

# SPOTLIGHT: HIGHLIGHTS OF RECENT CONGRESSIONAL ACTIONS



A FEDERAL FUNDS WATCH FROM LEGISLATIVE BUDGET BOARD STAFF

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The President signed the Consolidated and Further Continuing Appropriations Act of 2015 on December 16, 2014. The bill totals \$1.1 trillion in discretionary spending and includes funding for 11 of the 12 annual appropriations bills through the end of the fiscal year, September 30, 2015. The 12th bill, which includes funding for the U.S. Department of Homeland Security, is included in the legislation under a temporary Continuing Resolution (CR) that expires on February 27, 2015. A description follows of significant federal funding level changes to the Texas budget due to Congressional actions. Fig. 1 on page 2 lists select programs with increases or decreases compared to the previous year's funding level.

## EDUCATION

**K-12.** Most major federal education program funding, **Title I, Education for Disadvantaged Children, Special Education Grants, and Improving Teacher Quality**, was slightly increased or level funded compared to FY 2014. To compensate states that have experienced an influx of **Unaccompanied Children (UC)**, Congress provided \$14.0 million in state grants for school districts that have experienced a significant increase in the number of immigrant children enrolled in the current school year. Funds will be distributed based on a state's share of UC released to sponsors since January 1, 2014 (Texas' share was 13.8% in FY 2014). The **Teacher Incentive Fund** was reduced from \$289.0 million to \$230.0 million, a 20.4% decrease from FY 2014. In FY 2010, TEA was awarded a 5 year competitive grant that totaled \$50.2 million.

**Higher Education.** Congress increased the maximum **Federal Pell Grant** award by \$100.0 to \$5,830.0.

## HEALTH AND HUMAN SERVICES

Funding for the **Children's Health Insurance Program (CHIP)** increased nationally from \$19.1 billion in FY 2014 to \$21.1 billion in FY 2015 (a 10% increase). In FY 2015, Texas will be allocated an estimated \$1.0 billion in **CHIP** funds. Congress will need to reauthorize **CHIP** to provide funding beyond FY 2015.

The bill includes \$948.0 million for the **UC Program**, \$80.0 million more than the FY 2014 level, to allow the U.S. Department of Health and Human Services to continue to provide

vital health, mental health and education for children when the first arrive in the United States.

The bill provides for \$5.4 billion in emergency response funds to fight **Ebola**. Of this amount, \$155.0 million is provided to the **Public Health Emergency Preparedness (PHEP) Program** and \$85.0 million to the **Hospital Preparedness Program (HPP)**. Texas is estimated to receive \$45.5 million in **PHEP** funding and \$28.7 million in **HPP** funding for FY 2015.

Congress reauthorized and maintained level funding for the **Temporary Assistance for Needy Families (TANF)** block grant but the **TANF Contingency Fund** was reduced from \$610.0 million in FY 2014 to \$583.0 million, due to various set-asides. Texas will receive an estimated \$486.3 million from **TANF** block grant and, if it qualifies for **TANF Contingency Funds**, it will receive an estimated additional \$46.0 million.

**The Child Care and Development Block Grant (CCDBG)** was funded at \$5.3 billion, a \$75.0 million increase from FY 2014 levels. Texas will receive an estimated \$481.4 million through the **CCDBG** program in FY 2015.

## TRANSPORTATION

Level funding was provided for most major federal transportation programs. **Capital Investment Grants (CIG)** increased from \$1.9 billion to \$2.1 billion, a 9% increase above FY 2014. In FY 2014, Dallas, El Paso and Houston received a total of \$211.3 million for **CIG** projects.

## OTHER

**Homeland Security.** Most homeland security programs were funded through a CR for the U.S. Department of Homeland Security. The CR freezes funding for these programs at FY 2014 level reduced by an across-the-board rescission of 0.05% through February 27, 2015.

**Justice.** The bill increases funding for the nationwide **State Criminal Alien Assistance Program (SCAAP)** by \$5.0 million above the FY 2014 funding level of \$180.0 million. The FY 2015 **SCAAP** award to the Texas Department of Criminal Justice is expected to be at least \$7.9 million. Funding was maintained for the **Byrne Memorial Justice Assistance Grants (JAG)** program at the FY 2014 level of \$376.0 million. Texas is expected to receive

\$13.4 million in **JAG** funding for FY 2015. The bill provides \$41.0 million in funding for a new competitive grant program that will help communities reduce the backlog of sexual assault kits needing to be processed.

**Labor.** Funding for grants provided to states for **Unemployment Insurance Administration** was decreased by \$103.8 million from the FY 2014 funding level of \$2.9 billion. Texas is expected to receive \$133.4 million in FY 2015 to administer its Unemployment Insurance program. The bill increases funding for the **Workforce Innovation and Opportunity Act (WIOA) Grants to States** by \$36.0 million above the FY 2014 funding level of \$2.6 billion. Texas will receive an estimated \$162.6 million for these programs (**Adult Training, Youth Training, and Dislocated Worker Assistance**) in FY 2015.

**Housing.** The omnibus bill decreases funding for the **Low-Income Home Energy Assistance program (LIHEAP)** by \$34.2 million below the FY 2014 funding level of \$3.4 billion.

Texas is expected to receive \$115.7 million in FY 2015. Funding for the **HOME Program** was decreased by \$100.0 million from the FY 2014 funding level of \$1.0 billion. Texas received \$24.5 million for this program in FY 2014. The bill increased funding for the **Weatherization Assistance Program** by \$19.0 million above the FY 2014 funding level of \$171.0 million. Texas received \$4.3 million for this program in FY 2014. Funding for the **Community Services Block Grant** program was level funded (Texas' CSBG estimated FY 2015 allocation is \$32.0 million).

**Internet Access.** The **Internet Tax Freedom Act** is extended by one year to October 1, 2015. This Act allows Texas and six other states to continue to tax internet access.

#### CONTACT

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The Federal Funds Analysis Team of the Legislative Budget Board conducts research on federal legislation and federal funding issues which impact the state budget.

**FIG. 1 ESTIMATED FEDERAL ALLOCATIONS TO TEXAS FOR SELECTED GRANT PROGRAMS  
FEDERAL FISCAL YEARS 2013 THROUGH 2015  
(IN MILLIONS)**

PROGRAMS	FEDERAL FISCAL YEAR 2013	FEDERAL FISCAL YEAR 2014	FEDERAL FISCAL YEAR 2015	CHANGE FROM FY 2014
<b>SELECTED EDUCATION</b>				
Title I, Education for Disadvantaged Children	\$1,311.2	\$1,320.0	\$1,322.3	\$2.3
Special Education Grants to States	926.9	982.9	985.0	2.1
Improving Teacher Quality	187.8	187.6	187.6	0.0
<b>Total Selected Education</b>	<b>\$2,425.9</b>	<b>\$2,490.5</b>	<b>\$2,494.9</b>	<b>\$4.4</b>
<b>SELECTED HEALTH AND HUMAN SERVICES</b>				
Children's Health Insurance Program	\$891.5	\$955.8	\$1,087.7	\$131.9
Child Care Development Block Grant	458.7	473.2	481.4	8.2
Vocational Rehabilitation	237.1	238.1	240.2	2.1
Social Services Block Grant	132.2	130.2	131.1	0.9
Temporary Assistance to Needy Families (TANF)	486.3	486.3	486.3	0.0
TANF Contingency Fund	42.5	48.3	46.0	(2.3)
<b>Total Selected Health and Human Services</b>	<b>\$2,248.3</b>	<b>\$2,331.9</b>	<b>\$2,472.7</b>	<b>\$140.8</b>
<b>SELECTED OTHER</b>				
Hospital Preparedness Program	\$24.8	\$17.7	\$28.7	\$11.0
Public Health Emergency Preparedness Program	34.8	37.5	45.5	8.0
State Criminal Alien Assistance Program	\$10.3	\$7.9	\$7.9	0.0
Community Services Block Grant	\$30.4	\$32.0	\$32.0	0.0
Low-Income Home Energy Assistance Program	127.1	128.7	115.7	(13.0)
<b>Total Selected Other</b>	<b>\$227.4</b>	<b>\$223.8</b>	<b>\$229.8</b>	<b>\$6.0</b>

NOTES: Texas grant amounts listed above represent preliminary estimates. Numbers may not add due to rounding. Allocations for the State Criminal Alien Assistance Program represent amounts received by the Texas Department of Criminal Justice rather than all entities within Texas. The Public Health Emergency Preparedness Program and the Hospital Preparedness Program totals for FY 2015 include emergency funds to fight Ebola.

SOURCES: Federal Funds Information for States (FFIS), U.S. Department of Education, U.S. Department of Health and Human Services, U.S. Department of Justice, U.S. Department of Homeland Security and Legislative Budget Board.