



# FEDERAL FUNDS WATCH

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## SPOTLIGHT: FY 2004 APPROPRIATIONS

The President is expected to sign the Consolidated Appropriations bill for FY 2004, which combined the 7 of the 13 appropriation bills that had not yet passed. Most federal programs will receive a 0.59% across-the-board reduction in funding. Texas will receive slight increases or decreases from the previous year's funding level in most allocations (see table on page 2). Some selected programs are discussed below. Transportation allocations are not included in this edition; Congress will consider reauthorization of transportation programs in February.

### Education

**Individuals with Disabilities Education Act (IDEA).** Congress appropriated an increase of 12% nationally for **Special Education - Grants to States**. Texas will receive an estimated \$829.0 million for FY 2004 (a gain of \$105.8 million over FY 2003's allocation). **Special Education - Grants for Infants, Toddlers and Families** was appropriated a slight increase of \$10.2 million (2.3% increase). Texas' allocation will increase by \$0.9 million to \$35.7 million in FY 2004.

**No Child Left Behind Act (NCLB). Title I - Grants to Local Educational Agencies** increased nationally by 5.8% to \$12.4 billion in FY 2004. Texas will receive an estimated \$1.1 billion (an increase of \$79.9 million over FY 2003).

The **21st Century Community Learning Centers (21st CCLC)** portion for formula grants to states will increase in FY 2004 as the portion for competitive grants decreases. Texas' allocation is estimated to increase to \$85.0 million in FY 2004 (a gain of \$39.4 million over FY 2003's allocation). The **21st CCLC** program provides funds to states for before and after school activities designed to improve academic achievement.

Federal funding for the **State Grants for Innovative Education** program was reduced nationally by \$80 million. Texas will receive an estimated \$22.8 million in FY 2004 (a loss of \$6.4 million). Congress eliminated funding for the **Community Services for Expelled or Suspended Students Program** in FY 2004. Texas received \$4.1 million in FY 2003.

### Health and Human Services

**Ryan White AIDS Comprehensive Care Grant.** Texas is estimated to receive \$70.7 million in FY 2004 (an increase of \$2.1 million over FY 2003). Nearly 70% of these funds are dedicated to the AIDS Drug Assistance Program (ADAP).

**Rehabilitation Services.** Federal funding for the **Vocational Rehabilitation Grants to States** program increased nationally by \$50.0 million. Texas will be allocated an additional \$5.6 million over the FY 2003 funding level to provide assessments, counseling, and training to individuals with disabilities.

### Criminal Justice

**State Criminal Alien Assistance Program (SCAAP).** Texas is estimated to receive \$17.5 million in FY 2004 (20% increase over FY 2003). This partially restores a 72% reduction in federal funds in FY 2003. A new provision requires that funds directly reimburse states' costs for incarcerating undocumented persons.

**Juvenile Accountability Incentive Block Grant.** Texas' estimated FY 2004 allocation is \$3.7 million (a decrease of \$8.1 million compared to FY 2003). This is nearly 69% reduction in funding. This estimate does not take into account a potential negative impact from a formula change. The grant supports reduction of juvenile offenses through accountability-based initiatives.

**DNA Testing.** \$100 million was appropriated nationally for DNA analysis and backlog reduction. This is a 143% increase over FY 2003 funding levels. Texas received \$2.8 million in FY 2003. Grants are awarded competitively.

### Homeland Security

First Responder Grants, such as the State Homeland Security Program (SHSP), Law Enforcement Terrorism Prevention Program (LETPP) and the Citizen Corps Program (CCP) are administered by states and used to provide training and equipment to fire departments, law

enforcement, and emergency medical services. The programs were consolidated under the Department of Homeland Security, Office for Domestic Preparedness (ODP) for FY 2004 under the name Homeland Security Grant Programs (HSGP). Texas received approximately \$107.7 million in federal funds for these three programs in FY 2003. The estimated allocation to Texas for these three programs in FY 2004 is \$114.9 million, (\$87.3 million for SHSP; \$25.8 million for LETPP; and \$1.8 million for the Citizen Corp).

### Other

**Welfare-to-Work.** The Consolidated Appropriations bill rescinds \$176.0 million nationally in unspent Welfare-to-Work funds. States were allocated funds in fiscal

years 1998 and 1999 to assist welfare recipients, non-custodial parents of children on public assistance, or youth who have aged out of the foster care system move into jobs. The Texas Workforce Commission passes these funds through to Local Workforce Development Boards. Prior to this action, FY 1999 funds were available until the end of FY 2004.

**Election Reform.** Texas' allocation for voting requirements payments is estimated to be \$103.6 million for FY 2004 (an increase of \$45.9 million over FY 2003 levels). The Election Assistance Commission has not yet disbursed the FY 2003 allocation. Authority for the Administrator of General Services to disburse the fiscal years 2003 and 2004 allocations is included in the Act.

Estimated Federal Allocations to Texas for Selected Grant Programs				
(in Millions)				
Programs	FY 2002	FY 2003	Conference FY 2004	Change from FY 2003
<b>SELECTED EDUCATION</b>				
Special Education - Grants to States	\$608.1	\$723.2	\$829.0	\$105.8
Title I - Grants to Local Educational Agencies	862.8	1,015.1	1,095.0	79.9
21st Century Community Learning Centers	24.0	45.6	85.0	39.4
Language Acquisition State Grants	55.4	65.6	72.3	6.7
Improving Teacher Quality State Grants	230.1	236.8	240.6	3.8
Reading First State Grants	79.0	93.1	95.2	2.1
Special Education - Infants, Toddlers and Families	33.5	34.8	35.7	0.9
Safe and Drug Free Schools and Communities	36.6	37.1	35.5	-1.6
Community Services for Expelled or Suspended Students Program	4.0	4.1	0.0	-4.1
State Grants for Innovative Education	29.4	29.2	22.8	-6.4
<b>Total Selected Education</b>	<b>\$1,962.9</b>	<b>\$2,284.6</b>	<b>\$2,511.1</b>	<b>\$226.5</b>
<b>SELECTED HEALTH AND HUMAN SERVICES</b>				
Vocational Rehabilitation State Grants	\$179.3	\$183.2	\$188.8	\$5.6
W IC Nutrition Program	377.6	426.8	429.8	3.0
Child Care and Development Block Grant	202.6	201.0	203.6	2.6
Ryan White AIDS Comprehensive Care	63.8	68.6	70.7	2.1
Substance Abuse Prevention and Treatment	132.6	133.3	135.2	1.9
Social Services Block Grant	125.3	126.6	127.7	1.1
Promoting Safe and Stable Families	34.1	31.8	31.8	0.0
<b>Total Selected Health and Human Services</b>	<b>\$1,115.3</b>	<b>\$1,171.3</b>	<b>\$1,187.6</b>	<b>\$16.3</b>
<b>OTHER</b>				
Election Reform <sup>1</sup>	\$0.0	\$57.7	\$103.6	\$45.9
First Responder Grants <sup>2</sup>	16.2	107.7	114.9	7.2
State Criminal Alien Assistance Program	51.7	14.6	17.5	2.9
Community Development Block Grant	87.0	85.3	86.9	1.6
Public Health Preparedness and Response	51.4	48.3	48.6	0.3
Hospital Bioterrorism Preparedness <sup>3</sup>	8.3	35.1	33.3	-1.8
Juvenile Accountability Incentive Block Grant	15.7	11.9	3.7	-8.2
<b>Total Other</b>	<b>\$75.4</b>	<b>\$95.3</b>	<b>\$85.6</b>	<b>\$47.9</b>

Note: Texas grant amounts listed above represent preliminary estimates and include the FY 2004 0.59 % across-the-board reduction. Numbers may not add due to rounding.

<sup>1</sup> FYs 2003 and 2004 include voting system requirements payments only.

<sup>2</sup> FY 2002 amount does not include Law Enforcement Terrorism Prevention Program and Citizen Corps funds.

<sup>3</sup> FY 2003 includes a one-time additional grant award of \$1.8 million.