



# President's FY2012 Budget: Outlook for Regional Development Programs

BY THE NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS  
*REGIONAL STRATEGIES. PARTNERSHIPS. SOLUTIONS*

# About NADO's Mission

- Strengthen local governments, communities and economies through the regional strategies, partnerships and solutions of the nation's regional development organizations

Advocacy | Education | Networking | Research

# President Obama's FY2012 Budget

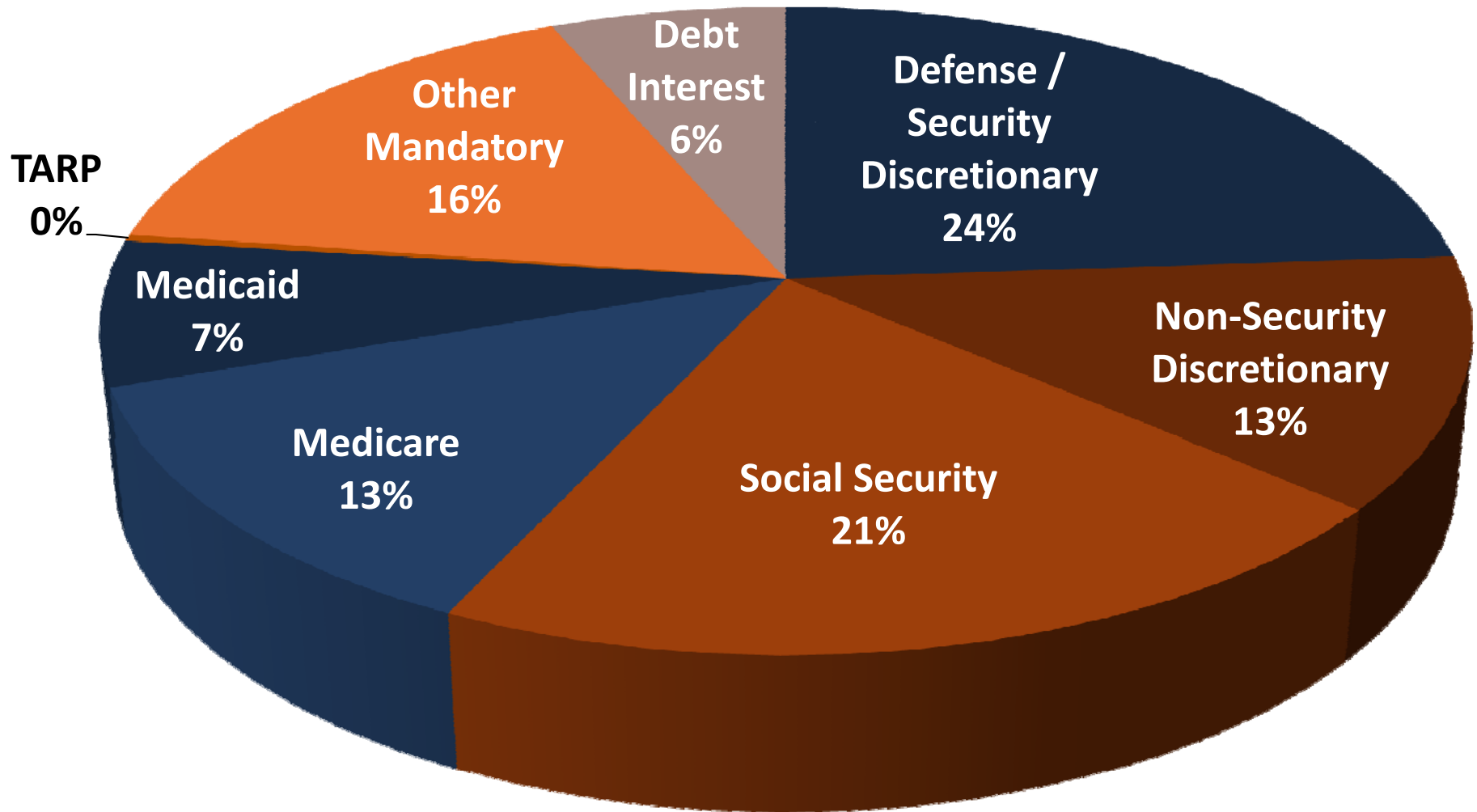


- Downpayment on deficit reduction
- Investments for innovation and infrastructure
- Maintain support for education with reforms
- Short-term solutions for “doc fix” and AMT patch
- Freezes federal civilian worker pay and gov't reform

# Federal Budget Trends FY2000-2012

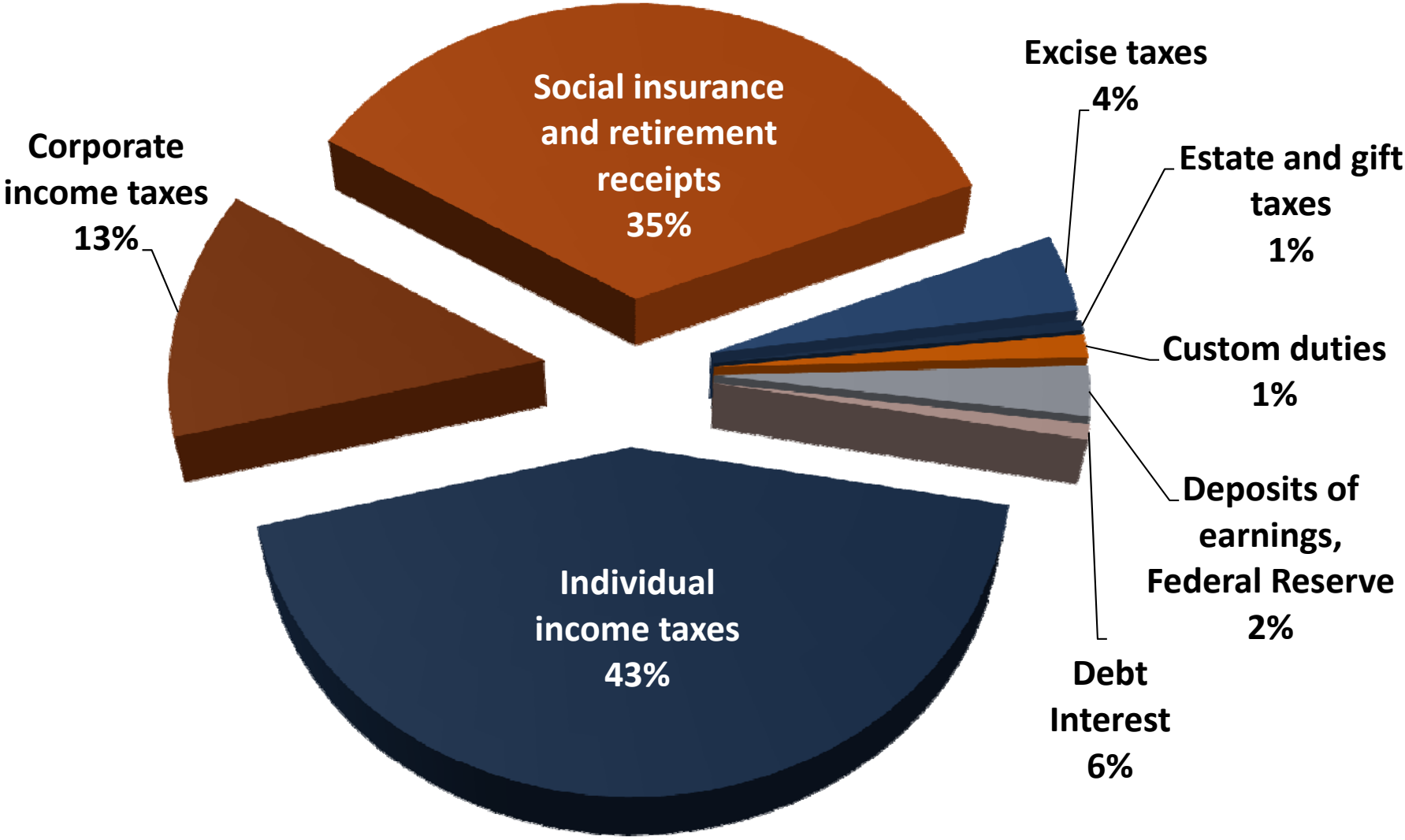
Outlays	FY2000	FY2005	FY2010	FY2012	FY00-12 Change
<b>Appropriations</b>					
Defense / Security	278B	443B	815B	881B	+\$603B
Non-Security	339B	487B	491B	462B	+\$123B
<b>Mandatory</b>					
Medicare	199B	290B	446B	468B	+\$269B
Medicaid	117B	194B	273B	269B	+\$152B
Other Mandatory	123B	337B	644B	598B	+475B
<b>Debt Interest</b>	220B	178B	196B	240B	+20B
<b>TOTAL OUTLAYS</b>	<b>1.790T</b>	<b>2.479T</b>	<b>3.456T</b>	<b>3.729T</b>	<b>+1.939T</b>

# FY2012 Federal Budget (Outlays)



# FY2012 Federal Budget

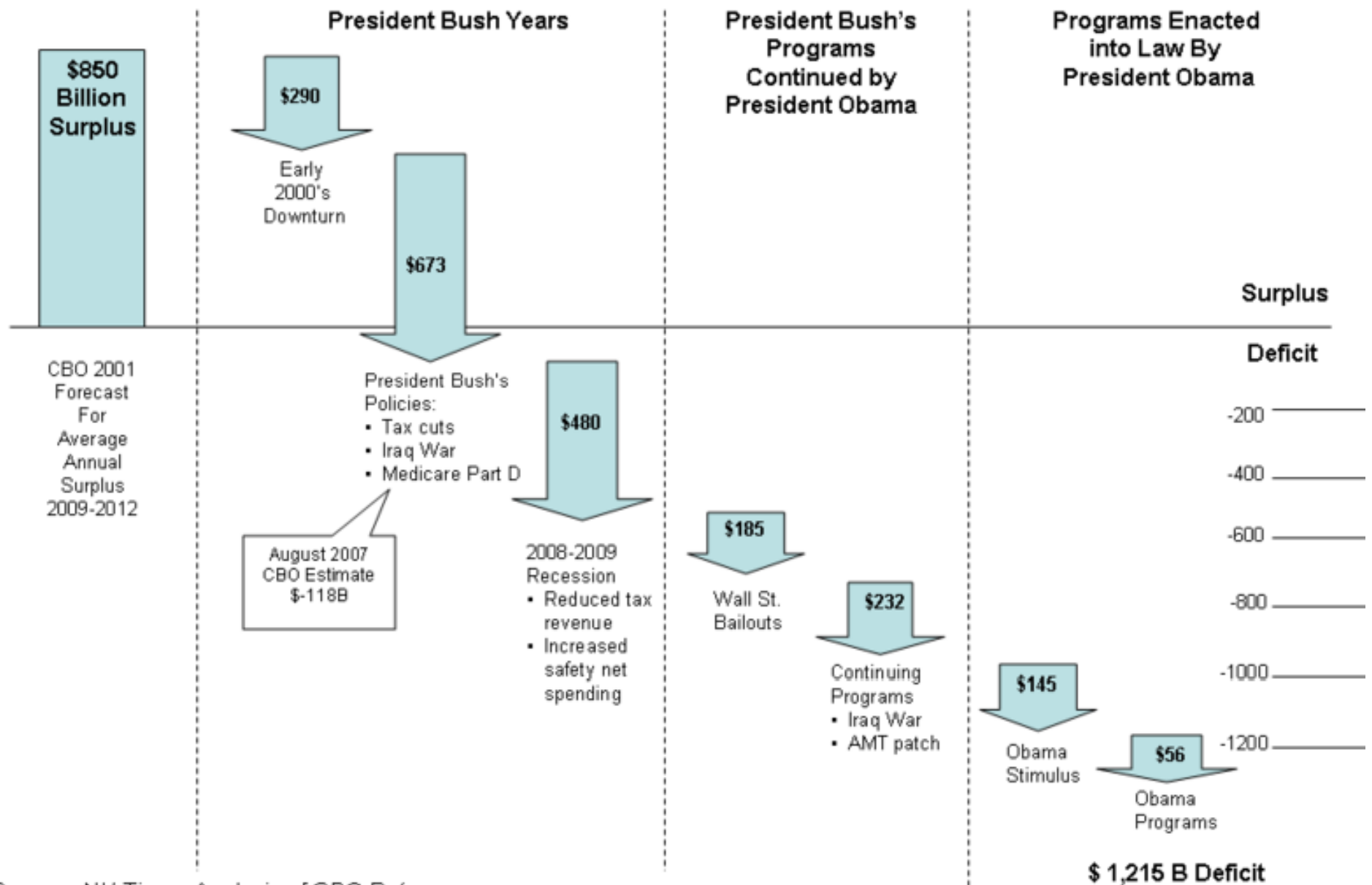
(Receipts)



# President Obama's FY2012 Budget

- **FY12 Projected Deficit of \$1.1 Trillion (7% of GDP)**
  - ◆ FY11 projected deficit of \$1.645 trillion (10.0% GDP)
  - ◆ FY15 projected deficit of \$607 billion (3.2% of GDP)
  - ◆ ***By comparison, combined state budgets = \$1.49 trillion***
- **Five-Year Non-Security Discretionary Spending Freeze**
  - ◆ Reduces the deficit by \$400 billion over the next decade
- **211 Program Terminations, Reductions & Savings**
  - ◆ Savings of \$33 billion in the first year
  - ◆ Cuts \$78 billion from the Pentagon's plan over five years

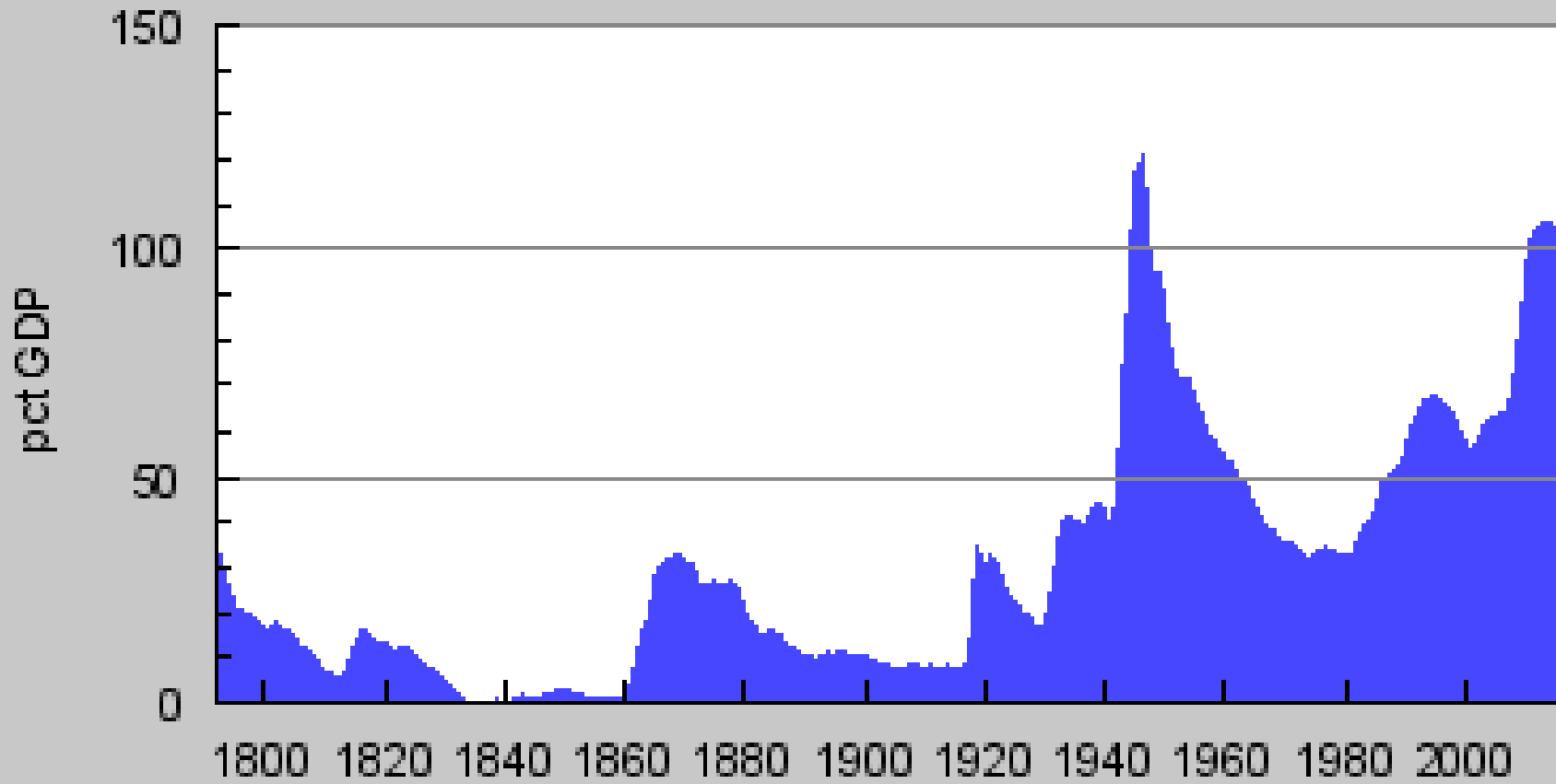
# Causes of Change in Average Surplus / Deficits Forecasted by CBO for 2009-2012



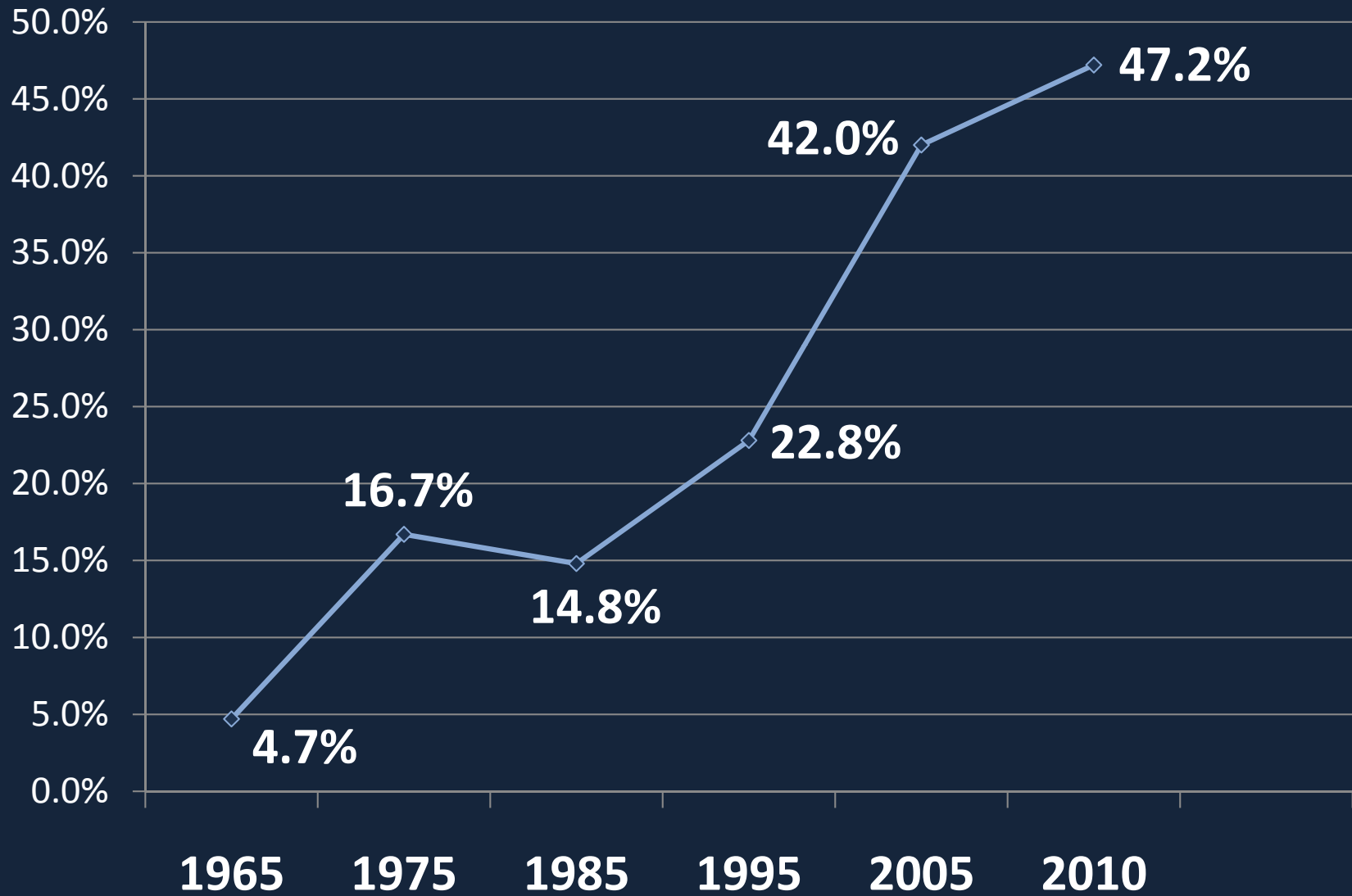
Source: NY Times Analysis of CBO Data  
 Note that CBO forecasts are based on law enacted at time of forecast.  
 Dollars in Billions.



# Gross Federal Debt US from FY 1792 to FY 2015



## Foreign Holdings of Federal Debt



# President's FY2012 Budget Highlights

## ■ Online Resources

- ◆ **OMB Budget Resources:** [www.whitehouse.gov/omb/budget](http://www.whitehouse.gov/omb/budget)
  - ★ FY2012 Budget
  - ★ FY2012 Appendix
  - ★ FY2012 Terminations, Reductions and Savings
- ◆ **Federal Agency Websites:**
  - ★ FY2012 Budget in Brief
  - ★ FY2012 Congressional Budget Justification
  - ★ FY2012 Budget Fact Sheets



# Federal Regional Development Programs

## **DISCLAIMER:**

### **The President's FY2012 Budget Blueprint**

**is the just the beginning of the process!**

**Next steps are the House and Senate Budget Resolutions,**

**which set the overall spending and revenue framework,**

**followed by consideration of the**

**12 individual federal annual appropriations bills**

**that fund the specific departments, agencies**

**and program accounts.**

# President's FY2012 Budget Highlights

## ■ Major Eliminations

- ◆ HUD Brownfields Economic Development Initiative
- ◆ DOL Career Pathways Innovation Fund
- ◆ USDA Resource Conservation and Development (RC&Ds)
- ◆ USDA High Energy Cost Grants
- ◆ EDA Trade Adjustment Assistance for Firms

# President's FY2012 Budget Highlights

## ■ Major Reductions

- ◆ DOL/HHS Senior Community Service Employment Program
- ◆ DOT - FAA Airport Improvement Program
- ◆ EPA Clean and Safe Drinking Water SRFs
- ◆ EPA Nonpoint Source Pollution Grants
- ◆ HHS Community Services Block Grants
- ◆ HHS Low Income Home Energy Assistance Program
- ◆ HHS Rural Hospital Flexibility Grant Program
- ◆ HUD Community Development Block Grants
- ◆ HUD HOME Improvement Program
- ◆ USDA Single Family Housing Direct Loans and Housing Repair Grants

# President's FY2012 Budget Highlights

## ■ Noteworthy Increases

- ◆ USDA Single Family Housing Guaranteed Loans
- ◆ USDA Community Facility Direct Loans
- ◆ DOT SAFETEA-LU Levels for Highway and Transit Programs
- ◆ EDA Regional Innovation Program
- ◆ EDA Wireless Innovation Initiative
- ◆ EPA State and Local Air Quality Management Grants
- ◆ HHS Administration on Aging

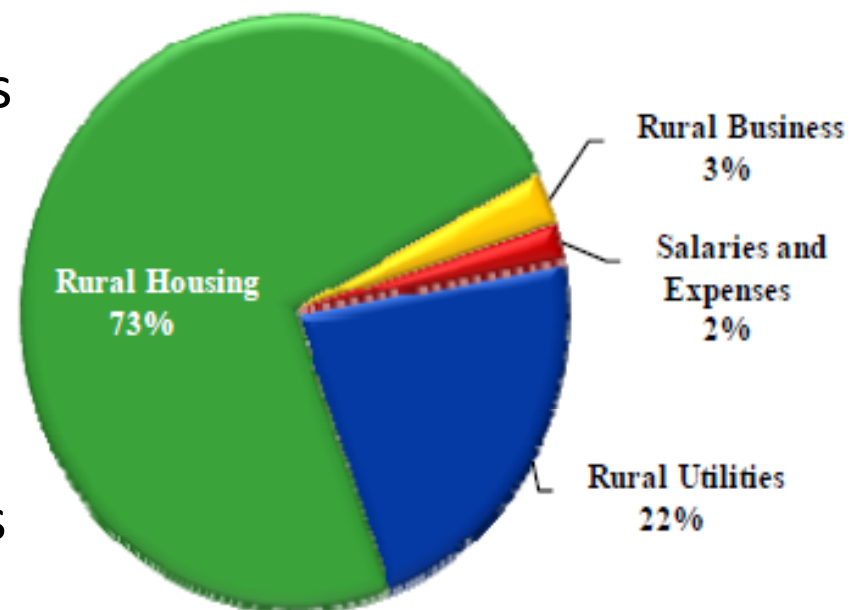


# USDA Rural Development

- \$2.4 billion in budget authority to support of program level of \$36 billion in grants, direct loans and loan guarantees

- Major Theme: Strategic Leveraging of Existing Resources through Regional Innovation Initiative (RII)

**Rural Development**  
2012 Program Level - \$36 Billion



# USDA Rural Development

## ■ Regional Innovation Initiative (RII)

- ◆ **Focuses on regional planning and coordination** of USDA and other federal and private sector resources for rural areas
- ◆ **Targets up to 5 percent of certain existing programs (About \$171M) to the support the initiative;** *Also dedicates funding from the Rural Community Development Initiative (RCDI) and Rural Business Opportunity Grants (RBOG) to support regional economic development strategies*

# USDA Rural Development: Rural Utilities Service (RUS)

## ■ Water and Waste Disposal Programs

- ◆ **Grants: \$415M**, down from \$693 in FY10 and \$494M in FY11
  - ★ ARRA provided \$555M for water and waste disposal grants
- ◆ **Direct Loans: \$74M** in budget authority to support **\$770M program level; down \$181M from FY10**
  - ★ Significant drop in program level is due to increased subsidy costs to support direct loan program

## ■ Solid Waste Management Grants

- ◆ \$4M requested for FY12, same as FY11 request

# USDA Rural Development: Rural Utilities Service (RUS)

## ■ Broadband Programs

- ◆ **Grants:** Maintains at \$18M
- ◆ **Direct Loans:** Requests no new funds since more than \$1.22 billion in broadband loan funds remaining from ARRA

## ■ Distance Learning and Telemedicine Program

- ◆ **Grants:** Requests \$30M, down \$8M from FY10
- ◆ **Direct Loans:** No funding requested since “there is little demand for the DLT loans,” according to USDA

# USDA Rural Development:

## Rural Business – Cooperative Service (RBS)

### ■ Business and Industry (B&I) Loans

- ◆ **\$823M Program Level**, down \$223M due to subsidy rate
- ◆ Priority on regional innovation, healthy food, renewable energy and expansion of broadband deployment

### ■ Rural Business Enterprise Grants (RBEG)

- ◆ **\$30M for grants**, reduction of \$9M

### ■ Rural Business Opportunity Grants (RBOG)

- ◆ **\$7.5M for grants**, increase of \$5M as part of RII

# USDA Rural Development:

## Rural Business – Cooperative Service (RBS)

### ■ Intermediary Relending Program (IRP)

- ◆ Program level of \$36M, increase of \$14M as part of RII

### ■ Rural Microentrepreneur Assistance Program

- ◆ \$5.7M discretionary funds for \$23M loans and \$2.2M grants
- ◆ \$3M mandatory funds for \$32M loans and \$4M in grants

### ■ Value-added Ag. Product Market Development

- ◆ Maintains at \$20.36M as part of RII

# USDA Rural Development:

## Rural Business – Cooperative Service (RBS)

### ■ Rural Energy for America (Sec. 9007)

- ◆ Assistance for renewable energy systems and energy efficiency improvements, including energy audits and feasibility studies
- ◆ **Discretionary:** \$11M in loan guarantees and \$34M in grants
- ◆ **Mandatory:** \$130M in loans and \$36.7M in grants

### ■ Rural Economic Development Grants (REDLEG)

- ◆ Cancels \$241.M from “cushion of credit”
- ◆ \$10M is proposed for rural economic development grants and \$4.293M for loan subsidy

# USDA Rural Development: Rural Housing Service (RHS)

## ■ Eliminates

- ◆ Multi Family Housing *Guaranteed Loans* (Sec. 538)
- ◆ Very Low-Income Repair *Direct Loans* (Sec. 504)
- ◆ Mutual and Self Help *Grants* (Sec. 523)
- ◆ Community Facility *Guaranteed Loans*

## ■ Major Programs

- ◆ **Single Family Housing (Sec. 502): Cuts Direct Loans to \$211M and Doubles Loan Guarantees to \$24B with fee structure consistent with HUD's FHWA guaranteed program**



# USDA Rural Development: Rural Housing Service (RHS)

## ■ Single Family Housing (Sec. 502)

- ◆ **Cuts direct loans to \$211M** from \$1.02B in FY2010
- ◆ **Doubles Loan Guarantees to \$24B** with fee structure consistent with HUD's FHWA guaranteed program

## ■ Rental Assistance Grants (Sec. 502 and 521)

- ◆ **\$906.53M**, down from \$980M in FY2010
- ◆ Rental contracts for one-year period

# USDA Rural Development: Rural Housing Service (RHS)

## ■ Community Facilities

- ◆ **Eliminates loan guarantee** due to increase in subsidy costs
- ◆ **Direct loan program level at \$1B** vs. \$631M in FY2010
- ◆ **Supports \$30M for grants**, \$2M below FY2010 actual

## ■ Rural Community Development Initiative (RCDI)

- ◆ **Increased to \$8.4M** as part of RII to support regional economic development strategies, up from \$6.25M

# USDA

## ■ Forest Service Payments to Communities

(Secure Rural Schools and Community Self Determination Act)

- ◆ Requests \$328M for FY2012 in discretionary funds
- ◆ FY2011 level was \$416M in mandatory money
- ◆ Proposes as discretionary funds, rather than mandatory
- ◆ Proposes to decrease funding every year during the five-year reauthorization period with changes
- ◆ Revises allocation split between 3 portions of the program

The Secure Rural Schools and Community Self-Determination Act of 2000 (P.L. 106-393) provides temporary payments to counties impacted by the reduction of shared receipts stemming from lower levels of timber harvesting on Federal lands.

# Appalachian Regional Commission

## ■ Level Funding of \$76M for Core Programs

- ◆ Area Development account is \$63.4M

- ★ Devotes \$10M for federal interagency MOU to promote diversified and sustainable economic growth and employment

- ◆ Maintains \$6.2M for 73 Local Development Districts

## ■ Appalachian Development Highway System

- ◆ Authorized at \$470M under SAFETEA-LU law

# Delta Regional Authority



- **Level Funding of \$13M**

- **FY12 Budget Focuses On:**

- ◆ Multi-state planning and regional investments
- ◆ Small business development and entrepreneurship
- ◆ Innovative green economy efforts related to job creation and retention

# Federal-State Regional Commissions

## ■ Denali Commission

- ◆ **\$11.96M** for regular programs
- ◆ **Proposes 50% match for construction projects,**  
with waiver for most distressed communities to 20% match

## ■ Northern Border Regional Commission

- ◆ **Maintains at \$1.5M**

## ■ Southeast Crescent Regional Commission

- ◆ **No funding proposed;** Received \$250K in FY2010

# Treasury's CDFI Program

## ■ \$227.25M, Down \$19.5M from FY10

- ◆ \$41.4M Bank on USA
- ◆ \$25M for New Healthy Food Financing Initiative
- ◆ Eliminates Bank Enterprise Awards and Capital Magnet Fund

## ■ Proposes Reauthorizing New Markets Tax Credit through 2012

- ◆ Requests \$5B allocation with \$250M to support financing healthy food options in distressed areas

# Economic Development Administration

## ■ Economic Development Assistance Programs:

- ◆ **\$284.3M Request**, Increase of \$29.3M from FY2010
  - ◆ Maintains **Planning** at \$31M
  - ◆ **Cuts Public Works to \$89M**, down from \$158.28M in FY10
  - ◆ **\$40M Regional Innovation Program** for 20 Growth Zones
  - ◆ **Increases Economic Adjustment to \$81M**, up from \$44M in FY10
  - ◆ As authorized by COMPETES Act, **new \$100M loan guarantee program** for science and technology parks and incubators

## ■ **Salaries and Expenses: \$40.6M**, Up \$2.6M from FY10



# Economic Development Administration

## ■ Regional Innovation Program (Economic Growth Zones)

- ◆ **National Competition** under partnership with HUD and USDA
- ◆ **Select 20 growth zones** (estimated at 14 urban and 6 rural)
- ◆ **Resources for planning and seed capital**, including rigorous economic development analysis, additional strategic planning, capacity building and project implementation

# Economic Development Administration

## ■ Wireless Innovation and Infrastructure Initiative (WI3)

- ◆ Federal auctions of reallocated spectrum licenses expected to generate \$27B by 2021
- ◆ **EDA will participate in wireless innovation fund by setting aside \$100M over five years** in new money in prize and grant competitions to fund development of regional clusters of wireless innovation

# Commerce Department



## ■ Hollings Manufacturing Extension Partnership (MEP)

- ◆ **\$142.6M**, up from \$125M in FY10 enacted

## ■ Technology Innovation Program (TIP)

- ◆ **\$75M**; Reauthorized in COMPETES Act to promote and accelerate innovations in high-risk, high-reward projects

## ■ Advanced Manufacturing Technology Consortium

- ◆ **\$12.3M for new pilot** for long-term industrial research

# Environmental Protection Agency

- **Overall Budget:** \$8.97B, Down from \$10.3B in FY10
  - ◆ **Clean Water SRF:** \$1.55B, cut of \$550M (20% green)
  - ◆ **Drinking Water SRF:** \$990M, cut of \$397M (10% green)
  - ◆ **Brownfields:** Maintains basic funding levels for **3 accounts**
  - ◆ **Sustainable Communities:** \$9.9M, Increase of \$4.2M
  - ◆ **State and Local Air Quality Management:** \$305M, Up \$78M

# Environmental Protection Agency

## ■ Eliminates

- ◆ Clean School Bus Initiative
- ◆ Diesel Emissions Reduction Grant Program (\$60M)
- ◆ Targeted Airshed Grants (\$20M)
- ◆ Local Government Climate Change (\$10M)

## ■ Major Cuts

- ◆ Nonpoint Source Pollution (Sec. 319) - \$36.1M Savings

## ■ Major Increase

- ◆ State and Local Air Quality Management: \$305M, Up \$78M

# Federal Emergency Management Agency

- **State Homeland Security Grants: \$1B**, increase of \$148M
  - ◆ \$50M for Operation Stonegarden on Southwest Border
- **Urban Area Security Initiative: \$920M**, increase of \$68M
- **Citizen Corps: \$13M**
- **Emergency Preparedness Performance Grants: \$350M**, Up \$12M
- **Continuing Training Grants Program: \$20.6M**
- **Firefighter Assistance Grants: \$670M**, cut of \$140M from FY10
  - ◆ \$250M for equipment, training, vehicles, and related materials
  - ◆ \$420M to rehire laid-off firefighters and retain veteran first responders

# Federal Emergency Management Agency

- **Predisaster Mitigation Fund: \$85M**, cut of \$15M from FY11
- **Flood Map Modernization**
  - ◆ Changes name to “Flood Hazard Mapping and Risk Analysis”
  - ◆ Reduces funding by more than \$110M to **\$103M**
- **Emergency Operations Center: *No funding requested***
- **Firefighter Assistance Grants: \$670M**, cut of \$106M from FY10
  - ◆ \$250M for equipment, training, vehicles, and related materials
  - ◆ \$420M to rehire laid-off firefighters and retain veteran first responders

# HHS – Administration on Aging

- **Total Program of \$2.23B**, Increase of \$74M for base funding
  - ◆ Home and Community-Based Support: \$416M (Up \$48M)
  - ◆ Congregate Nutrition Services: Level at \$440M
  - ◆ Home-Delivered Nutrition Services: Level at \$217M
  - ◆ Nutrition Services Incentive Program: Level at \$160M
  - ◆ Preventive Health Services: Level at \$21M
  - ◆ Caregiver Services: \$222M Total, increase of \$47M
  - ◆ New \$16.5M for Adult Protective Services Demonstration, authorized by the Elder Justice Act of 2010



# HHS – Assistance for Families and Children

- **Child Care & Development Block Grant: 2.92B** vs. \$2.1B in FY10
- **Social Services Block Grant:** Remains at \$1.7B
- **Community Services Block Grant (CSBG): \$350M** for 50% cut
  - ◆ Shifts to competitive program for high performing agencies
- **Head Start: \$8.099B,** Increase of \$865M
- **Rural Community Facilities:** Eliminates account (*earmarks*)

# HHS – Assistance for Families and Children

## ■ Low Income Home Energy Assistance Program (LIHEAP)

- ◆ **\$2.56B**, cut of \$2.53B from FY2010
  - ★ \$1.98B in base grants and \$590M in contingency funds
- ◆ According to White House,  
*“Returns LIHEAP funding to historic levels received for 2008 prior to the energy price spikes.”*

# HUD Community Development

## ■ Community Development Block Grant (CDBG)

- ◆ Reduces formula funding to **\$3.691B**, cut of \$300M

## ■ HOME Investment Partnerships: **\$1.65B**, cut of \$175M

## ■ Replaces Hope VI with Choice Neighborhoods Grants at **\$240M**

## ■ Rural Housing Stability Program: **\$25M** for rural homeless

## ■ Rural Innovation Fund: Remains at **\$25M**

- ◆ Rural Mapping Tool to measure poverty and community housing distress

# HUD Community Development

## ■ Neighborhood Stabilization Fund:

- ◆ **No new funding requested for FY2012**
- ◆ **More than \$6B appropriated for FY09 and ARRA**

## ■ Brownfields Economic Development:

- ◆ **No new funding requested in FY12**
- ◆ **Funded at \$17.5M in the past years**

# HUD Sustainable Communities

## ■ Office of Sustainable Housing and Community Development

- ◆ **Funds separately**, rather than set-aside with CDBG Fund
- ◆ **Level Funding for Core Programs**
  - ★ **\$100M** for Regional Integrated Planning Grants
  - ★ **\$40M** for Community Challenge Grants
  - ★ **\$5M** for Research and Evaluation with HUD and DOT
  - ★ ***\$5M for new energy consumption database with focus on public housing***

# Labor – Employment and Training

## ■ Workforce Investment Act (WIA) Funding

- ◆ **Adult Employment and Training: \$792M** , down from \$862M
- ◆ **Dislocated Workers: \$1.31B**, down from \$1.413B
- ◆ **Youth Employment: \$965M**, down from \$1.02B
- ↓ *Plus WIA formula funding is reduced further for national initiatives*

## ■ Workforce Innovation Fund

- ◆ **Funded through 8 percent takedown** from WIA Adult, Dislocated Workers and Youth programs at \$297M
- ◆ **DOL national competitive grants** for new service delivery strategies or expand evidenced-based practices

# Labor – Employment and Training

- **Trade Adjustment Assistance Community College and Career Training** (*Eligible institutions of higher education*)
  - ◆ **\$500M annually in FY2011-2014** for competitive grants
- **Green Jobs Innovation: \$60M**, increase of \$20M from FY10 level
- **Job Corps: \$1.69B**, decrease of \$8.45M from FY10 level
- **High Growth Job Training Initiative: \$125M**
- **Career Pathways Innovation Fund:** Eliminates funding
- **YouthBuild Program: \$115M**, up from \$102.5M
  - ★ DOL will issue new rulemaking in FY12

# Labor – WIA Reauthorization Principles

- **Streamline service delivery** with flexibility for states and locals
- **Truly one-stop shopping** for high-quality services
- **Engaging with employers** on a regional and/or sectoral basis
- **Improving accountability**
- **Promoting innovation** and identifying and replicating best practices



# Labor – Senior Community Service Employment Program

- Proposes transfer from Labor Dept. to HHS' Administration on Aging
- Reduces program funding by \$375M, from \$825M to \$450M (*Note: normal budget was \$600M*)
- Intends better coordination with HHS' programs for low-income seniors, including health, wellness and independence

# Small Business Administration

## ■ Overall: \$985M in New Budget Authority

- ◆ \$575M for salaries and expenses (\$160M for non-credit programs)
- ◆ Business Loan Subsidy: \$215.3M, Increase of \$132.3M
- ◆ Disaster Assistance Program: \$167.3M, Increase of \$90.7M
- ◆ Office of Inspector General: \$18.4M, Increase of \$2.1M

## ■ Major Notes

- ◆ Regional innovation clusters is major theme
- ◆ Need for subsidies to cover costs of 7(a) and 504 CDC loans

# Small Business Administration

## ■ Credit Programs

### ◆ 7(a) Guaranteed Loans

- ★ Requests \$129.8M of credit subsidy to support \$16.5B in lending authority

### ◆ 504 CDC Lending Program

- ★ Requests \$81.8M of credit subsidy to maintain \$7.5B in lending authority; ***First time since FY1997***
- ★ Increases borrower fees to .9375% cap, up 20% from FY11
- ★ Increases loan default estimates to over 19%; ***Highest ever***

# Small Business Administration

## ■ Non-Credit Programs

- ◆ **HUBZone Program:** \$2.5M, increase of \$311K
- ◆ **Microloan technical assistance:** \$10M, cut of \$9.2M
- ◆ **PRIME technical assistance:** No funding , cut of \$8M
- ◆ **SBDC Grants:** \$103M, cut of \$9.6M
- ◆ **SCORE:** \$7M, level funding
- ◆ **Entrepreneurial development (clusters):** \$14M, increase of \$3M
- ◆ **Emerging Leaders:** \$3M for new program (also proposed in FY11)

# DOT – Major Highlights

- **Proposes New \$556B, Six-Year Surface Transportation** reauthorization package (SAFETEA-LU) – *ave. of 60% increase*
  - ◆ “Up-Front” investment of \$50B
- Requests \$53B over six years for **High Speed Rail** investments
- Establish new **National Infrastructure Bank** at \$30B over six years
- Dedicate \$32B for **competitive grant programs**
- Major reforms and cuts to **FAA Airport Improvement Program**

# SAFETEA-LU Reauthorization

- **\$556B, Six-Year Reauthorization Framework**
  - ★ **\$50B “Up-Front” investment immediately**
  - ★ **\$336B for highways and bridges; 48% increase**
  - ★ **\$119B for transit; 127% increase**
  - ★ **\$53B for national high-speed rail network, including Amtrak**
  - ★ **\$30B for National Infrastructure Bank**

***The President’s FY2012 Budget does NOT identify new or potential revenue sources for the proposed new spending!***

# SAFETEA-LU Reauthorization

## ■ New Transportation Trust Fund

- ★ *“Highway Trust Fund”* changed to *“Transportation Trust Fund”*
- ★ Adds *high-speed rail* and *national infrastructure bank*
- ★ **HOWEVER**, existing HTF taxes would remain solely for highway and transit accounts – ***NOT rail and infrastructure bank***
- ★ \$1.3B for Transportation Leadership Awards for competitive grants related to innovations in transportation policy
- ★ Requests \$70.5B in FY12, including “Up-Front” money;  
***Represents \$29B increase over FY10 enacted***

# SAFETEA-LU Reauthorization

## ■ Highways – Proposes \$336B over Six Years (48% Increase )

### ★ Merge 55 separate highway accounts into five core programs

1. Highway Safety Improvements: \$2.5B in FY12
2. National Highway Program: \$32.4B in FY12
  - ÷ Highway Infrastructure Performance & Flexible Investments
3. Livable Communities: \$4.1B in FY12
4. Federal Allocation: \$1.4B in FY12
5. Research, Technology and Education: \$661M

### ★ Subjects surface transportation spending to PAYGO and converts a number of previously General Fund programs



# SAFETEA-LU Reauthorization

## ■ Transit – Proposes \$119B over Six Years (127% Increase)

- ★ Merge five transit programs into state of good repair account
  - ◆ Bus and Rail State of Good Repair: \$10.7B (\$7.5B FY12)
  - ◆ Transit Formula Grants: \$7.7B (\$3B FY12)
  - ◆ New Transit Expansion and Livable Communities; Includes \$50M for Livable Communities demonstration grants
- ★ Proposes to allow urban transit authorities (in areas of 200K or more) to temporarily use formula funds for operations
- ★ Entrust FTA with authority to oversee rail transit safety

# SAFETEA-LU Reauthorization

## ■ High Speed Rail

- ★ \$53B over six years, including part of transportation trust fund
- ★ Divides rail corridors into “core express,” “regional” or “emerging”
- ★ Consolidates Amtrak into High-Speed Rail accounts; Shifts rail funding from general funds to mandatory spending

# DOT – National Infrastructure Bank

- **\$30B over six year period at \$5B annually**
- **No specific funding mechanism is identified**, but administration establishes within new Transportation Trust Fund
- **Projects eligible** would include multi-modal projects for highway, transit, rail, aviation, including equipage, ports and maritime
- **Allocates \$200M** for planning and cost/benefit analysis
- **New entity** within U.S. DOT

# DOT – Federal Aviation

- **Reduces Airport Improvement Program to \$2.42B, from \$3.5B**
- Maintains AIP for smaller commercial and general aviation airports
- **Large and medium airports are phased out of AIP, with authority to increase non-federal passenger facility charges; *Proposal was recommended by Bowles-Simpson Debt Commission***
- ***HOWEVER, requests \$3.35B for AIP as part of “Up-Front” plan***
- **Essential Air Service funded at \$195M total, as part of the Office of the DOT Secretary – Cut of \$27M; Proposes to eliminate 15-passenger aircraft requirement and limit the program to communities receiving aid as of October 1, 2011**

# **The President's FY2012 Budget Blueprint**

**is the just the beginning of the process!**

**Next steps are the House and Senate Budget Resolutions,**

**which set the overall spending and revenue framework,**

**followed by consideration of the**

**12 individual federal annual appropriations bills**

**that fund the specific departments, agencies**

**and program accounts.**



**National Association of Development Organizations (NADO)  
and the NADO Research Foundation**

**400 North Capitol Street, NW | Suite 390 | Washington, DC 20001**

**[NADO.org](http://NADO.org) | [Ruraltransportation.org](http://Ruraltransportation.org) | [Knowyourregion.org](http://Knowyourregion.org)**

**[Regionalcouncilguide.org](http://Regionalcouncilguide.org)**

**202.624.7806 | [Info@nado.org](mailto:Info@nado.org)**

***Regional Strategies. Solutions. Partnerships.***

# NADO

National Association of Development Organizations

Regional Strategies. Partnerships. Solutions