

**SELECT FEDERAL ECONOMIC STIMULUS PROVISIONS
IMPACTING TEXAS STATE BUDGET**

Total Estimated Allocations to Texas: \$ 16.8 billion

HEALTH AND HUMAN SERVICES

Total Estimated: \$5.8 billion

Medicaid

The Medicaid program provides financial assistance to states for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women, the elderly and disabled who meet income and resource requirements as well as other categorically eligible groups.

Hold harmless provisions are included, insuring that a state's Federal Medical Assistance Percentage (FMAP) will not be reduced below the fiscal year 2008 level.

Provides a base increase in each state's FMAP by 6.2 percentage points plus "unemployment" bonus points. Texas would receive \$5.4 billion over nine calendar quarters beginning October 1, 2008 through December 31, 2010. The distribution estimate to Texas includes an unemployment bonus rate based on FY 2009 unemployment rates.
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A state may not have Medicaid eligibility levels that are more restrictive than were in effect on July 1, 2008.

A state must meet the prompt provider requirements for physicians, hospitals, and nursing homes (hospitals and nursing homes have a grace period until June 1, 2009).

Any amount of funds attributable to FMAP (directly or indirectly) may not be deposited into any reserve or rainy day fund.
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Transitional Medical Assistance (TMA) is reauthorized through December 31, 2010. TMA provides 12 months of Medicaid to people who leave TANF due to employment.

Reauthorizes the Qualifying Individuals (QI) program through December 31, 2010. QI extends federal assistance with Medicare Part B premiums for Medicaid clients.

Foster Care and Adoption Assistance

Funding assists states in providing safe, appropriate, 24-hour substitute care for children who are under the jurisdiction of the administering state agency and need temporary placement and care outside their homes and assists states in finding adoptive homes for children with special needs.

Hold-harmless and across-the-board increases are included for FMAP. TX \$48.7 million
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Medicaid Disproportionate Share Hospital (DSH)

The DSH program provides supplemental payments to hospitals that serve large numbers of Medicaid beneficiaries and low-income or uninsured patients.

A state's allocation would be increased by 2.5 percent for each fiscal year 2009 and 2010. TX \$70.8 million

Center for Medicare and Medicaid Services (CMS) Final Regulations

CMS published six rules that would negatively impact Medicaid providers. Congress passed a moratorium on these regulations that expires March 31, 2009.

The moratorium is extended to June 30, 2009 for final regulations published relating to school based administration and transportation, outpatient hospital facility services, case management services, and provider taxes.

Includes congressional language that urges CMS not to publish final rules relating to cost limits on certain providers, payments for graduate medical education, and rehabilitative services.

Temporary Assistance for Needy Families (TANF)

TANF is a block grant program that provides assistance to families with needy children, including cash, job preparation services, and child protective services.

\$2.4 billion for a new temporary emergency contingency fund.

Extends supplemental TANF grants through 2010. **TX \$52.7 million**

Expands use of prior years' unexpended TANF block grants.

Food Stamps (now known as Supplemental Nutritional Assistance Program, SNAP)

SNAP is an entitlement program that provides funds to families to purchase food. Benefits are 100% federally funded.

Benefits increased by 13.6 percent, through September 30, 2009.

\$290.5 million to states to administer these benefits without state match. **TX \$25.7 million**

Temporarily relaxes the requirements for able-bodied adults without dependents if they continue with employment search.

Nutrition Program for Women, Infants, and Children (WIC)

WIC provides supplemental nutritious food and nutrition education to low-income pregnant, breast-feeding, or postpartum women and to young children, at 100 percent federal funding.

\$100 million nationally to improve information systems.

+\$400 million nationally to be placed in reserve and allocated as the U.S. Secretary of Health and Human Services deems necessary for increased costs or participation.

Senior Nutrition Program

The Senior Nutrition Program provides funding to states through formula grants for meals, nutrition education, and other nutrition services to promote health and well-being of older individuals.

\$97 million to states. **TX \$7.9 million**

Vocational Rehabilitation Grants (VR)

VR funds assist persons with disabilities to become gainfully employed. A wide range of services is permitted, including counseling and vocational services.

\$500 million to allocated funds to states based on population, weighted by per capita income.

TX \$38.1 million

Available through September 30, 2010.

No match required.

IDEA, Part C, Special Education Grants for Infants and Families

Part C funds are provided to assist states in implementing statewide systems of coordinated, comprehensive, multidisciplinary interagency programs of early intervention services for infants and toddlers with disabilities and their families.

\$500 million for formula grants based on states share of children 0-2 years old to help states serve children with disabilities age 2 and younger. **TX \$32.5 million**

Available through September 30, 2010.

Independent Living Services (ILS)

ILS for Older Individuals Who are Blind: \$34.3 million to fund services to individuals aged 55 or older who are blind whose severe visual impairments make competitive employment extremely difficult to obtain, but for whom independent living goals are feasible.

TX \$2.1 million

Independent Living State Grants: \$18.2 million to states to provide, expand, and improve the provision of independent living services. **TX \$1.0 million**

Prevention and Wellness

\$1.0 billion appropriated to carry out evidence-based clinical and community based prevention and wellness strategies, for section 317 immunization program, and for activities to implement healthcare-associated infections reductions.

\$300 million for section 317 immunization program, nationally. **TX \$12.8 million**

\$600 million for evidence-based clinical and community-based prevention and wellness strategies and \$50 million to carry out activities to implement healthcare-associated infections reduction strategies, nationally. **TX allocations not available.**

Child Support Enforcement

Funds are available to locate absent parents, establish paternity, obtain support orders, and enforce the support obligations owed by them.

\$1.0 billion to restore performance incentive matching funds through September 2010. **TX \$160.7 million**

EDUCATION

Total Estimated: \$6.2 billion*

Title I, Grants to Local Educational Agencies

Title I grants assist school districts in providing supplementary educational services for disadvantaged children to meet state academic content and student academic achievement standards.

\$13 billion for formula grants to states. **TX \$1.2 billion**

Individuals with Disabilities Act (IDEA), Special Education Grants to States

IDEA funds assist states in meeting the costs of providing special education and related services to children with disabilities.

\$12.2 billion for formula grants to states. **TX \$1.0 billion**

Educational Technology State Grants

Funds are designed to increase the use of technology in K-12 schools to improve student academic achievement.

\$650 million will be distributed based on Title I allocation. TX \$58.1 million

Education for Homeless Children and Youth

Funds are used to ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, including meals and transportation.

\$70 million in formula grants to states. TX \$3.5 million

State Fiscal Stabilization Funds to States

\$48.6 billion (after federal set-asides) will be distributed to states based on the following: 61 percent is allocated on school aged population and 39 percent is based on total population. **TX \$3.9 billion:** 81.8 percent (\$3.2 billion) of the funds must be used to support elementary, secondary, and higher education (including early education). 18.2 percent (\$0.7 billion) of the funds may be used by the Governor for public safety and other government services (including education).

Requires that states maintain their support for both K-12 and higher education at fiscal year (FY) 2006 levels for each of the FYs 2009-11.

*Includes \$0.7 billion in State Fiscal Stabilization Funds to States that can be used for public safety and other government services.

TRANSPORTATION

Total Estimated: \$2.7 billion

Surface Transportation Program

These programs provide funds for state, local and federal highway and bridge construction projects, a portion of the funds may also be used for the repair and upgrade of park roads and transportation enhancement projects, such as, rest areas and hike and bike trails.

Highway and Bridge Construction receives an allocation of \$27.5 billion nationally. **TX \$2.3 billion**

Funds will be made available to states 21 days after enactment of the bill. Of the total amount 50 percent of the funds will be distributed according to the apportionment formula approved under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and the remaining 50 percent shall be apportioned in the same ratio as the obligation limitation for 2008.

State and local entities must obligate 50 percent of the funds within 120 days of enactment and the other half within one year of enactment of the legislation. Priority must be given to projects that can be completed within three years and are located in economically distressed areas.

The U.S. Department of Transportation will redistribute a state's unobligated balances to other states that can obligate the funds in accordance with each obligation deadline noted above.

Transit Programs

Support public transportation by issuing funding and grants to eligible urban and rural grant recipients for planning, vehicle purchases, facility construction, operations, and other purposes. Fixed Guideway (Rail Modernization) is also included in this group.

Transit Programs (continued)

Urban and Rural Capital Transit related grant programs receive \$6.8 billion nationally. **TX \$372.0 million.** Of this amount 80 percent of the funds shall be provided in keeping with the Federal Transit Administration's urbanized formula; 10 percent shall be provided according to the rural formula, and 10 percent shall be provided according to the growing states and high density formula.

Fixed Guideway (Rail Modernization) receives \$750.0 million nationally. **TX \$2.6 million**

Discretionary Transportation Funds

Additional funds to be distributed either competitively or at the discretion of the Federal Highway Administration and the Federal Transit Authority for national impact highway construction and related projects, airports, and passenger rail.

Surface Transportation supplemental discretionary funds totaling \$1.5 billion nationally are appropriated for projects across all surface transportation modes that will have a significant impact nationally or in a metropolitan area or a region. An equitable geographic distribution of funds nationally and an appropriate balance in addressing the needs of urban and rural communities is required.

Intercity Passenger and High-Speed Rail development is allocated \$8.0 billion nationally. The U.S. Secretary of Transportation will allocate these funds geographically throughout the United States in accordance with the Passenger Rail Investment and Improvement Act of 2008. No local match is required for these funds.

Airport Improvement Program is allocated \$1.3 billion in funds nationally for discretionary grants to repair and improve critical infrastructure at our nation's airports.

LABOR

Total Estimated: \$1.0 billion

Child Care and Development Block Grant (CCDBG)

CCDBG funds are used to assist low-income families pay for child care, and improve quality and availability of child care.

\$2.0 billion increase in the block grant, with stipulations that \$255.2 million be used for quality activities. Funds are available through September 30, 2010. **TX \$214.9 million**

Workforce Investment Act (WIA) – Adults

The WIA – Adult program provides information, advice, job search assistance, and training to job seekers.

\$500 million for supportive services and needs payments. Funds are available through June 30, 2010. **TX \$34.7 million**

WIA – Youth

The WIA – Youth program assists low-income youth to acquire educational and occupational skills, training, employment, and support to successfully transition to careers and productive adulthood.

\$1.2 billion for programs for youths. Increases the age of eligibility for services from 14-21 years old to 14-24 years old. Funds are available through June 30, 2010. **TX \$82.8 million**

WIA – Displaced Workers

WIA – Displaced Workers program provides activities that increase the employment, retention, earnings, and occupational skills of people who have lost their jobs or been otherwise dislocated from the workforce.

\$1.25 billion for program activities. Funds are available through June 30, 2010. **TX \$57.5 million**

WIA – Other

\$200 million for the dislocated workers assistance national reserve. Funds are available through June 30, 2010.

Employment Services (ES)

The ES program provides a variety of placement services, without charge, to job seekers and to employers seeking qualified individuals to fill job openings.

\$400 million for ES operations, with \$250 million to be used for Unemployment Insurance processing. Funds are available through June 30, 2010. **TX \$28.0 million**

Trade Adjustment Assistance (TAA)

TAA provides services and benefits to workers who lose their job or whose hours of work and wages are reduced as a result of increased imports.

TAA is reauthorized through December 31, 2010 (was through December 31, 2007.)

Unemployment Insurance (UI)

UI benefits are paid to qualifying individuals who have lost employment.

\$500 million to improve UI operations. **TX \$38.6 million;**
\$7.0 billion, if states make modifications to close the major gaps in the unemployment program. **TX \$530.1 million;**
Extends extended benefits through December 31, 2009; Increases benefit amounts by \$25 per week.

CRIMINAL JUSTICE

Total Estimated: \$161.1 million

Byrne Justice Assistance Grants (JAG)

JAG grants help to support law enforcement efforts to fight crime. Funds can be used for equipment, operations, salary for overtime expenses of officers as well as support for other law enforcement personnel.

\$2.0 billion to states based on 2008 funding formulas. **TX \$140.6 million** Of that amount 60 percent or \$84.4 million is designated for distribution by the state while the remaining 40 percent or \$56.2 million is directly awarded to local entities.

Crime Victims Assistance

These funds aid states in supporting community-based organizations that provide direct services to victims and survivors of domestic violence, sexual assault, child abuse, drunk driving, homicide, and other crimes through services like crisis intervention, counseling, emergency shelters, and emergency transportation.

\$100 million to states in formula grants based on population. **TX \$4.2 million**

Violence Against Women

Funds aid states in developing and strengthening law enforcement and prosecution strategies to combat violent crimes against women as well as victim services.

\$225 million in formula grants to states. TX \$16.1 million

Funds are allocated to states based on 60 percent of the amounts of Crime Victims Fund the state expended in the preceding fiscal year. States must allocate a minimum of 25 percent to prosecution and law enforcement 30 percent to victim services and a minimum of 5 percent to courts.

Internet Crimes Against Children (ICAC)

The program funds federal, state, and local task force programs as part of a national effort to combat the threat of offenders who use the internet to sexually exploit children.

\$50 million for project grants through cooperative agreements to states. TX \$2.9 million

HOUSING AND INFRASTRUCTURE

Total Estimated: \$957.1 million

Community Services Block Grant

Formula grant funds are available to assist states and local communities through community action agencies or other neighborhood organizations, including those that serve seasonal or migrant farm workers.

\$0.98 billion increase in the block grant for services provided during fiscal years 2009 and 2010. States can use one percent of these funds for benefits enrollment coordination activities. TX \$48.1 million.

Weatherization Assistance Program

These funds support the Texas' Weatherization Assistance Program at the Texas Department of Housing and Community Affairs to provide for energy-related improvements to homes and educate residents about energy conservation.

\$5.0 billion in formula grants to states. TX \$236.2 million.

HOME Program

The HOME program provides funds to increase the supply of affordable housing for low-income individuals. This includes rehabilitation and construction of affordable housing, tenant-based rental assistance, home buyers assistance for acquisition of existing housing and new housing construction.

\$2.25 billion allocated nationally. TX \$148.5 million

Funds shall be for capital investments in low-income housing tax credit projects and shall be awarded under the same guidelines as awards for low-income housing tax credits.

Housing agencies must commit no less than 75% of funds within one year of the date of enactment.

Project owners shall expend no less than 75% of the funds within two years of the date of enactment and no less than 100% of the funds within 3 years of the date of enactment.

State Energy Program

This program provides funds to address the state's energy priorities, which includes funding for emerging renewable energy and energy efficiency technologies. Such projects include residential, commercial, and governmental building energy efficiency retrofits.

\$3.1 billion in formula grants for the program. TX \$177.6 million

Clean Water State Revolving Fund

The fund provides states grants to capitalize their revolving loan funds for wastewater infrastructure improvements by providing low-interest loans to political subdivisions for planning, design, and construction of wastewater treatment, recycling and reuse facilities as well as for storm water and nonpoint source pollution control projects.

\$4.0 billion to states for project grants. TX \$181.9 million

Each state must use no less than 50% of its allocation for debt forgiveness of principle, negative interest loans or grants or any combination of these. For the remainder of funds, priority must be given to projects on a State Priority List that are ready to proceed within 12 months of the date of enactment.

No state match will be required for this funding allocation.

Safe Drinking Water State Revolving Fund

The fund provides states grants to capitalize their revolving loan funds for drinking water infrastructure improvements by providing low-interest loans to political subdivisions of the state, nonprofit water supply corporations, privately owned water systems, and state agencies.

\$2.0 billion to states for project grants. TX \$164.8 million

Each state must use no less than 50% of its allocation for debt forgiveness of principle, negative interest loans or grants or any combination of these. For the remainder of funds, priority must be given to projects on a State Priority List that are ready to proceed within 12 months of the date of enactment.

No state match will be required for this funding allocation.

Leaking Underground Storage Tank Trust Fund

The fund provides formula grants to states for use where releases of petroleum products from underground storage tanks have occurred and financially responsible parties cannot be identified or have not satisfactorily responsive.

\$200 million to states for project grants. TX allocation is not available.

No state match will be required for this funding allocation.

HOMELAND SECURITY

Infrastructure Protection Program

Grants provide support for sustainable, risk-based efforts to enhance access control and credentialing, protect against improvised explosive devices and other nonconventional attacks, and conduct disaster-response scenarios.

Public Transportation Security Assistance and Railroad Security Assistance

\$150 million in competitive grants to states. TX allocation not available.

Port Security Grant

\$150 million in competitive grants to states. TX allocation not available.

Programs Not Included in Final Conference

Title XX, Social Services Block Grant

Higher Education Repair and Modernization

K-12 Repair and Modernization

Medicare Repayment to States