



FY 2025 Durham County Federal Grant Overview

> February 21, 2025



Discussion Topics

- > Current Federal Grant Landscape
- > Overview of Durham County's Federal Grants
- > Federal Grants Administered by Durham Public Schools (DPS)
- > Additional Important Considerations
- > Board Discussion

Current Federal Grant Landscape

- > Incoming administration has taken several actions that have created substantial uncertainty around availability of previously awarded Federal grant funds.
 - > Most are subject to litigation, so ultimate impact of these actions will not be clear for some time.
- > Congress has signaled potential for cuts to discretionary spending (including grants) to offset revenue decreases from extension/expansion of 2017 tax cuts, which creates uncertainty around future grant funding availability, even for recurring grants.
- > Overall impact – historic uncertainty around potential impacts on Federal revenues for FY 2025, FY 2026 and beyond.

Durham County's Federal Grant Portfolio

- > Durham County currently receives funds through 78 Federal grant programs and other Federal financial assistance sources, totaling \$63,161,699 in revenues for the current fiscal year.
 - > Equivalent to about 7.7% of the total General Fund budget for FY 2025.
 - > Does not include \$62,445,275 ARPA SLFRF allocation or \$20,958,139 Opioid Settlement funds.
- > Of the 78 programs, 33 programs/funding sources have budgets or revenues that exceed \$500,000
 - > Includes Medical Assistance (\$10.5m) and SNAP (\$5.6m) Administration grants, Child Support Enforcement (\$4.2m), Emergency Rental Assistance (ERAP, \$2.5m), and Adoption Assistance (\$2.2m), among others.
 - > Includes several awards that have yet to be expended/received, including Solid Waste Infrastructure for Recycling(SIWFR)/SWIF grant (\$3.3m), Energy Efficiency and Conservation Block Grant (\$1.5m), and Railroad Crossing Elimination Grant (\$1.2m), among others (*italicized in supporting documents*).
- > Most of our Federal grants are administered by Public Health, Social Services, and the Sherriff, but other Departments including Transportation, Engineering, General Services, Emergency Services, and the Library have Federal grants that provide essential resources for important department initiatives.
- > Additional information on specific grant awards and funded amounts is included in the written materials provided to accompany this presentation.

Federal Grants Administered by DPS

- > Federal funding uncertainty is also impacting community partners, including DPS
- > For FY 2025, DPS has received \$24,849,331 in Federal funding, not including school nutrition or direct grants. Key grants include:
 - > Title I, Part A (Improving Basic Programs) -- \$12,267,819
 - > IDEA Section 611 (K-12 Special Education Funding) -- \$7,852,843
 - > Title II, Part A (Supporting Effective Instruction) -- \$1,464,058
 - > Title III, Part A (English Language Acquisition) -- \$719,826
- > DPS utilizes around \$5m a month from all Federal sources (incl. school nutrition) to support operating costs
- > Important for consideration – Approx. 16% of students qualify for special education services, 22% qualify for English language acquisition services
 - > State funding provided for both populations, but Federal funds are a key component of service provisions for these high-need populations

Additional Important Considerations

- > Timing of potential changes is unclear
 - > Uncertain Federal budget timeline, uncertain when we will have clarity on Executive Orders or when new Executive Orders will be issued
- > Potential for unfunded/defunded mandates
 - > Funding may be reduced or eliminated, requirements remain
 - > New requirements may be created without funding to accompany them
- > Potential for new devolution efforts
 - > Transferring administrative responsibilities or entire programs to State or local governments could increase administrative burden, alter funding distribution, or change service provision requirements

Board Discussion

