

# Things to Think About: Federal Funds in the State Budget

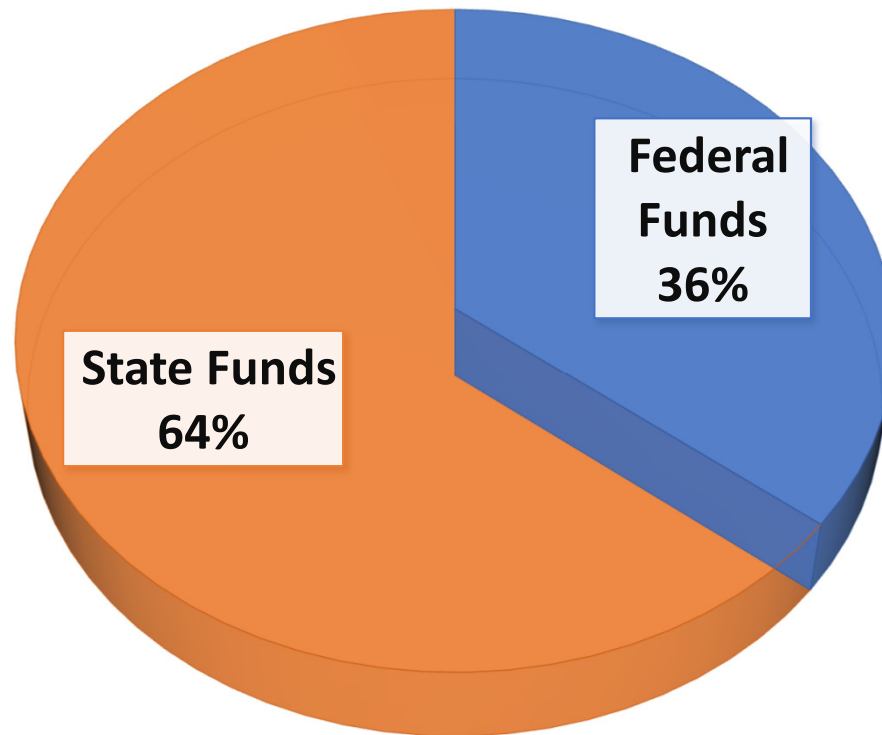
House Committee on Appropriations  
Emily Byrne, Deputy Fiscal Officer, Joint Fiscal Office  
April 8, 2025



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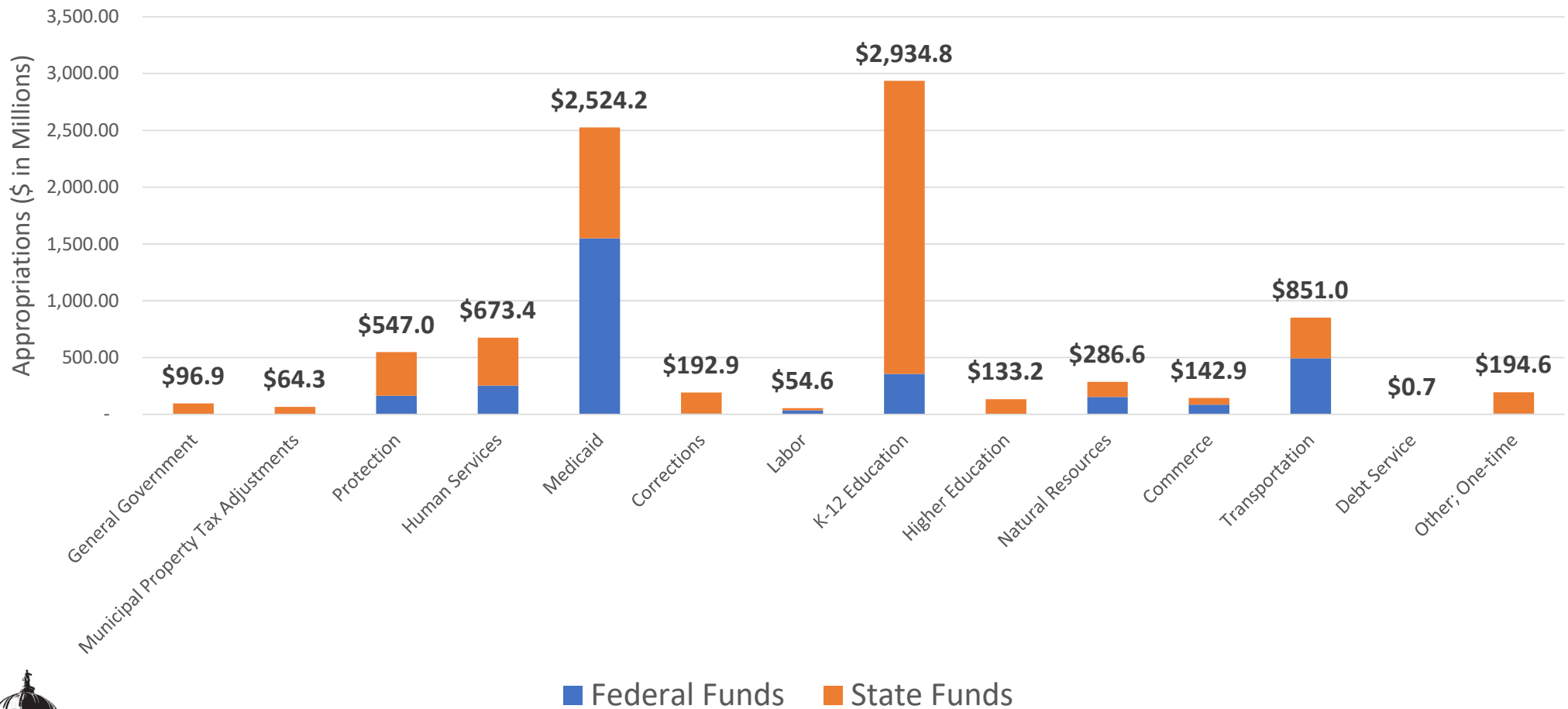
# FISCAL YEAR 2025 BUDGET STATE VS FEDERAL FUNDS



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## Fiscal Year 2025 Appropriations by Area of Government – \$8.7 Billion (Unduplicated)



## Federal Funds as a Share of Total Funding (\$ in millions)

	<u>Total Spending</u>	<u>Federal Funds</u>	<u>Federal Share</u>
General Government	96.86	1.47	2%
Municipal Property Tax Adjustments	64.32	-	0%
Protection	547.01	162.96	30%
Human Services	673.40	253.02	38%
Medicaid	2,524.22	1,549.87	61%
Corrections	192.87	0.51	0%
Labor	54.59	34.26	63%
K-12 Education*	2,934.80	354.65	12%
Higher Education	133.24	-	0%
Natural Resources	286.56	152.07	53%
Commerce	142.94	85.80	60%
Transportation	850.95	493.93	58%
Debt Service	0.68	-	0%
Other; One-times	194.60	5.41	3%
Total	8,697.04	3,093.94	

*\*Note: Total spending for K-12 Education includes the Education Fund and Teachers' Retirement. Total spending for K-12 Education excluding the Education Fund and Teachers' Retirement is \$399.6 million; federal funds represent 88% of that.*



# Notes on Federal Funding

- Match requirements
  - Medicaid – Federal Medical Assistance Percentage (FMAP)
- Maintenance of Effort (MOE)
  - Supplement vs supplant
- Single audit
- Small state minimums vs per capita allocations
- Rules on administrative uses of funds
  - If you have a block grant and the amount of the block grant doesn't change, the State may have to provide State funds to support the spending
  - Support for the internal service funds
- Federal grants are contracts, with terms and conditions



# Different Types of Federal Funding

- **Categorical Grant**
  - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
  - Title 1 of the Elementary and Secondary Education Act
- **Block Grant**
  - Temporary Assistance for Needy Families (TANF)
  - Community Development Block Grant (CBDG)
- **Competitive Grant**
  - Money to do Light Detection and Ranging (LiDAR) mapping
- **Formula Grant**
  - Medicaid



# Things to Think About When Reviewing Federal Funds

- Is there a State match requirement?
  - MOE or other requirements
- Are there positions funded with these dollars?
- Who are the beneficiaries or subrecipients?
  - Sometimes a State entity is the subrecipient of federal funds from other agencies or departments
- Is the funding an entitlement?



# Resources



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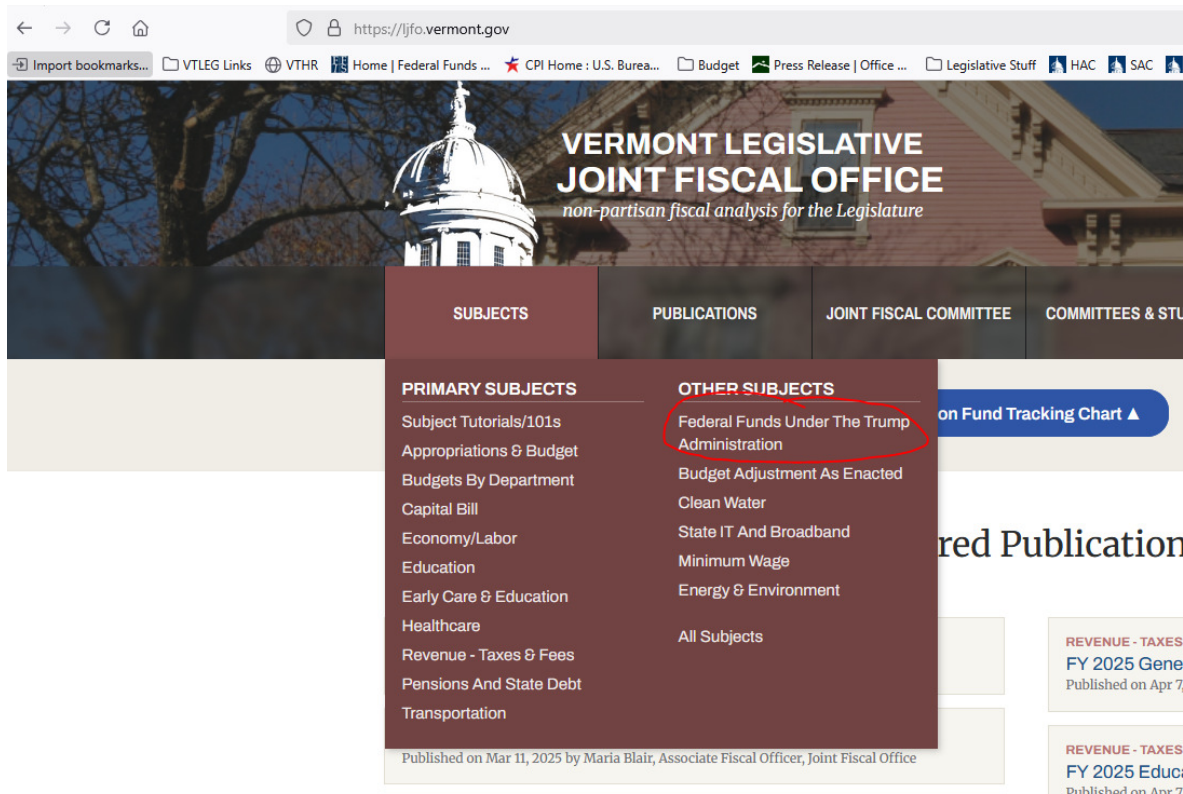
# Federal Funds Information for States (FFIS)



- Provide states with information on federal funds
  - [Federal Funds Per Capita: Vermont](#)
  - Issue briefs
  - Summary of information on federal grants
- [Website: https://ffis.org/](https://ffis.org/)



# JFO Website



- JFO page on Federal Funds Under the Trump Administration:  
<https://ljfo.vermont.gov/subjects/federal-funds-links>

