

SPOTLIGHT: PRESIDENT'S FISCAL YEAR 2016 BUDGET PROPOSAL

A FEDERAL FUNDS WATCH FROM LEGISLATIVE BUDGET BOARD STAFF

ID: 2213

FEBRUARY 2015

The President's FY 2016 budget proposal was released on February 2, 2015. Highlights follow on new initiatives, program eliminations and consolidations, and changes in funding levels. Fig. 1 on page 2 shows the estimated fiscal impact to Texas of selected programs.

EDUCATION

Preschool. The President proposes \$1.3 billion for **Preschool for All**. In addition, his budget would provide \$750.0 million for **Preschool Development Grants**, \$500.0 million higher than the FY 2015 level.

K-12. The budget increases funding for several K-12 education programs. It would fund **Title I Grants to Local Education Agencies** at \$15.4 billion, or \$1.0 billion above the FY 2015 level. **Mathematics and Science Partnerships** would be funded at \$203.0 million, a \$50.0 million increase. It is estimated Texas would receive \$16.7 million in FY 2016 (an increase of \$1.6 million). **Excellent Educators Grants**, funded at \$350.0 million, would replace the **Teacher Incentive Fund**. The proposal includes new **Education Technology State Grants (ETSG)** program funds to assist schools to develop and implement new ways to use technology in classrooms. Texas would receive an estimated \$17.5 million for the proposed **ETSG** program. The President also proposes \$1.0 billion for **Teaching for Tomorrow**, a new competitive grant program to recruit and train new teachers.

Higher Education. The President proposes \$1.4 billion in FY 2016 for **America's College Promise**. This new program would fund two years of community college for qualifying students. The federal government would require states to contribute 25% of the costs.

HEALTH AND HUMAN SERVICES

The President's budget would reauthorize the **Children's Health Insurance Program (CHIP)** through 2019. Also, \$4.1 million is proposed for state and local child care research, demonstration and evaluation activities. The proposal would extend the enhanced **Medicaid** reimbursement rate for primary care services through 2016, expand the program to include additional providers, and excludes emergency department care. The President's budget makes no appropriation for the **Preventive Health Block Grant** (a loss of \$6.3 million for Texas).

The President's budget proposes the reauthorization of the **Temporary Assistance for Needy Families (TANF)** block grant, but eliminates the **TANF Contingency Fund** by re-directing its funds to certain programs and initiatives. The majority of the fund, \$573.0 million, would be re-purposed for the **Pathways to Jobs Initiative**. The **Child Care and Development Fund (CCDF)** would increase by \$3.9 billion above FY 2015 level. Texas would receive an additional \$369.6 million in **CCDF** funds in FY 2016. The **Supplemental Nutrition Assistance Program (SNAP)** is increased to \$4.2 billion or \$115.0 million above FY 2015, a 2.8% increase.

The President's budget does not extend the one-time emergency funding received by the Centers for Disease Control in FY 2015 in response to the Ebola outbreak. The **Hospital Preparedness Program** and the **Public Health Emergency Preparedness Program** would be returned to level funding after the emergency funds were distributed in FY 2015.

TRANSPORTATION

The President's budget proposes a six-year surface transportation reauthorization. The FY 2016 funding level for **Federal-Aid Highways Program (FAH)** would be increased by \$9.9 billion to \$50.8 billion, 24.1% higher than FY 2015. A new **FAH** program, **Critical Immediate Safety Investments Program**, is funded to address safety improvements to bridges and roads. The budget would fund **Transit Formula Grants** at \$13.9 billion, 61.9% higher than FY 2015 and **Capital Investment Grants** at \$3.3 billion, 53.3% higher than FY 2015.

OTHER

Criminal Justice. The budget proposes to eliminate funding for the **State Criminal Alien Assistance Program (SCAAP)**. Texas' most recent annual **SCAAP** award was \$7.9 million. Funding for the **Juvenile Accountability Block Grant (JABG)** is restored in the President's Budget. Texas last received \$1.2 million in **JABG** funds in FY 2013. While set-asides are proposed to increase, funding is decreased for the **Byrne Memorial Justice Assistance Grants (JAG) program** to \$297.0 million (a decrease of \$23 million). Texas is expected to receive \$13.4 million in **JAG** funding for FY 2015.

Homeland Security. The President's Budget recommends \$373.5 million for border infrastructure and technology. The budget also provides funds to hire additional border patrol and customs agents. The **State Homeland Security Grant Program**, the **Urban Area Security Initiative**, and **Operation Stonegarden**, and other programs would be consolidated into the **National Preparedness Grant Program** beginning in FY 2016. Texas received an estimated \$81.6 million for these three homeland security grant programs in FY 2014. Full appropriations for FY 2015 are being considered by Congress.

Housing. The President's FY 2016 request increases **Weatherization Assistance Program** funding to \$223.4 million nationally. Texas would receive an estimated \$5.1 million (a \$0.5 million increase from FY 2015). The budget reduces the **Low-Income Home Energy Assistance Program** to \$3.2 billion nationally, a 5.9% reduction compared to FY 2015. Texas would

receive an estimated \$108.9 million in FY 2016, excluding emergency contingency funds.

Labor. The President's Budget would increase funding for **Workforce Innovation and Opportunity Act (WIOA)** state programs from \$2.6 billion in FY 2015 to \$2.7 billion in FY 2016. In FY 2015, Texas received \$162.6 million in WIOA funding for **Adult Training, Youth Training, and Dislocated Worker Assistance** programs. The President proposes \$2.0 billion to implement the **Paid Leave Partnership Initiative**. This initiative would provide funding to five states for initial start up costs and to finance half of benefits to individuals for three years.

CONTACT

Maria Hernandez: FedFundsWatch@lbb.state.tx.us

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 2016
(IN MILLIONS)**

PROGRAMS	FEDERAL FISCAL YEAR 2014	FEDERAL FISCAL YEAR 2015	PRESIDENT'S BUDGET PROPOSAL FEDERAL FISCAL YEAR 2016	CHANGE FROM FEDERAL FISCAL YEAR 2015
SELECTED EDUCATION				
Title I, Education for Disadvantaged Children	\$1,320.0	\$1,320.3	\$1,412.8	\$92.5
Education Technology State Grants	0.0	0.0	17.5	17.5
Special Education Grants to States	982.9	984.8	998.3	13.5
Special Education Grants for Infants, Toddlers, and Families	40.2	40.3	44.7	4.4
Special Education Preschool Grants	20.8	20.8	24.1	3.3
Improving Teacher Quality	187.6	186.9	180.7	(6.2)
Total Selected Education	\$2,551.5	\$2,553.1	\$2,678.1	\$125.0
SELECTED HEALTH AND HUMAN SERVICES				
Children's Health Insurance Program	\$955.8	\$1,087.7	\$1,536.9	\$449.2
Child Care Development Fund	473.2	481.4	851.0	369.6
Vocational Rehabilitation	238.1	241.8	263.3	21.5
Social Services Block Grant	130.2	131.1	140.7	9.6
Temporary Assistance to Needy Families (TANF)	486.2	486.2	486.2	0.0
TANF Contingency Fund	48.3	46.0	0.0	(46.0)
Total Selected Health and Human Services	\$2,331.8	\$2,474.2	\$3,278.1	\$803.9
SELECTED OTHER				
Hospital Preparedness Program	\$15.8	\$21.7	\$15.8	(\$5.9)
Public Health Emergency Preparedness Program	37.5	45.5	37.3	(8.2)
State Criminal Alien Assistance Program	7.9	7.9	0.0	(7.9)
Low-Income Home Energy Assistance Program	128.7	115.7	102.9	(12.8)
Total Selected Other	\$189.9	\$190.8	\$156.0	(\$34.8)

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 in the amounts of \$7.9 million and \$5.9 million, respectively.

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.