On December 8, 2004, the President signed the Consolidated Appropriations bill for fiscal year 2005, which combined the nine appropriations bills that had not yet passed. Most discretionary federal programs will receive a 0.8 percent 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). Highlights follow.

EDUCATION

INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA), SPECIAL EDUCATION – GRANTS to States funding increased by 5 percent at the national level; Texas will receive $55.2 million more than its fiscal year 2004 allocation of $834.5 million. With the passage of the Individuals with Disabilities Education Improvement Act of 2004 on November 19, 2004, Congress raised authorized funding levels and reauthorized special education programs for seven years.

NO CHILD LEFT BEHIND ACT (NCLB). Congress increased Title I, Part A Grants to Local Educational Agencies funding by 3 percent over the fiscal year 2004 funding level. Texas will receive $1.2 billion for fiscal year 2005 (an increase of $51.8 million over fiscal year 2004). Math and Science Partnerships Program funding increased nationally by 19 percent. Texas’ funding allocation for this program will increase to $16.7 million (a gain of $2.7 million over the fiscal year 2004 funding level).

Congress significantly reduced federal funding for two NCLB Act programs, the Educational Technology State Grant and the Innovative Education Program. Congress reduced federal funding nationally for the Educational Technology State Grant by 27 percent. Texas’ fiscal year 2005 allocation for this program is $16.1 million below the fiscal year 2004 funding level. Federal funding for the Innovative Education Program will decrease by 33 percent from the fiscal year 2004 funding level. Texas’ fiscal year 2005 allocation for the Innovative Education Program is estimated to be $15.7 million (a loss of $7.8 million).

HEALTH AND HUMAN SERVICES

NUTRITION. The Nutrition Program for Women, Infants, and Children (WIC) received a 14 percent increase ($60.6 million additional federal funds for Texas). Federal funding for the Child and Adult Care Food Program increased by 3 percent, and Texas will get $3.9 million more federal funds in fiscal year 2005 than in fiscal year 2004.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF). Reauthorization of TANF has been extended through March 31, 2005 with no changes to the program. Federal funding for TANF remained at the fiscal year 2004 funding level.

RYAN WHITE AIDS COMPREHENSIVE CARE GRANT. Texas will receive approximately $73.1 million in fiscal year 2005, an increase of 3 percent over fiscal year 2004. Nearly 70 percent of these funds will be dedicated to the HIV Medication Program.

REHABILITATION SERVICES. Congress increased the Vocational Rehabilitation Grants to States nationally by $52 million over fiscal year 2004. Texas will receive an estimated $193.4 million, a 3 percent increase over fiscal year 2004 funding. Vocational Rehabilitation funds assist persons with disabilities to become gainfully employed. A wide range of services is permitted, including counseling and vocational services.

HOMELAND SECURITY

Federal appropriations for fiscal year 2005 reduced funding for several programs administered by the Office of Domestic Preparedness. The State Homeland Security Grant Program received a 36 percent reduction, a loss of $31.3 million to Texas. The Law Enforcement Terrorism Prevention Program received a 22 percent reduction, a loss of $5.7 million to Texas. However, the Urban Area Security Initiative Grants were allocated 30 percent more in federal funds for a total of $49.8 million for
Texas, an increase of approximately $11.6 million over the fiscal year 2004 allocation. Texas will also receive a $3.0 million allocation for a new program called the Metropolitan Medical Response System.

The Hospital Bioterrorism Preparedness and Response Grant, administered by the U.S. Department of Health and Human Services, was reduced to $30.6 million in fiscal year 2005, a loss of $2.7 million.

**Election Reform.** Congress did not provide federal funding to states for Election Reform Requirements Payments authorized by the Help America Vote Act. Texas’ allocation was $103.2 million in fiscal year 2004.

**Community Development Block Grant (CDBG).** Federal funding for the CDBG program decreased by 5 percent overall. Texas will receive $82.0 million in fiscal year 2005, a decrease of $4.7 million from fiscal year 2004. CDBG funds enable states to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.

**Home Investment State Grants (HOME).** The funding level for the HOME program decreased by 5 percent nationwide. Texas will receive approximately $42.6 million, a decrease of $2.4 million from the fiscal year 2004 funding level. HOME grants increase the supply of affordable housing by enabling state and local governments to design homebuyer programs that best meet local needs and market conditions.

**Low Income Home Energy Assistance (LIHEAP).** Texas received $2.1 million additional federal funds for LIHEAP (a 5 percent increase). LIHEAP funds are available to states and other jurisdictions to assist eligible households in paying their cooling and heating bills.

**Transportation.** The omnibus appropriations bill recently passed by Congress extended funding for transportation by eight months. The Transportation Equity Act for the 21st Century (TEA-21), which authorizes funding levels for national highways, will expire May 31, 2005. Congress is expected to consider the reauthorization of TEA-21 some time in fiscal year 2005.

**Criminal Justice.** Congress combined the portion of the Edward Byrne Memorial Grant funds that are distributed to states and Local Law Enforcement Grant funds into a new funding stream, the Justice Assistance Grant. Congress reduced total funding nationally for these two programs by more than 13 percent, or $92.0 million, below the fiscal year 2004 funding level. Congress must enact authorizing legislation to distribute the Justice Assistance Grant funds. Texas’ fiscal year 2004 allocation for the Edward Byrne Memorial Grant was $31.6 million. Congress restored some federal funding for the Residential Substance Abuse Treatment for State Prisoners Program ($25.0 million for fiscal year 2005). Texas will receive an estimated $2.3 million in fiscal year 2005.