



# FEDERAL FUNDS WATCH: PRESIDENT'S BUDGET 2024

A FEDERAL FUNDS SPOTLIGHT FROM LEGISLATIVE BUDGET BOARD STAFF

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On March 9, 2023, the U.S. President released his budget proposal for federal fiscal year 2024, marking the first step toward enacting congressional appropriations to fund the federal government. If a final budget is not passed by October 1, the first day of the federal fiscal year, the U.S. Congress must pass one or more continuing resolutions to maintain funding until a final budget is passed.

The President's proposed budget for fiscal year 2024 would increase funding overall for select discretionary grant programs by \$10.7 billion (4.0 percent) and decrease funding for select mandatory programs by \$52.0 billion (7.0 percent) from fiscal year 2023 enacted levels. These changes total a \$41.3 billion (4.0 percent) decrease in overall funding. The following highlights show new initiatives, program policy changes, and funding levels. **Figure 1** shows the estimated fiscal impact to Texas based on the proposed funding changes for select grant programs.

## EDUCATION

**Education for Prekindergarten to Grade 12:** The President's budget proposes a \$4.7 billion increase in total funding for select Department of Education programs from fiscal year 2023 levels. The increase is attributable largely to the proposed \$2.2 billion (12.0 percent) in additional funding for **Title I Grants to Local Education Agencies** and \$2.1 billion (15.0 percent) in additional funding for **Special Education – Basic State Grants**. The budget also proposes increasing funding for **Head Start** by \$1.1 billion (10.0 percent), totaling \$13.1 billion.

**Higher Education:** The budget proposes a 3.0 percent increase in funding for **Career and Technical Education – State Grants**, providing an estimated \$4.0 million in additional funding to Texas from fiscal year 2023 enacted levels. The budget also proposes increasing the maximum **Pell Grant** award by \$500 for low-income and middle-income students in fiscal year 2024, with the intention of increasing funding in subsequent years to double the current maximum award by 2029.

The President's budget proposes \$500.0 million to establish a program providing two years of free **community college**. The budget also proposes new tuition subsidies for certain students enrolled in a four-year **Historically Black College or University (HBCU)**, **Tribally Controlled College or University (TCCU)**, or **Minority-serving Institution (MSI)**. Coupling this funding,

the budget would provide an additional \$429.0 million in funding for research and capital projects at HBCUs, TCCUs, and MSIs.

The proposed changes to select education grants would increase funding to Texas by an estimated \$454.4 million from 2023 levels.

## HEALTH AND HUMAN SERVICES

The President's budget proposes increasing funding nationwide for the **Children's Health Insurance Program** by 5.0 percent, with funding for Texas estimated to increase by \$75.1 million. The budget also proposes increasing funding for the **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)** by 5.0 percent (\$300.0 million) to \$6.3 billion. Texas would receive an estimated increase of \$23.8 million in WIC funding from fiscal year 2023 levels, totaling \$471.8 million.

The proposed budget would maintain funding levels for the **Temporary Assistance for Needy Families (TANF)** program; however, funding would decrease by \$5.0 million for the **TANF Contingency Fund**. TANF funding received by Texas is estimated to remain at \$484.7 million. Funding for the **Child Care and Development Fund** would increase by \$978.6 million (12.2 percent) from fiscal year 2023 levels, with Texas estimated to receive \$969.8 million in fiscal year 2024.

**Child Welfare:** The President's budget promotes evidence-based practices to limit the number of children entering **Foster Care** and would increase program funding by \$589.0 million (9.0 percent). The budget also increases support for kinship foster care placements, increasing **Promoting Safe and Stable Families** funding by \$319.0 million (78.0 percent). Texas is estimated to receive \$57.5 million, an increase of 47.4 percent from the fiscal year 2023 budget. In addition, the budget proposes \$215.0 million for community-based organizations to respond to child abuse and provides new guidance to expand legal access for children and families in the child welfare system.

**Mental Health and Substance Abuse:** The proposed budget would provide \$2.0 billion for **State Opioid Response Grants** and \$700.0 million for the **Substance Abuse and Prevention Block Grant**, increasing their respective funding by 26.0 percent and 34.9 percent. Texas is estimated to receive a total of \$296.1 million from both grants, an increase of \$78.5 million (36.1

**FIGURE 1**  
**ESTIMATED FEDERAL ALLOCATIONS TO TEXAS FOR SELECT GRANT PROGRAMS, FEDERAL FISCAL YEARS 2023 TO 2024**

PROGRAMS	APPROPRIATED 2023	PRESIDENT'S BUDGET 2024	CHANGE FROM 2023
<b>(IN MILLIONS)</b>			
<b>Select Education</b>			
Head Start	\$798.3	\$868.7	\$70.4
Title I, Grants to Local Education Agencies	\$1,813.5	\$2,009.4	\$195.9
Career and Technical Education – State Grants	\$127.7	\$131.8	\$4.1
Special Education – Basic State Grant	\$1,249.7	\$1,433.7	\$184.0
<b>Total Select Education</b>	<b>\$3,989.2</b>	<b>\$4,443.6</b>	<b>\$454.4</b>
<b>Select Health and Human Services</b>			
Child Care and Development Fund	\$859.6	\$969.8	\$110.2
Children’s Health Insurance Program	\$1,417.0	\$1,492.1	\$75.1
Foster Care	\$217.5	\$237.7	\$20.2
State Opioid Response Grants	\$54.6	\$69.5	\$14.9
<b>Total Select Health and Human Services</b>	<b>\$2,548.7</b>	<b>\$2,769.1</b>	<b>\$220.4</b>
<b>Select Other Programs</b>			
Weatherization Assistance Program	\$9.6	\$11.6	\$2.0
Low-Income Home Energy Assistance Program	\$336.5	\$198.5	(\$138.0)
State Criminal Alien Assistance Program	\$25.4	\$0.0	(\$25.4)
Justice Assistance Formula Grants	\$25.0	\$21.6	(\$3.4)
Workforce Innovation and Opportunity Act (Dislocated Workers, Youth Activities, and Adult Employment and Training)	\$84.9	\$89.5	\$4.6
<b>Total Select Other Programs</b>	<b>\$481.4</b>	<b>\$321.2</b>	<b>(\$160.2)</b>

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

percent). In addition, Texas is estimated to receive \$129.3 million in funding from **Mental Health Block Grants**, an increase of \$50.1 million (63.3 percent) from fiscal year 2023 levels.

**TRANSPORTATION**

The President’s budget proposes \$76.1 billion in highway and transit funding to rebuild bridges, increase the number of public charging stations for electric vehicles, and develop climate change programs. The budget would increase funding to the **Federal-Aid Highway Program** by \$1.3 billion to \$60.1 billion and would include \$14.0 billion to support local transit agencies and \$4.6 billion to advance urgent transportation infrastructure projects.

**OTHER**

**Criminal Justice:** The budget would decrease funding for the **Byrne Memorial Justice Assistance Grants** program by \$56.0 million to \$356.0 million. These grants fund evidence-based policing, prosecutorial decision making, and the Preventing Violence Against Law Enforcement Officers and Ensuring Officer Resilience and Survivability program. The budget also would eliminate the **State Criminal Alien Assistance Program**, which provides partial payments to states, including \$17.3 million during fiscal year 2023, and local entities that incurred costs for incarcerating undocumented criminal aliens.

**Housing:** The budget would provide \$4.1 billion, a \$111.0 million increase from fiscal year 2023 levels, excluding emergency appropriations, for the **Low-Income Home Energy Assistance Program**. Despite the proposed increase, total program funding to Texas would decrease to \$198.5 million due to the expiration of onetime emergency appropriations. The budget also provides \$30.0 million for grants and \$1.0 billion for loan guarantees for renewable energy systems and energy efficiency improvements in rural communities; and increases funding for the **Weatherization Assistance Program** by \$70.8 million.

**Labor:** The budget would provide \$3.4 billion, an increase of more than \$100.0 million from fiscal year 2023 levels, for **Workforce Innovation and Opportunity Act** programs to assist dislocated (unemployed) workers, youth activities, and adult employment and training. These programs equip workers with skills necessary for securing employment. The programs also assist at-risk youth in gaining educational and occupational skills, including youths in foster care or the justice system.

**CONTACT**

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