New Starts), by limiting funding to projects with existing full funding grant agreements only.

Infrastructure Initiative

The Administration's infrastructure initiative includes three new grant programs: Incentive Grants, Transformative Project Grants, and Rural Infrastructure Grants.

Incentive Grants are competitive grants that encourage increased State, local, and private infrastructure investment by awarding incentives to project sponsors for demonstrating innovative approaches that would generate new revenue streams, prioritize maintenance, modernize procurement practices, and generate a social and economic return on investment. The Budget provides \$1 billion in outlays for this program in 2019 and \$100 billion in total through 2028.

Transformative Project Grants will act to support bold, innovative, and transformative infrastructure projects

that can significantly improve existing infrastructure conditions and services. Funding would be awarded on a competitive basis for commercially viable projects that are capable of generating revenue, provide net public benefits, and would have a significant positive impact on the Nation, a region, State, or metropolitan area. The Budget provides \$15 million in outlays in 2019 and \$20 billion in total through 2028.

The Rural Infrastructure Grants would address the significant need for investment in rural infrastructure, including broadband internet service. Federal funding would be made available to States and territories via formula distribution, along with a bonus competition based on State performance in achieving goals outlined in State-developed rural infrastructure plans. Within this amount, funding is set aside for Federally recognized Tribes. The Budget provides \$41 billion in outlays in 2019 and \$50 billion in total through 2028.

The grant programs in the Administration's infrastructure initiative cut across multiple budget functions and proposals within it may be found under the Community and Regional Development, and Allowances functions in Table 14-1.

Table 14-1. FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS—BUDGET AUTHORITY AND OUTLAYS

(In millions of dollars)

Function, Category, Agency and Program	Budget Authority			Outlays		
	2017 Actual	2018 Estimate	2019 Estimate	2017 Actual	2018 Estimate	2019 Estimate
Energy						
Discretionary:						
Department of Energy:						
Energy Programs:						
Energy Efficiency and Renewable Energy	275	275	.....	250	250	210
Mandatory:						
Tennessee Valley Authority:						
Tennessee Valley Authority Fund	524	510	512	524	510	512
Total, Energy	799	785	512	774	760	722
Natural Resources and Environment						
Discretionary:						
Department of Agriculture:						
Farm Service Agency:						
Grassroots Source Water Protection Program	7	7	.....	7	7	.....
Natural Resources Conservation Service:						
Watershed Rehabilitation Program	27	15	.....	33	10	.....
Watershed and Flood Prevention Operations	172	356	.....	57	117	.....
Forest Service:						
State and Private Forestry	143	164	162	158	169	192
Department of Commerce:						
National Oceanic and Atmospheric Administration:						
Operations, Research, and Facilities	90	.....	.....	88	.....	.....
Pacific Coastal Salmon Recovery	65	65	.....	58	66	63
Department of the Interior:						
Office of Surface Mining Reclamation and Enforcement:						
Regulation and Technology	69	68	52	62	69	62

Table 14-1. FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS—BUDGET AUTHORITY AND OUTLAYS—Continued
(In millions of dollars)

Function, Category, Agency and Program	Budget Authority			Outlays		
	2017 Actual	2018 Estimate	2019 Estimate	2017 Actual	2018 Estimate	2019 Estimate
Abandoned Mine Reclamation Fund	132	131	20	34	46	40
United States Geological Survey:						
Surveys, Investigations, and Research	6	6	.....	6	6	.....
United States Fish and Wildlife Service:						
Cooperative Endangered Species Conservation Fund	53	53	.....	44	56	55
State Wildlife Grants	63	62	31	61	74	67
Landowner Incentive Program .....	.....	.....	.....	1	.....	.....
National Park Service:						
National Recreation and Preservation	63	62	32	61	66	48
Land Acquisition and State Assistance	4	109	.....	47	70	76
Historic Preservation Fund	81	80	33	66	101	78
Environmental Protection Agency:						
State and Tribal Assistance Grants	3,566	3,442	2,402	3,453	3,439	2,284
Hazardous Substance Superfund	18	19	16	217	220	218
Leaking Underground Storage Tank Trust Fund	80	80	42	80	80	60
Total, discretionary	4,639	4,719	2,790	4,533	4,596	3,243
Mandatory:						
Department of Commerce:						
National Oceanic and Atmospheric Administration:						
Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology	8	6	6	2	5	5
Department of the Interior:						
Bureau of Land Management:						
Miscellaneous Permanent Payment Accounts	43	39	28	39	39	30
Office of Surface Mining Reclamation and Enforcement:						
Payments to States in Lieu of Coal Fee Receipts .....	.....	.....	.....	29	30	30
Abandoned Mine Reclamation Fund	135	194	211	166	174	185
United States Fish and Wildlife Service:						
Federal Aid in Wildlife Restoration	787	817	909	700	746	852
Cooperative Endangered Species Conservation Fund	76	75	73	76	75	73
Coastal Impact Assistance .....	.....	.....	.....	142	3	2
Sport Fish Restoration	435	439	470	446	465	487
National Park Service:						
Land Acquisition and State Assistance .....	.....	63	89	1	14	27
Departmental Offices:						
National Forests Fund, Payment to States	6	8	9	6	8	9
Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes	14	48	51	14	48	51
States Share from Certain Gulf of Mexico Leases	1	188	268	1	188	268
Corps of Engineers--Civil Works:						
South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund	2	2	3	.....	3	3
Total, mandatory	1,507	1,879	2,117	1,622	1,798	2,022
Total, Natural Resources and Environment	6,146	6,598	4,907	6,155	6,394	5,265
Agriculture						
Discretionary:						
Department of Agriculture:						
National Institute of Food and Agriculture:						
Extension Activities	418	447	399	388	594	545
Research and Education Activities	336	334	326	308	341	341
Agricultural Marketing Service:						
Payments to States and Possessions	1	1	1	1	1	1

Table 14–1. FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS—BUDGET AUTHORITY AND OUTLAYS—Continued
(In millions of dollars)

Function, Category, Agency and Program	Budget Authority			Outlays		
	2017 Actual	2018 Estimate	2019 Estimate	2017 Actual	2018 Estimate	2019 Estimate
Farm Service Agency:						
State Mediation Grants	4	4	3	4	2	3
Total, discretionary	759	786	729	701	938	890
Mandatory:						
Department of Agriculture:						
Payments to States and Possessions	67	85	85	62	68	73
Total, Agriculture	826	871	814	763	1,006	963
Commerce and Housing Credit						
Discretionary:						
Department of Commerce:						
National Oceanic and Atmospheric Administration:						
Fisheries Disaster Assistance				8	16	
Mandatory:						
Department of Commerce:						
National Telecommunications and Information Administration:						
State and Local Implementation Fund				20	9	12
Department of the Treasury:						
Departmental Offices:						
State Small Business Credit Initiative				28	25	
Federal Communications Commission:						
Universal Service Fund	1,416	1,697	1,971	2,199	2,360	2,261
Total, mandatory	1,416	1,697	1,971	2,247	2,394	2,273
Total, Commerce and Housing Credit	1,416	1,697	1,971	2,255	2,410	2,273
Transportation						
Discretionary:						
Department of Transportation:						
Office of the Secretary:						
National Infrastructure Investments	479	477		357	667	561
Federal Aviation Administration:						
Grants-in-aid for Airports (Airport and Airway Trust Fund)				3,129	3,291	3,314
Grants-in-aid for Airports (Airport and Airway Trust Fund) (non-add obligation limitations) ¹	3,350	3,327	3,350			
Federal Highway Administration:						
Emergency Relief Program	1,532			515	611	496
Highway Infrastructure Programs				3		
Appalachian Development Highway System			–46	1	4	4
Federal-aid Highways	107	105	110	42,498	42,592	43,782
Federal-aid Highways (non-add obligation limitations) ¹	40,328	41,573	43,969			
Miscellaneous Appropriations			–112	27	31	22
Miscellaneous Highway Trust Funds			–59	11	12	7
Federal Motor Carrier Safety Administration:						
Motor Carrier Safety Grants				277	336	373
Motor Carrier Safety Grants (non-add obligation limitations) ¹	367	365	382			
National Highway Traffic Safety Administration:						
Highway Traffic Safety Grants				621	629	635
Highway Traffic Safety Grants (non-add obligation limitations) ¹	585	680	610			
Federal Railroad Administration:						
Northeast Corridor Improvement Program					1	3
Capital and Debt Service Grants to the National Railroad Passenger Corporation				263	62	5
Restoration and Enhancement Grants	5	5				
Railroad Safety Grants					16	14

Table 14-1. FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS—BUDGET AUTHORITY AND OUTLAYS—Continued
(In millions of dollars)

Function, Category, Agency and Program	Budget Authority			Outlays		
	2017 Actual	2018 Estimate	2019 Estimate	2017 Actual	2018 Estimate	2019 Estimate
Grants to the National Railroad Passenger Corporation .....	.....	.....	.....	11	5	9
Intercity Passenger Rail Grant Program .....	.....	.....	.....	.....	21	2
Rail Line Relocation and Improvement Program .....	.....	.....	-2	3	4	1
Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service .....	.....	.....	-53	2,567	302	82
Northeast Corridor Grants to the National Railroad Passenger Corporation	326	325	199	321	325	199
National Network Grants to the National Railroad Passenger Corporation	1,160	1,153	535	1,160	1,152	538
Federal-State Partnership for State of Good Repair	25	25	.....	.....	.....	.....
Consolidated Rail Infrastructure and Safety Improvements	68	68	.....	.....	.....	.....
Federal Transit Administration:						
Washington Metropolitan Area Transit Authority	150	149	120	204	150	105
Formula Grants .....	.....	.....	-47	19	33	25
Grants for Energy Efficiency and Greenhouse Gas Reductions .....	.....	.....	.....	16	9	.....
Capital Investment Grants	2,413	2,396	1,000	1,907	2,100	2,100
Public Transportation Emergency Relief Program .....	.....	.....	.....	518	1,053	834
Transit Formula Grants .....	.....	.....	.....	9,460	9,786	9,985
<i>Transit Formula Grants (non-add obligation limitations)</i> ¹	11,170	10,968	11,239	.....	.....	.....
Pipeline and Hazardous Materials Safety Administration:						
Pipeline Safety	51	47	47	40	54	54
Trust Fund Share of Pipeline Safety	8	8	8	9	8	8
Total, discretionary	6,324	4,758	1,700	63,937	63,254	63,158
<i>Total, obligation limitations (non-add)</i> ¹	<i>55,800</i>	<i>56,913</i>	<i>59,550</i>	.....	.....	.....
Mandatory:						
Department of Homeland Security:						
United States Coast Guard:						
Boat Safety	105	107	115	106	109	122
Department of Transportation:						
Federal Aviation Administration:						
Grants-in-aid for Airports (Airport and Airway Trust Fund) ¹	3,196	3,197	3,189	.....	.....	.....
Federal Highway Administration:						
Federal-aid Highways ¹	41,125	42,249	44,243	738	742	743
Miscellaneous Appropriations	2	251	.....	2	251	.....
Federal Motor Carrier Safety Administration:						
Motor Carrier Safety Grants ¹	367	375	382	.....	.....	.....
National Highway Traffic Safety Administration:						
Highway Traffic Safety Grants ¹	624	635	547	.....	.....	.....
Federal Transit Administration:						
Transit Formula Grants ¹	11,170	11,005	11,211	.....	.....	.....
Total, mandatory	56,589	57,819	59,687	846	1,102	865
Total, Transportation	62,913	62,577	61,387	64,783	64,356	64,023
Community and Regional Development						
Discretionary:						
Department of Agriculture:						
Rural Utilities Service:						
Distance Learning, Telemedicine, and Broadband Program	141	64	58	123	46	59
Rural Water and Waste Disposal Program Account	516	556	-34	493	502	661
Rural Housing Service:						
Rural Community Facilities Program Account	47	47	145	40	50	197
Rural Business_Cooperative Service:						
Rural Business Program Account	65	65	.....	71	87	57
Department of Commerce:						
Economic Development Administration:						

Table 14-1. FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS—BUDGET AUTHORITY AND OUTLAYS—Continued
(In millions of dollars)

Function, Category, Agency and Program	Budget Authority			Outlays		
	2017 Actual	2018 Estimate	2019 Estimate	2017 Actual	2018 Estimate	2019 Estimate
Economic Development Assistance Programs	227	225	-40	249	299	296
Department of Homeland Security:						
Federal Emergency Management Agency:						
Federal Assistance	2,687	2,669	1,981	84	1,518	1,626
State and Local Programs	-11	-4	.....	2,119	1,479	1,047
Disaster Relief Fund	11,779	17,642	4,067	5,348	20,076	10,340
National Flood Insurance Fund	11	10	10	11	10	10
Department of Housing and Urban Development:						
Community Planning and Development:						
Community Development Fund	12,666	3,039	.....	5,616	7,094	8,004
Community Development Loan Guarantees Program Account .....	.....	.....	.....	1	3	3
Brownfields Redevelopment .....	.....	.....	.....	.....	3	3
Office of Lead Hazard Control and Healthy Homes:						
Lead Hazard Reduction	145	144	145	102	104	118
Department of the Interior:						
Bureau of Indian Affairs and Bureau of Indian Education:						
Operation of Indian Programs	150	159	159	146	88	149
Indian Guaranteed Loan Program Account	9	8	7	6	10	7
Appalachian Regional Commission	146	145	144	78	114	116
Delta Regional Authority	25	22	.....	14	35	25
Denali Commission	15	15	.....	18	12	20
Total, discretionary	28,618	24,806	6,642	14,519	31,530	22,738
Mandatory:						
Department of Homeland Security:						
Federal Emergency Management Agency:						
National Flood Insurance Fund	175	157	157	196	200	200
Department of Housing and Urban Development:						
Community Planning and Development:						
Community Development Loan Guarantees Program Account	1	.....	.....	1	4	.....
Neighborhood Stabilization Program .....	.....	.....	.....	30	58	58
Department of the Interior:						
Bureau of Indian Affairs and Bureau of Indian Education:						
Indian Guaranteed Loan Program Account	2	9	.....	2	9	.....
Department of the Treasury:						
Fiscal Service:						
Gulf Coast Restoration Trust Fund	295	176	335	49	115	120
Infrastructure Initiative:						
Rural Infrastructure .....	.....	.....	50,000	.....	.....	41,350
Total, mandatory	473	342	50,492	278	386	41,728
Total, Community and Regional Development	29,091	25,148	57,134	14,797	31,916	64,466
Education, Training, Employment, and Social Services						
Discretionary:						
Department of Education:						
Office of Elementary and Secondary Education:						
Indian Education	160	157	158	131	176	159
Impact Aid	1,323	1,315	730	1,495	1,223	850
Safe Schools and Citizenship Education	151	150	43	195	215	173
Education for the Disadvantaged	16,094	15,986	15,036	16,186	16,276	16,011
School Improvement Programs	4,279	4,257	2,320	4,295	4,211	4,243
Office of Innovation and Improvement:						
Innovation and Improvement	719	625	1,098	1,109	1,495	858

Table 14-1. FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS—BUDGET AUTHORITY AND OUTLAYS—Continued
(In millions of dollars)

Function, Category, Agency and Program	Budget Authority			Outlays		
	2017 Actual	2018 Estimate	2019 Estimate	2017 Actual	2018 Estimate	2019 Estimate
Office of English Language Acquisition:						
English Language Acquisition	689	684	689	703	741	690
Office of Special Education and Rehabilitative Services:						
Special Education	12,869	12,742	11,989	12,479	12,845	12,759
Rehabilitation Services	92	91	64	82	91	77
Office of Career, Technical, and Adult Education:						
Career, Technical and Adult Education	1,700	1,688	1,604	1,726	1,635	1,678
Office of Postsecondary Education:						
Higher Education	340	336	.....	302	381	329
Institute of Education Sciences	32	32	.....	24	39	32
Department of Health and Human Services:						
Administration for Children and Families:						
Promoting Safe and Stable Families	60	37	58	54	51	48
Children and Families Services Programs	10,897	10,860	9,966	10,232	11,673	10,587
Administration for Community Living:						
Aging and Disability Services Programs	1,912	1,906	1,781	1,869	1,937	1,903
Department of the Interior:						
Bureau of Indian Affairs and Bureau of Indian Education:						
Operation of Indian Programs	75	75	75	71	73	71
Department of Labor:						
Employment and Training Administration:						
Training and Employment Services	2,850	2,905	1,681	2,783	3,002	2,123
State Unemployment Insurance and Employment Service Operations	293	88	88	62	64	275
Unemployment Trust Fund	939	933	685	920	918	880
Corporation for National and Community Service:						
Operating Expenses	483	478	31	238	228	9
Corporation for Public Broadcasting	495	492	15	495	492	15
District of Columbia:						
District of Columbia General and Special Payments:						
Federal Payment for Resident Tuition Support	40	40	.....	40	40	.....
Federal Payment for School Improvement	45	45	45	45	45	45
Institute of Museum and Library Services:						
Office of Museum and Library Services: Grants and Administration	214	215	.....	212	224	155
National Endowment for the Arts:						
Grants and Administration	48	47	.....	45	47	42
Total, discretionary	56,799	56,184	48,156	55,793	58,122	54,012
Mandatory:						
Department of Education:						
Office of Special Education and Rehabilitative Services:						
Rehabilitation Services	3,164	3,225	3,522	3,210	3,278	3,356
Department of Health and Human Services:						
Administration for Children and Families:						
Promoting Safe and Stable Families	452	316	529	403	436	394
Social Services Block Grant	1,662	1,588	.....	1,661	1,621	307
Department of Labor:						
Employment and Training Administration:						
TAA Community College and Career Training Grant Fund .....	.....	.....	.....	257	96	64
Federal Unemployment Benefits and Allowances	391	450	300	229	223	218
Total, mandatory	5,669	5,579	4,351	5,760	5,654	4,339
Total, Education, Training, Employment, and Social Services	62,468	61,763	52,507	61,553	63,776	58,351

Table 14-1. FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS—BUDGET AUTHORITY AND OUTLAYS—Continued
(In millions of dollars)

Function, Category, Agency and Program	Budget Authority			Outlays		
	2017 Actual	2018 Estimate	2019 Estimate	2017 Actual	2018 Estimate	2019 Estimate
Health						
Discretionary:						
Department of Agriculture:						
Food Safety and Inspection Service:						
Salaries and Expenses	51	51	51	51	51	51
Department of Health and Human Services:						
Health Resources and Services Administration:						
Health Resources and Services	2,857	2,827	2,720	4,838	4,092	1,754
Indian Health Service:						
Contract Support Costs	712	795	797	716	843	797
Centers for Disease Control and Prevention:						
CDC-wide Activities and Program Support	3,440	3,388	1,888	1,189	1,236	1,000
Substance Abuse and Mental Health Services Administration	3,505	3,488	2,927	2,903	3,170	3,091
Departmental Management:						
Public Health and Social Services Emergency Fund	255	253	227	255	453	244
Department of Labor:						
Occupational Safety and Health Administration:						
Salaries and Expenses	111	110	100	111	110	100
Mine Safety and Health Administration:						
Salaries and Expenses	9	9	9	9	9	9
Total, discretionary	10,940	10,921	8,719	10,072	9,964	7,046
Mandatory:						
Department of Health and Human Services:						
Health Resources and Services Administration:						
Maternal, Infant, and Early Childhood Home Visiting Programs	372	400	400	416	388	389
Centers for Medicare and Medicaid Services:						
Rate Review Grants .....	.....	.....	.....	23	26	13
Affordable Insurance Exchange Grants	18	13	.....	147	135	24
Cost-sharing Reductions ² .....	.....	820	589	.....	820	589
Grants to States for Medicaid	389,350	408,317	402,875	374,682	400,388	412,033
Children's Health Insurance Fund	15,026	8,602	11,754	16,224	17,120	11,424
State Grants and Demonstrations	-682	80	87	502	583	578
Child Enrollment Contingency Fund	574	1,739	-1,812	27	198	.....
Departmental Management:						
Pregnancy Assistance Fund	23	25	25	23	24	23
Payment to the State Response to the Opioid Abuse Crisis Account, CURES Act	500	500	.....	500	500	.....
Department of the Treasury:						
Internal Revenue Service:						
Refundable Premium Tax Credit and Cost Sharing Reductions ²	4,330	3,289	3,585	4,330	3,289	3,585
Payment Where Small Business Health Insurance Tax Credit Exceeds Liability for Tax ² .....	.....	1	1	.....	1	1
Total, mandatory	409,511	423,786	417,504	396,874	423,472	428,659
Total, Health	420,451	434,707	426,223	406,946	433,436	435,705
Income Security						
Discretionary:						
Department of Agriculture:						
Food and Nutrition Service:						
Commodity Assistance Program	318	317	55	277	317	176
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	5,500	5,463	5,535	5,698	5,803	5,522
Department of Health and Human Services:						
Administration for Children and Families:						

Table 14-1. FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS—BUDGET AUTHORITY AND OUTLAYS—Continued
(In millions of dollars)

Function, Category, Agency and Program	Budget Authority			Outlays		
	2017 Actual	2018 Estimate	2019 Estimate	2017 Actual	2018 Estimate	2019 Estimate
Low Income Home Energy Assistance	3,390	3,367	.....	3,183	3,271	1,079
Refugee and Entrant Assistance	629	687	515	662	648	515
Payments to States for the Child Care and Development Block Grant	2,834	2,825	2,548	2,781	2,839	2,632
Department of Homeland Security:						
Federal Emergency Management Agency:						
Federal Assistance	120	119	.....	.....	83	109
Emergency Food and Shelter .....	.....	.....	.....	141	61	26
Department of Housing and Urban Development:						
Public and Indian Housing Programs:						
Public Housing Operating Fund	4,290	4,245	2,675	4,316	4,246	3,099
Revitalization of Severely Distressed Public Housing (HOPE VI) .....	.....	.....	-1	56	45	4
Native Hawaiian Housing Block Grant	2	2	.....	6	6	6
Tenant Based Rental Assistance	20,375	20,258	19,393	20,584	20,748	19,902
Public Housing Capital Fund	1,906	1,895	.....	1,755	1,892	1,822
Native American Housing Block Grant	654	650	600	620	627	533
Housing Certificate Fund .....	.....	.....	.....	94	97	97
Choice Neighborhoods Initiative	138	137	-137	36	150	12
Family Self-Sufficiency	75	74	75	73	61	85
Rental Assistance Demonstration .....	.....	.....	100	.....	.....	100
Community Planning and Development:						
Homeless Assistance Grants	1,271	1,262	1,271	1,056	1,214	1,244
Home Investment Partnership Program	950	944	.....	1,104	938	937
Housing Opportunities for Persons with AIDS	356	354	330	306	311	353
Rural Housing and Economic Development .....	.....	.....	.....	2	2	.....
Permanent Supportive Housing .....	.....	.....	.....	.....	5	.....
Housing Programs:						
Project-based Rental Assistance	241	235	245	241	235	245
Department of Labor:						
Employment and Training Administration:						
Unemployment Trust Fund	2,711	2,690	2,511	3,016	2,869	3,062
Total, discretionary	45,760	45,524	35,715	46,007	46,468	41,560
Mandatory:						
Department of Agriculture:						
Agricultural Marketing Service:						
Funds for Strengthening Markets, Income, and Supply (section 32)	789	1,040	1,070	743	1,020	1,072
Food and Nutrition Service:						
Supplemental Nutrition Assistance Program	7,135	7,405	6,929	6,954	7,355	7,020
Commodity Assistance Program	20	20	21	17	20	21
Child Nutrition Programs	22,951	24,280	23,153	22,445	24,019	23,486
Department of Health and Human Services:						
Administration for Children and Families:						
Payments to States for Child Support Enforcement and Family Support Programs	4,311	4,326	4,398	4,075	4,206	4,334
Contingency Fund	608	608	.....	567	626	64
Payments for Foster Care and Permanency	8,357	8,468	8,756	7,712	8,267	8,615
Child Care Entitlement to States	2,917	2,917	3,588	2,905	3,010	3,442
Temporary Assistance for Needy Families	16,737	16,736	15,136	15,972	16,328	15,353
Department of Housing and Urban Development:						
Public and Indian Housing Programs:						
Native American Housing Block Grant	3	2	.....	3	2	.....
Total, mandatory	63,828	65,802	63,051	61,393	64,853	63,407
Total, Income Security	109,588	111,326	98,766	107,400	111,321	104,967

Table 14–1. FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS—BUDGET AUTHORITY AND OUTLAYS—Continued
(In millions of dollars)

Function, Category, Agency and Program	Budget Authority			Outlays		
	2017 Actual	2018 Estimate	2019 Estimate	2017 Actual	2018 Estimate	2019 Estimate
Social Security						
Mandatory:						
Social Security Administration:						
Federal Disability Insurance Trust Fund	47	14	14	10	19	14
Veterans Benefits and Services						
Discretionary:						
Department of Veterans Affairs:						
Veterans Health Administration:						
Medical Community Care	1,253	1,237	.....	1,253	1,237	.....
Medical Services	559	592	1,895	559	592	1,895
Departmental Administration:						
Grants for Construction of State Extended Care Facilities	90	89	150	139	109	105
Grants for Construction of Veterans Cemeteries	45	45	45	41	24	68
Total, discretionary	1,947	1,963	2,090	1,992	1,962	2,068
Total, Veterans Benefits and Services	1,947	1,963	2,090	1,992	1,962	2,068
Administration of Justice						
Discretionary:						
Department of Housing and Urban Development:						
Fair Housing and Equal Opportunity:						
Fair Housing Activities	65	65	62	64	65	66
Department of Justice:						
Legal Activities and U.S. Marshals:						
Assets Forfeiture Fund	21	–482	–653	18	16	20
Drug Enforcement Administration:						
High Intensity Drug Trafficking Areas Program ³ .....	.....	.....	254	.....	.....	64
Office of Justice Programs:						
Research, Evaluation, and Statistics	75	69	17	117	354	9
State and Local Law Enforcement Assistance ⁴	968	953	605	947	1,313	1,049
Juvenile Justice Programs	222	238	214	256	274	358
Community Oriented Policing Services ⁴	150	161	.....	195	177	32
Violence against Women Prevention and Prosecution Programs	450	446	452	418	485	479
Equal Employment Opportunity Commission:						
Salaries and Expenses	29	29	29	47	60	47
Federal Drug Control Programs:						
High Intensity Drug Trafficking Areas Program ³	235	252	.....	228	300	151
State Justice Institute:						
Salaries and Expenses	5	5	7	5	6	5
Total, discretionary	2,220	1,736	987	2,295	3,050	2,280
Mandatory:						
Department of Justice:						
Legal Activities and U.S. Marshals:						
Assets Forfeiture Fund	400	250	250	179	217	322
Office of Justice Programs:						
Crime Victims Fund	2,270	2,246	2,065	1,404	3,786	2,862
Department of the Treasury:						
Departmental Offices:						
Treasury Forfeiture Fund	95	89	106	95	89	106
Total, mandatory	2,765	2,585	2,421	1,678	4,092	3,290
Total, Administration of Justice	4,985	4,321	3,408	3,973	7,142	5,570

Table 14-1. FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS—BUDGET AUTHORITY AND OUTLAYS—Continued
(In millions of dollars)

Function, Category, Agency and Program	Budget Authority			Outlays		
	2017 Actual	2018 Estimate	2019 Estimate	2017 Actual	2018 Estimate	2019 Estimate
General Government						
Discretionary:						
Department of the Interior:						
United States Fish and Wildlife Service:						
National Wildlife Refuge Fund	13	13	.....	13	13	.....
Insular Affairs:						
Assistance to Territories	64	64	53	56	82	79
Department-Wide Programs:						
Payments in Lieu of Taxes	465	462	397	465	462	397
District of Columbia:						
District of Columbia Courts:						
Federal Payment to the District of Columbia Courts	275	273	245	263	262	246
Federal Payment for Defender Services in District of Columbia Courts	50	51	46	46	57	54
District of Columbia General and Special Payments:						
Federal Support for Economic Development and Management Reforms in the District	22	22	8	22	22	8
Election Assistance Commission:						
Election Reform Programs .....	.....	.....	.....	2	.....	.....
Total, discretionary	889	885	749	867	898	784
Mandatory:						
Department of Agriculture:						
Forest Service:						
Forest Service Permanent Appropriations	90	77	77	90	77	77
Department of Energy:						
Energy Programs:						
Payments to States under Federal Power Act	4	4	5	8	4	5
Department of the Interior:						
Office of Surface Mining Reclamation and Enforcement:						
Payments to States in Lieu of Coal Fee Receipts	47	106	117	173	115	156
United States Fish and Wildlife Service:						
National Wildlife Refuge Fund	8	8	9	11	10	9
Departmental Offices:						
Mineral Leasing and Associated Payments	1,407	1,656	1,834	1,407	1,656	1,834
National Petroleum Reserve, Alaska	2	21	24	2	21	24
Geothermal Lease Revenues, Payment to Counties	3	4	.....	3	4	.....
Insular Affairs:						
Assistance to Territories	28	28	28	37	16	4
Payments to the United States Territories, Fiscal Assistance	328	302	302	328	302	302
Department of the Treasury:						
Alcohol and Tobacco Tax and Trade Bureau:						
Internal Revenue Collections for Puerto Rico	365	379	391	365	379	391
Corps of Engineers--Civil Works:						
Permanent Appropriations	4	4	4	.....	.....	.....
District of Columbia:						
District of Columbia Courts:						
District of Columbia Crime Victims Compensation Fund	12	6	6	8	6	6
Total, mandatory	2,298	2,595	2,797	2,432	2,590	2,808
Total, General Government	3,187	3,480	3,546	3,299	3,488	3,592

Table 14-1. FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS—BUDGET AUTHORITY AND OUTLAYS—Continued
(In millions of dollars)

Function, Category, Agency and Program	Budget Authority			Outlays		
	2017 Actual	2018 Estimate	2019 Estimate	2017 Actual	2018 Estimate	2019 Estimate
Allowances						
Mandatory:						
Infrastructure Initiative:						
Transformative Projects			20,040			15
Infrastructure Incentives			100,000			1,000
Total, mandatory			120,040			1,015
Total, Allowances			120,040			1,015
Total, Grants	703,864	715,250	833,319	674,700	727,986	748,994
Discretionary	159,170	152,557	108,277	200,974	221,048	197,989
Transportation obligation limitations (non-add) ¹	55,800	56,913	59,550			
Mandatory	544,694	562,693	725,042	473,726	506,938	551,005

¹ Mandatory contract authority provides budget authority for these programs, but program levels are set by discretionary obligation limitations in appropriations bills and outlays are recorded as discretionary. This table shows the obligation limitations as non-additive items to avoid double counting.

² Reflects budget authority and outlays for the Basic Health Program, under which a State may offer standard health plans to eligible individuals in lieu of offering such individuals coverage through an Exchange, and/or budget authority and outlays for State Innovation Waivers, as appropriate.

³ For 2019, the Budget proposes to transfer the High Intensity Drug Trafficking Areas Program from the Office of National Drug Control Policy to the Department of Justice. Budget authority for the High Intensity Drug Trafficking Areas Program in 2019 is included under the Drug Enforcement Administration heading.

⁴ For 2019, the Budget proposes to transfer the Community Oriented Policing Services account to the State and Local Law Enforcement Assistance account.

Table 14-2, below, shows Federal grants-in-aid spending by decade, actual spending in 2017, and estimated spending in 2018 and 2019. The Federal budget classifies grants-in-aid by general area or function. Of the total proposed grant spending in 2019, 58 percent is for health programs, with most of the funding going to Medicaid. Beyond health programs, 14 percent of Federal aid is estimated to go to income security programs; 9 percent to Community and Regional Development, which includes the Rural Grants portion of the Infrastructure Initiative; 9 percent to transportation; 8 percent to education, training, and social services; and 3 percent for all other functions.

The Federal budget also classifies grant spending by BEA category—discretionary and mandatory.¹⁹ Funding for discretionary grant programs is determined annually through appropriations acts. Outlays for discretionary grant programs account for 26 percent of total grant spending. Funding for mandatory programs is provided directly in authorizing legislation that establishes eligibility criteria or benefit formulas; funding for mandatory programs usually is not limited by the annual appropriations process. Outlays for mandatory grant programs account for 74 percent of total grant spending. Section B of Table 14-1 shows the distribution of grants between mandatory and discretionary spending.

In 2019, grants-in-aid provided from discretionary funding are estimated to have outlays of \$198 billion, a decrease of 10 percent from 2018. The three largest discretionary programs in 2019 are estimated to be Federal-aid Highways programs, with outlays of \$44 billion; Tenant Based Rental Assistance, with outlays of \$20

billion; and Education for the Disadvantaged, with outlays of \$16 billion.²⁰

In 2019, outlays for mandatory grant programs are estimated to be \$551 billion, a 9 percent increase from 2018. \$42 billion of that increase is for the infrastructure initiative proposal, without which outlays for mandatory grants would be \$2 billion higher than 2018. Medicaid is by far the largest mandatory grant program with estimated outlays of \$412 billion in 2019. After Medicaid, the three largest mandatory grant programs by outlays in 2019 are estimated to be Rural Infrastructure grants (part of the infrastructure initiative), \$41 billion; Child Nutrition programs, which include the School Breakfast Program, the National School Lunch Program and others, \$23 billion; and the Temporary Assistance for Needy Families program, \$15 billion.²¹

Federal grant spending by State for major grants may be found on the OMB web site at www.whitehouse.gov/omb/Analytical-Perspectives/ and on the Budget CD-ROM. This supplemental material includes two tables that summarize State-by-State spending for selected grant programs, one summarizing obligations for each program by agency and bureau, and another summarizing total obligations across all programs for each State, followed by 35 individual tables showing State-by-State obligation data for each grant program. The programs shown in these State-by-State tables cover almost 90 percent of total grants-in-aid to State and local governments.

²⁰ Obligation data by State for programs in each of these budget accounts may be found in the State-by-State tables included with other budget materials on the OMB web site and Budget CD-ROM.

²¹ Obligation data by State for programs in each of these budget accounts may be found in the State-by-State tables included with other budget materials on the OMB web site and Budget CD-ROM.

¹⁹ For more information on these categories, see Chapter 8, “Budget Concepts,” in this volume.

Table 14-2. TRENDS IN FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS

(Outlays in billions of dollars)

	Actual									Estimate	
	1960	1970	1980	1990	2000	2005	2010	2015	2017	2018	2019
A. Distribution of grants by function:											
Natural resources and environment	0.1	0.4	5.4	3.7	4.6	5.9	9.1	7.0	6.2	6.4	5.3
Agriculture	0.2	0.6	0.6	1.1	0.7	0.9	0.8	0.7	0.8	1.0	1.0
Transportation	3.0	4.6	13.0	19.2	32.2	43.4	61.0	60.8	64.8	64.4	64.0
Community and regional development	0.1	1.8	6.5	5.0	8.7	20.2	18.9	14.4	14.8	31.9	64.5
Education, training, employment, and social services	0.5	6.4	21.9	21.8	36.7	57.2	97.6	60.5	61.6	63.8	58.4
Health	0.2	3.8	15.8	43.9	124.8	197.8	290.2	368.0	406.9	433.4	435.7
Income security	2.6	5.8	18.5	36.9	68.7	90.9	115.2	101.1	107.4	111.3	105.0
Administration of justice .....	.....	0.0	0.5	0.6	5.3	4.8	5.1	3.7	4.0	7.1	5.6
General government	0.2	0.5	8.6	2.3	2.1	4.4	5.2	3.8	3.3	3.5	3.6
Other	0.0	0.1	0.7	0.8	2.1	2.6	5.3	4.3	5.0	5.2	6.1
Total	7.0	24.1	91.4	135.3	285.9	428.0	608.4	624.4	674.7	728.0	749.0
B. Distribution of grants by BEA category:											
Discretionary	N/A	10.2	53.4	63.5	116.7	182.3	247.4	189.6	201.0	221.0	198.0
Mandatory	N/A	13.9	38.0	71.9	169.2	245.7	361.0	434.7	473.7	506.9	551.0
Total	7.0	24.1	91.4	135.3	285.9	428.0	608.4	624.4	674.7	728.0	749.0
C. Composition:											
Current dollars:											
Payments for individuals ¹	2.6	9.1	33.1	77.4	186.5	278.8	391.4	463.4	508.0	538.0	535.2
Physical capital ¹	3.3	7.1	22.6	27.2	48.7	60.8	93.3	77.2	79.5	81.0	122.9
Other grants	1.1	7.9	35.8	30.7	50.7	88.4	123.7	83.7	87.3	109.0	90.9
Total	7.0	24.1	91.4	135.3	285.9	428.0	608.4	624.4	674.7	728.0	749.0
Percentage of total grants:											
Payments for individuals ¹	37.4%	37.7%	36.2%	57.2%	65.3%	65.1%	64.3%	74.2%	75.3%	73.9%	71.5%
Physical capital ¹	47.3%	29.3%	24.7%	20.1%	17.0%	14.2%	15.3%	12.4%	11.8%	11.1%	16.4%
Other grants	15.3%	33.0%	39.1%	22.7%	17.7%	20.7%	20.3%	13.4%	12.9%	15.0%	12.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Constant (FY 2009) dollars:											
Payments for individuals ¹	15.0	41.4	76.8	116.1	225.9	304.1	385.3	422.4	449.9	466.1	454.9
Physical capital ¹	23.8	38.2	54.7	45.7	68.6	74.2	93.7	69.8	69.8	69.4	102.6
Other grants	12.7	62.2	133.1	62.7	71.9	102.3	120.1	73.0	73.7	89.7	72.9
Total	51.5	141.8	264.6	224.5	366.4	480.6	599.1	565.2	593.5	625.2	630.3
D. Total grants as a percent of:											
Federal outlays:											
Total	7.6%	12.3%	15.5%	10.8%	16.0%	17.3%	17.6%	16.9%	16.9%	17.4%	17.0%
Domestic programs ²	18.0%	23.2%	22.2%	17.1%	22.0%	23.5%	23.4%	21.2%	21.3%	22.2%	22.1%
State and local expenditures	14.3%	19.6%	27.3%	18.7%	21.8%	23.5%	26.3%	25.1%	26.8%	N/A	N/A
Gross domestic product	1.3%	2.3%	3.3%	2.3%	2.8%	3.3%	4.1%	3.5%	3.5%	3.6%	3.6%
E. As a share of total State and local gross investments:											
Federal capital grants	24.1%	24.6%	34.5%	21.0%	21.2%	21.3%	26.4%	22.4%	22.6%	N/A	N/A
State and local own-source financing	75.9%	75.4%	65.5%	79.0%	78.8%	78.7%	73.6%	77.6%	77.4%	N/A	N/A
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		

N/A: Not available at publishing.

¹ Grants that are both payments for individuals and capital investment are shown under capital investment.² Excludes national defense, international affairs, net interest, and undistributed offsetting receipts.

OTHER SOURCES OF INFORMATION ON FEDERAL GRANTS-IN-AID

A number of other sources provide State-by-State spending data and other information on Federal grants, but may use a broader definition of grants beyond what is included in this chapter.

The website Grants.gov is a primary source of information for communities wishing to apply for grants and other domestic assistance. Grants.gov hosts all open notices of opportunities to apply for Federal grants.

The *Catalog of Federal Domestic Assistance* hosted by the General Services Administration contains detailed listings of grant and other assistance programs; discussions of eligibility criteria, application procedures, and estimated obligations; and related information. The *Catalog* is available on the Internet at www.cfda.gov.

Current and updated grant receipt information by State and local governments and other non-Federal entities can be found on USASpending.gov. This public website also contains contract and loan information and is updated twice per month.

The Federal Audit Clearinghouse maintains an online database (<https://harvester.census.gov/facweb/>) that provides access to summary information about audits conducted under OMB guidance located at 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Information is available for each audited entity, including the amount of Federal money expended by program and whether there were audit findings.

The Bureau of Economic Analysis, in the Department of Commerce, produces the monthly *Survey of Current Business*, which provides data on the national income and product accounts (NIPA), a broad statistical concept encompassing the entire economy. These accounts, which are available at bea.gov/national, include data on Federal grants to State and local governments.

In addition, information on grants and awards can be found through individual Federal agencies' web sites:

- USDA Current Research Information System, <https://cris.nifa.usda.gov/>
- DOD Medical Research Programs, <http://cdmrp.army.mil/search.aspx>
- Department of Education, Institute of Education Sciences, Funded Research Grants and Contracts, <https://www2.ed.gov/fund/grants-apply.html>
- Department of Health and Human Services (HHS) Grants, <https://www.hhs.gov/grants/grants/index.html>
- HHS Tracking Accountability in Government Grants System (TAGGS), <http://taggs.hhs.gov/Advanced-Search.cfm>
- National Institutes of Health (NIH) Grants and Funding, <https://grants.nih.gov/funding/index.htm>
- Department of Housing and Urban Development Grants, <https://www.hud.gov/program-offices/spm/geomgmt/grantsinfo>
- Department of Justice Grants, <https://www.justice.gov/grants>
- Department of Labor Employment and Training Administration (ETA), Grants Awarded, http://www.doleta.gov/grants/grants_awarded.cfm
- Department of Transportation Grants, <https://www.transportation.gov/grants>
- Environmental Protection Agency (EPA), <https://www.epa.gov/grants>
- National Library of Medicine (NLM), Health Services Research Projects in Progress (HSRProj), https://wwwcf.nlm.nih.gov/hsr_project/home_proj.cfm
- National Science Foundation (NSF) Awards, <http://www.nsf.gov/awardsearch/>
- Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Awards, <https://www.sbir.gov/sbirsearch/award/all>