

# SPOTLIGHT: FISCAL YEAR 2016 CONGRESSIONAL ACTIONS

A FEDERAL FUNDS WATCH FROM LEGISLATIVE BUDGET BOARD STAFF

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On December 18, 2015, the President signed the federal Consolidated Appropriations Act, 2016. The Act completes all legislative action on appropriations bills for fiscal year 2016. A description follows of significant federal funding level and policy changes to the Texas budget due to Congressional actions. Figure 1 shows select programs with changes compared to the previous year's funding level.

## EDUCATION

**K-12.** Most major federal education programs received level funding or slight increases compared to fiscal year 2015. Nationally, funding for **School Improvement Grants** decreased 11.1 percent from fiscal year 2015. Texas will receive an estimated \$39.9 million in fiscal year 2016, or \$5.0 million less than fiscal year 2015.

**Higher Education.** Congress increased the maximum Federal Pell Grant award from \$5,775 to \$5,915.

## HEALTH AND HUMAN SERVICES

The **Children's Health Insurance Program (CHIP)** provides health insurance coverage for uninsured, low-income children whose family incomes exceed Medicaid eligibility thresholds. Funding for **CHIP** to Texas is expected to be an estimated \$1.5 billion in fiscal year 2016 (a 66.4 percent increase). This increase in funding is primarily due to the 23.0 percentage point increase in matching rates pursuant to the Affordable Care Act (ACA).

Authorization of the **Temporary Assistance for Needy Families (TANF)** block grant was extended through fiscal year 2016 at the previous funding level. Although funding for the **Child Care and Development Fund (CCDF)** increased slightly by 0.7 percent, the **CCDF Block Grant** portion increased by 13.4 percent. An estimated \$33.8 million increase to Texas is expected for fiscal year 2016.

**Block Grants for Community Mental Health Services** were increased nationally to \$533.0 million in fiscal year 2016 (a 10.0 percent increase from fiscal year 2015). Texas' fiscal year 2015 award was \$36.7 million for this program.

The **Refugee Assistance** program national funding increased to \$1.7 billion (a 7.4 percent increase). Texas' fiscal year 2015

allocation for cash, medical assistance, and social services to refugees was estimated to be \$70.2 million.

States are provided with administrative funds to operate the **Supplemental Nutrition Assistance Program (SNAP)**, which provides nutrition assistance to low-income individuals and families. The SNAP State Administration national funding level increased by \$99.0 million in fiscal year 2016 (a 2.4 percent increase). Texas received \$276.1 million in fiscal year 2015. Funding for the **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)** program was reduced due to lower participation rates nationally. Texas' **WIC** allocation decreases from \$500.8 million in fiscal year 2015 to an estimated \$484.0 million in fiscal year 2016 (a 3.4 percent decrease).

The **Hospital Preparedness Program (HPP)** national funding was reduced to \$255.0 million for fiscal year 2016 (a 43.3 percent reduction). The **Public Health Emergency Preparedness (PHEP) program** national funding was reduced to \$660.0 million (a 16.3 percent decrease). The decrease in these programs is due to the cessation of onetime fiscal year 2015 emergency funding for Ebola. Texas is expected to receive a combined \$54.4 million in fiscal year 2016 for the **HPP** and **PHEP** programs.

The Act includes a one-year moratorium in calendar year 2017 on the **Health Insurance Providers Fee** authorized by the ACA.

## TRANSPORTATION

The federal Fixing America's Surface Transportation (FAST) Act increased appropriations for **highway and transit programs** for fiscal year 2016. Federal **highway program** funding increased from \$41.0 billion to \$43.3 billion, or 5.6 percent. Texas will be apportioned an estimated \$3.5 billion for various **highway programs** in fiscal year 2016, including \$100.6 million in funding for the **National Freight Program**, established by the FAST Act. **Transit program** national funding levels increased from \$8.6 billion to \$9.3 billion, or 8.8 percent. Texas is estimated to be apportioned \$418.5 million for transit in fiscal year 2016.

## OTHER

**Criminal Justice.** The Act increased funding for the nationwide **State Criminal Alien Assistance Program (SCAAP)** by \$25.0 million from the fiscal year 2015 funding level of \$185.0 million.

The fiscal year 2016 **SCAAP** award to the Texas Department of Criminal Justice is estimated to be \$8.9 million. **Byrne Memorial Justice Assistance Grants (JAG)** were funded nationally at \$332.7 million, an increase of 4.0 percent from fiscal year 2015. Texas received \$13.2 million in **JAG** funding for fiscal year 2015. Fiscal year 2016 national funding level for **STOP Violence Against Women Grants** is \$215.0 million, a 10.0 percent increase from fiscal year 2015. Texas received \$9.2 million in fiscal year 2015. The Act allocated \$22.5 million for a competitive grant program, **Body-Worn Camera Partnership Program**. This matching program is available to purchase body-worn cameras for law enforcement.

**Homeland Security.** The **State Homeland Security Grant Program** maintained funding of \$412.0 million in fiscal year 2016. Texas will receive an estimated \$21.5 million in fiscal year 2016. **Operation Stonegarden** maintained funding of \$55.0 million in fiscal year 2016; Texas' fiscal year 2015 allocation was \$20.0 million. The **Urban Area Security Initiative** program decreased 1.0 percent in fiscal year 2016 to \$580.0 million nationally. Texas' allocation was \$41.4 million in fiscal year 2015.

**Housing.** The Act maintained level funding of \$3.4 billion for the Low-Income Home Energy Assistance program (LIHEAP) from fiscal year 2015. Texas is expected to receive \$117.5 million in fiscal year 2016, excluding emergency contingency funds. Funding for the **HOME Program** increased by \$50.0 million from the fiscal year 2015 level of \$900.0 million. Texas received \$21.6 million for this program in fiscal year 2015. The Act increased funding for the **Weatherization Assistance Program** by \$22.0 million from the fiscal year 2015 funding level of \$193.0 million. Texas received \$4.7 million for this program in fiscal year 2015. Funding for the **Community Services Block Grant** program increased by 6.1 percent from the fiscal year 2015 level of \$674 million. Texas' **CSBG** fiscal year 2015 allocation was \$32.3 million.

**Internet Access.** The **Internet Tax Freedom Act** is extended by one year to October 1, 2016. This Act authorizes Texas and six other states to continue to tax Internet access.

#### CONTACT

**Maria Hernandez:** [FedFundsWatch@lbb.state.tx.us](mailto:FedFundsWatch@lbb.state.tx.us)

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

**FIGURE 1**  
**ESTIMATED FEDERAL ALLOCATIONS TO TEXAS FOR SELECTED GRANT PROGRAMS, FEDERAL FISCAL YEARS 2014 TO 2016**  
(IN MILLIONS)

PROGRAMS	2014	2015	2016	CHANGE FROM 2015
<b>SELECTED EDUCATION</b>				
Title I, Education for Disadvantaged Children	\$1,320.0	\$1,320.4	\$1,366.2	\$45.8
Special Education Grants to States	982.9	983.3	1,018.9	35.6
Special Education Grants for Infants, Children, and Families	40.2	40.3	42.3	2.0
School Improvement Grants	\$44.6	\$44.9	\$39.9	(\$5.0)
<b>Total Selected Education</b>	<b>\$2,387.7</b>	<b>\$2,388.9</b>	<b>\$2,467.3</b>	<b>\$78.4</b>
<b>SELECTED HEALTH AND HUMAN SERVICES</b>				
Children's Health Insurance Program	\$955.8	\$923.9	\$1,536.9	\$613.0
Child Care Development Fund	473.2	474.9	508.7	33.8
Vocational Rehabilitation	238.1	241.8	243.4	1.6
Social Services Block Grant	130.2	131.1	133.2	2.1
Temporary Assistance to Needy Families (TANF)	486.2	486.2	486.2	0.0
<b>Total Selected Health and Human Services</b>	<b>\$2,283.5</b>	<b>\$2,257.9</b>	<b>\$2,908.4</b>	<b>\$650.5</b>
<b>SELECTED OTHER</b>				
National Freight Program	\$0.0	\$0.0	\$100.6	\$100.6
State Criminal Alien Assistance Program	7.9	7.9	8.9	1.0
Low-Income Home Energy Assistance Program	128.7	117.5	117.5	0.0
Hospital Preparedness Program	15.8	25.9	15.8	(10.1)
Public Health Emergency Preparedness Program	37.5	47.0	38.6	(8.4)
<b>Total Selected Other</b>	<b>\$189.9</b>	<b>\$198.3</b>	<b>\$281.4</b>	<b>\$83.1</b>

NOTES: Texas grant amounts represent preliminary estimates. Totals may not sum due to rounding. Allocations for the State Criminal Alien Assistance Program represent amounts received by the Texas Department of Criminal Justice, not all Texas entities. The Public Health Emergency Preparedness (PHEP) program and the Hospital Preparedness Program (HPP) totals for fiscal year 2015 include emergency funds to fight Ebola. Texas' fiscal year 2015 amounts include \$9.3 million for PHEP and \$10.0 million for HPP.

SOURCES: Legislative Budget Board; Federal Funds Information for States; U.S. Department of Health and Human Services; U.S. Department of Justice.