



NARC

Building Regional Communities

National Association of Regional Councils

777 North Capitol Street, NE Suite 305

Washington, DC 20002

202.986.1032 (tel) 202.986.1038 (fax)

www.NARC.org

Fiscal Year 2011 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. The Budget's projected impact on the deficit is \$1.101 trillion (down from \$1.645 trillion in 2011). The Budget also institutes a five-year non-security discretionary freeze that is slated to save \$400 billion over the next decade. The Administration identified more than 200 programs across the government that they believe should be terminated or reduced – expected to generate \$33 billion in savings.

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**
2. **Fiscal Sustainability and Government Effectiveness**
3. **Ensuring Security and Safety**
4. **Building a 21st Century Infrastructure**

FEDERAL AGENCIES

The following focuses on the priorities most applicable to NARC members and activities.

[Department of Agriculture](#)

[Department of Commerce](#)

[Department of Energy](#)

[Department of Homeland Security](#)

[Department of Housing and Urban Development](#)

[Department of the Interior](#)

[Department of Labor](#)

[Department of Transportation](#)

[Department of the Treasury](#)

[Corps of Engineers](#)

[Environmental Protection Agency](#)



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Department of Agriculture (USDA)

Totals:

FY12 Proposed = \$23.9 billion

FY11 Proposed = \$26 billion

FY11 Enacted = FY10 levels (Continuing Resolution)

Click [HERE](#) for FY2012 USDA's Budget Information.

Click [HERE](#) for the Administration's USDA Budget Overview.



Invest in American Competitiveness

The Budget includes funding to support coordination of regional planning activities and establishes a set aside of about \$171 million from existing programs utilizing existing authority that will be allocated competitively among regional pilot projects targeted to meet local needs in creating self-sustaining, repopulating and economically thriving rural communities. The Budget provides \$6.5 billion in financial assistance to promote the expansion of renewable energy and biofuels; of this \$6 billion will target a decrease in American reliance on fossil fuels and promote renewable and clean energy generation, transmission and distribution in rural communities and \$400 million is to support biofuels. This proposal increases funding for the Agriculture and Food Research Initiative (AFRI) to \$325 million, making up for the increase by eliminating all research grant earmarks and canceling unobligated balances for research construction projects.

Improve the Way Federal Dollars Are Spent

The Budget proposal includes a decrease in agricultural spending of \$2.5 billion over 10 years, through a farm policy targeting payments to only those who really need them. The Administration also proposes to refocus USDA's single-family housing assistance programs through a \$24 billion loan level with \$4 billion in loans expected to be made to low-income rural borrowers. The Budget also includes \$5.1 billion in discretionary funding for the Forest Service, a \$179 million decrease in funding, which includes initiative to merge programs within the Forest Service and support a holistic approach to restoration and maintenance of sustainable landscapes.

Increase America's Healthy Food Choices

The Budget includes a request for \$35 million for the Healthy Food Financing Initiative (HFFI), to support local and regional efforts to increase access to healthy foods, particularly for the development of grocery stores and other healthy retailers in urban and rural food deserts and other underserved areas. USDA will provide \$150 million in grants, loans, loan guarantees and other assistance to support the First Lady's *Let's Move!* initiative, including the HFFI and funding from existing programs and authorities.

Department of Commerce (DOC)

Totals:

FY12 Proposed = \$8.8 billion

FY11 Proposed = \$8.9 billion

FY11 Enacted = FY10 levels (Continuing Resolution)

Click [HERE](#) for the DOC's Budget Information.

Click [HERE](#) for the Administration's DOC Budget Overview.



Foster American Competitiveness

The Budget includes \$764 million for the National Institute of Standards and Technology (NIST), a \$100 million increase over the 2010 enacted level, in order to accelerate the discovery, development and deployment of new technologies, including Smart Grid devices. This Budget also supports the Wireless Innovation and Infrastructure initiative with \$7 billion in mandatory funding over several years to build the interoperable public safety broadband network and provide the "D block" spectrum of the 700 megahertz band for public safety use. A commitment to expanding next generation wireless broadband networks in rural America is demonstrated in the DOC, FCC and related agency budgets.



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Enhance Regional Economic Competitiveness

The Budget funds the Economic Development Administration (EDA) at \$325 million to support growth strategies based on regional clusters, improved planning, commercialized research and development and catalytic capital projects. Funds to support the recently enacted America COMPETES Reauthorization Act are included to support businesses and regions through the Regional Innovation Program, as well as providing financing for science and research parks. EDA funding would also include competitive awards for Growth Zones, bringing market-based strategies and tax benefits to 20 new urban and rural regions with potential for growth and significant need.

Strengthen Key Statistical Programs

The Budget includes \$1 billion for the Census Bureau to complete the 2010 Census, improve the accuracy of the American Community Survey and support a continuous update process for the Bureau's geospatial and address data, as well fund research that will improve cost-effectiveness and accuracy in the 2020 Census.

Improves the Way Taxpayer Dollars are Spent

The Budget proposes to reduce or eliminate funding for programs that are no longer necessary, or programs that are a lower priority in a difficult fiscal climate, including certain statistical reports from the Census Bureau, the Public Telecommunications Facilities Grant Program, the Emergency Steel Loan Guarantee program and others. The DOC has committed to trimming its administrative costs by \$136 million.

Department of Energy (DOE)

Totals:

FY12 Proposed = \$29.5 billion

FY11 Proposed = \$26.4 billion

FY11 Enacted = FY10 levels (Continuing Resolution)

Click [HERE](#) for DOE's FY2012 Budget Information.

Click [HERE](#) for the Administration's DOE Budget Overview.



Invests in the Clean Energy Economy and Jobs of the Future

The Budget proposes to double the number of Energy Innovation Hubs, including on focused on grid technologies; fund clean energy research, development, and deployment to keep America competitive; reduce buildings' energy use by 20 percent by 2020; help put one million advanced technology vehicles on the road by 2015; modernize the electric grid; and, eliminate inefficient fossil fuel subsidies. The budget increases support for renewable energy research, development and deployment, including solar, biofuels and biomass, geothermal and nuclear. The Budget also includes \$100 million for a "Race to Green" competition for State and municipal governments to implement innovative approaches to building codes, standards and performance measures to increase commercial building efficiency.

Protects Americans from the Threat of Nuclear Harm and Pollution

The Budget provides continued support for the Environmental Management program to meet its cleanup commitments at multiple sites including Washington, South Carolina, Idaho and New Mexico.



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Department of Homeland Security (DHS)

Totals:

FY12 Proposed = \$43.2 billion

FY11 Proposed = \$43.6 billion

FY11 Enacted = FY10 levels (Continuing Resolution)

Click [HERE](#) for DHS' FY2012 Budget Information,

Click [HERE](#) for the Administration's DHS Budget Overview.



Safeguards our Nation's Transportation and Security Systems

The Budget looks to protect the Nation's transportation systems with an \$82 million increase to support deployment of up to 1,275 Advanced Imaging Technology screening machines at airport checkpoints, with robust, built-in privacy safeguards. The Budget proposes \$459 million to continue in order to reaffirm support to protect critical information networks that affect federal, state, and local threat response.

Supports State Homeland Security Activities.

The Budget bolsters the Nation's preparedness by providing \$3.8 billion for State and local grants to support capability enhancements for the first responder and emergency management communities.

Department of Housing and Urban Development (HUD)

Totals:

FY12 Proposed = \$41.7 billion

FY11 Proposed = \$41.6 billion

FY11 Enacted = FY10 levels (Continuing Resolution)

Click [HERE](#) for HUD's FY2012 Budget Information.

Click [HERE](#) for the Administration's HUD Budget Overview.



Supports the Housing Sector and the Economic Recovery

The Budget supports the mortgage market and helps borrowers who are at risk of foreclosure, including \$168 million for housing and homeowner counseling through HUD and NeighborWorks. It also supports the Choice Neighborhoods initiative with \$250 million in grants for engaging local governments, nonprofit partners and for profit developers to improve communities surrounding HUD-assisted public and privately-owned multi-family housing.

Supports Sustainable Communities and Innovative Infrastructure Planning

The Budget includes \$150 million (level funding) for the Partnership for Sustainable Communities, to create incentives for more communities to develop comprehensive housing and transportation plans resulting in sustainable development, reduced greenhouse gas emissions and increased transit accessible housing. The Budget continues to support the HUD-EPA-DOT partnership in an effort to lower the cost of living and improve the quality of life for American families.

Improves the Way Federal Dollars are Spent

The Budget decreases funding for the Community Development Block Grant (CDBG) Program by 7.5 percent relative to current funding levels, still allowing 1,200 State and local grantees. It also supports an interagency effort led by HUD and EDA to help distressed regions utilize public resources strategically and form partnerships in support of job creation and economic development through a National Resource Bank of technical assistance and experts.



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Department of the Interior (DOI)

Totals:

FY12 Proposed = \$12 billion

FY11 Proposed = \$12 billion

FY10 Enacted = FY10 levels (Continuing Resolution)

Click [HERE](#) for DOI's FY2012 Budget Information.

Click [HERE](#) for the Administration's DOI Budget Fact Sheet



Strengthens Native American Communities.

The Administration supports the principle of tribal self-determination and will work to improve tribal law enforcement and education. In support of tribal self-determination, the Administration increases funding to compensate Tribes for the work they perform in managing Federal programs.

Invests in a Clean Energy Future.

The Department will help lead the way when it comes to enhancing the Nation's domestic energy supply and moving toward a clean energy economy. The Budget includes \$73 million in increases to conduct the environmental evaluations and technical studies needed to spur development of renewable energy projects, assess available alternative resources, and mitigate the impacts of development.

Conserves Western Water.

The Budget continues to provide funding for a western water conservation initiative, which includes the Bureau of reclamation's water reuse and recycling (Title XVI) program. The goal of this effort is to assist local communities' availability of water by encouraging voluntary water banks, wastewater treatment, and other market based conservation measures. Moreover, in coordination with other Federal agencies, States, and other stakeholders, the Department is also participating in activities and dedicating resources to foster continued progress in the restoration of a number of sensitive ecosystems. Water policy is dependent on the Federal government constantly interacting and communicating with State and local government in order to enact policy that best benefits specific areas and regions. The Administration recognizes this and will continue to improve this cooperation in order to enact effective water policy.

Cuts to Construction Costs

The Budget cuts funding for the various construction projects of tribal facilities, national parks, wildlife refuges, and public lands. In total, construction costs are reduced from 2010 levels by 36 percent in order to target funds for the highest priority programs.

Department of Labor (DOL)

Totals:

FY12 Proposed = \$12.8 billion

FY11 Proposed = \$14 billion

FY11 Enacted = \$13.5 billion, FY10 levels (Continuing Resolution)

Click [HERE](#) for DOL's Budget Information.

Click [HERE](#) for the Administration's DOL Budget Overview.



Invests in a Competitive Workforce

The President's Budget supports creating a competitive Workforce Innovation Fund with \$380 million to encourage new approaches to job training administered in partnership with the Department of Education in consultation with other agencies. The Workforce Innovation Fund would allow States and regions to compete for funding for projects that transform their workforce systems and break down program silos while serving disadvantaged populations. The Budget additionally includes \$10 billion for the Workforce Investment Act (WIA) to improve the job training system in order to compete in the global economy.

Achieves Efficiencies and Reduces Future Liabilities

The Budget supports reducing costs and improving outcomes in the Senior Community Service Employment Program, as well as strengthening the unemployment insurance safety net and improving program integrity in unemployment insurance. The



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President's Budget supports shoring up the Pension Benefit Guaranty Corporation to protect worker pensions and save \$16 billion over the next decade. The Budget proposes to cut the Job Corps construction budget by 25 percent.

Protects American Workers and Provides Relief During Economic Recession

The President's Budget proposes maintaining strong support for worker protection and encourages State paid family and medical leave initiatives. The Administration supports expanding work-sharing, also known as short-time compensation. The Budget proposes establishing automatic workplace pensions that will expand access to tens of millions of workers who currently lack pensions. The Budget also doubles the small employer pension plan start up credit.

Department of Transportation (DOT)

Totals:

FY12 Proposed = \$128 billion

FY11 Proposed = \$79 billion

FY11 Enacted = FY10 levels (Continuing Resolution)

Click [HERE](#) for DOT's FY2012 Detailed Budget Documentation.

Click [HERE](#) for the Administration's DOT Budget Fact Sheet



Invest in Infrastructure Critical for Long Term Growth and Job Creation

The Administration is proposing a FY12 budget that incorporates the changes they would like to see for Surface Transportation Authorization. As a result, many of the budget categories and ways that we understand transportation budgeting is different in this document. These departures from the norm include:

- Changing discretionary spending into mandatory spending and condensing the traditional Highway Trust Fund (HTF) into a Transportation Trust Fund (TTF);
- 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);
- Condensing various programs to align with the stated federal transportation vision;
- Including spending that is not normally paid for out of the HTF (or TTF), like aviation funding; and,
- Front loaded spending on a variety of goals in the first year.

Restoring America's Economic Competitiveness

President Obama is using the 6-year federal surface transportation authorization as one avenue to accomplish his State of the Union call for creating long-term growth and job creation. US DOT designed the Surface Transportation Reauthorization proposal to accomplish precisely this, as the centerpiece of the President's FY 2012 U.S. Department of Transportation budget request. While the amounts referred to in this initiative cover a six year period, the FY 2012 budget includes information on the first year of this effort.

It calls on the nation to repair our existing roads, bridges, and transit systems and to build new infrastructure – including a national high-speed intercity rail network. It proposes four broad goals: (I) strengthening our infrastructure (II) spurring innovation, (III) ensuring safety, and (IV) reforming government and exercising responsibility. To accomplish these goals, the Administration proposes total of:

- \$556 billion, six-year surface transportation reauthorization proposal, including highways, transit, highway safety, passenger rail, and a National Infrastructure Bank, and consolidates 55 duplicative, earmarked highway programs into five, including:
 - \$53 billion over six-years for intercity passenger rail programs (including high speed rail and Amtrak subsidies) in the surface transportation authorization as part of a competitive System of Preservation.
 - \$30 billion to establish a National Infrastructure Bank that would provide loans and grants to projects of national and regional significance.
 - Launch of a new performance-based program to advance safety and oversight of transportation network.
 - \$4.1 billion in 2012 and \$28 billion over six-years through the Federal Highway Administration for a new livability grant program for projects like multi-modal transportation hubs and streets that are multi-purpose.



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- \$200 million in 2012 and \$1.2 billion over six-years in competitive grants to harmonize state and local planning requirements and facilitate more cooperation for more sound, data-driven, collaborative transportation plans.
- \$119 billion for transit programs over six-years.

Front-loaded and immediate \$50 billion boost above current SAFETEA-LU spending authorization. This initial funding would finance improvements in FY12 to the nation’s highway, rail, transit, and aviation (for the first time) systems.

Transportation Trust Fund

Highway Trust Fund is renamed to reflect the Administrations priorities and the general fund discretionary accounts are transferred to mandatory spending. The Administration’s proposals divide the Transportation Trust Fund into the following accounts – Highway; Mass Transit; Rail and, Infrastructure Bank.

Improves the Way Federal Funds are Spent

- \$32 billion for a competitive grants program to create incentives for state and local partners to adopt reforms in areas including safety, livability, and demand management.
- Adopt a fix-it-first approach for highways and transit grants, requiring states and localities to report on highway conditions and performance measures.
- Reduce funding for airport grant programs to \$2.4 billion (-\$1.1 billion) by eliminating guaranteed funding for large and medium hub airports, and providing grants to smaller commercial and general aviation airports. Large airports would be allowed to increase non-federal passenger facility charges.

Department of the Treasury (Treasury)

Totals:

FY12 Proposed = \$14 billion

FY11 Proposed = \$13.9 billion

FY11 Enacted = FY10 levels (Continuing Resolution)

Click [HERE](#) for Treasury’s Budget Information.

Click [HERE](#) for the Administration’s Treasury Budget Overview



Decreased Funding for Disadvantaged Communities

The Budget provides initiatives that will increase the availability of healthy foods in areas lacking them and improve the financial literacy of disadvantaged populations while decreasing the funding for low-income communities through CDFI by \$20 million.

Corps of Engineers (Corps)

Totals:

FY12 Proposed = \$4.6 billion

FY11 Proposed = \$4.9 billion

FY11 Enacted = FY10 levels (Continuing Resolution)

Click [HERE](#) for the Administration’s Corps Budget Overview



Invest in Water Resources Infrastructure to Support Competitiveness, Growth and the Environment

The Budget proposes \$1.5 billion for construction projects in flood and storm damage reduction, commercial navigation and aquatic ecosystem restoration. The proposal also reprioritizes infrastructure to be for the operation and maintenance of critical national water resources infrastructure.



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Environmental Protection Agency (EPA)

Totals:

FY12 Proposed = \$9 billion

FY11 Proposed = \$10 billion

FY11 Enacted = FY10 levels (Continuing Resolution)

Click [HERE](#) for EPA's Budget Information

Click [HERE](#) for the Administration's EPA Budget Overview



Revitalize Regions

The Budget looks to revitalize the Gulf Coast through the President's Gulf Coast Ecosystem Restoration Task Force. The task force includes both federal and state members and will look to revitalize the Gulf in the most effective way possible. The Budget also supports revitalization of the Chesapeake Bay. Funding for Chesapeake Bay restoration is increased to support Bay watershed States as they implement their plans to reduce nutrient and sediment pollution in an unprecedented effort to restore this economically important ecosystem. EPA and Federal partners will continue to coordinate with States, Tribes, municipalities, and industry to restore the integrity of imperiled waters of the United States.

Prepare US to Become a Global Leader in Clean Energy

The Administration has called on Congress to put forward legislation to help the US move into the 21st century as a leader in clean energy. It also continues to support greenhouse gas emissions reductions in the United States in the range of 17 percent below 2005 levels by 2020 and 83 percent by 2050. The Budget also includes funding for a new program in 2012 that will limit Greenhouse Gas Emissions and reduce car and truck fuel consumption to an unprecedented degree.

Coordinate Federal Water Policy

The Administration realizes the need to work together and with State and local governments, Tribes, industry, and the agriculture sector to achieve goals. This outreach and cooperation enables Federal agencies to better identify gaps in information or resources, incorporate stakeholder input, reduce barriers to effective action, and eliminate redundancies. These efforts include coordinating between the EPA, state, and local stakeholders in the Chesapeake Bay restoration, targeting USDA funding in regional ecosystems to produce large returns, strengthening the EPA storm water program to improve community water quality, developing a national environmental market infrastructure to support regional market innovation, and increasing investment in water infrastructure to provide clean and safe water to local communities that encourages innovative green technologies.

Protect Citizen Health and Safety

The EPA renews its continued efforts under the Clean Air and Water Acts to regulate toxic chemicals and harmful greenhouse gases in order to protect the health and safety of American citizens. The Administration also proposes \$1.2 billion for grants to support State and tribal efforts to implement their environmental programs to achieve stricter air and water standards.

Spend Federal Dollars More Efficiently

The President's Budget will continue to fund various programs at reduced levels in order to encourage efficient use of federal dollars. This includes reduced funding for the Great Lakes restoration program as well as reduced funding for State Revolving Loan Funds.