



NARC

Building Regional Communities

National Association of Regional Councils

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Fiscal Year 2012 President's Budget

On February 14, 2011 President Obama sent Congress a \$3.73 trillion (FY11 request was \$3.834 trillion) Budget request for fiscal year 2012 that invests in education, job training, innovation, research and development (specifically in clean energy), and infrastructure, and looks to address fiscal issues through reductions and eliminations.

Click [HERE](#) to access the Budget documents at the White House Office of Management and Budget's website.



PRIORITIES

The President's Budget outlines the following as core elements to his FY2012 funding and policies. Those noted are the issues most relevant to regional planning organizations and their local governments.

1. Growing the Economy, Spurring Job Creation and Competitiveness

- Educating a Competitive Workforce through a variety of reform and changes at all levels of education.
- Encourage New Approaches for Job Training by providing \$10 billion for the Workforce Investment Act (WIA) programs, and working with Congress to reauthorize WIA to address the needs and challenges for a 21st Century workforce, as well as establishing a Workforce Innovation Fund to encourage states, regions and localities to break program barriers, test new ideas and replicate strategies for delivering cost-effective training and employment.
- Create a Clean Energy Economy and Jobs.
- Enact Comprehensive Tax Reform.
- Establish New Economic Growth Zones to bolster economic activity in hard-hit areas by providing streamlined federal assistance and expanded tax incentives to 20 areas facing distress, but showing potential. These Zones will include a mix of urban and rural areas that will be selected through a competitive process.

2. Fiscal Sustainability and Government Effectiveness

- 5-year Domestic Spending Freeze on all non-security discretionary spending (represents 12% of all spending). The President estimates this will save more than \$400 billion.
- Program Terminations and Reductions that total 200 for over \$30 billion in savings. More detailed explanations of the cuts are listed on the pages following.
- Eliminate Earmarks. The President has stated that he will veto any bill that includes earmarks.
- Oppose permanent extension of tax cuts for families making over \$250,000.
- Reform Social Security.
- Improve the federal tax code.
- Reorganize government to eliminate duplicative efforts and reduce administrative overhead.
- Urge more Competitive Grant Processes through the "Race to the Top" standards as a model for a variety of federal spending.
- Evaluate Program Performance to understand what works in government.

3. Ensuring Security and Safety

- Creating Advanced, Interoperable Communications Systems for first responders with \$10.6 billion for the sale and reallocation of the spectrum that reallocates the "D Block" to meet the needs of public safety communications.



4. **Building a 21st Century Infrastructure**

- Enact a 6-year, \$556 billion Transportation Reauthorization Bill that seeks to reform program, project and funding effectiveness and efficiency, and holds all stakeholders responsible for results. This includes a \$50 billion upfront investment in roads, rails and runways. This proposal includes the consolidation of 55 duplicative, earmarked highway programs into five streamlined programs.
 - Develop and Expand High Speed Rail with a \$53 billion, 6-year investment that includes other passenger rail programs as a part of an integrated strategy, which includes merging Amtrak subsidies into the high speed rail program in a larger, competitive System Preservation Initiative.
 - Creation of National Infrastructure Bank at \$30 billion over 6-years to support projects of national/regional significance in a competitive process.
 - Enact a “Race to the Top” program with \$32 billion over 6-years to incent state and local reform activities through a competitive process for things like livability, safety and demand management.
 - Making Transportation Bill Subject to Pay-Go Rules.
- Support Upgrades to the Aviation System by providing \$1.24 billion for Next Generation Air Transportation System in the Federal Aviation Administration (FAA) reauthorization, as well as allowing larger airports to increase non-federal passenger facility charges.
- Invest in Electrical Grid through modernization to promote energy and cost savings, reduce emissions and foster renewable energy growth.
- Expand Wireless Broadband by freeing up underutilized spectrum through voluntary incentive auctions that will reallocate and repurpose spectrum, particularly for public safety use.
- Invest in Water Resources Infrastructure by emphasizing projects that are key for the nation, including dam safety work, construction projects with life-saving benefits and projects that can be completed in 2012. The Administration is also looking to eliminate duplicative programs.
- Reduce Funding for State Revolving Loan Funds by implementing a Sustainable Water Infrastructure Policy that focuses on working with states and communities to enhance technical, managerial and financial capacity, including expanding green infrastructure options. The Drinking Water and Clean Water State Revolving Loan Funds (SRFs) are requested at \$2.5 billion.

FACT SHEETS ON KEY ISSUES (important to regions)

[Winning the Future for Cities and Metropolitan Areas](#)

[Win the Future with a 21st Century Infrastructure](#)

[Creating the Clean Energy Economy of Tomorrow and Protecting the Environment and Natural Resources](#)

[Revitalizing Rural America](#)

[Supporting Small Business and Creating Jobs](#)

[Winning the Future through Innovation](#)



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FEDERAL AGENCIES

Department of Agriculture

FY12 Proposed = \$23.9 billion

FY11 Proposed = \$26 billion

FY11 Enacted = at FY10 levels (Continuing Resolution)

Click [HERE](#) for USDA Budget Fact Sheet.

Environmental Protection Agency

FY12 Proposed = \$9 billion

FY11 Proposed = \$10 billion

FY11 Enacted = at FY10 levels (Continuing Resolution)

Click [HERE](#) for EPA Budget Fact Sheet

Department of Commerce

FY12 Proposed = \$8.8 billion

FY11 Proposed = \$8.9 billion

FY11 Enacted = at FY10 levels (Continuing Resolution)

Click [HERE](#) for DOC Budget Fact Sheet.

Corps of Engineers

FY12 Proposed = \$4.6 billion

FY11 Proposed = \$4.9 billion

FY11 Enacted = at FY10 levels (Continuing Resolution)

Click [HERE](#) for Corps Budget Fact Sheet

Department of Energy

FY12 Proposed = \$29.5 billion

FY11 Proposed = \$26.4 billion

FY11 Enacted = at FY10 levels (Continuing Resolution)

Click [HERE](#) for DOE Budget Fact Sheet.

Department of the Treasury

FY12 Proposed = \$14 billion

FY11 Proposed = \$13.9 billion

FY11 Enacted = at FY10 levels (Continuing Resolution)

Click [HERE](#) for Treasury Budget Fact Sheet

Department of Homeland Security

FY12 Proposed = \$43.2 billion

FY11 Proposed = \$43.6 billion

FY11 Enacted = at FY10 levels (Continuing Resolution)

Click [HERE](#) for DHS Budget Fact Sheet.

Department of Labor

FY12 Proposed = \$12.8 billion

FY11 Proposed = \$14 billion

FY11 Enacted = at FY10 levels (Continuing Resolution)

Click [HERE](#) for DOL Budget Fact Sheet

Department of Housing and Urban Development

FY12 Proposed = \$41.7 billion

FY11 Proposed = \$41.6 billion

FY11 Enacted = at FY10 levels (Continuing Resolution)

Click [HERE](#) for HUD Budget Fact Sheet.

Department of Transportation

FY12 Proposed = \$128 billion

FY11 Proposed = \$79 billion

FY11 Enacted = at FY10 levels (Continuing Resolution)

Click [HERE](#) for DOT Budget Fact Sheet

Department of the Interior

FY12 Proposed = \$12 billion

FY11 Proposed = \$12 billion

FY10 Enacted = at FY10 levels (Continuing Resolution)

Click [HERE](#) for DOI Budget Fact Sheet.



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SNAPSHOT OF REGIONAL INTERESTS

Department of Agriculture

Invest in American Competitiveness – expansion of renewable energy and biofuels, with funding targeted to rural community electric generation, transmission and distribution sites.

Improve the Way Federal Dollars are Spent – refocus rural housing assistance to programs that work better; maximize the impact of forest restoration resources by consolidating programs; and, target conservation funding for high-priority ecosystems.

Increase America's Healthy Food Choices – expand access to healthy foods for low-income Americans in rural and urban food deserts; and reauthorize the Farm Bill.

Department of Commerce

Foster American Competitiveness – invest in broadband spectrum to build public safety network and expand to rural America; and, funding for Economic Development Assistance programs.

Enhance Regional Economic Competitiveness – support regional economic clusters; support the Economic Development Administration (EDA), including COMPETES Act and a new proposal for competitively awarded Growth Zones (see general priorities above for more information).

Strengthen Key Statistical Programs – assist the Census Bureau to complete the 2010 Census, improve the American Community Survey and update processes at the Bureau for data collection.

Department of Energy

Invest in Clean Energy Economy – double the number of Energy Innovation Hubs; increase support for energy research, development and deployment activities; and, modernize the electric grid.

Department of Homeland Security

Maximize Federal Security Dollars – support state and local programs for first responders, which included the elimination of six programs that are being proposed for consolidation into risk-based grants; and, support the Disaster Relief Fund.

Department of Housing and Urban Development

Support the Housing Sector and the Economic Recovery – support the Partnership for Sustainable Communities; support energy efficiency improvements in HUD-assisted public and privately owned housing; funding for Choice Neighborhoods/Hope VI to continue transformative investments in five to seven high-poverty neighborhoods.

Improve the Way Federal Dollars are Spent – launch of an interagency effort between HUD and EDA to help communities better employ federal investments, promote high-impact strategies and build local capacity in economically distressed areas to create effective partnerships between business and non-profits for job creation with the offer assistance of a National Resource Bank of experts to assist communities on a full range of services; funding reduction of the Community Development Block Grant (CDBG) program; and, funding for National American Housing Block Grant program to assist housing on tribal lands.

Department of the Interior

Invest in Clean Energy Development and Natural Resources for Economic Growth – maintain capacity to review and permit renewable energy projects on federal lands; and, focus on water conservation activities through cooperation with state and local governments.



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Improve the Way Federal Dollars are Spent – funding reductions for construction projects on tribal facilities, national parks, wildlife refuges and public lands.

Environmental Protection Agency

Prepare the U.S. to be a Global Leader in the Clean Energy Economy – enact energy legislation to spur clean energy technologies; and, collaborate with federal and state agencies on regulating GHG emissions and determining cost-effective strategies for reductions.

Revitalize Ecosystems and Communities – restore the Gulf Coast ecosystem and the restoration of the Chesapeake Bay; and, fund brownfields technical assistance and project grants to local communities for sustainable development.

Improve the Way Federal Dollars are Spent and Programs Work – reduction in funding for State Revolving Loan Funds (SRFs); and, implement a Sustainable Water Infrastructure Policy that works with state and communities to enhance technical, managerial and financial capacity.

Protect American Health and Safety – grants to support state and tribal efforts to implement environmental programs, but zeros out Clean Diesel grants.

Corps of Engineers

Invest in Water Resources Infrastructure to Support Competitiveness, Growth and the Environment – support construction projects in flood and storm damage reduction, commercial navigation and aquatic ecosystem restoration; and, reprioritize infrastructure to be for the operation and maintenance of critical national water resources infrastructure.

Department of the Treasury

Foster a Stronger, Fairer Financial System for Growth and Competitiveness – reduce Community Development Financial Institutions (CDFI) funds.

Department of Labor

Invest in a Competitive Workforce – create a Competitive Workforce Innovation Fund to encourage new approaches to job training at a lower cost per outcome. This fund will be jointly administered by the Departments of Labor and Education in consultation with other agencies such as Health and Human Services. This competitive funding pot will be targeted for states and regions serving disadvantaged populations; and, fund and reauthorize the Workforce Investment Act (WIA).

Department of Transportation

Invest in Infrastructure Critical for Long Term Growth and Job Creation – policy and funding for six-year surface transportation reauthorization proposal, with the creation of a National Infrastructure Bank and consolidation of 55 highway programs into five; immediate \$50 billion boost above current SAFETEA-LU spending authorization; launch of a new performance-based program to advance safety and oversight of transportation network; funding to Federal Highway Administration for a new livability grant program; competitive grants to harmonize state and local planning requirements and facilitate more cooperation for more sound, data-driven, collaborative transportation plans.

Improves the Way Federal Funds are Spent – competitive grants program to create incentives for state and local partners to adopt reforms in areas including safety, livability, and demand management; fix-it-first approach for highways and transit grants, requiring states and localities to report on highway conditions and performance measures; require that all surface transportation reauthorization programs are subject to PAYGO (the practice of financing expenditures with funds that are currently available rather than borrowed); reduce funding for airport grant programs by eliminating guaranteed funding for large and medium hub airports, and providing grants to smaller commercial and general aviation airports.



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TERMINATIONS, REDUCTIONS & SAVINGS

The following are the programs removed or reduced from the FY12 President's Budget Request most relevant to regions. Click [HERE](#) to access the complete document regarding this topic, including justifications.

Terminations:

- Brownfields Economic Development Initiative, Department of Housing and Urban Development
- Career Pathways Innovation Fund, Department of Labor
- Diesel Emissions Reduction Grant Program, Environmental Protection Agency
- Economic Action Program, Department of Agriculture
- Emergency Operations Center Grant Program, Department of Homeland Security
- Inter-City Bus Security Grant Program, Department of Homeland Security
- Local Government Climate Change Grants, Environmental Protection Agency
- Preventive Health and Health Services Block Grant, Department of Health and Human Services
- Resource Conservation and Development Program, Department of Agriculture
- Rural Community Facilities, Department of Health and Human Services
- Targeted Airshed Grants, Environmental Protection Agency
- Targeted Water Infrastructure Grants, Environmental Protection Agency
- Water and Wastewater Treatment Projects, Corps of Engineers
- Water Resources Research Act Program, Department of the Interior
- Watershed and Flood Prevention Program, Department of Agriculture
- Watershed Rehabilitation Program, Department of Agriculture

Reductions:

- Clean Water and Drinking Water State Revolving Funds, Environmental Protection Agency (reduced by \$947 million)
- Community Development Block Grant, Department of Housing and Urban Development (reduced by \$299 million)
- Community Economic Development Program, Department of Health and Human Services (reduced by \$16 million)
- Community Services Block Grant, Department of Health and Human Services (reduced by \$350 million)
- EPA Homeland Security Activities, Environmental Protection Agency (reduced by \$50 million)
- Grants-in-Aid for Airports, Department of Transportation (reduced by \$1 billion)
- Great Lakes Restoration Initiative, Environmental Protection Agency (reduced by \$125 million)
- HOME Investment Partnerships Program, Department of Housing and Urban Development (reduced by \$175 million)
- Low-Priority Construction Projects, Corps of Engineers (reduced by \$317 million)
- Nonpoint Source Grants, Environmental Protection Agency (reduced by \$36 million)