

Federal Funds Watch

January 15, 2010

Legislative Budget Board



Spotlight: Highlights of Recent Federal Appropriations

The President signed the **FY 2010 Omnibus Appropriations Act** on December 16, 2009. The Omnibus bill authorizes final 2010 appropriations for these departments: Commerce, State, Justice, Financial Services, Labor, Health and Human Services, Transportation, Housing and Urban Development, State and Foreign Operations. The Agriculture, Energy and Water, Interior, and the Legislative Branch appropriation bills were signed earlier. The table on page 2 lists programs with significant increases or decreases compared to the previous year's funding level (excluding American Recovery and Reinvestment Act (ARRA) funding). A description follows of significant changes to the Texas budget due to Congressional actions at the end of the 111th First Session.

EDUCATION

While Congress provided level funding for **Title I, Part A Grants to Local Educational Agencies** in FY 2010, Texas' allocation is estimated to be \$30.7 million below FY 2009's allocation of \$1.4 billion. FY 2010 national funding for **Adult Education and Literacy Education** was increased by 13.4 percent over the FY 2009 funding level (an estimated gain of \$5.2 million for Texas). The **Teacher Incentive Fund** will receive an increase of \$302.7 million over the FY 2009 national funding level. These funds are awarded competitively to eligible applicants for the design and implementation of compensation systems for teachers and principals based primarily on measures of gains in student academic achievement for teachers and principals in high-need schools. Texas was awarded a total of \$14.5 million in projects for FY 2009. Congress reduced federal funding for **Educational Technology State Grants** by 62.9 percent. Texas' FY 2010 estimated allocation for this program is \$15.2 million below the FY 2009 funding level (not including ARRA funds). The **Safe and Drug-Free Schools and Communities State Grant** program was not appropriated any funding for FY 2010. In FY 2009, Texas received \$23.2 million to prevent violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs.

HEALTH AND HUMAN SERVICES

Congress passed the Agriculture Appropriations Bill for FY 2010, increasing funding to several nutrition programs. **Special Supplement Nutrition Program for Women, Infants, and Children (WIC)** national funding level is estimated at \$7.3 billion, a 4 percent increase of \$289 million over FY 2009 spending. Funding in Texas for FY 2010 increases \$25.6 million, a 4 percent increase over FY 2009 spending. **Child Nutrition Programs** (School Lunch, Adult & Child Care Food, Summer Food Service, and State Administrative Expenses) in Texas is estimated at \$334 million, an 8 percent increase over FY 2009. Congress also passed the FY 2010 Department of Defense Appropriations Bill which contains several non-defense related provisions including emergency funding for state administration of **the Supplemental Nutrition Assistance Program (SNAP)**. The allocation for Texas is estimated at \$38 million in emergency funds. The FY 2010 national base funding level for SNAP state administration is estimated at \$3 billion, an 11 percent increase over FY 2009. The allocation for Texas is estimated at \$181 million, a 4 percent increase over FY 2009. Texas' allocation of funds to operate the **Child Support Enforcement Program** will decline to about \$117.7 million, a decrease of \$9 million

(7 percent) from FY 2009. These funds are primarily used to establish and enforce child support from non-custodial parents.

Included in the Omnibus Appropriations Act is \$5.1 billion for the **Low-Income Home Energy Assistance Program (LIHEAP)** for FY 2010. Texas' allocation is an estimated \$182.1 million, a 8 percent increase of \$12.9 million above the FY 2009 funding level. This allocation includes a second distribution due to severe weather conditions. LIHEAP funds are available to states and other jurisdictions to assist eligible households in paying their cooling and heating costs.

TRANSPORTATION

Transportation appropriations for FY 2010 are \$75.7 billion nationally, approximately \$8.9 billion or 13.3 percent higher than the FY 2009 appropriation of \$66.8 billion not including additional funds provided by ARRA. Texas will receive approximately the same amount of federal transportation funds under the new federal appropriation package. Texas received federal transportation apportionments of approximately \$3.2 billion in FY 2009. The **Highway-Equity Bonus** for FY 2010 is increased from \$9.6 billion in FY 2009 to \$9.7 billion in FY 2010, resulting in a modest \$11.2 million increase for Texas over its \$1.2 billion allocation in FY 2009.

OTHER

Housing. Congress appropriated \$210 million to the **Weatherization Assistance Program (WAP)** for FY 2010. Texas' allocation is an estimated \$8.1 million, a 59 percent decrease of \$11.7 million below FY 2009 (not including ARRA funds). The WAP helps low-income individuals, particularly the elderly and persons with special needs, control energy costs through the installation of weatherization materials and energy conservation education. Congress increased appropriations to \$3.9 billion for the **Community Development Block Grant (CDBG) program** for FY 2010. The FY 2010 allocation for the State of Texas CDBG program is an estimated \$79.7 million, a 9.5 percent or \$6.9 million increase over FY 2009. The CDBG program provides funds to states to develop urban communities for persons of low and moderate income by providing decent housing, suitable living environments, and expanding economic opportunities.

Justice. Congress appropriated \$519 million for the **Byrne Justice Assistance Grant program (JAG)**. Texas' FY 2010 JAG allocation is an estimated \$21.9 million, a 5 percent decrease or \$1.1 million below the funding level in FY 2009. JAG funds provide support to a broad range of activities to prevent and control crime and to improve the criminal justice system. For FY 2010, Congress appropriated \$63.9 million less than in FY 2009 for the **State Criminal Alien Assistance Program (SCAAP)**. Texas' state allocation (excluding local) in FY 2009 was \$17.9 million. SCAAP provides funds to assist states and units of local government that incur costs of incarcerating illegal aliens convicted of one felony or two misdemeanor offenses and to expedite the transfer of custody for certain deportable aliens.

Homeland Security. While the overall **State Homeland Security Grant Program** was level funded nationally, Texas' allocation is estimated to be \$3.1 million less in FY 2010 than in FY 2009. The FY 2010 national funding level for the **Hospital Preparedness Program** is \$420 million, an 8 percent increase of \$32.0 million over FY 2009. Texas received \$33.2 million for Hospital Preparedness in

FY 2009 and is estimated to receive \$35.8 million in FY 2010. A new Homeland Security grant program, **Emergency Food and Shelter** was appropriated \$200 million to be distributed nationally. Emergency Food and Shelter Program funds will be available to public and private entities that give shelter, food and supportive services to homeless and hungry individuals in communities impacted by unemployment, poverty and economic distress. State allocations have not been announced yet.

Labor. Funding to operate the Unemployment Insurance Program (UI) will increase to \$144.7 million, an estimated \$18.9 million (15 percent) above the FY 2009 level. UI collects taxes from businesses and provides benefits to unemployed individuals.

Natural Resources. Congress increased funding for the **Drinking Water State Revolving Fund (DWSRF)** and the **Clean Water State Revolving Fund (CWSRF)**. Texas' estimated **DWSRF** allocation for FY 2010 is \$93.3 million, an increase of \$26.2 million over FY 2009, and its estimated **CWSRF** allocation is \$95.7 million, a \$64.3 million increase over FY 2009. The U.S. Fish and Wildlife Service estimates that Texas' **Wildlife Restoration** apportionment for FY 2010 will be \$19.3 million, an increase of \$5.7 million over FY 2009.

ESTIMATED FEDERAL ALLOCATIONS TO TEXAS FOR SELECTED GRANT PROGRAMS (IN MILLIONS)

PROGRAMS	FY 2009	FY 2010	CHANGE FROM FY 2009
SELECTED EDUCATION			
Adult Education and Basic Literacy	\$49.8	\$55.0	\$5.2
21st Century Community Learning Centers	101.9	106.0	4.1
Language Acquisition State Grants	98.7	101.4	2.7
Mathematics and Science Partnerships	18.1	14.9	(3.2)
Educational Technology State Grants	24.2	9.0	(15.2)
Safe and Drug-Free Schools and Communities	23.2	0.0	(23.2)
Title I - Grants to Local Educational Agencies	1,366.7	1,336.0	(30.7)
Total Selected Education	\$1,682.6	\$1,622.3	(\$60.3)
SELECTED HEALTH AND HUMAN SERVICES			
Women, Infants & Children (WIC) ¹	\$624.2	\$649.8	\$25.6
Child Nutrition programs	308.9	334.0	25.1
Low-Income Home Energy Assistance Program ²	169.2	182.1	12.9
Supplemental Nutrition Assistance Program (SNAP) - State Admin	174.2	181.0	6.8
Adoption Assistance	68.6	70.7	2.1
Child Support Enforcement	126.7	117.7	(9.0)
Total Selected Health and Human Services	\$1,471.8	\$1,535.3	\$63.5
SELECTED OTHER			
Unemployment - State Administration	\$125.8	\$144.7	\$18.9
Community Development Block Grant (Non-entitlement) ³	72.8	79.7	6.9
CDC-State and Local Capacity, Bioterrorism Grants	33.2	35.8	2.6
Justice Assistance Grant ⁴	23.0	21.9	(1.1)
State Homeland Security Grant Program	60.2	57.1	(3.1)
Total Selected Other	\$315.0	\$339.2	\$24.2

NOTE: Texas grant amounts listed above represent preliminary estimates. Numbers may not add due to rounding.

¹FY 2009 figure includes money spent in ARRA contingency funds and unspent FY 2008 funding reallocations as of August 2009.

²Total for FY 2010 includes a second distribution due to severe weather conditions.

³Totals do not include amounts awarded to entitlement communities (units of local government) estimated to be \$199.1 million.

⁴Totals do not include amounts awarded directly to units of local government.

SOURCES: Federal Funds Information for States (FFIS), U.S. Department of Education, and Legislative Budget Board.