

FEDERAL FUNDS WATCH: FEDERAL FISCAL YEAR 2022 APPROPRIATIONS BILL

A FEDERAL FUNDS SPOTLIGHT FROM LEGISLATIVE BUDGET BOARD STAFF

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On Friday, March 11, 2022, President Biden signed a \$1.5 trillion Omnibus Bill (H.R. 2471), which consists of all 12 appropriations bills for federal fiscal year 2022 (FFY 2022), including \$13.6 billion in supplemental funding to provide emergency aid to Ukraine. Prior to the passage of the bill, federal agencies had been operating with appropriations funded through multiple continuing resolutions (CR). This funding is inclusive of any funding federal agencies had already received in the CRs. The bill funds mandatory and discretionary programs across all federal agencies for FFY 2022, excluding amounts already appropriated in COVID-19-related relief legislation and the Infrastructure Investment and Jobs Act. Texas is expected to receive an estimated \$14.5 billion (8.1 percent of the national total), distributed among the largest entitlement and discretionary federally funded programs. This amount is an 8.3 percent increase from FFY 2021 funding. **Figure 1** shows the estimated fiscal impact to Texas for select programs. Based on information provided by FFIS, the following sections provide a high-level summary for select programs and funding.

EDUCATION

K–12 Education: Funding for public education programs in Texas increased by \$181.6 million for FFY 2022. The bill funds the **Student Support and Academic Enrichment program** at \$1.3 billion nationally, of which Texas is estimated to receive \$125.0 million (an increase of 5.0 percent). Funding for **Title I Grants to Local Education Agencies** increased by \$1.0 billion to \$17.5 billion nationally. Of this amount, Texas is estimated to receive \$1.7 billion, or approximately 9.6 percent of the total appropriated funding. **Special Education-Basic State Grants** increased to \$13.3 billion nationally for FFY 2022, including \$9.0 million for accessible education materials for students with visual and print disabilities. Texas is estimated to receive \$1.2 billion (an increase of 3.0 percent).

Higher Education: Funding for **Career and Technical Education – State Grants** increased by 3.3 percent nationally, of which Texas is expected to receive \$122.7 million for FFY 2022.

HEALTH AND HUMAN SERVICES

State funding for the health and human services functions increased by \$114.9 million in FFY 2022. **Children’s Health**

Insurance Program (CHIP) funding increased 5.0 percent to \$19.0 billion nationally. **CHIP** funding for Texas is expected to increase to \$1.4 billion.

The bill maintains funding from FFY 2021 for both the **Social Services Block Grant (SSBG)** and **Temporary Assistance for Needy Families (TANF)** programs. Texas is estimated to receive \$142.0 million in **SSBG** funds and \$484.7 million in **TANF** funds for FFY 2022. The bill extends funding for **TANF** through September 30, 2022. It also amended the Social Security Act to direct states to provide certain information to victims of sexual harassment and domestic violence through the **TANF** program. Funding for the **Child Care and Development Fund** increased by 4.3 percent nationally from FFY 2021. Texas is estimated to receive \$673.0 million for FFY 2022, an increase of 5.4 percent.

Mental Health and Substance Abuse: Funding for **Mental Health Block Grants** increased by \$100.0 million nationally. Texas is estimated to receive \$73.5 million for FFY 2022, an increase of 13.2 percent. The bill maintains Texas funding for **State Opioid Response Grants** at \$52.0 million for FFY 2022. Funding for **Substance Abuse and Prevention Block Grant** is increased to \$1.9 billion nationally, of which Texas is estimated to receive \$148.8 million.

TRANSPORTATION

Overall funding for transportation programs in Texas increased by \$566.3 million for FFY 2022; however, appropriations decreased for certain programs. The **National Highway Performance Program** increased by \$4.2 billion nationally, of which Texas is estimated to receive an additional \$420.0 million from 2021 levels, totaling \$2.8 billion. Funding for the **Highway Safety Improvement Program** increased to \$3.0 billion nationally, of which Texas is estimated to receive \$301.1 million, an increase of 23.4 percent. Funding for **Surface Transportation Block Grants** increased by \$1.0 billion to \$13.8 billion nationally, of which Texas is estimated to receive an additional \$108.0 million, totaling \$1.4 billion. Funding for the **National Highway Freight Program** decreased by 7.6 percent from FFY 2021 levels. Texas funding is estimated to decrease by \$11.4 million. National funding for the **Congestion Mitigation and Air Quality**

Improvement Program increased by \$43.0 million nationally; however, Texas funding is estimated to decrease by 4.0 percent or \$8.0 million for FFY 2022.

receive \$155.3 million for the Clean Water fund and \$226.9 million for the Drinking Water fund for FFY 2022.

FIGURE 1
ESTIMATED FEDERAL ALLOCATIONS TO TEXAS FOR SELECT GRANT PROGRAMS, FEDERAL FISCAL YEARS 2021 TO 2022

(IN MILLIONS)				
PROGRAMS	2021	OMNIBUS BUDGET 2022	CHANGE FROM 2021	PERCENTAGE CHANGE
Select Education				
Student Support and Academic Enrichment	\$119.1	\$124.9	\$45.3	4.9%
Title I, Grants to Local Education Agencies	\$1,594.6	\$1,691.0	\$96.4	6.0%
Career and Technical Education Grants to States	\$118.7	\$122.7	\$4.0	3.4%
Special Education Grants to States	\$1,144.4	\$1,180.3	\$35.9	3.1%
Total Select Education	\$2,976.8	\$3,118.9	\$181.6	4.8%
Select Health and Human Services				
Child Care Development Fund	\$638.4	\$673.1	\$34.7	5.4%
Children's Health Insurance Program	\$1,355.6	\$1,433.6	\$78.0	5.8%
Social Services Block Grant	\$139.8	\$142.0	\$2.2	1.6%
Temporary Assistance to Needy Families	\$484.6	\$484.6	\$0.0	0.0%
Total Select Health and Human Services	\$2,618.4	\$2,733.3	\$114.9	4.4%
Select Transportation				
National HWY Performance Program	\$2,416.6	\$2,837.1	\$420.5	17.4%
Highway Safety Improvement Program	\$244.1	\$301.1	\$57.1	23.4%
Surface Transportation BG	\$1,273.7	\$1,382.0	\$108.2	8.5%
National HWY Freight Program	\$146.6	\$135.3	(\$11.4)	(7.7%)
Congestion Mitigation and Air Quality Improvement Program	\$198.3	\$190.2	(\$8.1)	(4.1%)
Total Select Transportation	\$4,279.3	\$4,845.7	\$566.3	13.2%
Select Other				
Weatherization Assistance Program	\$7.9	\$8.4	\$0.5	6.3%
Low-Income Home Energy Assistance Program	\$164.5	\$177.9	\$13.4	8.1%
EPA – Clean Water SRF	\$73.3	\$155.3	\$82.0	111.9%
EPA – Drinking Water SRF	\$86.2	\$226.9	\$140.7	163.2%
Total Select Other	\$331.9	\$568.5	\$236.6	71.3%

NOTE: Texas grant amounts represent preliminary estimates. Totals may not sum due to rounding.
SOURCES: Legislative Budget Board; Federal Funds Information for States.

HOUSING

Housing. National funding for the **Weatherization Assistance Program** increased \$19.0 million for FFY 2022, of which Texas is estimated to receive \$8.4 million, an increase of 6.4 percent. Funding for the **Low-Income Home Energy Assistance Program** increased by \$150.0 million nationally for FFY 2022, of which Texas is estimated to receive \$177.9 million (an increase of 8.0 percent), excluding emergency contingency funds.

OTHER FUNDING

National funding for **EPA – Clean Water SRF** and **EPA – Drinking Water SRF** both increased substantially, by 111.8 percent and 163.0 percent, respectively. Texas is estimated to

Federal Emergency Management Agency: Public Assistance, Hazard Mitigation, and certain **Individual Assistance** grant programs will receive a retroactive cost share increase for any major or emergency disaster declaration that occurred from January 1, 2020, to December 31, 2021. The federal cost share will increase to a minimum 90.0 percent, except for **COVID-19 Public Assistance**, which remains at 100.0 percent federal cost share through July 1, 2022.

CONTACT

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