

The Consolidated Appropriations Act, 2023 SECURE 2.0

Introduction

On Thursday, December 29, 2022, President Joe Biden signed H.R. 2617 into law.

H.R. 2617, the “Consolidated Appropriations Act, 2023”, making consolidated appropriations for the fiscal year ending September 30, 2023, and for providing emergency assistance for the situation in Ukraine and for other purposes.

The cost of this legislation - \$1.7 trillion. It runs more than 4,000 pages.

While the Act includes the retirement bill SECURE 2.0, it leaves out tax provisions for business and individuals, most notably the expanded child tax credit.

The legislation includes \$772.5 billion for non-defense discretionary programs and \$858 billion in defense funding.

The package includes \$45 billion in emergency assistance to Ukraine and NATO allies. About \$9 billion of the funding would go to Ukraine’s military to pay for a variety of things including training, weapons, logistics support and salaries. Nearly \$12 billion would be used to replenish United States stocks of equipment sent to Ukraine through presidential drawdown authority. It also provides \$13 billion for economic support to the Ukrainian government. Other funds would address humanitarian and infrastructure needs, as well as support the European Command operations.

It boosts spending for disaster aid, college access, child care, mental health and food assistance, more support for the military and veterans and additional funds for the United States Capitol Police.

It also includes several major Medicaid provisions, including one that could disenroll up to 19 million people from the nation’s health insurance program for low-income Americans.

It left out several measure that some lawmakers had fought to include:

- Expansion of the child tax credit;
- Multiple corporate and individual tax breaks;
- The “Safe Banking Act” which would allow cannabis companies to bank their cash reserve;
- A bill to help Afghan evacuees in the United States to gain lawful permanent residency; and
- A final resolution on where the new FBI headquarters will be located.

Part I.
What Does the Consolidated Appropriations Act, 2023 Include

- I. \$1.7 trillion is appropriated for the following:
- A. **Emergency disaster assistance:** The law provides more than \$38 billion in emergency funding to help Americans in the west and southeast affected by recent natural disasters, including tornadoes, hurricanes, flooding and wildfires. It will aid farmers, provide economic development assistance for communities, repair and reconstruct federal facilities and direct money to the Federal Emergency Management Agency's Disaster Relief Fund, among other initiatives.
 - B. **Overhaul of the electoral vote-counting law:** A provision in the legislation aims at making it harder to overturn a certified presidential election.

The changes overhaul the 1887 Electoral Count Act..

The legislation clarifies the vice president's role while overseeing the certification of the electoral result to be completely ceremonial. It also creates a set of stipulations designed to make it harder for there to be any confusion over the accurate slate of electors from each state.

- C. **Funding for January 6 attack prosecutions:** The law provides \$2.6 billion for US Attorneys, which includes funding efforts "to further support prosecutions related to the January 6 attack on the Capitol and domestic terrorism cases," according to a fact sheet from the House Appropriations Committee.

The package also gives \$11.3 billion to the Federal Bureau of Investigation, including for efforts to investigate extremist violence and domestic terrorism.

The funding measures are part of nearly ***\$39 billion for the Justice Department.***

- D. **Retirement savings enhancements:** The law contains new retirement rules that could make it easier for Americans to accumulate retirement savings – and less costly to withdraw them. Among other things, the provisions will allow penalty-free withdrawals for some emergency expenses, let employers offer matching retirement contributions for a worker's student loan payments and increase how much older workers may save in employer retirement plans.

SECURE 2.0 will be addressed later.

- E. TikTok ban from federal devices:** The legislation bans TikTok, the Chinese-owned short-form video app, from federal government devices.

Tax Professional's Alert: *Some lawmakers have raised bipartisan concerns that China's national security laws could force TikTok – or its parent, ByteDance – to hand over the personal data of its US users. Recently, a wave of states led by Republican governors have introduced state-level restrictions on the use of TikTok on government-owned devices.*

- F. Protections for pregnant workers:** The law provides pregnant workers with workplace accommodations – such as additional bathroom breaks, stools or relief from heavy lifting duties – needed for healthy pregnancies. It will prevent them from being forced to take leave or losing their jobs, as well as bar employers from denying employment opportunities to women based on their need for reasonable accommodations due to childbirth or related medical conditions. Also, another provision in the package guarantees workplace accommodations – particularly time to pump – for more nursing workers.

- G. Changes to Medicaid and other health care programs:** The law phases out the requirement that prevented states from disenrolling Medicaid recipients as long as the national public health emergency was in effect in exchange for an enhanced federal match. This continuous coverage measure was enacted as part of a Covid-19 relief package passed in March 2020 and has led to a record 90 million Medicaid enrollees, many of whom may no longer meet the income requirements to qualify.

Under the law, states will be able to start evaluating Medicaid enrollees' eligibility and terminating their coverage as of April 1. The redetermination process will take place over at least 12 months. Also, the enhanced federal Medicaid funding will phase down through December 31, 2023, though the states will have to meet certain conditions during that period.

Tax Professional's Alert: *Up to 19 million people could lose their Medicaid benefits, according to estimates, though many would be eligible for other coverage.*

Also, under a provision in the law, Medicaid and the Children's Health Insurance Program, known as CHIP, will offer 12 months of continuous coverage for children. This will allow the 40 million children on Medicaid and CHIP to have uninterrupted access to health care throughout the year.

In addition, the law makes permanent the option for states to offer 12 months of postpartum coverage for low-income mothers through Medicaid, rather than just 60 days. More than two dozen states, plus the District of Columbia, have implemented the measure, which was available on a temporary basis through the American Rescue Plan, according to the Kaiser Family Foundation. Another seven states are planning to implement the option.

The package provides more money for the National Institutes of Health, the Centers for Disease Control and Prevention and the Assistant Secretary for Preparedness and Response. The funds are intended to speed the development of new therapies, diagnostics and preventive measures, beef up public health activities and strengthen the nation's biosecurity by accelerating development of medical countermeasures for pandemic threats and fortifying stockpiles and supply chains for drugs, masks and other supplies.

- H. Increased support for the military and veterans:** The package funds a **4.6% pay raise for troops and a 22.4% increase in support for Veteran Administration medical care**, which provides health services for 7.3 million veterans.

It includes nearly \$53 billion to address higher inflation and \$2.7 billion – a 25% increase – to support critical services and housing assistance for veterans and their families.

The law also allocates \$5 billion for the Cost of War Toxic Exposures Fund, which provides additional funding to implement the landmark PACT Act that expands eligibility for health care services and benefits to veterans with conditions related to toxic exposure during their service.

- I. Nutrition assistance:** The legislation establishes a permanent nationwide Summer EBT program, starting in the summer of 2024, according to Share Our Strength, an anti-hunger advocacy group. It will provide families whose children are eligible for free or reduced-price school meals with a \$40 grocery benefit per child per month, indexed to inflation.

It also changes the rules governing summer meals programs in rural areas. Children will be able to take home or receive delivery of up to 10 days' worth of meals, rather than have to consume the food at a specific site and time.

The law also helps families who have had their food stamp benefits stolen since October 1 through what's known as "SNAP skimming." It provides them with retroactive federal reimbursement of the funds,

which criminals steal by attaching devices to point-of-sale machines or PIN pads to get card numbers and other information from electronic benefits transfer cards.

J. Higher maximum Pell grant awards: The law increases the maximum Pell grant award by \$500 to \$7,395 for the coming school year. This marks the largest boost since the 2009-2010 school year. About 7 million students, many from lower-income families, receive Pell grants every year to help them afford college.

K. Help to pay utility bills: The package provides \$5 billion for the Low Income Home Energy Assistance Program. Combined with the \$1 billion contained in the earlier continuing resolution, this is the largest regular appropriation for the program, according to the National Energy Assistance Directors Association. Home heating and cooling costs – and the applications for federal aid in paying the bills – have soared this year.

L. Additional funding for the US Capitol Police: The law provides an additional \$132 million for the Capitol Police for a total of nearly \$735 million. It will allow the department to hire up to 137 sworn officers and 123 support and civilian personnel, bringing the force to a projected level of 2,126 sworn officers and 567 civilians.

It also gives \$2 million to provide off-campus security for lawmakers in response to evolving and growing threats.

L. Money for child care: The legislation provides \$8 billion for the Child Care and Development Block Grant, a 30% increase in funding. The grant gives financial assistance to low-income families to afford child care.

Also, Head Start will receive nearly \$12 billion, an 8.6% boost. The program helps young children from low-income families prepare for school.

M. More resources for children's mental health and for substance abuse: The law provides more funds to increase access to mental health services for children and schools. It also will invest more money to address the opioid epidemic and substance use disorder.

N. Investments in homelessness prevention and affordable housing: The legislation provides \$3.6 billion for homeless assistance grants, a 13% increase. It will serve more than 1 million people experiencing homelessness.

The package also funnels nearly \$6.4 billion to the Community Development Block Grant formula program and related local

economic and community development projects that benefit low- and moderate income areas and people, an increase of almost \$1.6 billion.

Plus, it provides \$1.5 billion for the HOME Investment Partnerships Program, which will lead to the construction of nearly 10,000 new rental and homebuyer units and maintain the record investment from the last fiscal year.

- O. More support for the environment:** The package provides an additional \$576 million for the Environmental Protection Agency, bringing its funding up to \$10.1 billion. It increases support for enforcement and compliance, as well as clean air, water and toxic chemical programs, after years of flat funding.

It also boosts funding for the National Park Service by 6.4%, restoring 500 of the 3,000 staff positions lost over the past decade. This is intended to help the agency handle substantial increases in visitation.

The legislation provides an additional 14% in funding for wildland firefighting.

- II. A summary of the Appropriations Provisions by Subcommittee is at the end of the text.

Part II.

SECURE 2.0

- I. The original SECURE Act was passed in late 2019

SECURE 2.0, part of the Consolidated Appropriations Act, 2023, has over 50 tax-related provisions.

They include:

Mandatory Automatic Enrollment,

Credit for Small Employer Pension Plan Startup Costs,

Enhancement of the Saver's Credit,

Increase in Starting Age for Required Minimum Distributions (RMDs),

Indexing IRA Catch-Up Amounts,

Higher Catch-Up Limits for Age 61, 62, 63, and 64,

Student Loan Payments as Elective Deferrals for Matching Contributions,
Start Up Credit Costs for Employers Joining an Existing Plan,
Financial Incentives for Contributing to a Plan,
Withdrawals for Certain Emergency Expenses,
SIMPLE Plan Changes,
Starter 401(k) Plans,
Section 529 Plan to Roth Rollovers,
Emergency Savings Accounts,
Enhancement of 403(b) Plans,
Qualified Charitable Distributions to Split Interest Entity, and
Retirement Savings Lost and Found.

Tax Professional's Alert: While the original SECURE Act did not include ROTH provisions, SECURE 2.0 includes a significant number of Roth-related changes , both involving ROTH IRAs as well as ROTH accounts in employee retirement plans.

II. Three Key Components

- A. Required Minimum Distribution, RMD, age is raised to 72 and eventually to age 75.
 - 1. RMDs were required to be taken at age 72.
 - 2. The withdrawal amount is based on a calculation dictated by factors such as account value and age longevity.
 - 3. SECURE 2. Raises the RMD starting age in two tiers.
 - 4. Beginning in 2023 the RMD starting age is 73 and in 2033 the RMD starting age is 75.

Tax Professional's Alert: Individuals who turn 72 in 2023 must take their first distribution no later than April 1, 2024. The distribution for subsequent years would need to be made by December 31, of that year.

Taxpayers who delay their first withdrawal until early 2024 would need to make two distributions in 2024, one for 2023 and one for 2024.

It should be noted that in 2033, when age 75 comes into play, the legislation actually double dips into the the 73 by January 1 and 75 by January 1. A “technical correction” will be required on this age dispute.

Tax Professional’s Alert 2: *Taxpayers who can afford not to tap into their retirement accounts to fund their lifestyles will benefit.*

Medicare premiums are tied to income, and distributions from pretax retirement accounts may raise a taxpayer’s income. Delaying that income can keep premiums lower for longer.

B. Eliminating RMDs from a ROTH 401(k)

1. **Beginning in 2024**, investors in employer retirement plans such as ROTH 401(k) accounts will no longer have to take RMDs.
2. The change aligns ROTH 401(k)s with ROTH IRAs, which do not require distributions during the taxpayer’s lifetime.
3. Employers will be allowed to make a matching contribution to a ROTH versus pretax account.

C. Reducing RMD Penalties

1. The Internal Revenue Service assesses a penalty when taxpayers who fail to withdraw the full amount of their RMD or who do not a distribution by the annual deadline.
2. SECURE 2.0 reduces the tax penalty to 25 per cent, from the 50 per cent on the RMD amount that was not withdrawn.
3. If a taxpayer corrects their mistake in a timely fashion, the penalty is 10 percent.

III. SECURE 2.0 Provisions

A. SIMPLE ROTH IRAs and SEP ROTH IRAs

1. Taxpayers will have 2 new opportunities for ROTH contributions. More specifically, Sec. 601 of SECURE Act 2.0 authorizes the creation of both SIMPLE ROTH accounts, as well as SEP Roth IRAs, for **2023 and beyond**.
2. Previously, SIMPLE and SEP plans could only include pre-tax funds.

Tax Professional’s Alert: *Although individuals technically have the legal ability to create and contribute to ROTH SIMPLE and SEP IRA accounts beginning January 1, 2023, it will likely take at least some time before employers, custodians, and the IRS are*

able to implement the procedures and policies necessary to actually effectuate such contributions. Specifically, SECURE Act 2.0 only authorizes the use of SIMPLE and SEP ROTH IRAs after an election has been made to do so, and that such election must be in a manner approved by the IRS.

B. Employer Contributions

1. Section 604 of SECURE Act 2.0 expands available options for getting money into ROTH accounts.
2. Effective upon enactment, employers will be permitted to deposit matching and/or nonelective contributions to employees' designated ROTH accounts (e.g., Roth accounts in 401(k) and 403(b) plans). Such amounts will be included in the employee's income in the year of contribution, and must be nonforfeitable (i.e., not subject to a vesting schedule).

Tax Professional's Alert: While SECURE Act 2.0 authorizes such contributions immediately upon enactment, employers and plan administrators will need time to update systems, paperwork, and procedures to accommodate the change. It may take some time before employers actually have the ability to direct contributions in such a manner.

C. ROTH Option Required for Catch-Up Contributions (High-Wage Earners)

1. **Section 603 of SECURE Act 2.0** creates a mandatory 'Rothification' of catch-up contributions for certain high-income taxpayers starting in 2024.
2. The new rule applies to catch-up contributions for 401(k), 403(b), and governmental 457(b) plans, but **not to catch-up contributions for IRAs, including SIMPLE IRAs.**
3. From SECURE Act 2.0, Section 603:

(A) IN GENERAL.— Except as provided in subparagraph (C), in the case of an eligible participant whose wages (as defined in section 3121(a)) for the preceding calendar year from the employer sponsoring the plan exceed \$145,000, paragraph (1) shall apply only if any additional elective deferrals are designated Roth contributions (as defined in section 402A(c)(1)) made pursuant to an employee election. [Emphasis added]

Tax Professional's Alert: *The Roth restriction on catch-up contributions imposed by SECURE Act 2.0 only applies to those who have wages in excess of \$145,000, in the preceding calendar year, which will be adjusted for inflation in the future. It would appear that self-employed individuals such as sole proprietors and partners, would continue to have the opportunity to make pre-tax catch-up contributions, even if their income from self-employment is higher than \$145,000.*

Tax Professional's Alert 2: *While 401(k) and similar plans can include a ROTH component, they are not required to do so.*

What happens when employees who are required to make ROTH catch-up contributions, those whose previous-year wages exceeded \$145,000, are unable because their employers do not have a ROTH option in their retirement plan?"

The Act says that if the plan does not allow individuals to make catch-up contributions to a ROTH account, the catch-up contribution rules will not apply to that plan, for both those with wages above and below the applicable \$145,000 threshold. In other words, if an employer's plan includes employees eligible to make catch-up contributions and who earned over \$145,000 in the previous year, but if the plan didn't include a ROTH catch-up contribution option, then no one would be allowed to make catch-up contributions, regardless of their previous-year wages.

D. 529 Plan to ROTH IRA Transfers Allowed After 15 Years (Limited)

1. **Beginning in 2024**, for some individuals the ability to move 529 plan money directly into a ROTH IRA.
2. This new transfer, created by **Section 126 of SECURE Act 2.0**, will be an option for some individuals, but it also comes with a number of conditions that must be satisfied for the transfer to be valid and that limit the ability to take advantage of the provision.
3. The conditions include:
 - a. The Roth IRA receiving the funds must be in the name of the *beneficiary* of the 529 plan;
 - b. The 529 plan must have been maintained for 15 years or longer;
 - c. Any contributions to the 529 plan within the last 5 years (and the earnings on those contributions) are ineligible to be moved to a ROTH IRA;
 - d. The annual limit for how much can be moved from a 529 plan to a ROTH IRA is the IRA contribution limit for the year, *less any 'regular' traditional IRA or ROTH IRA contributions that are made for the year*. There will be no double up with funds from outside the 529 plan.; and

- e. The maximum amount that can be moved from a 529 plan to a ROTH IRA during an individual's lifetime is \$35,000.
4. The SECURE 2.0 does not address the issue of change in beneficiaries.

Example: Beanna is the beneficiary of a 529 plan account that has excess funds she will not need for school, and the account has been open for more than 15 years.

In 2024, Beanna contributes \$4,000 of her own earned income to a ROTH IRA. As such, assuming the IRA contribution limit for 2024 remains at the \$6,500 limit for 2023, the owner of Helena's 529 plan could transfer up to another \$6,500 - \$4,000 = \$2,500 into her ROTH IRA for the year.

Tax Professional's Alert: There are a number of restrictions on the ability to move 529 plan money to a ROTH IRA, Section 126 of SECURE Act 2.0 also offers an advantage of 529 plan-to-ROTH IRA transfers compared to 'regular' Roth IRA contributions.

More specifically, individuals are generally prohibited from making regular ROTH IRA contributions once their Modified Adjusted Gross Income, MAGI, exceeds an applicable threshold. Transfers of funds from 529 plans to ROTH IRAs, authorized by SECURE Act 2.0, however, will not be subject to the same income limitations.

E. New Post-Death Option for Surviving Spouse Beneficiaries of Retirement Accounts

1. Under existing law, when a surviving spouse inherits a retirement account from a deceased spouse, they have a variety of options at their disposal that are not available to any other beneficiary (e.g., rolling the decedent's IRA into their own, electing to treat the decedent's IRA as their own, and remaining a beneficiary of the decedent's IRA, but with special treatment).
2. **Beginning in 2024, Section 327 of SECURE Act 2.0** will extend the list of spouse-beneficiary-only options further by introducing the ***ability to elect to be treated as the deceased spouse***.
3. Making such an election would provide the following benefits to the surviving spouse:
 - a. RMDs for the surviving spouse would be delayed until the deceased spouse would have reached the age at which RMDs begin;

- b. Once RMDs are necessary (the year the decedent would have reached RMD age, had they lived), the surviving spouse will calculate RMDs using the Uniform Lifetime Table that is used by account owners, rather than the Single Lifetime Table that applies to beneficiaries; and
- c. If the surviving spouse dies before RMDs begin, the surviving spouse's beneficiaries will be treated as though they were the *original* beneficiaries of the account (which would allow any Eligible Designated Beneficiaries to 'stretch' distributions over their life expectancy instead of being stuck with the 10-Year Rule that would otherwise apply).

Tax Professional's Alert: *While Regulations will be needed to further determine details of this new option, at first glance, it would appear that its primary use case will be for surviving spouses who inherit retirement accounts from a younger spouse. By electing to treat themselves as the decedent, they will be able to delay RMDs longer, and once RMDs do start, they will be smaller than if the spouse had made a spousal rollover or remained a beneficiary of the account.*

F. IRA Catch-Up Contributions to be Indexed for Inflation

1. The Economic Growth and Tax Relief Reconciliation Act (EGTRA) of 2001 created IRA catch-up contributions, effective for 2002 and future years. Although that law, for the first time, indexed the annual IRA contribution limits to inflation, the catch-up contribution limit was introduced as a flat \$500 amount that was not indexed.
2. In 2006, the Pension Protection Act doubled the original IRA catch-up contribution limit to a flat \$1,000 but still failed to adjust that cap for inflation in future years.
3. That was the last time Congress raised the limit manually and as such, the IRA catch-up contribution limit remains at the same \$1,000 amount at which Congress set it more than 15 years ago.
4. **Section 108 of SECURE Act 2.0** will finally allow the IRA catch-up contribution limit to automatically adjust for inflation, effective **starting in 2024**. Inflation adjustments will be made in increments of \$100.

G. Increased Plan Catch-Up Contributions for Participants in Their Early 60s

1. Effective for 2025 and in future years, Section 109 of SECURE Act 2.0 increases employer retirement plan (e.g., 401(k) and 403(b) plan) catch-up contribution limits for certain plan participants. More

specifically, participants who are *only* ages 60, 61, 62, and 63 will have their plan catch-up contribution limit increased to the greater of \$10,000, or 150% of the regular catch-up contribution amount (indexed for inflation) for such plans in 2024.

2. Similarly, SIMPLE Plan participants who are age 60, 61, 62, or 63 will have their plan catch-up contribution limit increased to the greater of \$5,000 or 150% of the regular SIMPLE catch-up contribution Tax amount for 2025 (indexed for inflation).

Tax Professional's Alert: *There appears to be some confusion over the inclusion of the "greater of \$10,000 or 150% of the future (regular) catch-up amount" when 150% of the 2023 catch-up amount is already going to be over \$10,000 (as $\$7,500 \times 150\% = \$11,250$). Nevertheless, it's clear that beginning in a few years, the group of pre-retirees ages 60-63 will be able to stash away some additional amounts in their 401(k) or similar plan accounts, if they so choose.*

H. New Rules for Qualified Charitable Distributions, QCDs

1. Since their introduction in 2006 as part of the Pension Protection Act, Qualified Charitable Distributions (QCDs) have quickly become the best way for most individuals 70 ½ or older to satisfy their charitable intentions.
2. The rules for these distributions, for which no charitable deduction is received because the income is excluded from AGI to begin with (which is *much* better, since such income is also excluded for the purposes of calculating the taxable amount of Social Security income and Medicare IRMAA surcharges, among other things), are modified by SECURE Act 2.0 in the following 2 ways:
 - a. **Maximum Annual QCD Amount Indexed for Inflation.** When the QCD provision was first introduced more than 15 years ago, the maximum annual QCD amount was limited to \$100,000. Since then, the maximum amount has remained the same. **Beginning in 2024**, however, the QCD limit will change for the first time ever as it will be linked to inflation; and
 - b. **One-Time Opportunity To Use QCD To Fund A Split-Interest Entity.** **Beginning in 2023**, taxpayers may take advantage of a one-time opportunity to use a QCD to fund a Charitable Remainder UniTrust (CRUT), Charitable Remainder Annuity Trust (CRAT), or Charitable Gift Annuity (CGA).

Tax Professional's Alert: *At first glance, the ability to fund a CRUT, CRAT, or CGA with a QCD may seem like a significant benefit for some IRA owners, since it essentially allows them to remove funds from a traditional IRA tax-free to pass on to future generations free of income or estate tax. However, the reality is that there are a*

lot of strings attached to the provision that make it not quite the deal it may appear to be at first, especially for those interested in using their IRAs to fund a CRUT or CRAT.

The maximum amount that can be moved in this once-in-a-lifetime distribution is \$50,000 (to be adjusted for inflation). It would be hard to imagine a scenario where it would be worth a taxpayer's time and expense to set up a CRUT or CRAT for only \$50,000.

Section 307 of SECURE 2.0 states that a distribution to a CRUT or CRAT will only count as a QCD "if such trust is funded exclusively by qualified charitable distributions".

A further limitation says that the only income beneficiaries of such a qualifying CRUT or CRAT can be the IRA owner and their spouse. Accordingly, even if both spouses took full advantage of the one-time \$50,000 QCD distribution to fund a split-interest entity, and they used those QCDs to fund the same CRUT or CRAT vehicle, the maximum contributions to the trust, in total, could be no more than \$100,000. Again, it's hard to imagine the time, expense, and complexity that comes along with creating and maintaining a CRUT or CRAT being worth it for such relatively modest contributions.

And if all of that wasn't enough to convince you that QCD CRUTs/CRATs are unlikely to make sense for most clients, consider that whereas regular CRUTs and CRATs have the ability to invest in assets that generate long-term capital gains, qualified dividends, or other tax-preferred income whose character is retained when distributed to beneficiaries, all such distributions from CRUTs and CRATs funded with QCDs will be classified as ordinary income!

As a result, for taxpayers interested in utilizing the one-time ability to make a QCD of up to \$50,000 to fund a split-interest entity, the entity of choice will likely be a Charitable Gift Annuity (CGA). Such entities are created and operated by charities, limiting the associated out-of-pocket costs for taxpayers. Notably, though, CGAs funded via QCDs would be subject to the additional requirements that payments begin no less than 1 year after funding, and such payments are established at a fixed rate of 5% or greater.

I. New Rules for Accessing Retirement Funds During Times of Need

1. In general, Section 72 of the Internal Revenue Code imposes a 10% penalty for distributions from retirement accounts taken prior to reaching age 59 ½.

2. Congress is trying to discourage the use of retirement funds for something other than their stated purpose... retirement!
3. Historically, Congress has authorized a limited number of exceptions to the 10% penalty in the event taxpayers have certain expenses (e.g., higher education or deductible medical expenses) or experience certain events (e.g., death or disability) it deems as an acceptable excuse to dip into retirement savings earlier than is generally intended. In recent years,
4. Congress has steadily sought to expand that list via various pieces of legislation, such as the original SECURE Act, the CARES Act, and others.
5. **SECURE Act 2.0** picks up right where those bills left off, expanding the existing list of **10% penalty exceptions**, creating new 10% penalty exceptions, and authorizing other ways for taxpayers to access retirement savings at young (pre-59 ½) ages without a penalty.
6. Such changes include the following:
 - a. **Age 50 Exception Expanded To Include Private-Sector Firefighters**

Effective immediately, Section 308 of SECURE Act 2.0 expands the **Age 50 Public Safety Worker Exception** (which creates an exception to the 10% early withdrawal penalty for individuals who separate from service in the year they turn 50 or older) to include **private-sector firefighters**. Accordingly, such taxpayers may take penalty-free distributions from defined contribution and/or **defined benefit plans maintained by those employers**.
 - b. **Age 50 Exception Expanded To Include State And Local Corrections Officers**

Effective immediately, Section 330 of SECURE Act 2.0 expands the **Age 50 Public Safety Worker Exception** (to the 10% penalty) to include **state and local corrections officers and other forensic security employees**. Accordingly, such taxpayers may take penalty-free distributions from defined contribution and/or defined benefit plans maintained by those specific employers if they separate from service at age 50 or older.
 - c. **Age 50 Exception Expanded To Include Qualifying Workers With 25 Or More Years Of Service For An Employer**

Effective immediately, Section 329 of SECURE Act 2.0 expands the Age 50 Public Safety Worker Exception to include plan participants who separate from service before they reach age 50, but who have performed 25 or more years of service for the employer sponsoring the plan.

Tax Professional's Alert: A reading of the statute (which refers to "the" plan and not "a" plan) would seem to indicate that all 25+ years of qualifying service must be for the same employer. Thus, it would appear that an individual with 25 years of qualifying service split across 2 employers (e.g., a police officer with 15 years of service for City A, followed by 12 years of service as a police officer for State Z) would be ineligible for this treatment.

J. Permanent Reinstatement of Smaller Qualified Disaster Distributions

1. From time to time, after certain natural disasters (e.g., hurricanes, wildfires, floods, tornadoes), Congress has, for a limited time, authorized affected individuals to access retirement funds without a penalty.
2. At the time of SECURE Act 2.0's passage, however, **all such provisions had expired.**
3. **Section 331 of SECURE Act 2.0 eliminates the need for Congress to re-authorize** such distributions for each disaster (or series of disasters) by "permanently" reinstating so-called "Qualified Disaster Recovery Distributions" *retroactively* to disasters occurring on or after January 26, 2021.
4. **To qualify** for such distributions, an individual must have their **principal place of abode within a Federally declared disaster area, and they must generally take their distribution within 180 days of the disaster.**
5. **Disaster distributions** were historically limited to a maximum of \$100,000, **Section 331 of SECURE 2.0** sets the maximum amount of a disaster distribution at 'only' \$22,000.
6. Such distributions are, however, eligible to be treated similarly to previously authorized disaster distributions in a number of ways.
7. The income from Qualified Disaster Recovery Distributions is able to be spread **evenly over the 3-year period** that begins with the year of distribution (or, alternatively, to elect to include *all* of the income from the distribution in income in the year of distribution).

8. **All or a portion of the Qualified Disaster Recovery Distribution may be repaid within 3 years of the time the distribution is received by the taxpayer.**

K. Creation of Exceptions for Individuals with A Terminal Illness

1. **Section 326 of SECURE Act 2.0 creates a new 10% penalty exception for terminally ill individuals.**
2. **For purposes of this exception, the definition of “terminally ill” is extremely favorable to taxpayers.**
3. **Whereas for most income tax purposes, an individual is only deemed to be “terminally ill” if they have “*been certified by a physician as having an illness or physical condition which can reasonably be expected to result in death in 24 months or less*”, for purposes of this exception, that time frame is expanded to 84 months (7 years).**
4. **Such distributions may be repaid within 3 years.**

L. Creation of Exception for Victims of Domestic Abuse

1. **Effective for distributions made in 2024 or later, Section 314 of SECURE Act 2.0 authorizes victims of domestic abuse to withdraw up to the lesser of \$10,000 (indexed for inflation) or 50% of their vested balance without incurring a 10% penalty.**
2. **To qualify, the distribution must be made from a defined contribution plan (other than a defined contribution plan currently subject to the Joint and Survivor Annuity rules under IRC Section 401(a)(11) and IRC Section 417) within the 1-year period after an individual has become a victim of such abuse, and all or a portion of the distribution may be repaid within 3 years.**
3. **For purposes of this exception, the term “domestic abuse” is defined broadly to mean “*physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate, or intimidate the victim, or to undermine the victim’s ability to reason independently, including by means of abuse of the victim’s child or another family member living in the household*”.**
4. **Employer plans and IRA custodians will be able to rely on an individual’s self-certification that they qualify to receive such a distribution.**

M. Creation of New Emergency Withdrawal Exception

1. **Section 115 of SECURE Act 2.0** authorizes “**Emergency Withdrawals**” from retirement accounts, **beginning in 2024**.
2. Such distributions will be exempt from the 10% penalty and may be taken by any taxpayer who experiences “**unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses.**”
3. That is a broad definition.
4. Congress chose to limit individuals to no more than **1 such distribution per calendar year and to cap such distributions at a maximum of \$1,000**.
5. In addition to the \$1,000 annual maximum Emergency Withdrawal limit, plans will also be prohibited from allowing participants to take any subsequent Emergency Withdrawals until the **earlier of the following**:
 - a. The prior distributions have been *fully* repaid;
 - b. ‘Regular’ deferrals and other employee contributions made to the plan since the Emergency Withdrawal total at least as much as the amount of the distribution; or
 - c. 3 years have passed since the previous Emergency Withdrawal.
6. Ultimately, many people may qualify to take such a distribution at some point during their lives, but the extremely limited dollar amount that is accessible via the new exception will mean that many individuals will likely still need to seek secondary exceptions to try and avoid the 10% early distribution penalty on all necessary distributions.

N. Creation of a New Exception for Qualified Long-Term Care Distributions

1. First effective for distributions occurring 3 years after the date of enactment, **2026 and future years**,
2. **Section 334 of SECURE Act 2.0** allows retirement account owners to take penalty-free “**Qualified Long-Term Care Distributions**” of up to **the lesser of 10% of their vested balance, or \$2,500 (adjusted for inflation) annually to pay for long-term care insurance**.
3. **To qualify** for the exception, individuals **must have either paid, or have been assessed, long-term care insurance premiums equal to**

or greater than their distribution in the year the distribution is made, and they must provide their plan with a “Long-Term Care Premium Statement” containing details, such as the name and Tax ID number of the insurance company, identification of the account owner as the owner of the long-term care insurance, a statement that the coverage is certified long-term care insurance, the premiums owed for the calendar year, and the name of the insured individual and their relationship to the retirement account owner.

4. The relationship of the insured individuals to the retirement account owner – **SECURE Act 2.0 permits Qualified Long-Term Care Distributions for the account owner and, provided a joint return is filed, for the retirement account owner’s spouse.**

Tax Professional’s Alert: The text may allow for the IRS to include other specified family members by Regulation, but there is no guarantee they will do so. It is likely that such regulations would not be released until at least 2024.

O. Relaxation of Certain 72(t) Rules

1. **Section 323 of SECURE Act 2.0** offers 2 items of note with respect to individuals seeking to use the existing exceptions for Substantially Equal Periodic Payments (SEPPs), better known as 72(t) payments.
2. First, **effective immediately**, it establishes a **safe harbor for annuity payments to meet the 72(t) distribution requirements**. Specifically, the bill states that:

...periodic payments shall not fail to be treated as substantially equal merely because they are amounts received as an annuity, and such periodic payments shall be deemed to be substantially equal if they are payable over a period described in clause (iv) and satisfy the requirements applicable to annuity payments under section 401(a)(9).

3. **Effective for 2024 and future years**, the bill creates an exception to the current IRS rule that prevents individuals from making partial rollovers or transfers of accounts from which 72(t) distributions are made.
4. Instead of the current, blanket treatment of such transfers creating a modification (and triggering retroactive 10% penalties on *all* pre-59 ½ distributions taken pursuant to the 72(t) plan), **taxpayers will be allowed to make such transfers and rollovers provided that total**

distributions from the 2 accounts after the partial transfer total the amount that would have otherwise been required to have been distributed from the transferring account.

***Example:** Wayne has been taking \$40,000 of 72(t) distributions from his brokerage IRA annually using the amortization method (which means his distributions are fixed for the life of the 72(t) schedule). In 2024, Wayne sees an ad for a 5-year CD at a bank paying 6% and decides that he'd like to move a portion of his current IRA to an IRA at the bank to take advantage of the 6% CD rate.*

Wayne may make a partial rollover/transfer in an amount of his choosing to the bank IRA provided that, after the transfer, he continues to take a combined \$40,000 out of a combination of his brokerage IRA and his bank IRA accounts.

5. It does ***not*** appear that distributions from the 2 accounts must be in proportion to their balances after the transfer. The text of the bill seems to indicate that as long as the total distributions from the 2 accounts equal the correct 72(t) amount, no modification will have occurred.

P. Expanded Access to Plan Loans for Plan Participants in Disaster Areas

1. In addition to permanently reinstating Qualified Disaster Recovery Distributions as described above, **Section 331 of SECURE Act 2.0** also enables affected individuals (with their principal place of abode located within a Federally declared disaster area) **to take larger loans from their qualified plans.**
2. Such taxpayers may take **loans of up to 100% of their vested balance**, which are normally limited to the greater of \$10,000 or 50% of the participant's vested balance, up to a maximum of \$100,000, normally limited to \$50,000.
3. **Repayment dates for certain payments may be delayed for 1 year.**

Q. Creation of Linked Emergency Savings Accounts

1. Beyond the significantly expanded ability to access retirement funds prior to age 59 ½ without incurring a 10% penalty, to further assist individuals save for unanticipated expenses at any age, **effective in 2024, Section 127 of SECURE Act 2.0 creates a new type of "Emergency Savings Account".**

2. Such accounts **will not be available as standalone individual accounts**, but rather, they will be linked to existing employer plans with individual balances, such as 401(k) and 403(b) plan accounts.
3. For employees who are eligible to participate in the new Emergency Savings Accounts, **contributions must cease once the balance in the account attributable to contributions reaches \$2,500.**
4. **Balance in account does not include interest for \$2,500 limitation.**
5. **Employers may impose lower maximum limits at their discretion.**
6. Highly-compensated employees have limitations.
7. The Internal Revenue Service is to issue regulations within 12 months of enactment.

Tax Professional's Alert: The account is intended for emergency expenses and SECURE Act 2.0 requires that the assets in such accounts be held in a limited number of principal-protected investments.

Plans must accept contributions in any amounts, must allow at least 1 distribution per month, and may not impose any fees for distributions on at least the first 4 distributions from such accounts each year. Distributions will be treated as Qualified Distributions from a designated ROTH account, and will be tax and penalty-free.

8. For contribution matching purposes, **employers are required to treat contributions made to a participant's Emergency Savings Account as though they were a salary deferral into their retirement plan.**
9. For individuals who want to prioritize building emergency savings, but who cannot afford to do so while also saving for retirement, this provision allows them to take advantage of employer matching funds in a way that would be unavailable using a standalone account like a bank account.
10. Unless the employee opts out, **employers may also auto-enroll employees in Emergency Savings Accounts and establish a contribution percentage of up to 3 per cent of compensation.**
11. **Upon reaching the maximum contribution limit, employers may adopt default provisions that either terminate participants' contributions or redirect them into a plan ROTH account.**

12. It does not appear that such amounts can be redirected to pre-tax plan accounts by default.

R. Access to ABLE Accounts Expanded to Individuals Disabled at Older Ages

1. Under current law, ABLE (529A) accounts may only be established for individuals who become disabled prior to turning age 26.
2. **Effective for 2026** ABLE accounts will be able to be established for individuals who become disabled prior to 46.
3. It appears that individuals will not have to be under 46 in 2026 to be eligible to have such an account, but rather, must only have been under 46 at the time they became disabled.
4. This is significant because many disabilities – and in particular, many mental health conditions that can cause a person to become disabled – develop after age 25, which means that individuals who suffered from such conditions were locked out of saving to an ABLE account under previous law.

S. Disabled First Responders Eligible to Continue to Exclude Certain Payments from Income After Reaching Retirement Age

1. **Section 309 of SECURE Act 2.0** provides *significant* income tax relief for **certain disabled first responders**.
2. **Qualifying First Responders** are law enforcement officers, firefighters, paramedics, and Emergency Medical Technicians (EMTs) who receive service-connected disability and retirement pensions.
3. **Currently**, disabled first responders who receive a disability pension or annuity related to their service are generally able to **exclude those amounts from income**.
4. However, **once they reach their regular retirement age**, their disability pension becomes a retirement pension (similar to the way that disability benefits received from Social Security automatically convert to retirement benefits at Full Retirement Age) **and is no longer excludable from income**.

5. At the proverbial flip of a switch, such **disabled first responders effectively trade a tax-free income stream for a regular taxable pension.**
6. **SECURE Act 2.0** seeks to address this disparity by introducing an “**excludable amount**” that effectively allows such individuals to carry on the tax-favored disability payment throughout their lifetime.
7. Specifically, **the excludable amount is defined as the income received in the year before retirement age (those who only received payments for part of the year will annualize the amount).**
8. In simple terms, whatever the nominal amount a qualifying first responder received as tax-free payments prior to their retirement age, they will be able to continue receiving as tax-free payments after their retirement age.
9. While this provision is **not effective until 2027**, it does not appear that there is any requirement that payments need to begin after that time to qualify.
10. Many former first responders who are currently receiving taxable retirement benefits, but who previously received tax-free disability payments in connection with their service, **will see a significant increase in net-after-tax income beginning in 2027.**

Tax Professional's Alert: In perhaps an unanticipated outcome, from the language of Section 331 of SECURE Act 2.0, it seems that if an individual continues to work as a first responder beyond their plan's retirement age and then becomes disabled, they would not be eligible for the same exclusion treatment. Perhaps Congress will address this potential inequity in the future.

T. Retroactive First-Year Solo-401(k) Plan Deferrals Allowed for Sole Proprietors

1. Taxpayers have long been able to create and fund certain SEP IRA accounts after the end of the year (up until the individual tax filing deadline, plus extensions) for the previous year.

2. For instance, a SEP IRA first created in June 2022 could have received contributions for 2021 (even though no plan actually existed at that time).
3. **The original SECURE Act expanded that retroactive treatment to other employer-only funded plans, such as Profit-Sharing Plans and Pension Plans.**
4. Effective for plan years beginning after the date of enactment, **Section 317 of SECURE 2.0** now takes that ability one step further by **allowing sole proprietors, as well as those businesses treated as such under Federal law for income-tax purposes (e.g., Single Member LLCs), to establish and fund solo-401(k) plans with deferrals for a previous tax year, up to the due date of the individual's tax return (although notably *without* extensions).**
5. Accordingly, while historically there has not been any urgency to establish solo-401(k) plans early in the year, such consideration should now be given to the extent an individual is a sole proprietor, and retroactive deferrals for the prior year would be advisable.

U. New Relief for Retirement Account Mistakes

For many retirement account owners, SECURE Act 2.0 includes a host of changes designed to **limit the impact of various retirement account mistakes.**

1. Reduction of the 50% Penalty for an RMD Shortfall

- a. **Effective for 2023 and future years, Section 302 of SECURE Act 2.0 reduces the 50% penalty for an RMD shortfall to 25%.**
- b. **If, however, the shortfall is rectified within the "Correction Window," then the penalty is further reduced to only 10%.**
- c. **Per SECURE Act 2.0, the "Correction Window" is defined as beginning on the date that tax penalty is imposed (so, generally January 1st of the year following the year of the missed RMD), and ends upon the earliest of the following dates:**

When the Notice of Deficiency is mailed to the taxpayer;

When the tax is assessed by the IRS; or

The last day of the second tax year after the tax is imposed.

- d. Although these changes do not preclude a taxpayer from seeking to have the penalty abated altogether, for smaller missed distributions the timely fixed missed RMD penalty dropping to just 10% may give some individuals an incentive simply to pay the penalty and move on.

2. Statute of Limitations for Missed RMDs and , Most, Excess Contributions to be Tied to Form 1040

- a. **Section 313 of SECURE Act 2.0 resolves** an issue that has haunted some individuals since a 2011 Tax Court decision.
- b. In *Paschall v Commissioner (137 T.C. 8, 2011)*, the Court ruled that for purposes of assessing IRA penalties, the statute of limitations on such penalties does not begin until Form 5329 – the form on which such penalties are reported – is filed.
- c. The problem, though, is that if you don't realize a mistake has been made, you have no reason to file Form 5329, and thus such mistakes generally have an indefinite statute of limitations.
- d. In an effort to simplify matters and to provide some finality to taxpayers who have made certain mistakes with their retirement accounts, effective immediately, the statute of limitations 'clock' for an RMD shortfall (technically referred to as a tax on "excess accumulations"), as well as for most excess contributions, will **begin ticking with the filing of Form 1040 for the year in question (rather than Form 5329).**
- e. Furthermore, **to the extent that an individual is not required to file Form 1040, the statute of limitations 'clock' for such penalties will begin ticking upon the tax filing deadline.**
- f. **Section 313 of SECURE Act 2.0 further specifies that for purposes of assessing the penalty for an RMD shortfall, the statute of limitations is 3 years.**
- g. By contrast, **the statute of limitations for assessing the penalty for excess contributions is 6 years (unless the excess contribution is in relation to the acquisition of property for**

less than its fair market value, in which case the statute of limitations will remain indefinite unless Form 5329 has been filed).

3. Expansion of the Employer Plans Compliance Resolution System, EPCRS, to Address IRA Related Issues

- a. **Section 305 of SECURE Act 2.0** could have sneakily important long-term ramifications for many IRA owners.
- b. To date, the Employer Plans Compliance Resolutions System (EPCRS) has primarily been used to address issues with employer plans!
- c. Going forward, however, **SECURE Act 2.0 instructs the IRS to, within 2 years of enactment, issue new guidelines to expand the use of EPCRS to IRA mistakes as well.**
- d. While the ultimate list of IRA mistakes that are eligible to be fixed in this manner is likely to be far broader,
- e. **Section 305 specifically requires the IRS to consider how EPCRS could be used to provide waivers of the penalty for an RMD shortfall (where appropriate), as well as how distributions from an inherited IRA to non-spouse beneficiaries attributable to an inadvertent error by a service provider can be replaced into the IRA.**
- f. The bill will also **expand the use of EPCRS** for more employer plan issues as well.

Tax Professional's Alert: - Confirmation/Clarification that IRA Prohibited Transactions Only Disqualify the Involved Account.

Section 322 of SECURE Act 2.0 provides confirmation and or clarification that, **beginning in 2023**, when a Prohibited Transaction occurs with an IRA account, which generally results in being deemed a full distribution from the IRA and a loss of its tax-favored status, **only that account is deemed distributed.**

This procedure has always been enforced.

V. Annuity- Related Changes

SECURE Act 2.0 has been heavily championed by the insurance industry for a variety of reasons, but mostly due to its various changes and clarifications of rules related to annuities and, in particular, those annuities held within qualified accounts.

To that end, **annuity-related changes** made by SECURE Act 2.0 include the following:

1. Qualified Longevity Annuity Contracts (QLACs)

Effective immediately, Section 202 repeals the 25%-of-account-balance limitation for such contracts, and increases the maximum amount that can be used to purchase such products to \$200,000 (up from \$145,000 in 2022 and what would have been \$155,000 for 2023).

In addition, retroactive to the establishment of QLACs in 2014, such contracts are allowed to offer up to a 90-day free-look period and may continue to make joint lifetime payments to divorced couples who elected such payout options previously, while they were married.

2. Income Annuities Held Within Qualified Accounts

Effective immediately, income annuities held within qualified plans and IRAs are able to offer additional benefits without violating some very strange actuarial rules in IRS Regulations related to RMDs.

More specifically, Section 201 of SECURE Act 2.0 provides that the following benefits/contract options will not cause an annuity to be in violation of the RMD rules:

Guaranteed increases of income payments of a flat percentage annually, not to exceed 5%;

Lump sum payments, such as a commutation of the actuarial fair market value (e.g., taking a lump sum in lieu of future payments), that result in the shortening of the payment period;

Accelerations of payments that would otherwise be payable within the next 12 months;

Dividend-like payments to annuity owners; and

Offering Return-Of-Premium (ROP) death benefits.

3. Expansion of Eligible Investments for Variable Annuities and Variable Universal Life Policies

Section 203 of SECURE Act 2.0 instructs the IRS to amend its Regulations such that, effective **7 years after enactment, variable annuities and Variable Universal Life (VUL) policies are eligible to include “Insurance Dedicated ETFs” in their investment lineup.**

In effect, such investments will be to ETFs what existing subaccounts today are to mutual funds.

W. Plan-Related Enhancements, Credits, and Other Changes

SECURE Act 2.0 is *absolutely packed* with additional plan-related changes.

Some changes will primarily impact only plan administrators.

Others are changes that could have relevance for small business owners seeking to establish, update, or change an existing plan.

While still others will be relevant to the end clients who participate in such plans.

Key plan-related changes include (but are not limited to) the following:

- 1. Effective for plan years beginning in 2024, employers will be able to amend their plans to allow employer matches for amounts paid by participants towards their student debt.** Vesting and matching schedules must be the same as if the loan payments had been salary deferrals. Expect to see a *lot* of employers adopting this provision into their plan in an effort to attract and retain young talent.
- 2. Beginning in 2025, many new 401(k) and 403(b) plans will be required to include auto-enrollment.** The list of exempt employers, however, is long and includes employers less than 3 years old, church plans, governmental plans, SIMPLE plans, and employers with 10 or fewer employees.
- 3. Effective 2023, for employers with 50 or fewer employees, the retirement plan start-up credit will now be allowed for up to 100% of plan start-up costs**

(subject to existing overall limits), up from the previous limit of 50%. In addition, such employers will be eligible for an additional credit attributable to employer contributions to DC plans made during the first 4 years.

4. **Retroactive to 2020, employers without an existing plan who join(ed) an existing Multiple Employer Plan (MEP) are eligible for the retirement plan start-up credit.**
5. **Effective 2023, employers who offer non-highly-compensated military spouses special plan benefits (e.g., participation within 2 months of hiring or immediate vesting of employer contributions) are eligible for an additional credit of up to \$500 for each military spouse, for up to 3 years per spouse.**
6. **Effective 2024, employers with SIMPLE plans will be able to make additional, nonelective contributions to the plans of up to the lesser of 10% of employee compensation, or \$5,000.**
7. **Effective 2024, the SIMPLE IRA contribution limits for some Simple IRAs will increase.**

More specifically, for employers with 50 or fewer employees, the deferral and catch-up contributions will be increased by 10%.

Employers with between 51 and 100 employees can give employees the same enhanced deferral limits if they increase their matching contributions to 4%, or their nonelective contributions to 3% (normally 3% and 2%, respectively).

8. **Effective next year (2024), taxpayers can create a SEP IRA plan for household employees. So, you know, if a client is struggling to land that nanny or cleaning person they really want away from the ‘other guy’, they can now offer their own retirement plan for them!**
9. **Beginning in 2024, a new type of employer-sponsored retirement plan known as a “Starter 401(k)” plan will be available. Such plans will require auto-enrollment (unless the employee opts out), allow for only employee**

deferrals (with no employer match), and limit deferrals to no more than the IRA contribution limit at the time.

10. The original SECURE Act created a dual-eligibility track for employees to be mandatory participants in a 401(k) plan. Previously, employees had to work at least *1,000 hours in a single year to qualify*. But effective for plan years beginning in 2024 or later, the original SECURE Act says that individuals with 3 or more consecutive years of 500+ hours of service (since 2021) are also mandatory participants. SECURE Act 2.0 takes that 3-year requirement and shortens it to 'just' 2 years, effective in plan years starting in 2025 or later (which would appear to mean that the 3-year requirement is still in effect for plan years starting in 2024, while the 2-year requirement would kick in the following year in 2025).
11. Effective in 2023, employers and plan providers will be able to entice employees to participate in plans by offering “de minimis financial incentives.” *Think something like, “Sign up or increase your 401(k) plan deferral percentage today, and your next Starbucks coffee is on us!”*
12. Effective in 2023, the One Bad Apple Rule for 403(b) multiple-employer plans is repealed.
13. Effective immediately, 403(b) plans may include Collective Investment Trusts (CITs) in their investment line-up.

X. Other Important, Miscellaneous Provisions of the Act

Incredibly, even after all of the provisions covered above, there are still a substantial number of provisions contained in SECURE Act 2.0.

While not completely exhaustive, the list of provisions in the bill of which tax professionals should be aware includes the following:

- A. Effective in 2027, the “Saver’s Credit” will be replaced by the “Saver’s Match.” The Saver’s Match will equal up to 50% of the first \$2,000 contributed by an individual to a retirement account each year (so a

maximum of \$1,000) and must go to a traditional account. Many of the limitations of the Saver's Credit, such as phaseouts at relatively modest income levels, and an inability for full-time students and/or dependents to qualify, are carried over to the Saver's Match. Accordingly, a relatively small percentage of most advisors' clients will qualify for the benefit.

- B. Effective in 2028, certain S corporation owners who sell their shares to an Employee Stock Ownership Program (ESOP) will be eligible to defer up to 10% of their gain, if timely reinvested in Qualified Replacement Property. Currently, such deferral (of up to 100% of gain) is only available to certain C corporation owners.**
- C. Effective for 2024, participants in governmental 457(b) plans will be able to update their deferral percentage at any time (rather than only on the first of the month).**
- D. Effective immediately, public safety officers will be able to exclude up to \$3,000 of their government-paid retirement plan benefits from income if they are used to pay for health insurance.**
- E. Effective immediately, in the event that an individual requires a hardship distribution from their plan, the plan may rely on the employee's self-certification of such need.**
- F. SECURE Act 2.0 clarifies that Applicable Multi-Beneficiary Trusts (trusts created by the original SECURE Act for individuals with special needs or who are chronically ill) can have charities as remainder beneficiaries without blowing up the stretch treatment for the beneficiary with special needs/chronic illness.**

Part III.

Summary of Appropriations Provisions by Subcommittee



Consolidated Appropriations Act, 2023

SUMMARY OF APPROPRIATIONS PROVISIONS BY SUBCOMMITTEE

The Consolidated Appropriations Act, 2023 totals \$1.7 trillion in discretionary resources across the fiscal year 2023 appropriations bills.

In total, the regular 12 appropriations bills include \$800 billion in non-defense funding, a \$68 billion—9.3 percent—over last year. This is the highest level for non-defense funding ever and a larger increase in both dollar and percentage than fiscal year 2022. The bills also provide \$858 billion in defense funding.

Agriculture-Rural Development-FDA

Overview:

The fiscal year 2023 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies funding bill provides discretionary funding of \$25.5 billion – an increase of \$737 million, 3 percent – above fiscal year 2022. In total, the bill includes \$242 billion for discretionary programs funded annually and mandatory programs such as the Supplemental Nutrition Assistance Program.

The legislation:

- Tackles hunger and nutrition insecurity by expanding access to fruits and vegetables to 6.2 million women, infants, and children through WIC and ensuring that 43.5 million people in SNAP-eligible families get the necessary benefits. The bill also invests in the health of America's kids through Child Nutrition programs, like school meals - which are now the healthiest source of food consumed in the United States.
- Grows opportunity and lifts rural communities by increasing funding for rural broadband, connecting more communities to the internet through a program that got more than 200,000 people connected to the 21st-century economy last year.
- Rebuilds our public health and consumer safety infrastructure with increased funding to address maternal and infant nutrition, including resources for the 'Closer to Zero' initiative to reduce exposure to toxic elements in babies' and young children's food, emerging food-related chemical and toxicological issues, drug safety oversight, as well as providing additional resources for in-person inspections in large foreign drug manufacturing countries, and drug and device supply chain monitoring and surveillance. The bill also invests in our public health infrastructure by modernizing FDA's data infrastructure to ensure better safety and security of the food and medical supply chain.
- Provides essential investments to ensure equitable participation in USDA programs. The bill provides increases for extension, research, and capacity grants at 1890 land grants, 1994 land grants, and Hispanic serving institutions to help strengthen the pipeline for the future of agriculture. It also provides funding to improve outreach and program access to historically underserved communities.

Bill Summary:

Rural Development and Infrastructure – The bill provides nearly \$4 billion for rural development programs. These programs help create an environment for economic growth by providing business and housing opportunities and building sustainable rural infrastructure for the modern economy.

- **Rural Broadband** – The legislation invests over \$455 million for the expansion of broadband service to provide economic development opportunities and improved education and healthcare services, including an additional \$348 million for the ReConnect program. This is in addition to the \$2 billion provided in the Infrastructure Investment and Jobs Act. These significant investments in broadband reflect a commitment to enabling Americans in rural communities to access digital tools necessary to improve health, educational, and economic outcomes. Since 2019, more than 200,000 rural residents have gained access to broadband through these programs.
- **Critical Infrastructure** – The legislation includes responsible infrastructure investments to help the country's rural areas access essential utilities. This includes \$1.47 billion for rural water and waste program loans, and over \$500 million in water and waste grants for clean and reliable drinking water systems and sanitary waste disposal systems, which will provide safe drinking water to millions of rural residents. An additional \$8.2 billion in loan authority is provided for rural electric and telephone infrastructure loans.
- **Rural Housing Loans and Rental Assistance** – The bill provides a total of \$30 billion in loan authority for the Single Family Housing Guaranteed Loan Program. The bill includes \$1.25 billion in direct single family housing loans, meeting the estimated need for these loans, which provide home loan assistance to low-income rural families, many of whom would have few loan options for purchasing a home because of their geographical location. In addition, a total of \$1.49 billion is provided for rental assistance and rental vouchers for affordable rental housing for low-income families and the elderly in rural communities to renew all existing rental assistance contracts. In fiscal year 2020, Rural Development housing programs provided affordable housing to 138,331 rural homeowners and over 250,000 rental units.
- **Business and Industry Loan Program** – The bill includes \$1.8 billion for the Business and Industry loan program, a 45% increase over fiscal year 2022. This will enable additional lending opportunities to business and non-profits in rural areas.

Food and Nutrition Programs – The bill contains discretionary funding, as well as mandatory funding required by law, for food and nutrition programs within the Department of Agriculture. This includes funding for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Supplemental Nutrition Assistance Program (SNAP), and child nutrition programs.

- **Women, Infants, and Children (WIC)** – The bill provides \$6 billion in discretionary funding for WIC and maintains the increase of fruits and vegetables in the WIC Food Package. In fiscal year 2023, WIC will serve an estimated 6.2 million women, infants, and children.
- **Supplemental Nutrition Assistance Program (SNAP)** – The bill provides \$153.8 billion in required mandatory spending for SNAP, including \$3 billion for the SNAP reserve fund, which will serve more than 43 million people. This fully funds participation, as well as the SNAP enhanced allotments authorized by the Families First Coronavirus Response Act.
- **Child nutrition programs** – The bill provides \$28.5 billion in funding for child nutrition programs. This is an increase of \$1.66 billion above the fiscal year 2022 enacted level. As kids return to the classroom, this funding will support more than 5.2 billion school lunches and snacks. In addition, the bill provides \$40 million for the Summer EBT program, \$30 million for school kitchen equipment grants, and \$3 million for school breakfast expansion grants.

International Food Assistance Programs – The bill includes \$2.2 billion for international food aid and to promote U.S. agricultural exports overseas. This includes \$1.75 billion for Food for Peace grants and \$243 million for the McGovern-Dole International Food for Education and Child Nutrition program, in addition to emergency funds provided in the Ukraine supplemental. In 2022, these programs, which work to reduce famine and increase food security overseas, provided food assistance across six continents.

Marketing Programs – The bill provides \$237 million, \$11 million above the fiscal year 2022 enacted level and \$4.7 million above the request, to facilitate the movement of agriculture products and open market opportunities. This includes \$22.8 million for the National Organic Program to protect the integrity of the USDA Organic label and \$30.2 million for the oversight and enforcement of the Packers and Stockyards Act. The bill also provides \$20.4 million in discretionary funds to the Agricultural Marketing Service and Rural Development for the Local Agriculture Market Program to continue supporting local food and value-added agriculture. In addition, the bill provides \$25 million to support dairy business innovation initiatives.

Agricultural Research – The bill provides \$3.45 billion – \$175 million above the fiscal year 2022 enacted level – for agriculture research programs, including the Agricultural Research Service (ARS) and the National Institute of Food and Agriculture (NIFA). This funding will support research at all ARS facilities to help mitigate and stop devastating livestock and crop diseases, improve food safety and water quality, increase production, and combat antimicrobial resistance. This funding also includes important research investments in U.S. land-grant colleges and universities, including a significant increase for the 1890 and 1994 institutions, and for the Agriculture and Food Research Initiative, the U.S. Department of Agriculture's premier competitive research program.

Farm Programs – The bill provides \$1.92 billion for farm programs, which is \$55 million above the fiscal year 2022 enacted level. This includes \$61 million to resolve ownership and succession of farmland issues, also known as heirs' property issues. This funding will continue support for various farm, conservation, and emergency loan programs, and help American farmers and ranchers. It will also meet estimates of demand for farm loan programs.

Animal and Plant Health – The bill includes \$1.174 billion – \$61 million above the fiscal year 2022 enacted level – for the Animal and Plant Health Inspection Service. This funding will support programs to help control or eradicate plant and animal pests and diseases that can be crippling to U.S. producers. The funding level provides increases that will help address harmful pests and diseases such as cotton pests, spotted lanternfly, and chronic wasting disease, and enhance antimicrobial resistance efforts and animal disease testing capacity. The bill also provides \$125 million in emergency funds for the Agriculture Quarantine and Inspection Services Program to continue activities at the U.S. borders and ports of entry to intercept any foreign agricultural pests and diseases that could affect U.S. agriculture, trade and commerce.

Conservation Programs – The bill provides \$1.034 billion to help farmers, ranchers, and other private landowners conserve and protect their land. This includes \$77 million for infrastructure for watershed and flood prevention and watershed rehabilitation projects, \$8.5 million for the Urban Agriculture and Innovative Production Program, and \$7 million for the Healthy Forests Reserve Program.

Food Safety and Inspection Service – The bill includes \$1.158 billion for food safety and inspection programs. These mandatory inspection activities help ensure the safety and productivity of the country's meat and poultry industry, and keep safe, healthy food on American tables. The funding provided will maintain more than 8,700 frontline inspection personnel for meat, poultry, and egg products at more than 6,500 facilities across the country.

Food and Drug Administration (FDA) – FDA receives a total of \$3.5 billion in discretionary funding in the bill, an increase of \$226 million above the fiscal year 2022 enacted level. Total funding for FDA, including revenue from user fees, is \$6.6 billion. Within this total, the Committee provides targeted increases to address the opioid crisis, medical supply chain issues, cybersecurity of medical devices, and increasing and strengthening in person inspections of foreign drug manufacturers. It also includes a \$41 million increase to better avoid or more quickly respond to food outbreaks, improve the animal food inspection system, and address heavy metals in baby food. The bill also appropriates \$50 million to accelerate medical product development as authorized in the 21st Century Cures Act.

Commerce-Justice-Science

Overview:

The fiscal year 2023 Commerce, Justice, Science, and Related Agencies funding bill provides \$84.2 billion, an increase of \$6.1 billion – 7.8 percent – above fiscal year 2022. The bill:

- Creates good-paying American jobs with investments in economic development in distressed communities with support for small businesses, including small and medium sized American manufacturers.
- Strengthens communities by supporting local law enforcement while bolstering police and criminal justice reform and expanding gun violence prevention efforts.
- Addresses gender-based violence with strong increases for Violence Against Women Act prevention and prosecution programs, as well as efforts to reduce the backlog of unprocessed rape kits.
- Confronts the climate crisis with strong funding for climate resilience and research at NASA, the National Oceanic and Atmospheric Administration, and the National Science Foundation.

Bill Summary:

U.S. Department of Commerce – \$11.2 billion in net discretionary funding for the Department of Commerce, an increase of \$1.3 billion above the fiscal year 2022 enacted level.

- **International Trade Administration (ITA)** – \$625 million, \$55 million above the fiscal year 2022 enacted level. The total includes full funding for ITA Global Markets to help create jobs here at home by increasing U.S. exports, and continued funding for ITA Enforcement and Compliance to protect U.S. industries against unfair foreign trade practices.
- **Bureau of Industry and Security (BIS)** – \$191 million, an increase of \$50 million above fiscal year 2022 to advance U.S. national security through effective export control.
- **Economic Development Administration (EDA)** – \$498 million, an increase of \$124.5 million above fiscal year 2022. This includes \$121 million for EDA's Public Works program, which supports brick-and-mortar projects in distressed communities across the nation, \$48 million for Assistance to Coal Communities, an increase of \$6.5 million and \$50 million for the Regional Innovation Program, an increase of \$5 million, to help create jobs by establishing and expanding region-focused innovative technology business endeavors. Additionally, \$3 million is provided for STEM Apprenticeships to help align the skills of workers and the needs of employers.
- **Minority Business Development Agency (MBDA)** – \$70 million, an increase of \$15 million above fiscal year 2022, is provided for MBDA to support minority businesses around the country.
- **U.S. Patent and Trademark Office (PTO)** – \$4.25 billion, an increase of \$195 million above fiscal year 2022, to help protect new ideas and investments in American innovation and creativity, and to promote technological progress and achievement.
- **Manufacturing Extension Partnership (MEP) Program** – \$175 million, \$17 million above fiscal year 2022 to help small and medium sized American manufacturers create and preserve jobs.
- **National Oceanic and Atmospheric Administration (NOAA)** – \$6.35 billion, an increase of \$474.8 million above fiscal year 2022, including:
 - **Climate Research** – \$224.2 million, an increase of \$24.2 million above fiscal year 2022, with a focus on informing climate resilience efforts, Western water issues, and wildfires and drought.
 - **NOAA's National Marine Fisheries Service (NMFS)** – \$1.09 billion for NMFS operations, an increase of \$77.4 million above fiscal year 2022.

- **National Weather Service** – \$1.25 billion for operating expenses, an increase of \$72.9 million above fiscal year 2022. In addition, this Act provides an increase of \$91.2 million over fiscal year 2022 to procure future weather satellites and related systems, which are essential for accurate weather forecasting.

U.S. Department of Justice (DOJ) – \$38.7 billion overall for the Department of Justice, which is \$3.5 billion above the fiscal year 2022 enacted level.

- **Emmett Till Unsolved Civil Rights Crimes Reauthorization Act of 2016** – \$15 million is provided, as authorized, including: \$5 million within the Civil Rights Division; \$5 million within the Federal Bureau of Investigation; \$1.5 million within the Community Relations Service; and \$3.5 million within State and Local Law Enforcement Assistance.
- **Executive Office for Immigration Review** – \$860 million, an increase of \$100 million above fiscal year 2022, including \$29 million for the Legal Orientation Program.
- **Federal Bureau of Investigation** – \$11.33 billion, an increase of \$569.6 million above the fiscal year 2022 enacted level and \$524 million above the President’s budget request, including for efforts to investigate extremist violence and domestic terrorism.
- **United States Attorneys** – \$2.63 billion, an increase of \$212.1 million above fiscal year 2022, including to further support prosecutions related to the Jan. 6 attack on the Capitol and domestic terrorism cases.
- **Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)** – \$1.75 billion, an increase of \$215.9 million above the fiscal year 2022 enacted level, to bolster efforts to prevent and respond to gun violence.
- **Federal Bureau of Prisons (BOP)** – \$8.7 billion, an increase of \$592.6 million above the fiscal year 2022 enacted level and \$497.3 million above the President’s budget request to address critical staffing and facility needs for both inmate and correctional officer safety.
- **First Step Act** – The agreement fully funds the requested \$409.5 million for programs and activities authorized by the First Step Act of 2018, including medication-assisted treatment.
- **Grants to State and Local Law Enforcement** – \$4.4 billion is provided, an increase of \$506.4 million above fiscal year 2022. This includes: \$770.8 million for Byrne JAG; \$662.9 million for Community Oriented Policing Services (COPS) programs; \$225 million to address sexual assault kit and other DNA evidence backlogs; \$125 million for Second Chance Act programs; \$445 million for grant programs to address substance use disorders; \$135 million for the STOP School Violence Act; \$700 million for Violence Against Women Act (VAWA) prevention and prosecution programs; \$95 million for grants to improve the NICS firearms background check system; \$50 million for Community Violence Intervention and Prevention; \$45 million to prevent and combat hate crimes; and more than \$400 million in community projects to fight crime and improve public safety in communities across the country.

National Aeronautics and Space Administration (NASA) – \$25.4 billion is provided, an increase of \$1.34 billion above the fiscal year 2022 enacted level, including:

- \$7.8 billion for NASA’s **Science Mission Directorate**, an increase of \$180.6 million above the fiscal year 2022 enacted level, to enable better scientific information about the Earth and its changing climate, as well as to further our understanding of our solar system and beyond. These funds include operating support for the James Webb Space Telescope, which launched last December and has begun producing unprecedented images of stars and galaxies, including the universe in its infancy.
- \$935 million for **Aeronautics research**, an increase of \$54.3 million above fiscal year 2022, to continue efforts to improve environmental sustainability of air travel through increased fuel efficiency and electric flight, as well to improve passenger safety.
- \$143.5 million for NASA’s **STEM Engagement education initiatives**, an increase of \$6.5 million above fiscal year 2022, to enable NASA to inspire young people to pursue future careers in science and engineering. This amount includes a funding increase for the Space Grant consortium, which benefits all 50 states, and for the Minority University Research and Education Project.

National Science Foundation (NSF) – \$9.54 billion, an increase of \$700.2 million above the fiscal year 2022 enacted level to support cutting edge research including:

- **NSF Research and Related Activities** – \$7.6 billion is provided, an increase of \$469 million above fiscal year 2022.
- **Education and Human Resources** – \$1.25 billion is provided, an increase of \$240 million above fiscal year 2022.

Legal Services Corporation – \$560 million, \$71 million above the fiscal year 2022 enacted level to provide legal assistance to underserved communities.

U.S. Commission on Civil Rights – \$14.4 million, an increase of \$1.35 million above fiscal year 2022, including \$2 million for the Commission on the Social Status of Black Men and Boys.

Equal Employment Opportunity Commission – \$455 million, \$35 million above the fiscal year 2022 enacted level.

International Trade Commission (ITC) – \$122.4 million, \$12.4 million above the fiscal year 2022 enacted level.

Defense

Overview:

The fiscal year 2023 Department of Defense Appropriations Act provides \$797.7 billion in discretionary spending, an increase of \$69.3 billion above fiscal year 2022. In addition, the package includes \$27.9 billion as part of the fourth Ukraine supplemental and \$106.2 million to repair Navy, Army Reserve, and Army National Guard facilities in Florida, Georgia, North Carolina, Puerto Rico, and Virginia that were damaged by Hurricanes Ian and Fiona.

The package:

- Prioritizes support for military families, including increasing pay by 4.6%, the Basic Allowance for Housing by 11%, the Basic Allowance for Subsistence by 11%; includes \$210 million to reduce food prices at commissaries; and increases funds for school construction to its highest ever level of \$687 million.
- Provides critical assistance for Ukraine, including \$9.3 billion for the Ukraine Security Assistance Initiative in the base text and supplemental, with resources for training, equipment, weapons, supplies and services, salaries and stipends, and intelligence support to Ukraine's military. Also supports European allies and partners facing Russian aggression.
- Protects our national security, preserves our domestic advanced manufacturing base to support jobs and economic growth, and invests heavily in research and development.
- Defends democracy and counters China with funding to protect a free and open Indo-Pacific.
- Supports the implementation of measures to avoid, mitigate, and respond to civilian harm.
- Confronts the climate crisis with more than \$2 billion in investments for clean energy and climate adaptation to protect facilities, readiness, and global security.
- Addresses gender-based violence with funding to tackle sexual assault in the military and directs DoD to report on extremist activities.
- Includes nearly \$8 billion to address inflation and other cost increases above the President's budget request, including assistance to military families, fuel and utilities for the Department and Services, medical inflation, and procurement and R&D programs.

Bill Summary:

Military Personnel

Total: \$172.7 billion

The fiscal year 2023 Military Personnel recommendation is \$172.7 billion in funding for active, reserve and National Guard military personnel, a decrease of \$1.2 billion below the budget request and an increase of \$5.8 billion above the fiscal year 2022 enacted level. The bill funds active duty end strength at the authorized level of 1,316,944, and funds reserve component end strength at the authorized level of 770,400. In order to Take Care of Our Service Members and Families, the bill:

- Provides full funding necessary to support the proposed 4.6 percent military pay raise.
- Provides an 11% increase for military personnel to help offset the costs of higher rent and food prices. In doing so the bill includes \$328 million above the budget request for the basic allowance for subsistence and \$1.2 billion above the budget request for the basic allowance for housing.
- Provides \$12.1 million for a basic needs allowance as a supplement to eligible service members with dependents.
- Provides a \$23.5 million increase in the dislocation allowance to help offset personal expenses for change of station moves.
- Provides greater flexibility for service members to secure housing during change of station moves by expanding the coverage from 10 to 14 days. To do so, the bill provides \$164.2 million above the budget request for temporary lodging expenses.
- Provides full funding for suicide prevention and sexual assault programs, including \$479 million to implement the recommendations of the Independent Review Commission on Sexual Assault and \$47 million for the Special Victims' Counsel programs.

Operation and Maintenance

Total: \$278.1 billion

The fiscal year 2023 Operation and Maintenance recommendation is \$278.1 billion, an increase of \$6.8 billion above the budget request and an increase of \$21.8 billion above the fiscal year 2022 base enacted level.

- Provides \$30.7 billion to the Departments of the Army, Navy, Marine Corps, and Air Force for depot maintenance.
- Provides \$1.6 billion for Environmental Restoration activities, \$520.7 million above the request of which \$188 million are for costs associated with PFOS/PFOA cleanup. In addition, the bill provides \$20 million for study and assessment of health implications of PFOS/PFOA contamination in drinking water.
- Provides an increase of \$1.8 billion in Facilities Sustainment, Repair and Modernization programs across Active, Reserve and Guard components.
- Provides \$9.7 billion to fund SOCOM's operation and maintenance requirements.
- Provides \$1 million to the Army for the renaming of installations, facilities, roads and streets that bear the name of confederate leaders and officers.
- Provides increases for National Guard Youth Challenge (\$211 million); and Starbase (\$50 million).
- Provides an additional \$50 million for the Office of Defense Local Community Cooperation for the Defense Community Infrastructure Program.
- Provides \$60 million for Impact Aid and \$20 million for Impact Aid for those with disabilities and \$15 million to address Sec. 575 of the fiscal year 2023 NDAA.
- Provides \$8.6 million for gender advisor programs.
- Provides \$55 million for the Procurement Technical Assistance Program.
- Provides \$351 million for the Cooperative Threat Reduction Program.

- Provides \$42 million to implement the Department of Defense's Civilian Harm Mitigation and Response Action Plan.

Procurement

Total: \$162.2 billion

For fiscal year 2023, the bill provides \$162.2 billion, an increase of \$17.2 billion above the budget request and an increase of \$17.3 billion above the fiscal year 2022 enacted level.

Aircraft

- Funds eight F/A-18E/F Super Hornet aircraft (\$600 million).
- Funds the request of 61 F-35 aircraft and provides funding to cover a shortfall in the most recent production contract that would otherwise put 19 aircraft in fiscal year 2023 and prior years at risk (\$8.5 billion).
- Funds 24 F-15EX aircraft to recapitalize the F-15C/D fleet (\$2.3 billion).
- Funds the request of 15 KC-46 tankers (\$2.5 billion).
- Funds 20 HH-60W combat rescue helicopters, 10 more than the request (\$1.2 billion).
- Funds 21 C/KC-130J aircraft, 16 more than the request (\$2.2 billion), including 16 C-130J aircraft for the Air National Guard and 5 KC-130J aircraft.
- Funds the third lot of CH-47F Block II Chinook aircraft and long-lead funding for the fourth lot to ensure that the Army stays on schedule with the program of record (\$200 million).
- Provides \$273 million above the request to fund a total of 35 UH/HH-60M Blackhawk helicopters (\$991 million).
- Funds the request of 35 AH-64 Apache helicopters (\$693 million).
- Provides an additional \$350 million for 12 MQ-1C Gray Eagle Extended Range UAVs for the Army National Guard.
- Funds the request of five MH-139 helicopters (\$186.2 million).
- Funds 12 CH-53K helicopters, two more than the request (\$1.86 billion).
- Funds seven E-2D Advanced Hawkeye aircraft, two more than the request (\$1.2 billion).
- Funds five V-22 helicopters, five more than the request (\$508.7 million).
- Provides \$100 million for SOCOM's medium fixed wing recapitalization.
- Provides \$246 million for SOCOM's Armed Overwatch Program.
- Provides \$22 million for a SOCOM MH-47 and MH-6 resulting from a battle losses.

Shipbuilding

- Provides \$31.96 billion to procure eleven Navy ships, \$4 billion above the request.
- Provides for three DDG-51 guided missile destroyers, two SSN-774 attack submarines, one Frigate, one T-AO Fleet Oiler, two expeditionary fast transports, one towing, salvage, and rescue ship, and one LPD Flight II amphibious transport dock.

Vehicles/Force Protection

- Provides \$219 million above the request to procure additional Stryker A1 combat vehicles (\$891 million).
- Provides an additional \$120 million for Army National Guard HMMWV modernization.
- Funds the requested 1,528 Joint Light Tactical Vehicle (JLTV) trucks and 1,381 companion trailers (\$664 million).
- Provides \$602 million above the request to upgrade 90 Abrams tanks to the M1A2 SEPv3 tank variant (\$1.2 billion).
- Provides \$210 million above the request for a total of 48 sets of M109A6 Paladin Self-Propelled Howitzers and M992A2 Field Artillery Ammunition Support Vehicles, an increase of 21 sets (\$680 million).
- Fully funds the Army's request for production of 28 Mobile Protected Firepower systems (\$354 million).

- Provides \$109 million above the request to install Anti-lock Brake System/Electronic Stability Control (ABS/ESC) kits on existing Army HMMWV vehicles for improved safety.

Other

- Provides \$1.77 billion to procure seven National Security Space Launch services.
- Provides \$617 million to procure two GPS IIF spacecraft.
- Provides \$200 million to fully support Israeli Cooperative procurement programs (Iron Dome, David's Sling, and Arrow).
- Includes \$1 billion for the National Guard and Reserve Equipment Account (NGREA).

Research, Development, Test and Evaluation (RDT&E)

Total: \$136.7 billion

For fiscal year 2023, the bill provides \$136.7 billion, an increase of \$9.8 billion above the budget request and an increase of \$20.5 billion above the fiscal year 2022 enacted level.

- Invests in basic and applied scientific research, development, test and evaluation of new technologies and equipment, and supports the research community so forces will have the systems and equipment for tomorrow's challenges.

Aircraft

- Funds the continued development and modernization of the F-35 Joint Strike Fighter (\$2.1 billion), including an additional \$75 million for the F135 engine enhancement program.
- Funds the continued development of the Air Force's B-21 bomber (\$3.1 billion).
- Fully funds the Air Force's Next Generation Air Dominance program (\$1.7 billion).
- Funds the Adaptive Engine Transition Program (\$286.1 million) and Next Generation Adaptive Propulsion (\$220.4 million).
- Fully funds the continued development and testing of the CH-53K helicopter (\$220 million).
- Fully funds the Army's Future Long Range Assault Aircraft (FLRAA) and Future Attack Reconnaissance Aircraft (FARA) (\$1.1 billion)
- Fully funds the Army's Improved Turbine Engine Program (\$228 million).

Vehicles and Ground Forces

- Fully funds modernization programs for Bradley, Stryker, Abrams, and Paladin.
- Fully funds the Army's Long-Range Hypersonic Weapon (\$861 million).
- Fully funds the Army's Mobile Medium Range Missile (\$409 million).
- Fully funds the Army's Precision Strike Missile (\$260 million).

Defense Advanced Research Project Agency (DARPA)

- Provides \$4.06 billion for DARPA research programs.

Other

- Provides an additional \$30 million for PFAS remediation and disposal technology.
- Provides an additional \$15 million for on-site PFAS remediation technologies.
- Provides an additional \$20 million for AFFF replacement, disposal, and cleanup technology.
- Provides \$300 million for the Israeli cooperative research and development programs, including David's Sling and Arrow-3.
- Provides \$294 million for the Global Positioning System IIF program.
- Provides \$277 million for the Global Positioning System III Operational Control Segment.

- Provides \$382 million for Global Positioning System user equipment.
- Provides \$234 million for National Security Space Launch.
- Provides \$3.35 billion for Next Generation Overhead Persistent Infrared.
- Fully funds the Ground Based Strategic Deterrent (\$3.6 billion) and Long Range Standoff Weapon (\$928.9 million) programs.
- Fully funds the continued development and testing of the Air Force's Air-Launched Rapid Response Weapon (ARRW) hypersonic program (\$115 million).
- Provides \$1.2 billion for the Navy's Conventional Prompt Strike program.

Revolving and Management Funds

Total: \$1.7 billion

The fiscal year 2023 Revolving and Management Funds recommendation is \$1.65 billion in base funding, which is \$71 million above the budget request.

- Provides an additional \$209.6 million to the Defense Commissary Agency to ensure servicemembers and their families receive continued savings for food and household goods as part of the military pay and benefits package.

Other Department of Defense Programs

Total: \$41.8 billion

Defense Health Programs

- \$39.2 billion for medical and health care programs of the Department of Defense. Within this total, adds \$582.5 million for cancer research. The total amount is distributed as follows:
 - \$150 million for the breast cancer research program;
 - \$110 million for the prostate cancer research program;
 - \$50 million for the kidney cancer research program;
 - \$45 million for the ovarian cancer research program;
 - \$25 million for the lung cancer research program;
 - \$40 million for the melanoma research program;
 - \$15 million for the pancreatic cancer research program;
 - \$17.5 million for the rare cancer research program; and
 - \$130 million for the cancer research program.
 - Adds \$175 million for the peer-reviewed traumatic brain injury and psychological health research program.
 - Adds \$40 million for spinal cord research.
 - Adds \$25 million for the joint warfighter medical research program.
 - Adds \$30 million for the toxic exposures research line.

Chemical Agents and Munitions Destruction

- \$1 billion, as requested.

Overseas Humanitarian, Disaster, and Civic Aid

- \$170 million for foreign disaster relief, humanitarian assistance, and the humanitarian mine action program, \$57 million above the budget request.

Drug Interdiction and Counter-Drug Activities

- \$971 million, including \$200 million for the National Guard Counter-Drug Program.

Security Cooperation Programs

- \$300 million for the Ukraine Security Assistance Initiative. This is in addition to \$9 billion for the Initiative, and \$11.88 billion to replenish United States stocks of equipment sent to Ukraine, provided by the Additional Ukraine Supplemental Appropriations Act, 2023.
- \$1.51 billion for International Security Cooperation Programs, including:
 - \$350 million for U.S. allies and partners facing Russian aggression, including \$225 million for Estonia, Latvia, and Lithuania through the Baltic Security Initiative; \$35 million for Poland; \$30 million for Romania; \$20 million for Bulgaria; and \$40 million for Georgia.
 - \$175 million for programs with countries in Africa Command.
 - \$130 million for programs with countries in Southern Command.
 - \$90 million for programs with Jordan.
 - Supports international security cooperation programs with countries in Indo-Pacific Command, including for maritime security.
- Up to \$500 million for Jordan, including \$150 million for reimbursements for enhanced border security.
- An additional \$200 million to expand cooperation or improve the capabilities of U.S. allies and partners in Africa Command and Southern Command.

Counter-ISIS Train and Equip Fund

- \$475 million to support the Iraqi Security Forces, Kurdish Peshmerga, and the Syrian Democratic Forces counter ISIS.
- No funds may be used with respect to Iraq or Syria in contravention of the War Powers Resolution.
- No funds to establish any military base for the purpose of providing for the permanent stationing of U.S. Armed Forces in Iraq.
- No funds to exercise U.S. control over any oil resource of Iraq or Syria.

Office of the Inspector General

- \$485.4 million, which is an increase of \$6 million from the request and \$46.9 million above the fiscal year 2022 enacted level.

Oversight, Reform, and General Provisions

- No funds may be used in contravention of the War Powers Resolution.
- No funds for the Russian state-owned arms export agency Rosoboronexport.
- No funds for the Azov Battalion.
- No funds for the Taliban.
- No funds for countries in violation of the Child Soldiers Prevention Act.
- Provides that nothing in this Act may be construed as authorizing the use of force against Iran or North Korea.
- Requires the Secretary of Defense to notify Congress after the receipt of foreign contributions.
- Requires the Secretary of Defense to notify Congress after a foreign base is opened or closed.
- Provides \$1 million to the Army for the renaming of installations, facilities, roads and streets that bear the name of confederate leaders and officers since the Army has the preponderance of the entities to change.
- Includes \$686.5 million to construct, renovate, repair, or expand public schools on military installations and requires laborers and mechanics to be paid prevailing wages.
- Includes over \$1 billion in prior year rescissions.
- \$1 billion for improvements to infrastructure and defueling of the Red Hill Bulk Fuel Storage Facility.
- \$1.053 billion for revised economic assumptions for procurement and R&D programs.

Energy & Water Development

Overview:

The fiscal year 2023 Energy and Water Development and Related Agencies funding bill provides \$54.65 billion, including \$54 billion in Division D and \$650 million in emergency funds. The Disaster supplemental includes \$2.65 billion in additional funds, and the Ukraine supplemental includes \$126 million in additional funds. The legislation:

- Creates tens of thousands of good-paying jobs with a focus on deploying clean energy technologies and the green jobs of tomorrow in communities across the country.
- Confronts the climate crisis with more than \$15.3 billion of transformative investments in clean energy and science, which will help develop clean, affordable, and secure American energy.
- Rebuilds our nation's water infrastructure, critical to protecting communities from more frequent and severe storms and addressing the worsening drought.

Bill Summary:

Army Corps of Engineers – The bill provides a total of \$8.66 billion, including \$8.31 billion in Division D and \$350 million in emergency funds. This is an increase of \$317 million above the fiscal year 2022 level and an increase of \$2.059 billion above the request. The Disaster supplemental includes \$1.13 billion in additional funds.

- **Investigations** – The bill provides \$173 million, an increase of \$30 million above the fiscal year 2022 level and \$67 million above the request.
- **Construction** – The bill provides a total of \$2.106 billion, including \$1.809 billion in Division D and \$297 million in emergency funds. This is an increase of \$885 million above the request.
- **Operation and Maintenance** – The bill provides \$5.1 billion, including \$5.079 billion in Division D and \$53 million in emergency funds. This is an increase of \$561 million above the fiscal year 2022 level and \$2.532 billion above the request.
- **Harbor Maintenance Trust Fund projects** receive an estimated \$2.3 billion, an increase of \$269 million above fiscal year 2022 and \$592 million above the request. The bill provides these funds in accordance with the budgetary adjustments made by the CARES Act and the Water Resources Development Act of 2020.

Department of the Interior and Bureau of Reclamation – The bill provides a total of \$2 billion, an increase of \$30 million above the fiscal year 2022 level and \$520 million above the request.

- **Central Utah Project** – The bill provides \$23 million, an increase of \$3 million above the request.
- **Bureau of Reclamation** – The bill provides \$1.9 billion, an increase of \$30 million above the fiscal year 2022 level and \$517 million above the request.

Department of Energy – The bill provides a total of \$46.5 billion for the Department, including \$46.2 billion in Division D and \$300 million in emergency funds. The Disaster supplemental includes \$1.5 billion in additional funds, and the Ukraine supplemental includes \$126 million in additional funds.

- **Energy Efficiency and Renewable Energy** – The bill provides a record-level \$3.5 billion, an increase of \$260 million above the fiscal year 2022 level. This funding provides for clean, affordable, and secure energy and ensures American leadership in the transition to a global clean energy economy.

- **State and Community Energy Programs** – The bill provides \$471 million, an effective increase of \$44 million above the fiscal year 2022 level. This funding will support the Weatherization Assistance Program, Weatherization Readiness Fund, State Energy Program, Local Government Energy Program, and Energy Future Grants.
- **Cybersecurity, Energy Security, and Emergency Response** – The bill provides \$200 million, an increase of \$14 million above the fiscal year 2022 level. This funding provides for efforts to secure the nation's energy infrastructure against all hazards, reduce the risks of and impacts from cybersecurity events, and assist with restoration activities.
- **Electricity** – The bill provides \$350 million, an increase of \$73 million above the fiscal year 2022 level and \$53 million above the request. This funding will advance technologies to increase the resiliency and efficiency of the nation's electricity delivery system with capabilities to incorporate growing amounts of clean energy technologies.
- **Nuclear Energy** – The bill provides a total of \$1.8 billion, including \$1.5 billion in Division D and \$300 million in emergency funds. This is an increase of \$118 million above the fiscal year 2022 level. The funding invests in research, development, and demonstration activities that develop the next generation of clean and safe reactors, further improve the safety and economic viability of our current reactor fleet, and contribute to the nation's long-term leadership in the global nuclear power industry.
- **Fossil Energy and Carbon Management** – The bill provides \$890 million, an increase of \$65 million above the fiscal year 2022 level. This funding advances carbon reduction and mitigation in sectors and applications that are difficult to decarbonize, including the industrial sector, with technologies and methods such as carbon capture and storage, hydrogen, and direct air capture, while assisting in facilitating the transition toward a net-zero carbon economy and rebuilding a U.S. critical minerals supply chain.
- **Science** – The bill provides \$8.1 billion, an increase of \$625 million above the fiscal year 2022 level and \$301 million above the request. The Office of Science funds basic science research in physics, biology, chemistry, and other science disciplines to expand scientific understanding and secure the nation's global leadership in energy innovation. This research funding supports nearly 29,000 researchers located at over 300 institutions, spanning all 50 states. The supported scientific user facilities serve over 34,000 users.
- **Nuclear Waste Disposal** – The bill provides \$10 million for oversight of the Nuclear Waste Fund.
- **Advanced Research Projects Agency—Energy** – The bill provides \$470 million, an increase of \$20 million above the fiscal year 2022 level. This funding supports research aimed at rapidly developing energy technologies that are capable of significantly changing the energy sector to address the nation's critical economic, environmental, and energy security challenges.
- **Indian Energy Policy and Programs** – The bill provides \$75 million, an increase of \$17 million above the fiscal year 2022 level. This funding will provide technical assistance, direct and remote education, policy research and analysis, and financial assistance to Indian tribes, Alaska Native Village and Regional corporations, and Tribal Energy Resource Development Organizations.
- **National Nuclear Security Administration** – The bill provides \$22.163 billion for DOE's nuclear security programs. This funding will maintain a safe, secure, and credible nuclear deterrent while addressing the threat of nuclear proliferation and terrorism. This includes:
 - **Weapons Activities** – \$17.1 billion to maintain a safe and reliable nuclear deterrent.
 - **Defense Nuclear Nonproliferation** – \$2.5 billion, an increase of \$136 million above the fiscal year 2022 level and \$144 million above the request. This funding secures nuclear material at home and abroad, combats the threat of nuclear terrorism, and provides emergency response capabilities.
 - **Naval Reactors** – \$2.1 billion, an increase of \$163 million above the fiscal year 2022 level, to continue safe and reliable operation of the Navy's nuclear-powered fleet.

- **Environmental Management** – The bill provides \$8.3 billion, an increase of \$359 million above the fiscal year 2022 level. This funding is used for nuclear cleanup work at 15 sites across the country. This includes:
 - **Non-Defense Environmental Cleanup** – \$359 million, an increase of \$25 million above the fiscal year 2022 level and \$35 million above the request.
 - **Uranium Enrichment Decontamination and Decommissioning** – \$879 million, an increase of \$19 million above the fiscal year 2022 level and \$57 million above the request.
 - **Defense Environmental Cleanup** – \$7billion, an increase of \$315 million above the fiscal year 2022 level.
- **Loan Guarantee Programs** – The bill maintains funding necessary to manage the programs. Additionally, the bill provides \$15 billion in additional loan authority for the Title 17 Innovative Technology Loan Guarantee Program and \$2 million in additional credit subsidy for the Tribal Energy Loan Guarantee Program.
- **Power Marketing Administrations** – The bill provides the net request levels for the Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration.

Independent Agencies

- **Nuclear Regulatory Commission** – The bill provides a total net appropriation of \$137 million, \$6 million above the fiscal year 2022 level. This funds regulatory activities to ensure the safe use of nuclear reactors and radioactive materials while protecting people and the environment.
- **Defense Nuclear Facilities Safety Board** – The bill provides \$41 million, an increase of \$5 million above the fiscal year 2022 level. The Board provides recommendations regarding public health and safety matters at Department of Energy defense nuclear facilities.
- **Appalachian Regional Commission** – The bill provides \$200 million, an increase of \$5 million above the fiscal year 2022 level. The Commission funds efforts in the Appalachian Region to promote economic and community development, education and job training, and critical infrastructure.
- **Delta Regional Authority** – The bill provides \$30 million, equal to the request. This funding targets the economic development needs of distressed portions of the Mississippi River Delta Region.
- **Denali Commission** – The bill provides \$17 million, an increase of \$2 million above the fiscal year 2022 level and the request. This funding provides critical utilities, infrastructure, health services, and economic support throughout Alaska.
- **Northern Border Regional Commission** – The bill provides \$40 million, an increase of \$5 million above the fiscal year 2022 level and \$4 million above the request. This funding targets the economic development needs of distressed portions of Maine, New Hampshire, Vermont, and New York.
- **Southeast Crescent Regional Commission** – The bill provides \$20 million, an increase of \$15 million above the fiscal year 2022 level and \$13 million above the request. This funding targets the economic development needs of distressed portions of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia.
- **Southwest Border Regional Commission** – The bill provides \$5 million, an increase of \$2.5 million above the fiscal year 2022 level and the request. This funding targets the economic development needs of distressed portions of Arizona, California, New Mexico, and Texas.
- **Nuclear Waste Technical Review Board** – The bill provides \$4 million, equal to the request. The Board provides independent technical oversight of the Department of Energy's nuclear waste disposal program.

Financial Services & General Government

Overview:

The fiscal year 2023 Financial Services and General Government funding bill includes \$27.6 billion, an increase of \$1.7 billion over fiscal year 2022. The legislation:

- Assists small businesses and entrepreneurs through the Small Business Administration and Community Development Financial Institutions.
- Protects our democracy with Election Security Grants that ensure the integrity and safety of our elections.
- Supports working and middle-class families by increasing funding for consumer protection activities at the Consumer Product Safety Commission and the Federal Trade Commission.
- Supports the Administration's 4.6 percent pay increase for Federal workers.

Bill Summary:

Department of the Treasury – For fiscal year 2023, the bill provides a total of \$14.2 billion in discretionary appropriations for the Department. Of the total provided for the Department of the Treasury, the bill includes:

- \$324 million for **Community Development Financial Institutions**, an increase of \$29 million above the fiscal year 2022 enacted level. The total amount includes \$196 million for financial and technical assistance grants and \$35 million for the Bank Enterprise Award Program to help struggling businesses in underserved communities.
- \$49 million for the **Treasury Office of Inspector General**, an increase of \$6.6 million above the fiscal year 2022 enacted level, to ensure robust oversight of Departmental policies and programs.
- \$190 million for the **Financial Crimes Enforcement Network**, an increase of \$29 million above the fiscal year 2022 enacted level, to boost efforts to combat terrorist financing and money laundering.
- \$216 million for the **Office of Terrorism and Financial Intelligence**, an increase of \$21 million above the fiscal year 2022 enacted level, to continue investments to protect the integrity of the financial system and enhance Treasury's economic and financial sanctions programs.
- \$100 million for the **Cybersecurity Enhancement Account**, an increase of \$20 million above the fiscal year 2022 enacted level to protect the Department's critical IT systems against cyber threats.
- \$149 million for the **Alcohol and Tobacco Tax and Trade Bureau**, an increase of \$21 million above the fiscal year 2022 enacted level.
- **Internal Revenue Service (IRS)** – The bill includes \$12.3 billion for the IRS. Additionally, the bill provides special funding transfer authority and direct hire authority to address the backlog of returns and correspondence. Of this amount, the bill includes:
 - \$2.8 billion, the same as the fiscal year 2022 enacted level, for **Taxpayer Services**. This total includes support for the Volunteer Income Tax Assistance Matching Grants Program, Low Income Taxpayer Clinic, the Taxpayer Advocate, Tax Counseling for the Elderly, and increased personnel to improve IRS customer service.
 - \$5.4 billion, the same as the fiscal year 2022 enacted level, for **Enforcement**. These funds support enforcement efforts and essential personnel.
 - \$4.1 billion, the same as the fiscal year 2022 enacted level, for **Operations Support**.

Executive Office of the President – The bill includes a total of \$878 million, an increase of \$92 million above the fiscal year 2022 enacted level.

- **Office of Administration** – The bill provides \$115.5 million, an increase of \$9 million above the fiscal year 2022 enacted level and includes language allowing the Office to pay White House and other Executive Office of the President interns, in line with recent actions by Congress to pay its interns.
- **National Security Council** – The bill provides \$17 million, an increase of \$4 million above the President’s request. An additional \$1 million is also provided in supplemental funding to support Ukraine operations needs for the White House.
- **Office of National Cyber Director** – The bill provides the first annual appropriation of \$22 million for the ONCD to support the coordination and implementation of national cybersecurity policy and strategy.
- **Office of National Drug Control Policy (ONDCP)** – The bill includes a total of \$471 million for ONDCP, including:
 - \$302 million for the **High Intensity Drug Trafficking Areas Program**, an increase of \$5 million above the fiscal year 2022 enacted level; and
 - \$109 million for the **Drug-Free Communities Program**, an increase of \$3 million above the fiscal year 2022 enacted level.

The Judiciary – The bill includes a total of \$8.5 billion in discretionary appropriations, an increase of \$474 million above the fiscal year 2022 enacted level.

- **Courts of Appeals, District Courts, and Other Judicial Services** – \$5.9 billion, an increase of \$325 million above the fiscal year 2022 enacted level, to support court operations and increased services in Probation and Pretrial.
- **Defender Services** – \$1.38 billion, an increase of \$39.5 million above the fiscal year 2022 enacted level, to support the right to the assistance of counsel.
- **Court Security** – \$750 million, an increase of \$45 million above the fiscal year 2022 enacted level, to support security needs and protective services in courthouses, as identified by the U.S. Marshals Service.

Additionally, the bill extends temporary judgeships in ten districts and targeted cybersecurity and IT modernization funding.

District of Columbia – The bill includes a total of \$792 million, an increase of \$16 million above the fiscal year 2022 enacted level.

- \$40 million for **D.C. Resident Tuition Support**, equal to the fiscal year 2022 enacted level.
- \$30 million for **Emergency Planning and Security Costs** in D.C. equal to the President’s request.
- \$4 million for **HIV/AIDS Testing and Treatment** to help prevent the spread of HIV/AIDS in the District of Columbia.
- \$8 million, equal to the fiscal year 2022 enacted level, to fund infrastructure improvements for the **D.C. Water and Sewer Authority**.

Independent Agencies:

- **Consumer Product Safety Commission (CPSC)** – The bill funds the CPSC at \$152.5 million, an increase of \$13.5 million above the fiscal year 2022 enacted level. Within the total, \$2 million is provided for Virginia Graeme Baker Pool Safety grants and \$2 million for grants for the Nicholas and Zachary Burt Memorial Carbon Monoxide Poisoning Prevention Act of 2022.
- **Election Assistance Commission (EAC)** – The bill provides \$75 million for **Election Security Grants** to augment State efforts to improve the security and integrity of elections for Federal office. In

addition, \$28 million is included for EAC operating expenses, an increase of \$8 million above the fiscal year 2022 enacted level, including \$1 million for the Help America Vote College Program.

- **Federal Communications Commission (FCC)** – The bill includes \$390 million for the FCC, an increase of \$8 million above the fiscal year 2022 enacted level, to support the administration of billions in COVID relief programs to expand broadband access and improve the security of U.S. telecommunications networks.
- **Federal Trade Commission (FTC)** – The bill includes \$430 million for the FTC, an increase of \$53.5 million above the fiscal year 2022 enacted level, to bolster antitrust, privacy, and consumer protection work.
- **General Services Administration (GSA) Federal Buildings Fund (FBF)** – The bill includes \$10 billion in spending authority for the FBF. In addition, the bill provides \$36.8 million in emergency supplemental funding for repairs to Federal buildings caused by Hurricane Ian. The total funding level includes:
 - \$808 million for **New Construction** including \$100 million for the construction of U.S. Courthouses in Hartford, CT, and Chattanooga, TN, \$375 million for the new Federal Bureau of Investigation headquarters, and \$252 million for the consolidation of the Department of Homeland Security at St. Elizabeths;
 - \$662 million for **Repairs and Alterations** including \$245 million for Major Repairs and Alterations and \$18.7 million to increase security at U.S. courthouses.
- **National Archives and Records Administration (NARA)** – The bill provides a total of \$490 million for NARA, an increase of \$13 million above the fiscal year 2022 enacted level and \$41 million above the President's request. This amount includes \$12 million for the National Historical Publications & Records Commission Grants Program and \$22 million for other repairs and restorations.
- **Office of Personnel Management (OPM)** – The bill includes \$422 million, an increase of \$49 million above the fiscal year 2022 enacted level, for OPM to manage and provide guidance on Federal human resources and administer Federal retirement and health benefit programs.
- **Securities and Exchange Commission (SEC)** – The bill includes \$2.2 billion, an increase of \$210 million above the fiscal year 2022 enacted level, for the SEC to monitor the capital and securities markets, ensure full disclosure of appropriate financial information, and combat financial fraud and malpractice. This amount also includes funding for move costs related to the SEC's Headquarters and San Francisco regional offices.
- **Small Business Administration (SBA)** -- The bill provides \$1.2 billion for SBA, an increase of \$188 million above the fiscal year 2022 enacted level, to support investments in programs to help underserved entrepreneurs access capital and contracting opportunities. In addition, the bill provides \$858 million in emergency supplemental funding for SBA's Disaster Loans Program to support requirements for Hurricanes Fiona, Ian, and other disaster loan programs administered by SBA.

The bill includes \$320 million, an increase of \$30 million above the fiscal year 2022 enacted level, for **Entrepreneurial Development Programs**, including:

- \$140 million for **Small Business Development Centers**;
- \$41 million for **Microloan Technical Assistance**;
- \$30 million for the **Federal and State Technology Partnership Program, Growth Accelerators, and Regional Innovation Clusters**; and
- \$27 million for **Women's Business Centers**.

Homeland Security

Overview:

The fiscal year 2023 Homeland Security funding bill provides \$86.5 billion in discretionary resources, including \$83 billion for non-defense programs; \$3.5 billion for defense-related programs; and \$20 billion for major disaster response and recovery activities. When excluding offsetting collections and major disaster funding, the total provided in the bill is \$60.7 billion, which is \$4.04 billion above the budget request and \$3.2 billion above the fiscal year 2022 enacted level. The legislation:

- Increases funding to protect our critical physical infrastructure, prevent cyber-attacks and root out cyber intrusions.
- Invests in maritime security through operational funding and investment in new fleet assets for the Coast Guard.
- Makes responsible investments in border security and respects the dignity of migrants with new funding to improve processing, sheltering, and medical care.

Bill Summary:

Office of the Secretary – The bill provides \$384.8 million for the Office of the Secretary and Executive Management, an increase of \$108.7 million above the fiscal year 2022 enacted level and an increase of \$53.6 million above the President’s budget request, including:

- \$56.6 million for the new Office of Health Security to improve guidance and oversight related to the health of the workforce and of migrants in custody;
- \$27.6 million for the Office of Immigration Detention Ombudsman to investigate and resolve complaints regarding misconduct by DHS personnel and violations of the rights of individuals in DHS custody, including through unannounced inspections of detention facilities;
- \$40 million to be transferred to FEMA, including:
 - \$20 million for Targeted Violence and Terrorism Prevention grants; and
 - \$20 million for an Alternatives to Detention case management grant pilot program.

Management Directorate – The bill provides \$4.18 billion for the Management Directorate, an increase of \$399.7 million above the fiscal year 2022 enacted level and a reduction of \$257.4 million below the President’s budget request, including:

- \$188.0 million for the consolidation of DHS offices in the National Capital Region, including the continued development of the **DHS headquarters campus** at St. Elizabeths;
- \$3 million for the DHS Intelligence and Cybersecurity Diversity Fellowship Program; and
- \$2.11 billion for the Federal Protective Service.

Office of Inspector General – The bill provides \$214.9 million for the Office of Inspector General, an increase of \$9.5 million above the fiscal year 2022 enacted level and the same as the President’s budget request.

U.S. Customs and Border Protection (CBP) – The bill provides \$16.7 billion for CBP, \$1.8 billion above the fiscal year 2022 enacted level and \$1.3 billion above the President’s budget request, including:

- \$800 million for a shelter and services grant program;
- \$6 million for caregivers and childcare services;
- \$24.6 million for suicide prevention and workforce wellness efforts, to include childcare services;
- \$10 million for additional capability within the Procurement Directorate, the Office of Finance, and the Office of Chief Counsel;

- \$6 million for increased uniform allowance;
- \$3.5 million for rescue beacons and the Missing Migrant Program;
- \$31 million for new body worn cameras and video recording equipment for Border Patrol Stations;
- \$67.8 million to operate and sustain current border technology programs;
- \$5 million for tuition assistance;
- \$11 million for intelligence analysis and targeting;
- \$145 million for the rejection of proposed cuts to Trade and Travel operations;
- \$92.7 million for new aircraft and aircraft sensors;
- \$88.2 million to increase CBP's personnel capacity at the border between ports of entry;
- \$60 million for 125 new CBP officers, 250 technicians and 250 support staff;
- \$230.2 million for border technology; and
- \$69.9 million for non-intrusive inspection systems.

In addition, the bill provides \$309 million in emergency-designated funding for U.S. Customs and Border Protection to offset the loss of fee collections due to the continued impact of the pandemic on international travel.

U.S. Immigration and Customs Enforcement (ICE) – Provides \$8.42 billion for ICE, \$161.1 million above the fiscal year 2022 enacted level and \$319.4 million above the President's budget request, including:

- \$2.3 billion for Homeland Security Investigations, an increase of \$68.7 million above the fiscal year 2022 enacted level and \$6 million above the request.
- \$4.2 billion for Enforcement and Removal Operations, \$6 million above the fiscal year 2022 enacted level and \$379.6 million above the President's budget request, including:
 - \$3.3 billion for Custody Operations and Transportation and Removal, \$6 million above the fiscal year 2022 enacted level and \$473.6 million above the President's budget request; and
 - \$442.7 million for Alternatives to Detention, level with the fiscal year 2022 enacted level and \$84.5 million below the President's budget request.

Provides \$12 million above the request to accelerate efforts for ICE's body-worn cameras pilot program.

Provides \$10 million above the request for increased legal access for noncitizens in custody.

Provides \$2.5 million above the request to address gaps in the design and plans for inspections and oversight at ICE's civil detention facilities.

Transportation Security Administration (TSA) – Provides \$9.3 billion for TSA, \$836.1 million above the fiscal year 2022 enacted level and \$722.1 million below the President's budget request, including:

- \$398 million to implement TSA personnel system initiatives in fiscal year 2023;
- \$61 million for new Transportation Security Officer hiring;
- \$94 million above the request to continue exit lane staffing that is required by law;
- \$13.4 million above the request for the Personnel Futures Program;
- \$5 million above the request for increased acquisition support staffing;
- \$4 million above the request for pipeline cybersecurity; and
- \$141.6 million to fully fund computed tomography (\$105.4 million), credential authentication technology (\$22.3 million), and reimbursements to airports for legacy purchases of in-line explosive detection system (\$13.9 million), as requested.

Coast Guard – Provides \$11.6 billion in discretionary funding for the Coast Guard, \$140.2 million above the fiscal year 2022 enacted level and \$95.2 million above the President's budget request, including:

- \$1.7 billion for investments in the Coast Guard's air and marine fleet, and facilities, including:
 - Continued support for the Offshore Patrol Cutter program, Fast Response Cutters, MH-60 helicopters, Polar Security Cutter.
 - \$414.8 million, which is \$235.0 million above the request for shore facilities and other infrastructure, including housing for Coast Guard families.
- \$80.4 million above the request to invest further in Coast Guard operational readiness, personnel, and their families, including additional investment in cybersecurity, workforce readiness, childcare subsidy.

United States Secret Service (USSS) – Provides \$2.82 billion for the USSS, \$210.3 million above the fiscal year 2022 enacted level and \$118.7 million above the President's budget request, including increases of:

- \$17 million for increased travel expenses;
- \$32.8 million for protection of protectees;
- \$11.7 million for increased National Special Security Event (NSSE) support;
- \$2.5 million for the National Threat Assessment Center (NTAC);
- \$2.6 million for increased campaign support; and
- \$8 million for permanent change of station requirements.

The bill includes a total of \$68 million for the National Computer Forensics Institute (NCFI) for basic and advanced computer forensics training for state and local law enforcement officers, judges, and prosecutors in support of the Secret Service mission.

Cybersecurity and Infrastructure Security Agency (CISA) – Provides \$2.9 billion for CISA, \$313.5 million above the fiscal year 2022 enacted level and \$396.4 million above the President's budget request, including:

- \$214.2 million to further advance CISA's Cybersecurity Operations, including:
 - a \$164.8 million increase to restore proposed cuts and to sustain fiscal year 2022 enhancements;
 - a \$49 million increase for threat hunting;
 - a \$73.8 million increase for vulnerability management;
 - a \$15 million increase to develop a critical infrastructure cybersecurity shared services pilot program;
 - a \$15 million increase for CISA's Protective Domain Name System;
 - a \$17.3 million increase for the Cyber Defense Education and Training program;
 - a \$16 million increase for the Multi-State Information and Analysis Center, for a total of \$43 million for the center;
 - a \$17 million increase for the Joint Cyber Defense Collaborative;
 - a \$7.1 million increase for a collaborative analysis of cyber threat indicators; and
 - a \$3 million increase for the CyberSentry program.
- \$26.9 million for Infrastructure Security, including:
 - a \$30.7 million increase to restore proposed cuts and to sustain fiscal year 2022 enhancements;
 - a \$3.6 million increase to expand CISA's school safety services and product offerings;
 - a \$6.5 million increase to support CISA's role as the National Cyber Exercise Program administrator; and
 - a \$2 million increase for counter improvised explosive device technology capability assessments.
- \$28.3 million for Emergency Communications;
- \$44.1 million for Risk Management Operations; and
- \$14.4 million for Stakeholder Engagements and Requirements, including a \$1.9 million increase for systemically important entities outreach and engagement support.

Federal Emergency Management Agency (FEMA) – Provides \$25.7 billion for FEMA, \$1.5 billion above the fiscal year 2022 enacted level and \$575.4 million above the President's budget request, including:

- \$20 billion for disaster response and recovery efforts; and
- \$3.9 billion for Federal Assistance, including:

- \$520 million for the State Homeland Security Grant Program (SHSGP);
- \$615 million for the Urban Areas Security Initiative (UASI);
- \$305 million for the Nonprofit Security Grant Program;
- \$720 million for firefighter grant programs;
- \$56 million for the Next Generation Warning System to improve the capabilities of public broadcasters to send critical emergency and civil defense warnings;
- \$20 million transferred from the Center for Prevention Programs and Partnerships for Targeted Violence and Terrorism Prevention grants;
- \$20 million transferred from the Office for Civil Rights and Civil Liberties for an Alternatives to Detention case management grant pilot program;
- \$130 million for the Emergency Food and Shelter program; and
- \$800 million transferred from U.S. Customs and Border Protection for a new Shelter and Services Program for migrants encountered by DHS.

U.S. Citizenship and Immigration Services (USCIS) – Provides \$268 million for USCIS, including:

- \$109.6 million for the E-Verify program;
- \$133.4 million for refugee processing; and
- \$25 million for the Citizenship and Integration Grant program.

Other

- \$1.9 billion in additional support for CBP and ICE to help manage the high volume of migrants arriving at the southern border, including:
 - \$1.56 billion to CBP for processing facilities, migrant medical care, transportation, personnel overtime, and other costs; and
 - \$339.7 million for ICE for processing capacity, migrant medical care, transportation; and other non-detention costs.
- \$393.9 million rescinded from previously appropriated funds based on program execution.
- \$406.5 million for the Federal Law Enforcement Training Centers, \$50.9 million above the fiscal year 2022 enacted level and \$10 million above the President's budget request.
- \$900.5 million for the Science and Technology Directorate, \$14.1 above the fiscal year 2022 enacted level and \$750,000 below the President's budget request.
- \$431 million for the Countering Weapons of Mass Destruction Office, \$21 million below the fiscal year 2022 enacted level and \$2 million above the President's budget request.

Policy Provisions

- Requires ICE to make information about the 287(g) program publicly available.
- Requires ICE to terminate any 287(g) agreement if the DHS Office of Inspector General determines that such terms have been materially violated.
- Requires ICE to sever contracts with detention facilities that fail two consecutive inspections and requires more frequent inspections by ICE's Office of Professional Responsibility.
- Ensures access by Members of Congress to detention facilities.
- Prohibits DHS from destroying records related to the death of, potential sexual assault against, or abuse of individuals in its custody.
- Ensures that information shared with ICE by the Department of Health and Human on potential sponsors of unaccompanied children cannot be used by ICE for detention or removal purposes unless the sponsor has a dangerous criminal background.

Prohibits DHS from placing pregnant women in restraints except in extraordinary circumstances.

- Requires ICE to publish information on a publicly available website with the numbers and types of people in its custody, such as:
 - families and transgender detainees;

- border apprehension detainees;
- interior enforcement detainees; and
- those who are in custody who have a positive credible fear claim.

Interior-Environment

Overview:

The fiscal year 2023 Interior, Environment, and Related Agencies bill includes \$38.9 billion in regular appropriations, an increase of \$850 million above the fiscal year 2022 enacted level. There is also \$2.6 billion of funding provided under the fire suppression cap adjustment. In addition, the bill includes another \$1.6 billion for wildfire preparedness and suppression activities and \$4.6 billion in disaster funding to provide for expenses related to wildfires, hurricanes, and other natural disasters in and prior to calendar year 2023.

The legislation:

- Creates good-paying American jobs through investments in renewable energy development, including offshore wind, and a national initiative to reclaim abandoned mines and cap orphan oil and gas wells.
- Confronts the climate crisis by expanding environmental enforcement efforts and launching a renewed focus on land and water conservation.
- Supports Native American families by investing in a strong and resilient Indian Country, including through education and health care programs.
- Dramatically expands environmental justice efforts to address unacceptable pollution in communities of color.
- Honors the federal government's responsibilities to Native Americans.

Bill Summary:

Department of the Interior (DOI) – The bill provides a total of \$14.7 billion in discretionary appropriations for DOI, an increase of \$574 million above the fiscal year 2022 enacted level. Of this amount, the bill includes:

- \$1.5 billion for the **Bureau of Land Management (MLR/O&C)**, \$83 million above the fiscal year 2022 enacted level. Within this amount, the bill includes:
 - \$81 million for **sage-grouse conservation**, \$34 million for **threatened and endangered species**, and \$62 million for the **National Landscape Conservation System** which includes and clearly identifies \$11 million for **National and Scenic Historic Trails**. It also provides \$148 million for the Wild Horse and Burro program which includes \$11 million for research on reversible immunocontraceptive fertility control and its administration.
- \$1.8 billion for **U.S. Fish and Wildlife Service**, \$128 million above the fiscal year 2022 enacted level. Within this amount, the bill includes:
 - \$296 million for **Ecological Services**, \$19 million above the fiscal year 2022 enacted level.
 - \$542 million for **National Wildlife Refuge System**, \$23 million above the fiscal year 2022 enacted level.
- \$3.5 billion for the **National Park Service**, an increase of \$210 million above the fiscal year 2022 enacted level. Within this amount, the bill includes:
 - \$2.9 billion for the **Operation of the National Park System**, an increase of \$156 million above the fiscal year 2022 enacted level.
 - \$93 million for **National Recreation and Preservation**, an increase of \$9 million above the fiscal year 2022 enacted level.

- \$205 million for the **Historic Preservation Fund**, an increase of \$32 million above the fiscal year 2022 enacted level. Within this amount, the bill includes \$62 million for State and Tribal Historic Preservation Offices, \$30 million for competitive grants to preserve the sites and stories of underrepresented community civil rights, and \$11 million for grants to Historically Black Colleges and Universities.
- \$1.5 billion for the **U.S. Geological Survey**, \$103 million above the fiscal year 2022 enacted level.
- \$219.96 million for the **Bureau of Ocean Energy Management**, an increase of \$13.21 million above the fiscal year 2022 enacted level.
 - \$42.8 million for the Renewable Energy Program, an increase of \$6 million above the fiscal year 2022 enacted level.
- \$289.9 million for the **Office of Surface Mining Reclamation and Enforcement**, an increase of \$21.8 million above the fiscal year 2022 enacted level.
- \$4 billion for the **Bureau of Indian Affairs, Bureau of Indian Education, and Office of the Special Trustee**, an increase of \$299 million above the fiscal year 2022 enacted level. Within this amount, the bill includes:
 - \$1.9 billion for **Bureau of Indian Affairs Operation of Indian Programs**, an increase of \$87 million above the fiscal year 2022 enacted level.
 - \$8 million for **Indian Land Consolidation**, an increase of \$1 million above the fiscal year 2022 enacted level.
 - \$153 million for **Bureau of Indian Affairs Construction**, an increase of \$6 million above the fiscal year 2022 enacted level.
 - \$14 million for the **Indian Guaranteed Loan Program**, an increase of \$2 million above the fiscal year 2022 enacted level.
 - \$1.1 billion for **Bureau of Indian Education Operation of Indian Programs**, an increase of \$116 million above the fiscal year 2022 enacted level.
 - \$268 million to the **Bureau of Indian Education Construction**, an increase of \$4 million above the fiscal year 2022 enacted level.
 - Fully funds **Contract Support Costs and Payments for Tribal Leases**.
 - \$111 million for the **Office of the Special Trustee**, an increase of \$2 million above the fiscal year 2022 enacted level.
- \$443 million for **Departmental Offices**, \$40 million above the fiscal year 2022 enacted level. Within this amount, the bill includes:
 - \$128.8 million for the **Office of Insular Affairs**, an increase of \$6.9 million above the fiscal year 2022 enacted level.

Environmental Protection Agency (EPA) – The bill provides a total of \$10.1 billion for the EPA – an increase of \$576 million above the fiscal year 2022 enacted level. Of this amount, the bill includes:

- \$4.1 billion for EPA's core **science and environmental program work**, an increase of \$374 million above the fiscal year 2022 enacted level. Within these amounts, the bill includes:
 - \$681.7 million for **Geographic Programs** which help with the restoration of nationally significant bodies of water like the Great Lakes, Chesapeake Bay, and Long Island Sound. This is an increase of \$94.5 million above the fiscal year 2022 enacted level and \$103.1 million above the President's budget request.
 - \$613.2 million in funding for **enforcement and compliance** activities. This is an increase of \$71.6 million above the fiscal year 2022 enacted level.
- \$4.5 billion for **State and Tribal Assistance Grants**, an increase of \$129 million above the fiscal year 2022 enacted level. Within this amount, the bill includes:
 - \$2.76 billion for **Clean Water and Drinking Water State Revolving Funds**, This includes \$1.472 billion in **Community Project Funding** for 715 drinking water, wastewater, and storm water management projects across the country.

- \$100 million for **Brownfields cleanups**, a \$8 million increase above the fiscal year 2022 enacted level.
- \$100 million for **Diesel Emissions Reduction grants**, an increase of \$8 million above the fiscal year 2022 enacted level.
- \$16 million for four **new grant programs** authorized in the Drinking Water and Wastewater Infrastructure Act.
- \$1.3 billion for **Superfund**, an increase of \$50 million above the fiscal year 2022 enacted level.
- \$108 million for **Environmental Justice** activities, an increase of \$8 million above the fiscal year 2022 level.

Wildland Fire Management (WFM) – The bill provides \$4.2 billion for WFM, which includes \$2.6 billion in cap adjusted fire suppression funding. In addition, the Bill includes \$1.6 billion for wildfire preparedness and suppression activities.

Related Agencies –

- \$3.9 billion for the **Forest Service (non-fire/without LWCF)**, an increase of \$222.7 million above the fiscal year 2022 enacted level.
- \$7 billion for the **Indian Health Service**, an increase of \$327 million above the fiscal year 2022 enacted level.
 - \$4.9 billion for **Health Services**, an increase of \$230 million above the fiscal year 2022 enacted level.
 - \$959 million for **Health Facilities**, an increase of \$18 million above the fiscal year 2022 enacted level.
 - Fully funds **Contract Support Costs and Payments for Tribal Leases**.
 - Provides advance appropriations for fiscal year 2024.
- \$207 million each for the **National Endowment for the Arts** and the **National Endowment for the Humanities**, an increase of \$27 million above the fiscal year 2022 enacted levels, \$6.3 million over the requested level for the National Endowment for the Humanities and \$3.45 million over the request level for the National Endowment for the Arts.
- \$1.15 billion for the **Smithsonian Institution**, \$82 million above the fiscal year 2022 enacted level.
- \$15 million for the **Woodrow Wilson International Center for Scholars**, equal to the fiscal year 2022 enacted level.
- \$45 million for the **John F. Kennedy Center for the Performing Arts**, \$5 million above the fiscal year 2022 enacted level.
- \$65.2 million for the **United States Holocaust Memorial Museum**, an increase of \$2.6 million above the fiscal year 2022 enacted level.

Land and Water Conservation Fund (LWCF) – The bill allocates \$900 million for land acquisition and support for state recreation programs.

The fiscal year 2023 Interior, Environment, and Related Agencies Appropriations bill provides \$4.6 billion to provide for expenses related to wildfires, hurricanes, and other natural disasters in and prior to calendar year 2023.

Labor-HHS-Education

Overview:

The fiscal year 2023 Labor, Health and Human Services, Education, and Related Agencies funding bill provides \$226.8 billion, an increase of \$15 billion – 7.1 percent – above fiscal year 2022. The legislation:

- Creates and sustains good-paying American jobs through investments in job training, apprenticeship programs, and worker protection and includes the first funding increase for the National Labor Relations Board (NLRB) since fiscal year 2010.
- Grows opportunity with transformative investments in education, including strong funding increases for high-poverty schools and students with disabilities, as well as programs that expand access to post-secondary education.
- Strengthens lifesaving biomedical research with increased funding for the National Institutes of Health and includes funding to continue to develop the Advanced Research Projects Agency for Health.
- Bolsters our public health infrastructure with more resources for the Centers for Disease Control and Prevention and for states and local governments to strengthen infrastructure and capacity.
- Addresses our nation's most urgent health crises, including maternal health, mental health, gun violence, and substance misuse, while making strides to reduce persistent and unacceptable health disparities.
- Supports middle class and working families with increased funding for child care and development programs, Head Start, and preschool development grants.

Bill Summary:

Department of Labor (DOL) – The bill provides a total of \$13.8 billion in discretionary appropriations for DOL, an increase of \$652 million above the fiscal year 2022 enacted level. Of this amount, the bill includes:

- \$10.5 billion for the **Employment and Training Administration**, an increase of \$545 million above the fiscal year 2022 enacted level. Within this amount, the bill includes:
 - \$2.9 billion for **Workforce Innovation and Opportunity Act State Grants**, an increase of \$50 million above the fiscal year 2022 enacted level.
 - \$97 million for **Migrant and Seasonal Farmworkers**, an increase of \$2 million above the fiscal year 2022 enacted level.
 - \$115 million for the **Reintegration of Ex-Offenders**, an increase of \$13 million above the fiscal year 2022 enacted level.
 - \$285 million for **Registered Apprenticeships**, an increase of \$50 million above the fiscal year 2022 enacted level.
 - \$105 million for **YouthBuild**, an increase of \$6 million above the fiscal year 2022 enacted level.
 - \$65 million, an increase of \$15 million over the fiscal year 2022 enacted level, to continue and expand **Strengthening Community College Training Grants** to help meet local and regional labor market demand for a skilled workforce by providing training to workers in in-demand industries at community colleges and four-year partners.
 - \$1.760 billion for **Job Corps**, an increase of \$12 million above the fiscal year 2022 enacted level.
 - \$405 million for the **Senior Community Service Employment for Older Americans Program**.
 - \$3.1 billion for operation of the **Unemployment Insurance** program, an increase of \$284 million above the fiscal year 2022 enacted level. The bill also includes contingency funding to help States if there is a spike in unemployment claims.
 - \$84 million for **Foreign Labor Certification**, an increase of \$4 million above the fiscal year 2022 enacted level. Funds will help support Federal oversight and enforcement of regulations and assist States in reviewing and conducting oversight of processing applications.
- \$1.9 billion for **Worker Protection Agencies**, an increase of \$52 million above the fiscal year 2022 enacted level. Within this amount, the bill includes:
 - \$260 million for the **Wage and Hour Division**, an increase of \$9 million above the fiscal year 2022 enacted level.

- \$632 million for the **Occupational Safety and Health Administration**, an increase of \$20 million above the fiscal year 2022 enacted level
- \$191 million for the **Employee Benefits Security Administration**, an increase of \$6 million above the fiscal year 2022 enacted level.
- \$116 million for the **Bureau of International Labor Affairs**, an increase of \$10 million above the fiscal year 2022 enacted level.
- \$23 million for the **Women's Bureau**, an increase of \$5 million above the fiscal year 2022 enacted level.
- \$65.5 million for the **Homeless Veterans Reintegration Program**, an increase of \$5 million above the fiscal year 2022 enacted level.

National Labor Relations Board (NLRB) – The bill provides a total of \$299 million for the NLRB, an increase of \$25 million above the fiscal year 2022 enacted level.

Department of Health and Human Services (HHS) – The bill provides a total of \$120.7 billion for HHS, an increase of \$9.9 billion above the fiscal year 2022 enacted level. Of this amount, the bill includes:

- **Advanced Research Projects Agency for Health (ARPA-H)** – The bill includes \$1.5 billion, an increase of \$500 million above the fiscal year 2022 enacted level, for ARPA-H to accelerate the pace of scientific breakthroughs for diseases such as ALS, Alzheimer's disease, diabetes, and cancer.
- **National Institutes of Health (NIH)** – The bill provides a total of \$47.5 billion for NIH, an increase of \$2.5 billion above the fiscal year 2022 enacted level. The bill includes an increase of no less than 3.8 percent for each Institute and Center to support a wide range of biomedical and behavioral research, as well as targeted investments in several high-priority areas, including:
 - \$7.3 billion, an increase of \$408 million above the fiscal year 2022 enacted level, for the **National Cancer Institute**, including \$216 million for the NCI component of the **Cancer Moonshot**;
 - \$3.7 billion, an increase of \$226 million above the fiscal year 2022 enacted level for **Alzheimer's disease and related dementias research**;
 - \$75 million, an increase of \$50 million above the fiscal year 2022 enacted level, for expanded access and activities authorized in the **ACT for ALS Act**;
 - Expanded support for minority-serving institutions and health disparities research through an increase of \$8 million for the **John Lewis NIMHD Research Endowment Program**, an increase of \$4 million for **Research Centers at Minority Institutions**, and an additional increase of \$45 million for other health disparities research;
 - An increase of \$45 million for research related to **opioids, stimulants, and pain/pain management**;
 - \$12.5 million to continue **firearm injury and mortality prevention research**;
 - \$3.3 billion, an increase of \$100 million above the fiscal year 2022 enacted level, for **HIV/AIDS research**;
 - \$270 million, an increase of \$25 million above the fiscal year 2022 enacted level, for **Universal Flu Vaccine Research**;
 - \$95 million, an increase of \$8 million above the fiscal year 2022 enacted level, for the **Fogarty International Center**;
 - \$90 million, an increase of \$15 million above the fiscal year 2022 enacted level, for the **INCLUDE Down syndrome research initiative**; and

- \$76 million, an increase of \$17 million above the fiscal year 2022 enacted level, for the **Office of Research on Women's Health**; including \$10 million to establish the **Office of Autoimmune Disease Research**.
- **Centers for Disease Control and Prevention (CDC)** – The bill includes a total of \$9.2 billion for CDC, an increase of \$760 million above the fiscal year 2022 enacted level. This includes \$903 million in transfers from the Prevention and Public Health Fund.
 - More than half of the increase amount in the bill is directed to significant investments in our nation's public health infrastructure, including:
 - \$350 million, an increase of \$150 million above the fiscal year 2022 enacted level, for **public health infrastructure and capacity nationwide**.
 - \$175 million, an increase of \$75 million above the fiscal year 2022 enacted level, to **modernize public health data surveillance and analytics** at CDC and State and local health departments.
 - \$71 million, an increase of \$10 million above the fiscal year 2022 enacted level, in **public health workforce** initiatives.
 - \$293 million, an increase of \$40 million above the fiscal year 2022 enacted level, for **global public health protection**.
 - \$187 million, an increase of \$7 million above the fiscal year 2022 enacted level, for the **National Center for Health Statistics**.
 - \$735 million, an increase of \$20 million above the fiscal year 2022 enacted level, for **public health emergency preparedness cooperative agreements**.
 - The bill provides increases for numerous public health efforts, including:
 - \$108 million, an increase \$25 million above the fiscal year 2022 enacted level, for **safe motherhood and infant health**.
 - \$220 million, an increase of \$25 million above the fiscal year 2022 enacted level, for the **Ending the HIV Epidemic Initiative**.
 - \$505 million, an increase of \$15 million above the fiscal year 2022 enacted level, for **opioid overdose prevention and surveillance**.
 - \$197 million, an increase of \$15 million above the fiscal year 2022 enacted level, for the **antibiotic resistance initiative**.
- **Substance Abuse and Mental Health Services Administration (SAMHSA)** – The bill funds SAMHSA at \$7.5 billion – an increase of \$970 million above the fiscal year 2022 enacted level. SAMHSA funding includes:
 - **Mental Health:** \$2.8 billion, an increase of \$707 million over the fiscal year 2022 enacted level, including an \$150 million increase to the Mental Health Block Grant (MHBG), making investments across the behavioral health continuum to support prevention, screening, treatment, and other services; and \$385 million for Certified Community Behavioral Health, a \$70 million increase above the fiscal year 2022 enacted level.
 - **Mental health resources for children and youth:** \$140 million for Project AWARE, an increase of \$20 million above the fiscal year 2022 enacted level; \$94 million for the National Child Traumatic Stress Initiative, an increase of \$12 million above the fiscal year 2022 enacted level; and \$15 million for Infant and Early Childhood Mental Health, an increase of \$5 million above the fiscal year 2022 enacted level.
 - **Suicide and behavioral health crisis prevention:** \$502 million for 988 and Behavioral Health Crisis Services, an increase of \$390 million above the fiscal year 2022 enacted level, to support the new 988 number and services.
 - **Mental Health Crisis Response Grants:** \$20 million, an increase of \$10 million, to help communities create mobile behavioral health crisis response teams.

- **Substance use services:** \$4.2 billion, an increase of \$203 million above the fiscal year 2022 enacted level, including continued funding for opioid prevention and treatment, recovery, and tribal-focused treatment efforts. This includes \$2 billion, an increase of \$100 million above the fiscal year 2022 enacted level, for the Substance Abuse Prevention and Treatment Block Grant (SABG); \$1.575 billion for State Opioid Response Grants, an increase of \$50 million over the fiscal year 2022 enacted level.
- **Substance abuse prevention services:** \$237 million, an increase of \$19 million above the fiscal year 2022 enacted level.
- **Health Resources and Services Administration (HRSA)** – The bill includes \$9.7 billion for HRSA, an increase of \$852 million above the 2022 enacted level. The amount includes:
 - \$1.9 billion, an increase of \$110 million above the fiscal year 2022 enacted level, for the **Health Centers** program, including \$55 million, an increase of \$25 million, to support **school-based health centers**;
 - \$823 million, an increase of \$87 million above the fiscal year 2022 enacted level, for the **Maternal and Child Health Block Grant**, including \$55 million, an increase of \$26 million, for **State Maternal Health Innovation Grants**, and \$7 million, an increase of \$3 million, for the **Maternal Mental Health Hotline**;
 - \$509 million, an increase of \$51 million above the fiscal year 2022 enacted level, for **Title VII Health Professions Education and Training**, including \$40 million, an increase of \$16 million above the fiscal year 2022 enacted level, for the **Substance Use Treatment and Recovery Loan Repayment Program** and an additional increase of \$14 million for other **Behavioral Health Workforce Education and Training** programs;
 - \$300 million, an increase of \$20 million, for **Title VIII Nursing Programs**, including \$8 million for training for **certified nurse midwives**;
 - \$385 million, an increase of \$10 million, for **Children’s Hospitals Graduate Medical Education**;
 - \$10 million, an increase of \$3.5 million, for **Screening and Treatment for Maternal Depression**;
 - \$13 million, an increase of \$2 million, for **Pediatric Mental Health Access**;
 - \$286 million for **Title X Family Planning**;
 - \$2.6 billion, an increase of \$76 million above the fiscal year 2022 enacted level, for the **Ryan White HIV/AIDS** program;
 - \$157 million, an increase of \$35 million, in **Health Centers** and \$165 million, an increase of \$40 million, in the **Ryan White HIV/AIDS** program for the **Ending the HIV Epidemic Initiative**; and
 - \$352 million, an increase of \$21 million above the fiscal year 2022 enacted level, for **Rural Health Programs**, including \$145 million, an increase of \$10 million, for the **Rural Communities Opioid Response Program**.
- **Agency for Healthcare Research and Quality (AHRQ)** – The bill provides \$373.5 million for AHRQ, an increase of \$23.1 million above the fiscal year 2022 enacted level.
- **Centers for Medicare & Medicaid Services (CMS)** – The bill provides a total of \$4.1 billion for CMS administrative expenses, an increase of \$100 million above the fiscal year 2022 enacted level.
- **Administration for Children and Families (ACF)** – The bill provides \$35 billion for ACF, an increase of \$2.5 billion above the fiscal year 2022 enacted level.
 - **Early childhood education** programs receive an increase of over \$2.8 billion above the fiscal year 2022 enacted level:

- \$8 billion for the **Child Care and Development Block Grant**, an increase of \$1.9 billion above the fiscal year 2022 enacted level;
 - \$12 billion for **Head Start**, an increase of \$960 million above the fiscal year 2022 enacted level; and
 - \$315 million for **Preschool Development Grants**, an increase of \$25 million above the fiscal year 2022 enacted level.
- \$4 billion for the **Low Income Home Energy Assistance Program**, an increase of \$200 million above the fiscal year 2022 enacted level.
- \$770 million for the **Community Services Block Grant**, an increase of \$15 million above the fiscal year 2022 enacted level.
- \$176 million for **Child Abuse Prevention and Treatment Act (CAPTA) State Grants and Community Based Child Abuse Prevention (CBCAP)** programs, an increase of \$15 million above the fiscal year 2022 enacted level.
- \$240 million for **Family Violence and Prevention Services Act (FVPSA)** programs, an increase of \$40 million above the fiscal year 2022 enacted level.
- \$20.5 million for the **Domestic Violence Hotline**, an increase of \$5 million above the fiscal year 2022 enacted level.
- **Administration for Community Living (ACL)** – The bill funds ACL at \$2.5 billion, an increase of \$220 million above the fiscal year 2022 enacted level. This amount includes:
 - \$1.1 billion for **Senior Nutrition** programs, an increase of \$100 million above the fiscal year 2022 enacted level;
 - \$410 million for **Home and Community-based Supportive Services**, an increase of \$11 million above the fiscal year 2022 enacted level;
 - \$217 million for **Family and Native American Caregivers Services**, an increase of \$12 million above the fiscal year 2022 enacted level;
 - \$61 million for **Protecting Elder Rights and Preventing Abuse**, including an increase of \$15 million above the fiscal year 2022 enacted level to support **Adult Protective Services Grants**, and an increase of \$2 million for the **National Long-Term Care Ombudsman Program**;
 - \$236 million for **Direct Service Programs for People with Disabilities**, an increase of \$17 million above the fiscal year 2022 enacted level; and
 - \$10 million for the **Lifespan Respite Program**, an increase of \$2 million above the fiscal year 2022 enacted level.
- **Office of the Secretary—General Departmental Management** – The bill provides \$537 million, an increase of \$31 million above the fiscal year 2022 enacted level. The amount includes:
 - \$74.8 million for the **Office of Minority Health**, an increase of \$10 million above the fiscal year 2022 enacted level.
 - \$60 million for the **Minority HIV/AIDS Initiative**, an increase of \$3.1 million above the fiscal year 2022 enacted level.
 - \$44.1 million for the **Office on Women’s Health**, an increase of \$6 million above the fiscal year 2022 enacted level.
 - \$5 million for **KidneyX**, equal to the fiscal year 2022 enacted level, for a public-private partnership to accelerate the development and adoption of novel therapies and technologies to improve the diagnosis and treatment of kidney diseases.
- **Office of the Secretary—Public Health and Social Services Emergency Fund (PHSSEF)** – The bill provides \$3.8 billion for PHSSEF, an increase of \$568 million above the fiscal year 2022 level. The bill provides funding to improve the nation’s preparedness for public health emergencies, including:
 - \$950 million, an increase of \$205 million above the fiscal year 2022 enacted level, for the **Biomedical Advanced Research and Development Authority (BARDA)**.

- \$965 million, an increase of \$120 million above the fiscal year 2022 enacted level, for the **Strategic National Stockpile**.
- \$820 million, an increase of \$40 million above the fiscal year 2022 enacted level, for **Project BioShield**.
- \$335 million, an increase of \$35 million above the fiscal year 2022 enacted level, for **pandemic influenza**.

Department of Education (ED) – The bill provides a total of \$79.6 billion in discretionary appropriations for ED, an increase of \$3.2 billion above the fiscal year 2022 enacted level. Of this amount, the bill includes:

- **K-12 Education, including Individuals with Disabilities Education Act programs**—The bill provides \$45 billion, an increase of \$2.4 billion over the fiscal year 2022 enacted level. Within this amount, the bill provides:
 - \$18.4 billion for **Title I Grants to Local Educational Agencies**, an increase of \$850 million above the fiscal year 2022 enacted level.
 - \$15.5 billion for **Special Education**, an increase of \$934 million above the fiscal year 2022 enacted level. The amount includes:
 - \$14.2 billion for **Part B Grants to States**, an increase of \$850 million above the fiscal year 2022 enacted level;
 - \$540 million for **Grants for Infants and Families**, an increase of \$44 million above the fiscal year 2022 enacted level;
 - \$115 million for **Personnel Preparation**, an increase of \$20 million above the fiscal year 2022 enacted level; and
 - \$36 million for **Special Olympics** education programs, an increase of \$5 million above the fiscal year 2022 enacted level.
 - \$890 million for **English Language Acquisition**, an increase of \$59 million above the fiscal year 2022 enacted level.
 - \$1.4 billion for **Student Support and Academic Enrichment State Grants**, an increase of \$100 million above the fiscal year 2022 enacted level.
 - \$1.3 billion for **Nita M. Lowey 21st Century Community Learning Centers**, an increase of \$40 million above the fiscal year 2022 enacted level.
 - \$1.6 billion for **Impact Aid**, an increase of \$61 million above the fiscal year 2022 enacted level.
 - \$129 million for **Magnet Schools Assistance**, an increase of \$15 million above the fiscal year 2022 enacted level.
 - \$23 million for **American History and Civics**, an increase of \$15 million above the fiscal year 2022 enacted level.
 - \$129 million for **Education for Homeless Children and Youth**, an increase of \$15 million above the fiscal year 2022 enacted level.
 - Continued support for a **Social and Emotional Learning (SEL) Initiative** to support SEL and “whole child” approaches to education. Within this amount, the bill provides:
 - \$87 million, an increase of \$5 million over the fiscal year 2022 enacted level, for evidence-based, field-initiated grants that address student social, emotional, and cognitive needs within the **Education Innovation and Research** program;
 - \$90 million, an increase of \$5 million over the fiscal year 2022 enacted level, for the **Supporting Effective Educator Development (SEED)** program with a priority for professional development and pathways into teaching that includes a strong foundation in SEL and “whole child” strategies; and
 - \$150 million, an increase of \$75 million over the fiscal year 2022 enacted level, for **Full-Service Community Schools** to provide comprehensive services and expand evidence-based models that meet the holistic needs of children, families, and communities.

- The bill a repeals a prohibition against the use of federal education funds by states and school districts for certain transportation activities.
- **Career, Technical and Adult Education**—The bill provides \$2.2 billion for Career, Technical and Adult Education, an increase of \$100 million above the fiscal year 2022 enacted level. This amount includes:
 - \$1.4 billion for **CTE State Grants**, an increase of \$50 million above the fiscal year 2022 enacted level;
 - \$32 million for **CTE National Programs**, an increase of \$25 million above the fiscal year 2022 enacted level, to support a new Career-Connected High Schools initiative within Innovation and Modernization Grants; and,
 - \$729 million for **Adult Education State Grants**, an increase of \$25 million above the fiscal year 2022 enacted level.
- **Student Financial Assistance**— The bill provides \$24.6 billion for Federal student aid programs, an increase of \$34 million above the fiscal year 2022 enacted level. Within this amount, the bill provides:
 - \$7,395 for the maximum **Pell Grant**, an increase of \$500 above the fiscal year 2022 enacted level.
 - \$910 million for the **Federal Supplemental Educational Opportunity Grant program**, an increase of \$15 million above the fiscal year 2022 enacted level.
 - \$1.2 billion for **Federal Work Study**, an increase of \$20 million above the fiscal year 2022 enacted level.
- **Higher Education**— The bill provides \$3.5 billion for higher education programs, an increase of \$532 million above the fiscal year 2022 enacted level.
 - Within this amount, the bill provides \$1.02 billion, an increase of \$137 million over the fiscal year 2022 enacted level, to assist **Historically Black Colleges and Universities (HBCUs)** and **Minority Serving Institutions (MSIs)** in the Aid for Institutional Development account, including:
 - \$396 million for **HBCUs**, an increase of \$33 million above the fiscal year 2022 enacted level.
 - \$228 million for **Hispanic Serving Institutions**, an increase of \$45 million above the fiscal year 2022 enacted level.
 - \$52 million for **Tribally Controlled Colleges and Universities**, an increase of \$8 million above the fiscal year 2022 enacted level.
 - The bill also provides investments in the following higher education programs:
 - \$1.2 billion for **Federal TRIO programs**, an increase of \$54 million above the fiscal year 2022 enacted level.
 - \$388 million for **GEAR UP**, an increase of \$10 million above the fiscal year 2022 enacted level.
 - \$70 million for **Teacher Quality Partnerships**, an increase of \$11 million above the fiscal year 2022 enacted level.
 - \$75 million for the **Child Care Access Means Parents in School**, an increase of \$10 million above the fiscal year 2022 enacted level.
 - \$15 million for **Hawkins Centers of Excellence**, an increase of \$7 million above the fiscal year 2022 enacted level.
 - \$50 million for a new **HBCU, TCU, and MSI Research and Development Infrastructure Grants** program.
 - \$45 million for **Postsecondary Student Success Grants**, an increase of \$40 million above the fiscal year 2022 enacted level.

- **Institute of Education Sciences (IES)**— The bill provides \$808 million for IES, an increase of \$71 million above the fiscal year 2022 enacted level.

Related Agencies –

- \$1.3 billion for the **Corporation for National and Community Service (CNCS)**, an increase of \$162 million above the fiscal year 2022 enacted level.
 - Within the total amount, the bill includes:
 - \$557 million for **AmeriCorps State and National Grants**, an increase of \$90 million over the fiscal year 2022 enacted level.
 - \$237 million for **SeniorCorps programs**, an increase of \$6 million over the fiscal year 2022 enacted level.
- \$535 million for the **Corporation for Public Broadcasting (CPB)**, in 2025 advance funding, an increase of \$10 million above the fiscal year 2024 enacted level. In addition, the bill includes \$60 million for the interconnection system and system wide infrastructure, an increase of \$40 million above the fiscal year 2022 enacted level.
- \$295 million for the **Institute of Museum and Library Services**, an increase of \$27 million above the fiscal year 2022 enacted level.
- \$14 billion for the **Social Security Administration's (SSA)** operating expenses, an increase of \$785 million above the fiscal year 2022 enacted level.

Legislative Branch

Overview:

The fiscal year 2023 Legislative Branch funding bill provides \$6.9 billion, which is \$975 million above the fiscal year 2022 enacted levels, an increase of 16.5 percent. The legislation:

- Increases funding for the Members Representational Allowance – the operating budget for Congressional offices – to help recruit and retain a talented and diverse staff.
- Supports working families by expanding existing authorities and allowing the House to establish a childcare subsidy program.
- Keeps Members safe by continuing the House Sergeant at Arms District Office and Residential Security Programs.
- Supports staff recruitment and retention efforts by expanding current authorities and providing educational assistance and professional development while working.
- Invests in our future by expanding internship opportunities and providing a livable wage for House interns, growing opportunities for working and middle-class families.
- Invests in the Legislative Branch of Government by providing the necessary increases to support staff, modernize information technology, and provide other resources Congress needs to do its job well.
- Secures the Capitol with substantial investments in our Capitol Complex for the safety of its Members, staff, and visitors.
- Supports the Police by increasing funding to hire additional officers, increasing Dignitary Protection Services, providing retention bonuses, improving training, and bolstering wellness support for the Capitol Police.

Bill Summary:

House of Representatives – The bill provides a total of \$1.85 billion in discretionary appropriations for the House of Representatives, an increase of \$132.6 million above the fiscal year 2022 enacted level and includes:

- \$810 million for the **Members Representational Allowance (MRA)**, the basic office budgets of House Members, an increase of \$35.6 million above the fiscal year 2022 level. Provides for a 4.6% increase to the Clerk-hire portion of the MRA formula.
- \$24.3 million in **funding for paid interns** for Member, Leadership, and Committee offices, an increase of \$6.1 million above the fiscal year 2022 enacted level. Helps expand internship opportunities for all socioeconomic backgrounds. Funding at this level will provide \$46,800 per Member office for interns, an increase of \$11,800 per Member to support paying livable wages to interns. The bill also provides resources to establish a House Intern Resource Office.
- **Expands authorities of the House Student Loan Repayment Program** to cover educational assistance and professional development courses while working.
- Expands existing authorities to the House of Representatives and allow for the development of a **childcare subsidy program for staff**.
- Establishes a **House Intern Resource Office** headed by the House Chief Administrative Officer.
- \$324 million for the salaries and expenses of **House officers and employees**, including the offices of the Clerk of the House, Sergeant at Arms, Chief Administrative Officer (CAO), Parliamentarian, and Legislative Counsel, among others. This is an increase of \$35.6 million above the fiscal year 2022 level. Within this funding,
 - \$38.8 million is provided for the **Sergeant at Arms**, \$11 million above the fiscal year 2022 level, which includes \$2.7 million for the District Office Security Program and \$4.7 for the Residential Security Program.
- \$36.6 million for the offices of the **Majority and Minority Leadership**, an increase of \$1.6 million above the fiscal year 2022 level.
- \$211.8 million for the operations of **House committees**, an increase of \$14.9 million above the fiscal year 2022 level.
- \$9.7 million for the **Green and Gold Congressional Aide program**, formerly known as the Wounded Warrior and Congressional Gold Star Family Fellowship Programs.
- \$10 million for the **House Modernization Initiatives Account**, an increase of \$8 million above the fiscal year 2022 level, to make Congress more effective, efficient, and transparent on behalf of the American people.

Other Agencies

- \$1.3 billion in discretionary appropriations for the **Architect of the Capitol**, an increase of \$541 million above the fiscal year 2022 level (including funding for the Senate Office Buildings). This includes:
 - \$402.9 million, an increase of \$340.5 million, for the Capitol Police Buildings, Grounds, and Security supporting significant enhancements to the physical security of the Capitol Complex as a result of the security recommendations made after January 6th, 2021.
 - \$51 million for the Library's Module 7 storage project.
 - \$40.6 million for the Cannon Restoration Project.
- \$734.6 million in discretionary appropriations for the **United States Capitol Police (USCP)**, an increase of \$132 million above the fiscal year 2023 level which includes \$9.5 million to enhance Member protections and security against continued threats. The bill includes:
 - The hiring of up to 2,126 sworn officers and 567 civilian members of the Capitol Police.

- Resources to fulfill security recommendations as suggested by the Government Accountability Office and the Office of Inspector General after the January 6th attack on the Capitol.
 - Resources for the pilot of a Body Worn Camera Program.
 - Continued work on de-escalation and racial bias training.
- \$790.3 million in discretionary appropriations for the **Government Accountability Office (GAO)**, an increase of \$71 million above the fiscal year 2022 level. This level of funding would support 3,500 FTEs which continues the focus on building science, technology and cybersecurity expertise while filling critical gaps. In addition, the bill includes resources to support oversight work associated with the Infrastructure Investment and Jobs Act and the community projects included in the omnibus.
 - \$828.5 million in discretionary appropriations for the **Library of Congress**, an increase of \$34.5 million above the fiscal year 2022 level, for the Library of Congress, including the Copyright Office, Congressional Research Service, and National Library Service for the Blind and Print Disabled. This funding level will allow continued progress on urgent information technology needs and on modernization of systems for copyright registration and recordation and support ongoing Library initiatives such as the Veterans' History Project. In addition, this level of funding establishes new projects such as the Lewis-Houghton Civics and Democracy Initiative and the COVID-19 American History Project.
 - \$129.9 million in discretionary appropriations for the **Government Publishing Office**, an increase of \$5.6 million above the fiscal year 2022 level. This funding allows for the publishing of Congressional information in both digital and print formats.
 - \$63.2 million for the **Congressional Budget Office (CBO)**, an increase of \$2.3 million above the fiscal year 2022 level.
 - \$8 million for the **Office of Congressional Workplace Rights**, an increase of \$500,000 above the fiscal year 2022 level to fulfill the Office's responsibilities to implement the Congressional Accountability Reform Act and to assist with recent staff unionization efforts.
 - \$1.150 billion for the **Senate**, an increase of \$55.5 million above the fiscal year 2022 enacted level.
 - The bill includes a provision establishing the McCain-Mansfield and SFC Sean Cooley and SPC Christopher Horton Congressional Gold Star Family Fellowships Program. This program will mirror the House Green and Gold Congressional Aide Program.
 - \$6 million for **Congressional Office of International Leadership**, funded at the request and level with the fiscal year 2022 enacted level.
 - \$430,000 included for the **John C. Stennis Center**, funded at the request and level with the fiscal year 2022 enacted level.
 - \$5 million in additional funding for the **Office of the Attending Physician** to continue its Capitol Health and Safety program.

Noteworthy Actions:

- **Member Security** – The bill invests in Member security initiatives including residential security for both House and Senate Members, district office security, and increasing Dignitary Protection Division

agents enforcement.

- **Capitol Complex Security Program** – This bill enhances the physical security of the Capitol Complex as a result of recommendations from January 6th.
- **Body Cam Pilot Program** – The bill includes language to start a body cam pilot program for Capitol Police officers on the Capitol Complex, increasing transparency and officer safety.
- **House Interns** – This bill provides the necessary resources to allow for House interns to be paid at a “livable wage”.
- **House Childcare Subsidy** – This bill expands authorities to the House of Representatives and allow for the development of a childcare subsidy program for staff.

Military Construction & Veterans Affairs

Overview:

The fiscal year 2023 Military Construction, Veterans Affairs, and Related Agencies Appropriations bill provides \$322.7 billion, an increase of \$38 billion – more than 13 percent – above fiscal year 2022. Of this amount, discretionary funding for programs such as veterans’ health care and military construction totals \$154.2 billion, an increase of \$26.6 billion above fiscal year 2022. The legislation:

- Supports our veterans with investments in health care, including targeted investments that advance women's health, mental health, and homelessness assistance.
- Rebuilds our infrastructure with strong investments to construct critical facilities on military installations, including family housing and child development centers, and build, repair, and retrofit Veterans Affairs facilities.
- Ensures veterans receive the compensation and benefits that they have earned without unreasonable delays.
- Protects our national security with investments to respond to the challenges posed by Russian and Chinese aggression.
- Confronts the climate crisis with increased climate change and resiliency funding to help military installations adapt to rising sea levels and worsening natural disasters.
- Responds to natural disasters by providing funding for recovery and rebuilding of damaged installations.
- Remediate harmful substances and chemicals leaked into the land and water sources.

The appropriations bill also includes—for the first time—\$5 billion in mandatory funding for the Cost of War Toxic Exposures Fund established in the Honoring Our PACT Act of 2022.

In addition, the legislation includes \$41 million in emergency funding to support recovery from Hurricanes Ian and Fiona.

Bill Summary:

Military Construction – The bill provides a total of \$19 billion for military construction – \$4.1 billion above the fiscal year 2022 enacted level and \$6.8 billion above the President’s budget request. Of this amount, the bill includes:

- \$293.3 million for **Child Development Centers**, of which \$45 million is for planning and design for future facilities, and in total is \$204.8 million above the fiscal year 2022 budget request. The funds will support increased capacity and better facilities for the 1.2 million children of active duty servicemembers worldwide.
- \$2 billion for **Family Housing**, an increase of \$562.8 million above the fiscal year 2022 enacted level and \$30 million above the budget request. Within this amount, an additional \$30 million is to increase oversight of DOD-owned and privatized housing.
- \$1 billion for construction or alteration of **Guard and Reserve** facilities in states and territories, an increase of \$113 million above the fiscal year 2022 enacted level and \$409 million above the fiscal year 2023 budget request.
- \$653.3 million for the **Energy Resilience and Conservation Investment Program**, which is \$100 million above the fiscal year 2023 budget request and supports the U.S. Department of Defense (DOD)'s investments in energy efficiency, resilience, renewable energy systems, and energy security.
- \$220.1 million for the **NATO Security Investment Program**, an increase of \$4 million above the fiscal year 2022 enacted level and \$10 million above the fiscal year 2023 budget request, for infrastructure necessary for wartime, crisis, peace support and deterrence operations, and training requirements. The funds will support responses to the challenges posed by Russian aggression as well as the risks and threats emanating from the Middle East and North Africa.
- \$574.7 million for **Base Realignment and Closure remediation**, an increase of \$45 million above the fiscal year 2022 enacted level and \$290 million above the fiscal year 2023 budget request. Within this amount, cleanup of Per- and Polyfluoroalkyl Substances (PFAS) contamination is funded at \$200 million.
- \$1.9 billion for eligible, authorized **Unfunded Requirement (UFR) projects**.
- \$360 million for **Natural Disaster Recovery Construction**, which will support Air Force requirements to recover from damage incurred by natural disasters. In addition, \$41 million is provided in Division N for the Navy and Marine Corps to repair hurricane damage.
- \$95 million for **Climate Change and Resiliency projects**, which is \$95 million above the fiscal year 2023 budget request.
- \$1.3 billion for **Shipyard Infrastructure Optimization Plan (SIOP) projects**, which is \$635 million above the fiscal year 2022 enacted level, and \$50 million above the fiscal year 2023 budget request.
- \$120 million for planning and design, unspecified minor construction, and authorized major construction projects to address priority **Defense laboratory requirements**.
- \$50 million for **Indo-Pacific Command** planning and design and minor construction to advance critical projects in a strategically vital region of the world.

Department of Veterans Affairs (VA) – The bill provides a total of \$134.7 billion in discretionary appropriations for VA, an increase of \$22.5 billion above the fiscal year 2022 enacted level and \$328.7 million below the President's budget request. These resources will serve to expand access to services for veterans and will boost oversight and accountability across the department. Of this amount, the bill includes:

- \$118.7 billion for **Veterans Medical Care**, an increase of \$21.7 billion above the fiscal year 2022 enacted level and equal to the President's budget request. This will provide care for 7.3 million patients expected to be treated by VA in fiscal year 2023. This amount includes:
 - \$13.9 billion for **Mental Healthcare**, including \$498 million for suicide prevention outreach. This will support the nearly 2 million veterans who receive mental health services in a VA specialty mental health setting, as well as support suicide prevention services like the Veterans Crisis Line, which is expected to see an increase in demand by over 100 percent this year.

- \$2.7 billion for **Homeless Assistance Programs**. This funding will enhance VA's ability to reach homeless veterans, which is particularly crucial as the most recent homelessness survey showed that on a given night in January 2021, an estimated 19,750 veterans were experiencing homelessness.
- \$183.3 million for **Substance Use Disorder programs**. This funding will help support care for the over 540,000 veterans who had a substance use disorder diagnosis in 2021. Additionally, \$663 million is for **opioid abuse prevention**, an increase of \$41 million above the fiscal year 2022 enacted level and equal to the budget request. This funding will allow for more targeted funding of pain management and opioid safety programs primarily at the facility level.
- \$86 million for **Whole Health Initiatives**. This will enable VA to build upon the success of this program that focuses on veterans' overall health and well-being, which saw 573,940 veterans participating in 2021.
- Additionally, the bill includes \$128.1 billion in advance fiscal year 2024 funding for **Veterans Medical Care** – equal to the President's budget request. This funding will provide for medical services, medical community care, medical support and compliance, and medical facilities, and ensure that our veterans have continued, full access to their medical care needs.
- The bill includes \$16 billion for VA non-Medical Care programs, which is \$1.2 billion above the fiscal year 2022 enacted level. Of this amount:
 - \$916 million is for **Medical and Prosthetic Research**, an increase of \$34 million above the fiscal year 2022 enacted level and equal to the President's budget request. This funding will allow VA to fund approximately 2,697 total projects and partner with more than 200 medical schools and other academic institutions.
 - \$1.76 billion is to continue implementation of the **VA Electronic Health Record Modernization** initiative, \$741 million below the fiscal year 2022 enacted level and equal to the President's budget request. These funds will allow VA to support improvements to the stability and usability of the new electronic health record (EHR) system, continued deployment of the EHR at VA medical centers, and allow for intensive staff training critical to the success of the effort and to ensure patient safety. The bill also continues robust oversight of this program, including by the Government Accountability Office, to ensure that the EHR system is implemented in a timely and efficient manner.
 - \$2.1 billion is for **VA Construction** programs, equal to the President's budget request. Within this amount, \$1.45 billion is for Major Construction and \$626 million is for Minor Construction. This increase will support VA's highest priority projects and correct critical seismic and safety deficiencies and address other performance gaps at VA facilities to ensure that veterans can access care in modern facilities that are safe, secure, sustainable, and accessible. In addition, \$968 million in funds made available from the Recurring Expenses Transformational Fund will support additional VA construction projects, for a total funding level of \$3 billion in fiscal year 2023.
 - \$150 million is for **Grants for Construction of State Extended Care Facilities**, an increase of \$100 million above the fiscal year 2022 enacted level and equal to the President's budget request. This increase will allow VA to provide more grants to assist States in constructing State home facilities, for furnishing domiciliary or nursing home care to veterans, and to expand, remodel, or alter existing buildings.

- \$3.86 billion is for operating expenses of the **Veterans Benefits Administration**, an increase of \$409 million above the fiscal year 2022 enacted level and equal to the President's budget request, to ensure the prompt processing of disability claims and efforts to continue reducing the disability claims backlog. These funds will allow VA to support service-connected compensation payments to an estimated 5.5 million veterans, 500,000 survivors and dependents. In addition, pension payments will be funded for nearly 300,000 veterans and survivors. The bill also continues rigorous reporting requirements to track each regional office's performance on claims processing and appeals backlogs.
- Additionally, the bill includes \$155.4 billion in advance mandatory funding for VA benefit programs.
- The bill includes \$5 billion in new mandatory funds for the **Cost of War Toxic Exposures Fund**, established to support costs related to providing veterans and their families the benefits and care associated with the eligibility expansions included in the Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 (P.L. 117-168). The combination of these funds and those made available through the discretionary appropriations in this Act and other sources will fully support the Administration's request to begin implementing the PACT Act, including meeting increased health care needs and providing support for claims processing to ensure veterans are getting the care and benefits they deserve.

Related Agencies – The bill provides a total of \$442.7 million in discretionary appropriations for related agencies, an increase of \$8.5 million above the fiscal year 2022 enacted level and \$700,000 above the President's budget request. Of this amount, the bill includes:

- \$156 million for **Arlington National Cemetery**, including \$60 million to continue the urgently needed Southern Expansion project that will create 80,000 additional burial spaces. This is equal to the President's budget request.
- \$87.5 million for the **American Battle Monuments Commission**, equal to the fiscal year 2022 enacted level and \$700,000 more than the President's budget request. This will support continued maintenance of the graves of 124,000 American war dead in overseas cemeteries, as well as visitor and education services for the more than 3 million visitors expected to visit these sites in fiscal year 2023.
- \$152 million for the **Armed Forces Retirement Home**, \$75 million above the fiscal year 2022 enacted level and equal to the President's budget request. This will support the needs of the over 800 residents at the two retirement home campuses and invest in critical life and safety infrastructure improvements, including construction funds for the renovation of the main resident building on the Washington campus.
- \$46.9 million for the **Court of Appeals for Veterans Claims**, \$5.2 million above the fiscal year 2022 enacted level and equal to the President's budget request. This will enable the Court to keep pace with its caseload of veterans' appeals, which consisted of over 8,000 appeals in 2021.

State and Foreign Operations

Overview:

The fiscal year 2023 State, Foreign Operations, and Related Programs Appropriations Act provides \$59.7 billion, which is \$3.6 billion above fiscal year 2022. In addition, the legislation includes \$16.6 billion in

emergency humanitarian, economic, and security assistance for Ukraine, countries affected by the situation in Ukraine, and other assistance to vulnerable populations and communities.

This legislation:

- Invests in Global Health and the Prevention of Future Pandemics by including \$10.56 billion to support the health of families and communities around the world, a \$731 million increase over fiscal year 2022 enacted. Included is robust support for global health security to prevent future pandemics through both bilateral and multilateral mechanisms.
- Provides \$6.8 billion in humanitarian assistance to address the historic levels of global displacement and humanitarian need resulting from natural disasters, economic strain from the pandemic, and the worldwide impact of Russia's aggression in Ukraine. In addition, division M includes \$2.5 billion in emergency supplemental humanitarian funding.
- Provides over \$1.8 billion to promote a free and open Indo-Pacific to help counter the growing influence of the People's Republic of China in developing countries.
- Provides \$2.9 billion to advance democracy programs and global democratic renewal by making democracies more resilient and responsive in countering authoritarian influence.
- Provides \$9.5 billion to support the operation of our diplomatic presence overseas for the Department of State's Diplomatic Programs and \$1.7 billion for USAID's Operating Expenses.

Bill Summary:

State Department Operations and Related Agencies – The bill provides a total of \$17.4 billion for the operational costs of the State Department and related agencies, as well as diplomatic efforts to enhance peace and stability around the globe.

Within this amount, the bill provides \$5.8 billion for embassy security, the same as the fiscal year 2022 enacted level. These funds will address needs at more than 275 diplomatic facilities overseas, including facility upgrades and security personnel.

United States Agency for International Development (USAID) Operations – The bill provides a total of \$2.1 billion for USAID and the USAID Office of Inspector General – an increase of \$108.8 million above the fiscal year 2022 enacted level. The bill increases diversity, equity, inclusion, and accessibility initiatives in addition to supporting the agency's Global Development Partnership Initiative to support increased foreign service and civil service personnel, including for global health security, acquisition and assistance support, and climate programs.

Bilateral Economic and Global Health Assistance – The bill contains a total of \$20.5 billion for bilateral economic assistance to foreign countries – an increase of \$1.2 billion from the fiscal year 2022 enacted level. Within this amount, programs that support development assistance, global health, and humanitarian assistance are prioritized.

International Security Assistance – The bill provides a total of \$8.9 billion for international security assistance. Funds are included for international narcotics control and law enforcement activities, antiterrorism programs, nonproliferation programs, peacekeeping operations, and other critical international security efforts. The bill also provides funding to fight terrorist financing networks and bolsters border and airport security.

The bill provides security assistance to key allies and partners by fully funding the \$3.3 billion commitment to Israel's security, fulfilling the MOU, and it maintains strong support for Foreign Military Financing Program (FMF) assistance for Egypt, Georgia and Jordan.

In addition, another \$560 million is included under division M for international security assistance, including for Ukraine and other countries impacted by the situation in Ukraine.

Multilateral Assistance – The bill provides \$2.8 billion for assistance to foreign countries through international organizations and multilateral development banks– an increase of \$388.7 million above the fiscal year 2022 enacted level. The bill fully funds our assessed Contributions to International Organizations and continues our contributions to international financial institutions such as the World Bank’s International Development Association as well as to other multilateral institutions, including the Global Environment Facility and the International Fund for Agricultural Development.

The bill supports increased partnership with multilateral institutions on providing additional assistance to support countries as they recover from the impacts of the pandemic and continue combatting against the climate crisis. In continuation of supporting countries in recovering from the economic impacts of the pandemic, the bill continues a contribution to the International Monetary Fund for the Poverty Reduction and Growth Trust and the newly established Resilience and Sustainability Trust. The bill continues a contribution to the Clean Technology Fund to combat the climate crisis and help countries scale up low carbon technologies. The bill also includes a \$10 million contribution to the Global Agriculture and Food Security Program to advance the UN Sustainable Development Goals on eliminating poverty and hunger.

Export and Investment Assistance – The bill provides \$1.2 billion on for the Export-Import Bank (EXIM), the United States International Development Finance Corporation (DFC), and the Trade and Development Agency (TDA). The bill provides \$125 million for administrative expenses for EXIM, an increase of \$11 million above the fiscal year 2022 enacted level and provides \$15 million to support EXIM’s China and Transformational Exports Program to help American exporters compete fairly against PRC-backed competition.

The bill also provides \$1 billion for the DFC, an increase of \$302 million above the fiscal year 2022 enacted level, which supports administrative expenses for increased personnel to manage the DFC’s expanding portfolio, including its monitoring and evaluation requirements. In addition, \$5.6 million is provided for the DFC Office of Inspector General, an increase of \$2.8 million above the fiscal year 2022 enacted level, to be fully operational, equipped with sufficient personnel and resources to conduct oversight on the DFC’s portfolio. The bill also provides \$87 million for the United States Trade and Development Agency, an increase of \$7.5 million above the fiscal year 2022 enacted level.

Funding for critical programs and organizations:

President’s Emergency Plan for AIDS Relief (PEPFAR), including the Global Fund:

- \$6.39 billion for PEPFAR, including \$2 billion for the Global Fund – \$440 million more than the fiscal year 2022 enacted level.

Family Planning & UNFPA:

- \$575 million for family planning – consistent with the fiscal year 2022 enacted level.
- \$32.5 million for UNFPA – consistent with the fiscal year 2022 enacted level.

Other Global Health Programs:

- \$4.166 billion for programs to improve maternal and child health and fight infectious diseases, \$286 million above the fiscal year 2022 enacted level. Includes \$900 million for Global Health Security, a \$200 million increase above the fiscal year 2022 enacted level.

Human Rights of All People including LGBTQI+ Communities:

- \$25 million for the Global Equality Fund – \$10 million above the fiscal year 2022 enacted level.
- \$25 million for the Protection of LGBTQI+ Persons, USAID – \$15 million above the fiscal year 2022 enacted level.
- \$500,000 for the Special Envoy to Advance the Human Rights of LGBTQI+ Persons – same as the fiscal year 2022 enacted level.
- \$5 million for disability rights – \$1 million above the fiscal year 2022 enacted level.

International Basic Education:

- \$970 million for basic education – \$20 million above as the fiscal year 2022 enacted level and \$277 million above the President's budget request. This includes \$160 million for multilateral partnerships in education.

Humanitarian Assistance:

- \$6.8 billion for humanitarian assistance under the accounts Migration & Refugee Assistance (MRA), U.S. Emergency Refugee & Migration Assistance (ERMA), and International Disaster Assistance (IDA). The funds provided will help address global food insecurity, displacement due to conflict and natural disasters and climate change, and continue to rebuild the U.S. Refugee Admissions Program. In addition, \$2.5 billion under IDA and MRA are included in division M for humanitarian needs in Ukraine and in countries impacted by the situation in Ukraine, and for additional support for other vulnerable populations. This brings the total made available for humanitarian assistance to nearly \$9.3 billion for fiscal year 2023.

Educational and Cultural Exchange (ECE) Programs:

- \$777.5 million for exchange programs - \$24.5 million above the fiscal year 2022 enacted level and \$36.2 million above the President's budget request.

Climate and Environment Initiatives:

- Includes \$2 billion for bilateral and multilateral climate and other environment programs. Including:
 - \$385 million for biodiversity, of which \$125 million is for wildlife trafficking, same as the fiscal year 2022 enacted level
 - \$185 million for sustainable landscapes, same as the fiscal year 2022 enacted level
 - \$270 million for adaptation programs, same as the fiscal year 2022 enacted level
 - \$260 million for clean energy programs, same as the fiscal year 2022 enacted level
 - \$150.2 million for the Global Environment Facility, \$912,000 above the fiscal year 2022 enacted level and the same as the President's budget request.
 - \$125 million for the Clean Technology Fund, same as the fiscal year 2022 enacted level
 - Provides authority for a contribution to the Adaptation Fund and the Least Developed Countries Fund to help countries adapt to new climate realities caused by climate change

Democracy Programs & National Endowment for Democracy (NED):

- \$2.9 billion for democracy programs - \$300 million above the fiscal year 2022 enacted level and same as the President's budget.
- \$315 million for the National Endowment for Democracy – same as the fiscal year 2022 enacted level and \$15 million above the President's budget.
- \$355.7 million for Democracy Fund, of which \$222.45 million is for the State Department and \$133.25 million for USAID, an increase of \$15 million above the fiscal year 2022 enacted level and the President's budget request

Assessed & voluntary contributions for U.N. peacekeeping activities:

- \$1.5 billion for Contributions for International Peacekeeping Activities (CIPA) and \$460 million for Peacekeeping Operations (PKO).

Assessed & voluntary contributions to international organizations:

- \$1.438 billion to fully fund our assessed Contributions to International Organizations (CIO).
- \$508.6 million for International Organizations & Programs (IO&P) – \$85.6 million above the fiscal year 2022 enacted level and \$51.4 million above the President's budget request.

U.S. Agency for Global Media (USAGM):

- \$875 million for USAGM, which is \$24.7 million above the fiscal year 2022 enacted level and \$44.3 million above the President's budget request.
- \$40 million for the Open Technology Fund, which is \$13 million above the fiscal year 2022 enacted level.

Peace Corps:

- \$430.5 million for Peace Corps – an increase of \$20 million above the fiscal year 2022 enacted level and same as the President's budget request.

The Asia Foundation:

- \$22 million for the Asia Foundation – an increase of \$500,000 above the fiscal year 2022 enacted level and \$2 million above the President's budget request.

East-West Center:

- \$22 million for the East-West Center – an increase of \$2.3 million above the fiscal year 2022 enacted level and \$2.3 million above the President's budget request.

Millennium Challenge Corporation (MCC):

- \$930 million for MCC, which is \$18 million above the fiscal year 2022 enacted level.

The U.S. Institute of Peace (USIP):

- \$55 million for USIP, which is \$1 million above the fiscal year 2022 enacted level.

The Inter-American Foundation:

- \$47 million for the IAF, which is \$5 million above the fiscal year 2022 enacted level.

U.S. African Development Foundation:

- \$45 million for the USADF, which is \$5 million above the fiscal year 2022 enacted level.

Global Internet Freedom

- \$90.5 million for Global Internet Freedom initiatives, which is \$13 million above the fiscal year 2022 enacted level.

Support for U.S. allies, partners, and programs including:

(amounts are included in account totals above)

- **Pacific Islands Countries:** Includes not less than \$150 million for Pacific Islands countries (PICs) for expanding diplomatic presence in PICs and for: trade capacity building; climate mitigation and adaptation programs; emergency preparedness and technical assistance for emergencies and post-

disaster relief and recovery; economic programs to advance inclusive and sustainable long-term economic development; democratic governance; and security.

- **Assistance for Europe, Eurasia and Central Asia (AEECA):** \$500 million for the countries of Eastern Europe, Eurasia and Central Asia. In addition, \$350 million is included under division M for assistance and related programs for Ukraine and other countries in Europe, Eurasia, and Central Asia.
- **Assistance for the Palestinian people:** Includes \$225 million under Economic Support Fund for programs in the West Bank and Gaza serving the Palestinian people. The bill also directs \$75 million in additional funding for UNRWA for food assistance to vulnerable Palestinians in the West Bank and Gaza, given the sharp rise in the cost of food.
- **Israel:** Includes the \$3.3 billion MOU level in security assistance to Israel and extends loan guarantees to until fiscal year 2028.
- **Central America:** Provides funding to support the U.S. Strategy to Address the Root Causes of Migration in Central America, including \$61.5 million to combat corruption, strengthen rule of law, and advance human rights; \$70 million to address violence against women and girls; up to \$100 million to promote locally-led development in El Salvador, Guatemala, and Honduras; and continues support the youth empowerment program to engage youth in the region to measurably reduce migration begun in fiscal year 2022. Maintains strong prior year conditions on assistance to the central governments of El Salvador, Guatemala, and Honduras.
- **The Caribbean:** Includes not less than \$82 million for the Caribbean Basin Security Initiative, \$12 million for a new initiative to promote inclusive economic growth, \$17 million to strengthen resilience to natural disasters, and \$12 million for the Caribbean Development Program, of which \$7.5 million is for the Caribbean Energy Initiative.
- **Small Island Developing States:** Includes \$50 million to assist Small Island Developing States (SIDS) to mitigate the impact of, and respond to, climate related disaster. Also includes new authority to provide U.S. loan guarantees to help SIDS manage the debt burden caused by such disasters.
- **Colombia:** Recommends \$487 million, including \$37.5 million for rule of law and human rights activities and \$40 million to enhance security in rural municipalities with high coca production or levels of illicit activities. Continues conditions on assistance to ensure the Government of Colombia is holding accountable all those who committed illegal acts against protesters in 2020 and 2021.
- **Taiwan:** Provides funds from the Foreign Military Financing Program to support loans and loan guarantees for Taiwan; provides funds for a fellowship program; and \$4 million for the Global Cooperation and Training Framework
- **Venezuela:** Recommends \$50 million for democracy programs, as well as funding to support Venezuelan migrants in third countries.
- **Countering Russian Influence Fund:** \$300 million.
- **Countering PRC Influence Fund:** \$325 million, an increase of \$25 million above the fiscal year 2022 enacted level.
- **Tibetan Communities:** \$21 million for Tibetan communities, an increase of \$4 million above the fiscal year 2022 enacted level; and \$1 million for the U.S. Special Coordinator for Tibetan Issues.
- **The Nita M. Lowey Middle East Partnership for Peace Act:** \$50 million to support the 3rd year of implementation, as authorized.
- **Israel:** Extension of loan guarantees to Israel until fiscal year 2028.
- **Middle East Regional Cooperation (MERC):** \$8 million for the MERC program, which is \$2 million above the fiscal year 2022 enacted level.

Important policy provisions:

Promotes Diversity and Inclusion

- The bill includes increased funding, authority, and guidance to equip the Secretary of State and USAID Administrator to increase diversity, equity, inclusion, and accessibility (DEIA) within the nation's

diplomatic and development workforce. The bill includes \$18 million for paid internships at the Department of State and increases funding for other workforce diversity initiatives at both the Department of State and USAID, including a total of \$12 million for the Pickering and Rangel Fellowships.

- The bill includes an additional \$20 million for USAID to implement the goals and objectives of the agency's new strategy on diversity, equity, and inclusion.

Promotes gender equality:

- The bill includes \$200 million for the Gender Equity and Equality Action Fund, \$50 million to support women's leadership, \$250 million to prevent and respond to gender-based violence, and \$150 million to support the Women, Peace and Security Strategy.

Afghan Special Immigrant Visa (SIV) Program:

- The bill provides authority to extend the Afghan SIV program to sustain the U.S. commitment to resettle vulnerable Afghans who supported the U.S. mission in Afghanistan.
- The bill includes authority and direction for the Secretary of State to use the funding in this legislation to eliminate processing backlogs and expedite the adjudication of SIV cases.

UNESCO:

- The bill supports the United States rejoining UNESCO, by providing the Administration the waiver authority required to resume U.S. funding for the organization.

Transportation-Housing & Urban Development

Overview:

The 2023 Transportation, and Housing and Urban Development, and Related Agencies funding bill provides funding of \$87.3 billion, an increase of \$6.3 billion – nearly 8 percent – above 2022. This includes a discretionary increase of \$4.5 billion for the Department of Housing and Urban Development and \$1.8 billion for the Department of Transportation. In total, the bill provides \$164.9 billion in budgetary resources. The legislation:

- Creates and sustains tens of thousands of good-paying American jobs by rebuilding our crumbling infrastructure with significant investments in airports, highways, transit, passenger rail, and port systems.
- Fully implements the historic investments in the Infrastructure Investment and Jobs Act.
- Grows opportunity through homeownership and rental assistance, including more than 12,000 new housing choice vouchers targeted to individuals and families experiencing or at risk of homelessness and over 2,800 new units for seniors and persons with disabilities, and in addition to the more than 29,000 new housing units created in fiscal year 2022.
- Supports the vulnerable with public housing safety, maintenance and improvement investments, such as the remediation of lead paint and radon.
- Promotes safe transportation and housing with a skilled and growing workforce to conduct inspections, mitigate hazards, and study emerging threats and innovative solutions.
- Reduces emissions, increases resiliency, and addresses historical inequities in transportation and housing programs through targeted grants and investments.

- Supports community projects identified by Members of Congress on both sides of the aisle that increase the safety and viability of our airports, highways, and transit systems as well as strengthen our housing, business, and community infrastructure.

Bill Summary:

Department of Transportation (DOT)—For fiscal year 2023, the bill provides a total of \$106.3 billion in budgetary resources for DOT – an increase of \$3.4 billion above the fiscal year 2022 enacted level and \$1.9 billion above the President’s 2023 budget request. The legislation:

- Creates and leverages tens of thousands of additional jobs in construction and related industries.
- Improves the safety of our highways, aviation, transit, rail, and port systems.
- Fixes roads and highways, expands bicycle and pedestrian infrastructure, supports Federal auto safety programs, and invests in the transit state of good repair, consistent with the historic investments in the Infrastructure Investment and Jobs Act.

The bill includes:

- \$800 million for **National Infrastructure Investments (RAISE/TIGER/BUILD)**, including not less than \$20 million for grants to assist areas of persistent poverty and historically disadvantaged communities. An additional \$25 million is included to continue a technical assistance and capacity building program to spur **Thriving Communities** nationwide.
- Robust increases for **Research and Technology** to expand research on ways to create more equitable access to transportation systems, combat climate change, and reduce greenhouse gas emissions, including funds for the Advanced Research Projects Agency–Infrastructure (ARPA-I). An additional \$5 million to support the **Highly Automated Systems Safety Center of Excellence** to coordinate DOT’s technical expertise around automated systems.
- Improvements to our aviation system by providing \$19 billion for the **Federal Aviation Administration (FAA)**, \$564 million above fiscal year 2022, including \$1.6 billion for **Aviation Safety** and \$558.6 million for discretionary **Airport Improvement Grants and projects**.
- \$62.9 billion for the **Federal Highway Administration** for formula programs funded from the Highway Trust Fund that improve the safety and long-term viability of our nation’s highway systems, consistent with the Infrastructure Investment and Jobs Act, and \$3.4 billion for **Highway Infrastructure Programs and projects**.
- \$873.6 million for the **Federal Motor Carrier Safety Administration** and \$1.2 billion for the **National Highway Traffic Safety Administration** to make trucks, cars, and the nation’s roads safer, consistent with the Infrastructure Investment and Jobs Act.
- Advances the safety and reliability of our passenger and freight rail systems by providing \$3.4 billion for the **Federal Railroad Administration**, an increase of \$78.9 million above fiscal year 2022. This includes a total of \$560 million for the **Consolidated Rail Infrastructure and Safety Improvements** program, \$25 million above fiscal year 2022 for competitive grants, in addition to \$1 billion in fiscal year 2023 advance appropriations. It also provides \$2.45 billion for **Amtrak**, \$121.6 million above fiscal year 2022, including \$1.26 billion for **Northeast Corridor Grants** and \$1.19 billion for **National Network Grants**.
- \$16.9 billion for the **Federal Transit Administration**, including \$13.6 billion for **Transit Formula Grants** to expand bus fleets and increase the transit state of good repair, consistent with the Infrastructure Investment and Jobs Act; a total of \$2.6 billion for **Capital Investment Grants**, to create new transit routes nationwide, \$387 million above fiscal year 2022; and \$542 million for **Transit Infrastructure Grants and projects**, to assist transit agencies in purchasing low and no emission buses, improving urban and rural ferry systems, and carrying out local projects.

- \$896.1 million for the **Maritime Administration**, \$56.4 million above the President's budget request, including \$318 million for the **Maritime Security Program**, \$60 million for the **Tanker Security Program**, and \$120.7 million to assist **State Maritime Academies**, including \$75 million for shore-side infrastructure to support the new schoolships. It also provides \$212 million for the **Port Infrastructure Development Program**, in addition to \$450 million in fiscal year 2023 advance appropriations.
- Community projects identified by more than 235 Members of Congress and 59 Senators on both sides of the aisle that increase the safety and viability of our airports, highways, rails, and transit systems.

Department of Housing and Urban Development (HUD)—For fiscal year 2023, the bill provides a total of \$58.2 billion for HUD – an increase of \$4.5 billion above fiscal year 2022. The legislation:

- Provides \$225 million to support the resiliency and preservation of manufactured housing and manufactured housing communities, home to more than 20 million low-income and working families living in America under the new **Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program**. This level of funding also includes \$25 million to provide grants to assist in the redevelopment of manufactured housing communities as replacement housing that is affordable.
- Provides up to \$2.5 million for technical assistance for recipients of grants under the **PRICE program**, to strengthen urban and rural communities, Tribal communities, and areas prone to natural disasters.
- Provides \$85 million for a new competitive grant program that will reward communities that have made progress in improving inclusionary zoning practices, land use policies, and housing infrastructure that will ultimately increase the supply of affordable housing.
- Expands housing choice vouchers to nearly 12,000 low-income individuals and families experiencing or at risk of homelessness, including survivors of domestic violence and veterans, in addition to the 25,000 new vouchers provided in fiscal year 2022.
- Protects housing assistance for more than 4.8 million individuals and families to ensure they continue to remain in safe, stable, and affordable housing.
- Includes \$12.6 billion in funding for new affordable housing, critical health, safety, and maintenance improvements to ensure the safety and quality of public and low-income housing, including new support for manufactured housing, and community development activities, including \$258.3 million to construct over 2,800 new affordable housing units for seniors and persons with disabilities, \$1.5 billion in direct funding to states and local governments through the HOME Investment Partnerships Program, and significantly increases investments in distressed neighborhoods through the Choice Neighborhoods Initiative program.

The bill includes:

- \$30.3 billion for **Tenant-based Rental Assistance** to continue to serve more than 2.3 million very low- and extremely low-income households nationwide. This level of funding also includes \$50 million to expand housing assistance to nearly 12,000 low-income families, including individuals and families experiencing or at risk of homelessness, including survivors of domestic violence and veterans. A combined \$57.5 million is provided for the **HUD/VA Supportive Housing for Homeless Veterans and Native American Veterans** programs.
- \$8.5 billion for **Public Housing**, \$62.5 million above fiscal year 2022, including \$3.2 billion to meet the full annual capital accrual need in order to improve the quality and safety of public housing for more than 1.7 million residents.
- \$499 million for **Housing Opportunities for Persons with AIDS**, to protect housing for more than 45,600 low-income households living with HIV and services for more than 62,400 households, an increase of \$49 million above fiscal year 2022.
- Sustained investments to revitalize low-income housing and distressed communities through the **Choice Neighborhoods Initiative**, providing \$350 million, \$100 million above the President's budget request.

- An increase of \$16 million in supportive services for HUD-assisted households to improve their connections to jobs, healthcare, and educational opportunities by providing \$175 million for **Self-Sufficiency Programs**.
- Expanded housing options and improved living conditions for tribal communities by providing \$1.02 billion for **Native American Programs**, an increase of \$17.9 million above fiscal year 2022, and an additional \$22.3 million for the **Native Hawaiian Housing Block Grant** program.
- \$12.3 billion for **Community Planning and Development**, an increase of \$2.3 billion above fiscal year 2022, including \$3.3 billion for **Community Development Block Grants**. This also includes \$1.5 billion for the **HOME Investment Partnerships Program** which has helped preserve approximately 1.35 million affordable homes nationally.
- More than 18,000 new housing options for people at risk of or experiencing homelessness while also continuing assistance to over 750,000 people experiencing homelessness and more than 350,000 individuals in emergency shelters, by including \$3.6 billion for **Homeless Assistance Grants**, an increase of \$420 million above fiscal year 2022. This also includes \$75 million for new construction, acquisition or rehabilitation of new permanent supportive housing to expand housing options for people experiencing homelessness.
- \$14.9 billion for **Project-based Rental Assistance** to continue to house more than 1.2 million very low- and low-income households nationwide, an increase of \$967 million above fiscal year 2022. An additional \$1 billion is provided for **Housing for the Elderly**, including \$25 million to expand housing units to intergenerational families, to build nearly 1,120 new affordable housing units for low-income seniors and \$360 million for **Housing for Persons with Disabilities** to construct approximately 1,600 new affordable housing units for persons with disabilities.
- \$57.5 million for **Housing Counseling** assistance for renters, homeowners, and those considering homeownership and \$145.4 million for **Policy Development and Research**, including \$20 million to continue legal aid assistance for eviction prevention.
- Increased enforcement in fair housing by providing \$86.4 million for **Fair Housing and Equal Opportunity**.
- \$410 million for the **Office of Lead Hazard Control and Healthy Homes**, \$10 million above the President's budget request, including \$5 million to continue a radon testing and mitigation demonstration program for public housing and \$25 million to continue a demonstration program to conduct inspections for lead in housing choice voucher units.
- Community projects identified by more than 295 Members of Congress and 60 Senators on both sides of the aisle to support a variety of targeted housing, economic, and community development investments.

Related Agencies—The bill provides \$419.5 million for the related agencies in the bill, including \$170 million for **NeighborWorks** to support unique solutions to expand affordable housing options, increase housing counseling assistance, and strengthen economic development. To strengthen the Federal coordination of assistance to individuals experiencing or at risk of homelessness, the bill includes \$4 million for the U.S. **Interagency Council on Homelessness**.

Additional Ukraine Supplemental Appropriations Act, 2023

The Additional Ukraine Supplemental Appropriations Act, 2023, provides \$45 billion in emergency funding to support the Ukrainian people, defend global democracy in the wake of Russia's unprovoked attack on Ukraine, and for other purposes.

Title I – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Food for Peace – \$50 million for Title II grants of the Food for Peace program.

McGovern-Dole Food for Education and Child Nutrition Program – \$5 million for the McGovern-Dole Food for Education and Child Nutrition Program.

Title II – Defense

Ukraine Security Assistance Initiative – \$9 billion to provide assistance, including training, equipment, weapons, logistics support, supplies and services, salaries and stipends, sustainment, and intelligence support to Ukraine's military. It also allows the Secretary of Defense to accept contributions from partner nations in support of Ukraine.

Replenishment of US stocks – \$11.88 billion to replenish US stocks of equipment sent to Ukraine through Presidential drawdown authority.

European Command operations and related activities – \$6.98 billion for mission support, intelligence support, pay, equipment, and related activities.

Oversight – Provides \$6 million for the Inspector General, requires an Inspector General report on activities to execute funds in the bill, and requires the Department of Defense to report on measures taken to require enhanced end-use monitoring of equipment provided to Ukraine.

Title III – Energy and Water Development, and Related Agencies

Department of Energy, Office of Nuclear Energy – \$300 million for advanced nuclear reactors and advanced nuclear fuels to increase energy security and independence.

National Nuclear Security Administration, Defense Nuclear Nonproliferation – \$126.3 million to prepare for and respond to potential nuclear and radiological incidents in Ukraine.

Strategic Petroleum Reserve – Cancels certain future Congressionally mandated sales, reducing the technical burden on the Strategic Petroleum Reserve system.

Title IV – Financial Services and General Government

National Security Council—Provides \$1 million in funding to support Ukraine operations needs for the White House.

Title V — Labor, Health and Human Services, Education, and Related Agencies

Department of Health and Human Services, Administration for Children and Families – Provides \$2.4 billion for resettlement and other support services, such as emergency housing, English language classes, job training, and case management, for Ukrainian arrivals and refugees.

Title VI – Legislative Branch

Government Accountability Office – \$7.5 million for oversight of amounts provided in this and prior Acts to respond to the situation in Ukraine.

Title VII – State, Foreign Operations, and Related Programs

Humanitarian Assistance – \$2.47 billion to address the dire humanitarian needs of Ukraine, refugees from Ukraine, and other vulnerable populations and communities.

Economic Assistance – \$13.37 billion in vital economic and budgetary support for the Government of Ukraine, including support for Ukraine’s energy security and other critical infrastructure needs and for assistance to other countries impacted by the situation in Ukraine.

Security Assistance – Increases the President’s authority to transfer defense equipment to Ukraine to \$14.5 billion and provides \$560 million in State Department security assistance funding for Ukraine and other allies.

State Department and USAID Operations – \$166 million for the State Department and USAID to respond to the situation in Ukraine, including \$13.5 million for the Inspectors General of the State Department and USAID to conduct oversight of Ukraine response activities.

Title VIII – General Provisions

Technical budgetary provisions.

Disaster Relief Supplemental Appropriations Act, 2023

The Disaster Relief Supplemental Appropriations Act, 2023, includes \$27 billion in emergency funding to respond to the devastation that recent natural disasters and extreme weather events have left behind and help families, small businesses, and entire communities recover, \$1 billion for increased investments in scientific and environmental research, and \$10 billion for other nondefense programs.

Title I – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Office of the Secretary – \$3.742 billion for crop and livestock losses in calendar year 2022.

Farm Service Agency – \$27 million for the Emergency Forest Reserve Program.

Natural Resources Conservation Service – \$925 million for the Emergency Watershed Protection Program.

Rural Housing Assistance Grants – \$60 million for rural housing assistance grants.

Rural Community Facilities Program – \$50 million for repairs to essential community facilities.

Rural Water and Waste Program – \$265 million for damages to water and waste systems.

Title II – Commerce, Justice, Science, and Related Agencies

Economic Development Administration (EDA) – \$1.18 billion, including:

- \$500 million for infrastructure and other long-term economic recovery efforts for areas impacted by natural disasters in 2021 and 2022.
- \$459 million to develop regional technology hubs to promote research, commercialization, and competitiveness in all corners of America.
- \$159 million for RECOMPETE grants to meet local economic development needs, create good jobs, and invest in local workers in distressed communities with high long-term unemployment rates among workers in their prime working years.

National Institute of Standards and Technology – \$67 million, including:

- \$40 million for research and standards-setting to help improve the resilience of property and infrastructure against future natural disasters, as well as for investigations of building failures under the National Construction Safety Team Act of 2002.
- To help implement the Research and Development, Competition, and Innovation Act, the legislation also includes supplemental funding of \$13 million for the Manufacturing Extension Partnership program and \$14 million for the Manufacturing USA program

National Oceanic and Atmospheric Administration (NOAA) – \$656.7 million, including:

- \$29 million for repair and replacement of damaged facilities; marine debris removal; and mapping and charting of coastal waters in areas impacted by natural disasters:
- \$327.7 million for the acquisition of hurricane hunter aircraft.
- \$300 million for fisheries disaster assistance, to mitigate the effects of commercial fishery failures and fishery resource disasters.
- \$20 million to support the adoption of innovative fishing gear and fishing techniques to help reduce the risk to endangered North Atlantic right whales.

National Aeronautics and Space Administration (NASA) – \$189.4 million is provided for repair and replacement of NASA facilities.

National Science Foundation (NSF):

- \$2.5 million is provided to repair damaged research facilities and scientific equipment.
- \$210 million is included for research and related activities to implement the Research and Development, Competition, and Innovation Act
- \$125 million is provided for STEM education programs to implement the Research and Development, Competition, and Innovation Act

Legal Services Corporation – \$20 million is provided for emergency legal assistance to underserved individuals and families impacted by natural disasters.

Title III —Department of Defense

Navy – \$82.9 million to repair facilities in Florida, Georgia and Virginia damaged by Hurricanes Ian and Fiona.

Army Reserve – \$6.8 million to repair facilities in North Carolina, Florida and Puerto Rico damaged by Hurricanes Ian and Fiona.

Army National Guard – \$16.6 million to repair facilities in Florida and Puerto Rico damaged by Hurricanes Ian and Fiona.

Title IV – Energy and Water Development, and Related Agencies

Army Corps of Engineers—Civil – \$1.48 billion to make necessary repairs to projects impacted by hurricanes and other natural disasters, to construct projects that will increase resiliency from future flooding and storms, and for other purposes.

Department of Energy – \$1.52 billion, including:

- \$1 billion to increase the resilience of Puerto Rico’s electric grid and assist low and moderate income households and households that include individuals with disabilities in purchasing and installing renewable energy, energy storage, and other grid technologies.
- \$520 million in fully reimbursable Purchase Power and Wheeling funds to allow the Western Area Power Administration to buy power to meet contractual obligations when there is not enough hydropower to generate that power, particularly due to the severe drought.

Title V – Financial Services and General Government

General Services Administration – \$36.8 million for repairs to Federal buildings caused by Hurricane Ian.

Small Business Administration – \$858 million for SBA’s Disaster Loans Program to support requirements for Hurricanes Fiona, Ian, and other disaster loans programs administered by SBA.

Title VI – Homeland Security

Federal Emergency Management Agency (FEMA) – \$5 billion for FEMA’s Disaster Relief Fund for disaster recovery efforts related to recent disasters, including Hurricane Fiona in Puerto Rico and Hurricane Ian in Florida.

Hermit’s Peak/Calf Canyon Fire Assistance Program – \$1.45 billion for the Hermit’s Peak/Calf Canyon Fire Assistance Program.

- A provision in the bill clarifies that assistance provided under the program may be for water treatment facility improvements needed to treat drinking water sources contaminated by the fire.

United States Coast Guard – \$154.8 million to the Coast Guard for costs associated with damage caused by recent hurricanes.

Title VII – Interior, Environment, and Related Agencies

United States Fish and Wildlife – \$247 million for United States Fish and Wildlife, Construction which includes winter storm damages at Midway Atoll National Wildlife Refuge.

National Park Service – \$1.5 billion for National Park Service, Construction for necessary expenses related to the consequences of wildfires, hurricanes, and other natural disasters.

United States Geological Survey – \$41.04 million for the United States Geological Survey for necessary expenses related to the consequences of wildfires, hurricanes, and other natural disasters.

Bureau of Indian Affairs – \$47 million for the Bureau of Indian Affairs for necessary expenses related to the consequences of wildfires, hurricanes, and other natural disasters.

Bureau of Indian Education – \$90 million for the Bureau of Indian Education for necessary expenses related to the consequences of flooding at the To’Hajiilee Community School.

Dept. of Interior, Wildland Fire Management – \$75 million for the Dept. of Interior, Wildland Fire Management for wildland fire suppression activities.

United States Forest Service – \$510 million for Forest Service Non-Fire and \$375 million for Forest Service, Wildland Fire Management for wildland fire suppression activities.

United States Environmental Protection Agency (EPA) – \$1.67 billion for EPA’s Clean and Drinking Water State Revolving Funds for wastewater treatment works and drinking water facilities impacted by Hurricanes Fiona and Ian and including \$600 million to address the water crisis in Jackson, Mississippi.

Title VIII – Department of Health and Human Services

Centers for Disease Control and Prevention – \$86 million to address public health issues in the impacted areas, including:

- technical assistance to State and local health departments to support health and environmental assessments and enhanced surveillance to monitor adverse health impacts
- dissemination of public health information on environmental risks, infectious disease risks, mold cleanup, and food and water safety
- laboratory surge capacity, including activities to identify environmental health impacts and vector-borne, food-borne, water-borne, and other infectious diseases that arise as a result of the hurricanes (e.g., leptospirosis, an infection with high mortality and morbidity which is associated with contaminated water)

National Institutes of Health – \$27.5 million to restore or reimburse research projects in impacted areas, as well as funding for the Superfund Worker Training Program, which provides health and safety training for workers who may be involved in handling hazardous materials or in responding to emergency releases of hazardous materials.

Low Income Home Energy Assistance Program – \$1 billion for the Low Income Home Energy Assistance Program (LIHEAP) to help lower-income families cover the costs of home heating and cooling, for a total of \$5 billion for LIHEAP in the Consolidated Appropriations Act, 2023.

Child Care and Development Block Grant – \$100 million for child care services, as well as renovation and repair of facilities in impacted areas.

Children and Families Services Programs – \$408 million to support the recovery and reopening of Head Start programs in impacted areas, as well as child welfare services and related social services in impacted areas.

Public Health and Social Services Emergency Fund – \$129 million to support national disaster medical response team, community health centers, mental and behavioral health services, nutrition services, and renovation of damaged facilities, including:

- \$24.4 million for the National Disaster Medical System to restore caches of medical supplies used during hurricane response efforts and expand the number of field hospitals to address large-scale and multiple disaster events.
- \$65 million for Community Health Centers facility costs, including alteration, renovation, construction, equipment, and other capital improvement costs as necessary to meet the needs of community health centers in the impacted areas.
- \$22 million for mental and behavioral health workforce, infrastructure, and treatment services.
- \$15 million to provide nutrition services and home-delivered meals and repair/replace senior centers and nutrition centers affected by the hurricanes.
- \$392 thousand for the Food and Drug Administration for repair of facilities and replacement of equipment.

- \$2 million for the Office of Inspector General for oversight of activities responding to such covered disasters or emergencies.

Title IX – Military Construction, Veterans Affairs, and Related Agencies

Department of Defense, Navy and Marine Corps – \$41 million to recover from damage to facilities caused by Hurricanes Ian and Fiona.

Title X – Transportation, Housing and Urban Development, and Related Agencies

Department of Transportation –

- \$803 million for the **Federal Highway Administration** to reimburse states and territories for damage from natural disasters to roads and bridges in the National Highway System.
- \$213.9 million for the **Federal Transit Administration** to support public transit systems impacted by natural disasters.

Department of Housing and Urban Development– \$3 billion for the **Community Development Block Grant Disaster Recovery (CDBG-DR)** program for the long-term housing, infrastructure, and economic recovery needs for areas impacted by a natural disaster.

Title XI – General Provisions

Technical budgetary provisions.