

**NARC**

*Building Regional Communities*

# Federal Budget Update

**Presented by**

**The National Association of Regional Councils**

**March 9, 2011**

# Overview

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- **H.R. 1 Continuing Resolution**
- **Senate Amendment 149**
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# FY12 President's Budget

- \$3.73 trillion (FY11 was \$3.834 trillion)
- Policy mixed with funding levels
  - ✓ Education
  - ✓ job training
  - ✓ Innovation
  - ✓ research and development (clean energy)
  - ✓ infrastructure
- Push for comprehensive tax reform
- 5-year domestic spending freeze (non-security discretionary)
- 200+ program terminations & reductions
- Elimination of Earmarks
- Reorganize government
- More competitive grant processes
- Program Performance

## Where the Money Goes fiscal 2012 outlays, in billions

A horizontal bar chart titled "Where the Money Goes" showing fiscal 2012 outlays in billions. The chart lists 25 categories, with bars extending to the right. The values are: Health and Human Services (\$892.7), Social Security Administration (814.9), Defense—Military (707.5), Interest on the federal debt (474.1), Agriculture (144.0), Veterans Affairs (124.3), Labor (109.0), Transportation (89.6), Treasury (88.3), Office of Personnel Management (80.1), Education (70.9), Other Defense—Civil Programs (51.5), Housing and Urban Development (49.4), Homeland Security (46.9), Energy (41.4), Other Independent Agencies (34.4), Justice (33.1), State (32.5), International Assistance Programs (29.4), National Aeronautics and Space (18.2), Interior (13.8), Commerce (13.1), EPA (10.0), Corps of Engineers (8.0), National Science Foundation (7.9), The Judiciary (7.6), Legislative Branch (5.3), General Services Administration (2.1), Small Business Administration (1.2), and Executive Office of the President (0.6).

Health and Human Services	\$892.7
Social Security Administration	814.9
Defense—Military	707.5
Interest on the federal debt	474.1
Agriculture	144.0
Veterans Affairs	124.3
Labor	109.0
Transportation	89.6
Treasury	88.3
Office of Personnel Management	80.1
Education	70.9
Other Defense—Civil Programs	51.5
Housing and Urban Development	49.4
Homeland Security	46.9
Energy	41.4
Other Independent Agencies	34.4
Justice	33.1
State	32.5
International Assistance Programs	29.4
National Aeronautics and Space	18.2
Interior	13.8
Commerce	13.1
EPA	10.0
Corps of Engineers	8.0
National Science Foundation	7.9
The Judiciary	7.6
Legislative Branch	5.3
General Services Administration	2.1
Small Business Administration	1.2
Executive Office of the President	0.6

112TH CONGRESS  
1st Session

# H. R. 1

Making appropriations for the Department of Defense and the other departments and agencies of the Government for the fiscal year ending September 30, 2011, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2011

Mr. BOGGS of Kentucky introduced the following bill, which was referred to the Committee on Appropriations, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned:

## A BILL

Making appropriations for the Department of Defense and the other departments and agencies of the Government for the fiscal year ending September 30, 2011, and for other purposes.

# CONTINUING RESOLUTION

TOTAL  
SAVINGS  
NUMBER  
AT LEAST

**100**  
BILLION  
DOLLARS

TOTAL  
TERMINATIONS

**150**  
PROGRAMS

# HR 1, Continuing Resolution

- Long-term CR – through Sept. 30, 2011
- Passed by House on Feb. 19
- \$61.5B in cuts, eliminations and rescissions
- \$99.6B below Obama's FY11 Request
- No earmarks
- Eliminates unobligated stimulus funds
- Cuts/reductions/eliminations to local/regional programs
- Many amendments – several passed impacting EPA
- Politically charged – keeping election promises

## Cuts Below Current Discretionary Funding Required by H.R. 1

Budget authority in billions of dollars <b>Appropriations Subcommittee</b>	<b>Continuing Resolution*</b>	<b>Percent Cut in Total 2011 Funding</b>	<b>Percent Cut in Funding for Remainder of 2011</b>
Agriculture, Rural Development, FDA	\$23.305	-22.4%	-38.9%
Commerce, Justice, Science	\$56.681	-7.0%	-12.2%
Energy and Water Development	\$33.870	-11.8%	-20.5%
Financial Services and General Government	\$23.363	-12.7%	-22.0%
Interior, Environment	\$32.280	-13.7%	-23.9%
Labor, Health and Human Services, Education	\$169.350	-13.7%	-23.8%
Legislative Branch	\$4.654	-4.1%	-7.2%
State, Foreign Operations	\$50.774	-11.5%	-19.9%
Transportation, HUD	\$66.292	-21.0%	-36.4%
<b>Non-security</b>	<b>\$460.569</b>	<b>-13.8%</b>	<b>-24.0%</b>
Defense	\$508.692	1.5%	2.6%
Homeland Security	\$42.555	-2.4%	-4.2%
Military Construction, Veterans Affairs	\$75.649	-1.9%	-3.4%
<b>Security</b>	<b>\$626.896</b>	<b>0.8%</b>	<b>1.4%</b>
<b>Total</b>	<b>\$1,087.465</b>	<b>-5.4%</b>	<b>-9.4%</b>

\*If Congress were to extend the continuing resolution through the end of fiscal year 2011.

Source: Congressional Budget Office; CBPP.

Center on Budget and Policy Priorities | [cbpp.org](http://cbpp.org)

See how some cuts will impact your state:  
<http://www.cbpp.org/cms/index.cfm?fa=view&id=3405>

# Senate Amendment 149

- Long-term CR – through Sept. 30, 2011
- Under procedural debate in Senate – “test” votes
- \$8.7B in cuts, eliminations and rescissions
- \$61.5B below Obama’s FY11 Request
- No earmarks
- Restores many HR 1 cuts
- Unlikely to pass – negotiation starting point

# Budget Comparison

Program Name	FY10 Actual	H.R. 1 Reduction	Senate Reduction	FY12 Request
HUD Brownfields	\$17.5 million	Zeros out	Zeros out	Zeros out
HUD Sustainable Communities	\$150 million	Zeros out; Rescinds unobligated funding	At FY10 amount	\$150 million (level funding)
HUD Community Development Block Grants	\$3,990,068,480	\$2.49 million	\$68,480	\$3.8 billion (-\$650 million)
EPA Air Pollution Grants				
Diesel Emissions Grants	\$80 million	\$10 million	At FY10 amount	Zeros out
Targeted Airshed Grants	\$20 million	Zeros out	Zeros out	Zeros out
Air Pollution Prevention Programs	\$1.116 billion	\$60 million	\$10 million	\$1.201 billion (+\$85 million)
EPA Clean Water State Revolving Fund (CWSRF)	\$2.1 billion	\$1.41 billion	At FY10 amount	\$1.55 billion (-\$550 million)
EPA Drinking Water State Revolving Funds (DWSRF)	\$1.387 billion	\$557 million	At FY10 amount	\$990 million (-\$397 million)
FEMA Urban Area Security Initiative (UASI)	\$887 million	\$87 million	At FY10 amount	\$920 million (+\$88 million)
DOT High Speed & Intercity Passenger Rail				
High Speed Rail	\$2.5 billion	\$8.7 billion (\$2.5 billion in FY10; total also includes stimulus funding)	\$1.5 billion	\$53 billion over six years
Amtrak (capital grants)	\$1 billion	\$152 million	At FY10 amount	\$4 billion – included in the above high speed rail funding
DOT National Infrastructure Investment "TIGER" Grants	\$600 million	\$1.2 billion; Rescinds unobligated funding (total also includes stimulus funding)	At FY10 amount	\$2 billion (+\$1.4 billion)

# Goldman Sachs Report

## H.R. 1 would...

- Cut economic growth by 2% of GDP
- A compromise deal (\$25B in cuts) could slow growth by 1%
- Predictions –
  - ✓ Bill won't be passed by Senate
  - ✓ \$25B compromise this year and \$50B cut next year
  - ✓ Short-term extension; No govt shutdown

# Survey Says...

## Pew Survey:

- About ½ of Republicans agree with Tea Party views on budget issues, but the other ½ disagrees
- 62% want to increase education spending, 11% want it cut
- 26% want environmental protection cuts
- 12% back cuts to Medicare
- 84% want to keep Social Security it the same or increase it

## Harris Poll:

- Americans less keen on budget cuts than in 1980
- Support for 6 out of 20 areas for spending cuts – foreign aid, foreign military, regulatory agencies, space programs, subsidies to business and welfare spending.
- Oppose cutting Social Security, health care programs, education, highways, job programs, aid to cities, mass transit, pollution control, housing, etc.

## Gallup Poll:

- Americans 2-to-1 want the President & Congress to reach compromise

# Budget Activities

- **HRes 44** – current CR until March 18; cut \$4B
  - ✓ \$2.8B in earmarks, \$1.8B from Obama's Request
- **Senate vs. House** – predicting will take months to clear
  - ✓ Senate working on test votes to determine negotiating point
- **Second Short-Term Extension Likely**
  - ✓ House GOP expected to introduce soon
    - Possibly \$4B in cuts
    - Short as 2 weeks as long as 4 weeks
- **Gov't Shutdown** – both parties want to avoid
  - ✓ Impacts all non-essential federal workers (800,000+)
  - ✓ Impacts **ALL** federal spending
  - ✓ Last shutdown in 1995 for 5 days
  - ✓ Goldman Sachs est. could cost \$8B/wk



# Budget Activities continued

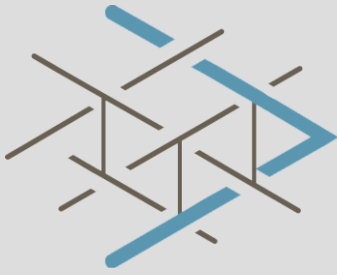
- **Signed into law separate SAFETEA-LU Extension**
  - ✓ Extends surface transportation programs through FY11
  - ✓ No cuts
  - ✓ Mica looking to introduce reauthorization bill in April

# NARC Activities

- Released Member Talking Points on HR 1 Cuts
- Created NARC Federal Budget webpage – [www.narc.org](http://www.narc.org)
- Sent letter to Senate Leadership on CR
- Sent letter to House and Senate Leadership on SAFETEA-LU Extension
- Undertaking Regulatory Review, Outreach and Recommendation Initiative
  - ✓ Please send NARC your ideas!

# Your Role

- Prioritize areas of importance
- Talk to your Senators about the Programs/Funding important to your local govt, communities and region
- NARC talking points help guide conversations
- All politics is local! Tell your story – showcase local successes
- Use new NARC Federal Budget webpage!
- Let us know how we can help



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# Questions/Comments?

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