



FY14 Federal Appropriations Update

National Association of State Alcohol and Drug Abuse Directors (NASADAD) Board of Directors Meeting
Oklahoma City, Oklahoma
August 26th and 27th, 2013

Flow Chart of Federal Appropriations Process

August-October

Formulation of President's Budget

February

President Submits Budget to Congress

Early May:
Budget committees
in markup

House Budget Committee
Formulates Budget Resolution

Senate Budget Committee
Formulates Budget Resolution

House Floor

Senate Floor

June:
Conference committee
reports out the budget

Budget Resolution Conference Committee
Reports out the Concurrent Resolution on the Budget

July:
Reconciliation and
appropriation bills

House Floor Vote

Senate Floor Vote

- Concurrent Resolution is Non-Statutory/ Not signed by the President
- Spending Allocations and reconciliation instructions (optional) sent to Committee of Jurisdiction

House Authorizing
Committees complete
changes in law to comply
with the Budget Resolution -
Budget Reconciliation

House Appropriations
Committee reports
appropriations measures
that comply with Budget
Resolution (1 year
target)

Senate Appropriations
Committee completes
spending changes to
comply with the Budget
Resolutions (1 year
target)

Senate Authorizing
Committees complete
changes in law to
comply with Budget
Resolution- Budget
Reconciliation

House Authorizing
Committees'
recommendation submitted
to House Budget Committee

House: 12 Separate
Appropriation Bills

Senate: 12 Separate
Appropriation Bills

Senate Authorizing
Committees'
recommendations
submitted to the
Senate Budget
Committee

12 House Votes

12 Senate Votes

September:
Reconciliation
and Approp.
repts

House Vote on
Reconciliation

12 Conference Votes

Senate Vote on
Reconciliation

12 House Votes on the
Conference Report

12 Senate Votes on
Conference Report

President signs into law or may veto 12 Appropriation Conference Reports

Budget Reconciliation Conference Committee
Sub-Conference are held by Authorizing Committee

House votes on reconciliation
bill

Senate votes on reconciliation
bill

President signs or veto reconciliation bill

**Nuts and Bolts of the
Congressional Appropriations
Process- IN THEORY**

FY14 President's Budget and Dueling Congressional Budget Resolutions

- President Obama submitted his FY14 Budget Proposal on April 10th, 2 months later than required by law
- House passed its FY14 Budget Resolution on Thursday, March 21st in a 221-207 vote and the Senate passed its FY14 Budget Resolution on Saturday, March 23rd in a 50-49 vote
 - The Budget Resolutions offer starkly different short and long-term visions with political and policy differences surrounding how to deal with sequestration and other issues preventing a Budget Resolution Conference Committee from taking place

	House Republican Plan	Senate Democratic Plan
Tax code	Would allow floor consideration of a comprehensive overhaul of the tax code, but does not assume a change in revenue relative to the CBO baseline.	Would direct the Finance Committee to increase revenue by \$975 billion over 10 years.
Discretionary spending and sequester	Calls for transferring the defense sequester to domestic programs and reducing discretionary spending overall.	Calls for replacing the fiscal 2013 sequester with a combination of new revenue and spending cuts.
Health care	<p>Calls for repeal of the health care law's exchange subsidies and Medicaid expansion, saving \$1.8 trillion.</p> <p>Calls for converting Medicaid into a block grant for states.</p> <p>For those now 55 and under, calls for a choice between traditional Medicare and a premium-support-based program upon retirement.</p>	Calls for cutting \$275 billion from mandatory health programs without making major structural changes to entitlements.
Other mandatory programs	<p>Calls for the president and Congress to submit plans to shore up the Social Security trust funds</p> <p>Calls for cutting \$31 billion from farm programs.</p>	Calls for cutting \$23 billion from agriculture programs.
Economic stimulus	None	Calls for providing \$100 billion for infrastructure investments and worker training programs.

SOURCE: House and Senate Budget Committees

Appropriations Committee Discretionary Funding Levels

- Each chamber sets a top-line discretionary funding level that establishes the amount that will be appropriated across all 12 of the Appropriations Committee's subcommittees, known as 302(a) allotments.
 - House Appropriations Chairman Hal Rogers (R-KY 5th) set the total discretionary allotment at **\$967** billion, which maintains the discretionary spending caps set by the Budget Control Act for FY14
 - Senate Appropriations Chairwoman Barbara Mikulski (D-MD) set the Senate total discretionary allotment at **\$1.058 trillion**, which assumes that sequestration would be eliminated or replaced for FY14

Appropriations Subcommittee

Discretionary Funding Levels

- House and Senate Appropriations Committee Chairmen establish funding levels by subcommittee that correspond with their overall discretionary allotment, known as 302(b) appropriations
 - Subcommittees use the 302(b) funding levels to appropriate on the department, agency, and program level
 - The funding level is the basis for what subcommittees can fund, with any reductions forcing either consolidation or elimination of some funds under their subcommittee's jurisdiction

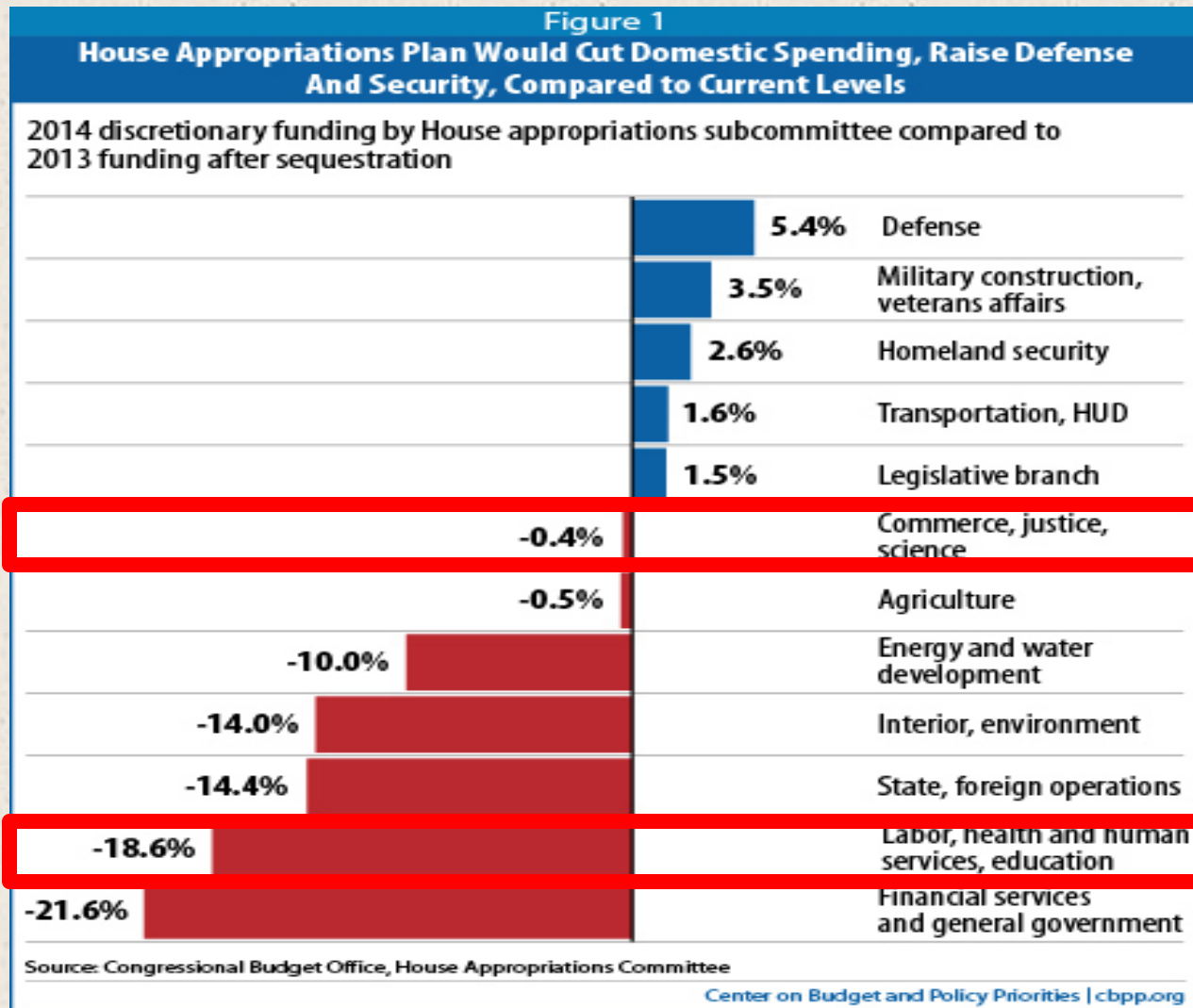
302(b) Comparisons

Appropriations Subcommittee Funding Levels

Discretionary Funding Levels, by Appropriations Subcommittee: 2014 Senate and House Appropriations Committee Allocations				
(\$ in billions)				
	2014 Senate allocations	2014 House allocations	House vs. Senate	
			(dollars)	(percent)
Agriculture	20.9	19.5	-1.5	-7.1%
Commerce, Justice, Science	52.3	46.8	-5.4	-10.4%
Defense	516.6	512.5	-4.1	-0.8%
Energy and Water Development	34.8	30.4	-4.3	-12.5%
Financial Services and General Government	23.0	17.0	-6.1	-26.3%
Homeland Security	39.1	39.0	-0.1	-0.3%
Interior, Environment	30.1	24.3	-5.8	-19.3%
Labor, Health and Human Services, Education	164.3	121.8	-42.5	-25.9%
Legislative Branch	4.4	4.1	-0.2	-5.2%
Military Construction, Veterans Affairs	74.4	73.3	-1.0	-1.4%
State, Foreign Operations	44.1	34.1	-10.0	-22.6%
Transportation, HUD	<u>54.0</u>	<u>44.1</u>	<u>-9.9</u>	<u>-18.4%</u>
Total	1,058.0	966.9	-91.1	-8.6%

Source: Senate Appropriations Committee, House Appropriations Committee

House 302(b) Subcommittee Funding Levels Compared to FY13 (post-sequestration)



Senate 302(b) Allocations Compared to FY13 Pre and Post-Sequestration

Discretionary Funding Levels, by Appropriations Subcommittee: 2013 Levels and 2014 Senate Appropriations Committee Allocations					
	(\$ in billions)			(Percent difference)	
	2013 before sequestration	2013 after sequestration	2014 Senate allocations	2014 Senate vs. 2013 before sequestration	2014 Senate vs. 2013 after sequestration
Agriculture	20.7	19.5	20.9	1.2%	7.1%
Commerce, Justice, Science	50.1	47.0	52.3	4.3%	11.1%
Defense	517.5	486.3	516.6	-0.2%	6.2%
Energy and Water Development	36.2	33.8	34.8	-4.1%	2.9%
Financial Services and General Government	23.0	21.6	23.0	0.3%	6.5%
Homeland Security	39.8	38.0	39.1	-1.9%	2.9%
Interior, Environment	29.8	28.2	30.1	1.1%	6.6%
Labor, Health and Human Services, Education	156.5	149.6	164.3	5.0%	9.8%
Legislative Branch	4.3	4.1	4.4	1.7%	7.0%
Military Construction, Veterans Affairs	71.8	70.8	74.4	3.5%	5.0%
State, Foreign Operations	41.6	39.8	44.1	6.1%	10.7%
Transportation, HUD*	46.6	43.4	54.0	16.1%	24.5%
Total	1,037.8	982.4	1,058.0	1.9%	7.7%
*Transportation, HUD, excluding housing loan guarantee programs	62.7	59.5	66.5	6.0%	11.6%

Note: 2013 figures include CBO re-estimates of enacted appropriations. (See the Appendix of <http://www.cbpp.org/cms/index.cfm?fa=view&id=3969> for details.)
Source: Congressional Budget Office, Senate Appropriations Committee

FY14 Labor-HHS-Education

- The Senate Appropriations Committee approved its Labor-Health and Human Services (HHS)-Education FY14 funding measure on Thursday, July 10th in a 16-14 party-line vote
 - The bill was funded at \$164.3 billion, which is \$7.8 billion more than the FY13 enacted level (pre-sequester) and \$42.5 billion more than the funding level set by the House in its 302(b) allocations
 - The Senate bill has not been scheduled for a floor vote
- The House Labor-HHS-Education Appropriations Subcommittee scheduled a mark-up of its FY14 funding bill for Thursday, July 25th, but later decided to indefinitely postpone it
 - Department, agency, and program funding levels were not released before or after the scheduled mark-up
 - Subcommittee Chairman Jack Kingston (R-GA 1st) is running for the vacant Senate seat of retiring Senator Saxby Chambliss (R-GA) in 2014

Senate Labor-HHS-Education Agency Funding Levels

Department of Health and Human Services: FY 2014 Funding Levels				
Program Activities	FY 2013 Enacted*	FY 2014 President's Budget**	FY 2014 Senate Appropriations Bill	FY 2014 Field Request
SAMHSA Total Budget	\$3,568.7m	\$3,572.2m *(\$58m PPH) (\$164.7m PHS) (+\$3.5m v FY13)	\$3,621.9m (\$132.6m PHS) (\$92m PPH) (+53.2m v FY13)	\$3,649.4m (+\$80.7m v FY13)
Substance Abuse Prevention & Treatment (SAPT) Block Grant	\$1,796.9m	\$1,819.8m (\$71.7m PHS) (+\$22.9m v FY13)	\$1,819.8m (+22.9m v FY13)	\$1,850.3m (+\$54m v FY13)
Center for Substance Abuse Treatment (CSAT)	\$402m (\$2m PHS)	\$334.8m (\$30m PPH) (-\$67.2m v FY13)	\$358.4m (\$50m PPH) (\$2m PHS) (-\$42.5m v FY13)	\$450.1m (+47.9m v FY13)
Center for Substance Abuse Prevention (CSAP)	\$185.6m	\$175.6m (-\$10m v FY13)	\$175.6m (-10m v FY13)	\$195.3m (+\$9.7m v FY13)
National Institute on Drug Abuse(NIDA)	\$1,051.2m	\$1,071.6m (+\$20.4m v FY13)	\$1,064.4m (+13.2m v FY13)	\$1,158.7m (+\$107.5m v FY13)
National Institute on Alcohol Abuse and Alcoholism (NIAAA)	\$458.6m	\$463.8m (+\$5.2m v FY13)	\$460.7m (+2.1m v FY13)	\$504.8m (+\$46.2m v FY13)

* Does not reflect the March 1, 2013, sequester of funds under Public Law 112-25 and excludes transfers and reprogrammings allowed under Public Law 113-6 (PPH).

**PPH= Prevention and Public Health Fund. PHS= Public Health Service (PHS) Evaluation. The top line number includes both when applicable.

Senate Labor-HHS-Education SAMHSA/CSAT/CSAP Program Funding Levels

Center for Substance Abuse Treatment (CSAT)

Budget Activity	FY 2013 Enacted	FY 2014 President's Request	FY 2014 Senate Bill
Opioid Treatment Programs/Regulatory Activities	\$8,868,000	\$8,746,000	\$8,746,000
Screening, Brief Intervention, Referral, & Treatment (SBIRT)	\$28,135,000	\$30,000,000	\$52,000,000
Additional SBIRT Funding from the Prevention and Public Health Fund (PPHF)	\$0	\$30,000	\$0
TCE (Targeted Capacity Expansion)- General	\$27,924,000	\$13,256,000	\$13,256,000
Pregnant & Postpartum Women	\$15,938,000	\$15,970,000	\$15,970,000
Strengthening Treatment Access and Retention	\$1,668,000	\$1,000,000	\$1,668,000
Recovery Community Services Program	\$2,440,000	\$2,440,000	\$2,440,000
Access to Recovery	\$98,071,000	\$65,000,000	\$50,000,000 (from the public health fund)
Children and Families	\$30,559,000	\$29,678,000	\$29,678,019
Treatment Systems for Homeless	\$41,488,000	\$41,571,000	\$41,488,000
Minority AIDS	\$65,988,000	\$65,988,000	\$65,732,000
Criminal Justice Activities	\$67,372,000	\$65,135,000	\$64,446,170
Addiction Technology Transfer Centers	\$9,046,000	\$8,081,000	\$9,046,000
Minority Fellowship Program	\$545,000	\$547,000	\$2,545,000
Special Initiatives/Outreach	\$2,262,000	\$1,436,000	\$1,436,000

Center for Substance Abuse Prevention (CSAP)

Budget Activity	FY 2013 Enacted	FY 2014 Administration Request	FY 2014 Senate Bill
Strategic Prevention Framework/Partnerships for Success	\$109,587,000	\$109,754,000	\$109,754,000
Mandatory Drug Testing	\$5,186,000	\$4,906,000	\$4,906,000
Minority AIDS	\$41,224,000	\$41,307,000	\$41,307,000
Sober Truth on Preventing Underage Drinking (STOP Act)	\$6,973,000	\$7,000,000	\$7,000,000
Fetal Alcohol Spectrum Disorder	\$9,783,000	\$8,000,000	\$1,000,000
Center for the Application of Prevention Technologies	\$8,074,000	\$1,000,000	\$1,000,000
Science and Service Program	\$4,770,000	\$4,082,000	\$4,082,000
Coordination	\$4,770,000	\$4,082,000	\$4,082,000
Minority Fellowship Program	\$71,000	\$0	\$71,000

*The enacted level does not reflect the March 1, 2013 sequester of funds and excludes transfers and reprogramming of funds allowed under Public Law 113-6.

Senate FY14 Labor-HHS-Education Appropriations Committee Report Language Part I

- SAMHSA
 - Directs SAMHSA to exempt SAPT and MH Block Grants from being used as a source for PHS evaluation transfers (“taps”) in FY14
 - Excludes Administration’s request for a 3 percent set-aside in the SAPT and MH Block Grants to assist providers in improving enrollment, billing, and business practices
 - Highlights that States are at varying stages of progress in this process and many may not find this requirement necessary and that enrollment and provider business practice activities are allowable block grant activities
 - Expresses the Committee’s belief that the SAPT Block Grant should be as flexible as possible to allow States to meet their own needs related to substance abuse prevention, treatment, and recovery services
 - Directs SAMHSA to clarify with SSAs and State mental health authorities which block grant activities are required and which are optional, as outlined in the SAPT Block Grant application
 - \$119 million in new funding across the agency to increase access to mental health services (product of Newtown tragedy)
 - \$95 million for Now is the Time initiative
 - \$15 million for Mental Health First Aid programs
 - \$40 million for Project AWARE State grants
 - \$40 million to address shortages in the behavioral health workforce (includes \$5 million increase for the Minority Fellowship program)

Senate FY14 Labor-HHS-Education Appropriations Committee Report Language Part II

- CSAT
 - Addiction Technology Transfer Centers (ATTCs)- Directs SAMHSA to ensure that ATTCs maintain primary focus on addiction treatment and recovery services to strengthen the addiction workforce
 - Addiction Workforce- Strongly urges SAMHSA to work with community colleges, universities, and SSAs to develop ways to encourage individuals to enter the addiction workforce
 - Drug Treatment Courts- Directs SAMHSA to ensure that all appropriated funds for Drug Treatment Courts is used to serve people diagnosed with an SUD as their primary condition
 - Workforce Development- Urges SAMHSA to work with HRSA to ensure programs aimed at mental health and SUD professionals are available to addiction professionals trying to move from the bachelor's to the master's level
 - Overdose Fatality Prevention- Urges SAMHSA to take steps to encourage and support the use of SAPT Block Grant funds for opioid safety education and training, focusing on initiatives that improve access to naloxone for public health and law enforcement
- Other relevant language
 - Mental and Behavioral Health Education and Training- \$35 million for joint effort with HRSA to increase the clinical service capacity of the behavioral health workforce, eligible entities for the program include accredited programs that train master's level social workers, psychologists, and marriage and family therapists; psychology doctoral interns; and paraprofessionals

Senate FY14 Labor-HHS-Education Appropriations Committee Report Language Part III

- CSAP
 - Intends SPF-SIG and Partners for Success programs focus exclusively on: addressing State and community-level indicators of alcohol, tobacco, and drug use; targeting and implementing appropriate universal prevention strategies; building infrastructure and capacity; and preventing substance use and abuse
 - Does not concur with SAMHSA proposal to allow grantees to use funds to address trauma, as that would redirect the program's purpose
 - Intends that the specific drug and alcohol issues chosen by a grantee should be dictated by its own unique needs as reflected by an analysis of community-level epidemiological data. Further noted that grantees should only focus on prevention of underage drinking and prescription drug abuse if the data support that need
 - Highlighted the rise in youth drug use and decrease in perception of harm to direct that all funds appropriated explicitly for substance abuse prevention in the CSAP PRNS and the SAPT Block Grant 20 percent set-aside be used for only bona fide substance abuse prevention programs and strategies

FY14 Commerce-Justice-Science (CJS)

- The House and Senate Appropriations Committees both approved a FY14 CJS funding bill
 - The House Appropriations Committee approved its funding measure on Wednesday, July 17th by unanimous voice vote and the Senate Appropriations Committee approved its bill on Thursday, July 18th in a 21-9 vote
 - The House bill funds the Department of Justice (DOJ) at \$26.3 billion, which is a decrease of \$720 million (3 percent) from the enacted FY13 level (pre-sequester)
 - The Senate bill provides the DOJ with \$28.5 billion, compared to the \$26.3 billion approved by the House. The Senate appropriation is \$2.2 billion more than the House appropriation and \$1.1 billion more than the FY13 enacted level
 - Neither chamber has scheduled a floor vote for their bill

House and Senate FY14 CJS Department and Program Level Funding

Program Activities	FY 2013 Continuing Resolution ¹	FY 2014 President's Budget	FY 2014 House Appropriations	FY 2014 Senate Appropriations	FY 2014 Field Request
Department of Justice	\$27.3b	\$28.4b (+\$1.1b v FY13)	\$26.5b (-\$720m v FY13)	\$28.5b (+\$1.2b v FY13)	N/A
State and Local Law Enforcement Assistance Grant Programs	\$1.11b	\$1b (-\$112m v FY13)	\$1.06b (-\$54m v FY13)	\$1.13b (+\$20m v FY13)	N/A
Second Chance Act	\$68.75m	\$119m (+\$50.25m v FY13)	\$55m (-\$13.75m v FY13)	\$70.5m (+\$1.75m v FY13)	\$119m (+\$50.25m v FY13)
Drug Courts	\$41m	Consolidated into Problem Solving Justice line \$44m (+\$3m v FY13)	\$41m (Level v FY13)	\$40m (-\$1m v FY13) (no consolidation)	\$45m (no consolidation) (+\$4m v FY13)
Veterans Treatment Courts	\$4m	Consolidated into Problem Solving Justice line \$44m (+\$40m v FY13)	\$4m (Level v FY13)	\$4m (Level v FY13)	\$4m (no consolidation) (Level v FY13)
Mentally Ill Offender Act (MIOTCRA)	\$9m	Consolidated into Problem Solving Justice line \$44m (+\$35m v FY13)	Consolidated into mental health courts and adult and juvenile collaboration program grants line \$7.5m (-\$1.5m v FY13)	\$9m (Level v FY13) (no consolidation)	\$9m (Level v FY13) (no consolidation)
Residential Substance Abuse Treatment (RSAT)	\$12.5m	\$19m (+\$6.5m v FY13)	\$6m (-\$6.5m v FY13)	\$14m (+\$1.5m v FY13)	\$19m (+\$6.5m v FY13)
Enforcing Underage Drinking Laws (EUDL)	\$5m	\$0* (-\$5m v FY13)	\$0 (-\$5m v FY13)	\$5m (Level v FY13)	\$15m (+\$10m v FY13)
Prescription Drug Monitoring Programs (PDMP)	\$7m	\$7m (Level v FY13)	\$7m (Level v FY13)	\$0m (-\$7m v FY13)	\$7m (Level v FY13)
Justice Assistance Grants (JAG)	\$392.418m	\$395m (+\$2.582m v FY13)	\$465m (+\$72.582m v FY13)	\$385m (-\$7.418m v FY13)	\$395m (+\$2.582m v FY13)

FY14 CJS House Appropriations Committee Report Language

- Prescription Drug Abuse- Urges the Attorney General to collaborate with State and local law authorities on efforts to intensify enforcement against abuse and trafficking of prescription drugs
- Marijuana Eradication- Expressed concern about the spread of illegal marijuana cultivation and the burden on small and rural law enforcement agencies from such crime. Directs the Drug Enforcement Administration (DEA) in consultation with the Office of National Drug Control Policy (ONDCP) to coordinate efforts with small and rural law enforcement agencies to eradicate marijuana more effectively
- Federal Prison System-
 - *Compassionate Release*- Noted a Government Accountability Office (GAO) study that found that the Bureau of Prisons (BOP) underutilizes operational authority to shorten prison stays by failing to maximize the use of community confinement at the end of sentences and the use of the Residential Drug Abuse Program
- Establishes the Colson Task Force which, among other things, is to undertake a comprehensive analysis to identify factors driving the growth in prison populations

FY14 CJS Senate Appropriations Committee Report Language

- Drug Take-Back Operations- Encourages DEA to continue work with the Department of Defense (DoD) and Department of Veterans Affairs (VA) to expand options available for the safe disposal of controlled substances for servicemembers and veterans, including developing guidelines and procedures to conduct drug take-back operations at approved DoD and VA facilities
- Federal Prison System-
 - *Reentry and Recidivism Reducing Program*- Committee provides a \$43 million increase so that the Federal Prison System can meet the requirements of the Second Chance Act, which includes funding for use to expand Residential Drug Abuse Program capacity. The expansion will help BOP reach the goal of providing 12 month sentence credits to all eligible inmates and allow more inmates to complete the programs earlier
- Rejects the Administration's request to consolidate Drug, Mental Health, and Problem Solving Courts, noting the success of the programs individually and the distinction among professionals in the field between the programs
- Incarcerated Women with Co-Occurring Disorders- Expresses concerns about the growing number of women who are incarcerated for nonviolent offenses, and who suffer from co-occurring mental health and substance abuse disorders that result in recidivism and an inability to reintegrate into the community after release from prison. Day treatment centers are a common alternative to residential treatment for persons struggling with mental health disorders and/or addictions; however, State prison systems have yet to employ this model for incarcerated populations. **By providing a transitional step between full-time incarceration and probation, day treatment centers may be an innovative and less costly way to treat non-violent offenders with co-occurring disorders. From within funds provided in the recommendation for the Second Chance Act or the Residential Substance Abuse Treatment program, where appropriate, the Committee encourages OJP to consider funds for States that seek to utilize day treatment centers located outside of the prison, within a community, to reduce recidivism among incarcerated women with co-occurring disorders.**

FY14 Appropriations Current Status

- House and Senate have passed 10 and 11 funding measures through their chamber's Appropriations Committee, respectively
 - The House postponed a full Appropriations Committee vote on the Interior-Environment bill and indefinitely postponed subcommittee consideration of a Labor-HHS-Education bill
 - House has passed 4 bills through the full chamber (Defense, Energy-Water, Homeland Security, and Military Construction-VA)
 - Senate Appropriations Committee has not passed an Interior-Environment funding measure
 - Senate failed to pass the only funding bill to receive floor consideration, the Transportation-Housing and Urban Development (HUD) bill, in 54-43 procedural vote

Upcoming Federal Fiscal and Budget Discussions

- Continuing Resolution (CR) negotiations for FY14
 - Lack of time for either chamber to pass appropriations bills, House has 9 and Senate has 16 legislative days left until the end of FY13
 - Disagreement over discretionary funding levels between the chambers
 - House Republicans favor a short term CR for 30-60 days and Senate Democrats are crafting a 6 month CR similar to the one passed last September
 - A sect of Congressional Republicans is seeking a government shutdown if the ACA is funded through the appropriations process or a CR
- Discussions around sequestration, the debt ceiling, tax reform, and deficit reduction
 - A CR is likely to be tied into a larger deal on sequestration and the debt ceiling, as well as potentially additional deficit reduction measures
 - Senate Finance Committee Chairman Max Baucus (D-MT) and House Ways and Means Committee Chairman Dave Camp (R- MI 4th) are working on a tax reform package that could potentially be connected to larger budget discussions
 - The debt ceiling is not scheduled to be reached until November, at the earliest