About NADO

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

Jobs and Sustained Economic Growth. Modern Infrastructure Assets.

Workforce Readiness. Quality of Life. Vibrant Communities.
NADO Federal Policy Agenda

- White House and Hill Review of Regional Development Programs
- EDA Appropriations and Reauthorization
- SAFETEA-LU Reauthorization, with MPO and RPO Provisions
- HUD Community Development Block Grant (CDBG) Funding
- Key programs such as Fed-State Commissions, WIA, SBA and EPA
- FEMA Support for State and Local Preparedness and Response
- HUD-DOT-EPA Sustainable Development Initiative
- USDA Rural Development in 2012 Farm Bill
A Sense of Politics...

“Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly, and applying the wrong remedies.” ~ Groucho Marx
A Sense of Politics...

“Politics is the art of postponing decisions until they are no longer relevant.”

~ Henri Queuille
The Political Landscape
U.S. UNEMPLOYMENT RATE: 8.3%
Congressional approval has fallen to its lowest point in history

Do you approve or disapprove of the way Congress is handling its job?

National Gallup survey (March 27, 2012)
Midterm Elections in November
ABC News/Washington Post poll

-- Cong. Vote Choice --
(Among reg. voters)

- Democrat: 45%
- Republican: 48%

---- Electoral Mood ----

- Anti-incumbent: 48%
- Pro-incumbent: 35%

-- Your Representative --

- Re-elect: 36%
- Look around: 56%
House Elections
Congress: The only job where not showing up for it can help you keep it!
U.S. House – 2012 Election Cycle

435 House seats up in 2012

Current House Lineup:

Democrats .......................... 190
Republicans .......................... 242
Vacancies ............................ 3
### U.S. HOUSE: 2012 ELECTION CYCLE

<table>
<thead>
<tr>
<th>Party Breakdown</th>
<th>DEM</th>
<th>GOP</th>
<th>Outlook</th>
</tr>
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<tbody>
<tr>
<td>Partisan Breakdown</td>
<td>193</td>
<td>242</td>
<td>+24 Margin</td>
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<tr>
<td>Seats up in 2012</td>
<td>435</td>
<td></td>
<td>218 is magic #</td>
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<tr>
<td>TOSS UP</td>
<td>8</td>
<td>13</td>
<td>TOSS UP</td>
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<tr>
<td>LEAN D</td>
<td>9</td>
<td>16</td>
<td>LEAN R</td>
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<tr>
<td>LEAN R</td>
<td>5</td>
<td>7</td>
<td>LEAN D</td>
</tr>
<tr>
<td>LIKELY D</td>
<td>17</td>
<td>25</td>
<td>LIKELY R</td>
</tr>
<tr>
<td>SOLID D</td>
<td>153</td>
<td>181</td>
<td>SOLID R</td>
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</tbody>
</table>

Source: Cook Political Report, March 8, 2012
U.S. House – 2012 Election Cycle

Primary challengers are still biggest concern for most incumbents, especially GOP members
Senate Elections
<table>
<thead>
<tr>
<th>Party Style</th>
<th>DEM</th>
<th>GOP</th>
<th>Outlook</th>
</tr>
</thead>
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<tr>
<td>Partisan Breakdown</td>
<td>51 + 2 Is</td>
<td>47</td>
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<tr>
<td>Seats up in 2012</td>
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<tr>
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<tr>
<td>LIKELY D</td>
<td>4</td>
<td>2</td>
<td>LIKELY R</td>
</tr>
<tr>
<td>SOLID D</td>
<td>8</td>
<td>5</td>
<td>SOLID R</td>
</tr>
</tbody>
</table>

Source: Cook Political Report, March 1, 2012
U.S. Senate: 2012 Election Cycle

Democratic Races – Toss Up

- Hawaii Open (Akaka)
- McCaskill (MO)
- Nebraska Open (Nelson)
- New Mexico Open (Bingaman)
- Tester (MT)
- North Dakota Open (Conrad)
- Virginia Open (Webb)
- Wisconsin Open (Kohl)

GOP Races – Toss Up

- Brown (MA)
- Heller (NV)
- Maine Open (Snowe)
Presidential Election
The NBC News Political Poll - Feb. 24, 2012

13 Key Presidential Battleground States

- Colorado
- Florida
- Indiana
- Iowa
- Michigan
- Minnesota
- Nevada
- New Hampshire
- New Mexico
- North Carolina
- Ohio
- Pennsylvania
- Virginia
Republican Presidential Candidates

'I'm starting to wonder if it even matters who gets to drive this thing.'
### Total Delegates (Remaining: 1,257)

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Delegates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitt Romney</td>
<td>844</td>
</tr>
<tr>
<td>Rick Santorum</td>
<td>260</td>
</tr>
<tr>
<td>Newt Gingrich</td>
<td>137</td>
</tr>
<tr>
<td>Ron Paul</td>
<td>79</td>
</tr>
<tr>
<td>Jon Huntsman</td>
<td></td>
</tr>
<tr>
<td>Unallocated</td>
<td></td>
</tr>
</tbody>
</table>

1,144 delegates needed for nomination
President Obama

- Base remains strong **BUT**
  - Major anxiety with job market and economy, especially GAS prices
  - Independents are key, especially women
Presidential Benchmarks: What Direction Is the Nation Headed?

Q: Do you think things in this country are generally going in the right direction or do you feel things have gotten pretty seriously off on the wrong track?

Now: Wrong track 74%

The Washington Post - ABC News poll

22% Right direction

The Obama Advantage

Standing President

No Primary

Fundraising Capability
Presidential Approval Rating: 48%
A Presidency in Perspective

How does Barack Obama's approval rating compare to past presidents' at this stage of their reelection campaigns?

Obama 48%
Bush 50%
Clinton 54%
Bush 41%
Carter 43%

Source: Gallup Presidential Job Approval Polling.
The focus by the American public on government spending is unprecedented

Voters are angrier now than 2006, 2008 or 2010. It will be another very turbulent election

A majority of Americans believe the country has been on the wrong track— with no end in sight

Simply based on his ability to fundraise, President Obama will be a formidable candidate no matter the state of the economy
Context for Federal Policy and Budget Debates
Federal Budget Picture

- **Debt Ceiling:** Hit $15 Trillion in November 2011
  - Fed govt. borrows 40 cents of every dollar spent now
  - Today, national debt is now 69% of GDP vs. 2008 was 40%
  - CBO estimates rise to 109% by 2023 if no change – the record set in WWII
A look at how the Obama administration is counting on bringing in revenue and spending it in fiscal 2012.

Total Outlays: $3.803 trillion
Total Receipts: $2.902 trillion
Total Deficit: $901.4 billion

Source: Office of Management and Budget, Congressional Budget Office
<table>
<thead>
<tr>
<th>Outlays</th>
<th>FY2000</th>
<th>FY2005</th>
<th>FY2010</th>
<th>FY2012 Estimate</th>
<th>FY00-12 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defense / Security</td>
<td>$278B</td>
<td>$443B</td>
<td>$815B</td>
<td>$881B</td>
<td>+ $603B</td>
</tr>
<tr>
<td>Non-Security</td>
<td>$339B</td>
<td>$487B</td>
<td>$491B</td>
<td>$462B</td>
<td>+ $123B</td>
</tr>
<tr>
<td>Mandatory</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicare</td>
<td>$199B</td>
<td>$290B</td>
<td>$446B</td>
<td>$468B</td>
<td>+ $269B</td>
</tr>
<tr>
<td>Medicaid</td>
<td>$117B</td>
<td>$194B</td>
<td>$273B</td>
<td>$269B</td>
<td>+ $152B</td>
</tr>
<tr>
<td>Other Mandatory</td>
<td>$123B</td>
<td>$337B</td>
<td>$644B</td>
<td>$598B</td>
<td>+$ 475B</td>
</tr>
<tr>
<td>Debt Interest</td>
<td>$220B</td>
<td>$178B</td>
<td>$196B</td>
<td>$240B</td>
<td>+ $20B</td>
</tr>
<tr>
<td>TOTAL OUTLAYS</td>
<td>$1.790T</td>
<td>$2.479T</td>
<td>$3.456T</td>
<td>$3.729T</td>
<td>+$ 1.939T</td>
</tr>
</tbody>
</table>
ABSENT REFORMS, DEBT IS SET TO SKYROCKET IN THE COMING DECADES

Sources: Congressional Budget Office (January 2012) and Bipartisan Policy Center
“I’m not worried about the deficit. It’s big enough to take care of itself.”

-- President Ronald Reagan
“Alexander Hamilton started the U.S. Treasury with nothing, and that was the closest our country has ever been to being even.”

-- Will Rogers
August 1
Budget Control Act of 2011 (S. 365)
Debt Deal: Overview of Major Components

- Debt Ceiling Increase With Required Reductions in Deficit
  - $2.1 to $2.4 trillion

- Discretionary Spending Caps
  - $900 billion in spending reductions over 10 years

- Joint Select Committee on Deficit Reduction (Super Committee)
  - Goal: Find $1.5 trillion in additional deficit reduction
  - Or else...automatic sequestration
IT'S A BIRD!

IT'S A PLANE!

IT'S A SUPER COMMITTEE.

SPLAT!
UNDERSTANDING THE BREAKDOWN OF SEQUESTRATION LEVELS

Total “triggered” cut $1.2 trillion

Distribute remaining $984 billion evenly among fiscal years 2013 to 2021

Evenly split each year’s cut between defense and non-defense accounts

Subtract 18 percent in debt service savings

$109.3 billion per year

Defense $54.7 billion
Non-defense $54.7 billion
Even with Sequester, Federal Budget Expands by Nearly $2 Trillion
Standards & Poor’s downgrades

U.S. credit rating despite debt deal

“The compromise made by Congress and President Obama to cut spending and boost the debt ceiling falls short of what, in our view, would be necessary to stabilize the government's medium-term debt dynamics.“
“We lowered our long-term rating on the U.S. because we believe that the prolonged controversy over raising the statutory debt ceiling and the related fiscal policy debate indicate that further near-term progress containing the growth in public spending, especially on entitlements, or on reaching an agreement on raising revenues is less likely than we previously assumed and will remain a contentious and fitful process”

~ S&P
FY2013 Federal Appropriations
FY2013 Federal Budget & Appropriations

- Senate FY13 discretionary spending level: $1.043 trillion
- House FY13 discretionary spending level: $1.028 trillion
Earmarks remain banned!

Similar to last year’s process, Members of Congress are allowed to submit Programmatic Requests and Language Requests to the Appropriations Subcommittees regarding their FY2013 appropriations priorities.

**Programmatic Requests** direct specific funding levels for agencies and programs.

**Language Requests** encourage, urge, or direct some type of action by an agency.
State of Small Business Programs
## State of Small Business Programs

### Appalachian Regional Commission

<table>
<thead>
<tr>
<th>Program</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13 President's Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development Revolving Loan Fund</td>
<td>$76.00 M</td>
<td>$68.26 M</td>
<td>$68.26 M</td>
<td>$64.85 M</td>
</tr>
</tbody>
</table>

*FY13 House Energy and Water Appropriations Bill= $75.317 M*
EDA: Budget Background

- President’s FY2013 request: $219M
  - $38M below FY12 enacted level ($257.5M) = 15% cut
  - $64.43M below FY11 enacted level ($283.43M) = 23% cut
  - $74M below FY10 enacted level ($293M) = 25% cut
- EDA’s final FY12 funding total of $457.5M included $200M for disaster assistance and $257.5M for programs and operations
- Since FY2001, funding for EDA’s core economic development assistance programs has decreased by approximately 50 percent!
## State of Small Business Programs

### Economic Development Administration

<table>
<thead>
<tr>
<th></th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13 President's Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$293.00 M</td>
<td>$283.43 M</td>
<td>$457.50 M</td>
<td>$219.00 M</td>
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</table>

*FY13 Senate CJS Appropriations Bill= $238 M
FY13 House CJS Appropriations Bill= $219 M*
## State of Small Business Programs

### Economic Development Administration

#### RLF

<table>
<thead>
<tr>
<th>Program</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13 President's Plan</th>
<th>FY12 Enacted vs. FY13 Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Adjustment Assistance (EAA); Revolving Loan Funds</td>
<td>$38.62 M</td>
<td>$78.74 M</td>
<td>$50.06 M</td>
<td>$65.20 M</td>
<td>+ $15.14 M</td>
</tr>
</tbody>
</table>
# State of Small Business Programs

## SBA Lending Programs

<table>
<thead>
<tr>
<th>Agency</th>
<th>Program</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13 President’s Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBA</td>
<td>Certified Development Company (CDC)/504 Loan Program</td>
<td>$7.5 B</td>
<td>$7.5 B</td>
<td>$7.5 B</td>
<td>$6.0 B</td>
</tr>
<tr>
<td>SBA</td>
<td>Section 7(a) Loan Guarantee Program</td>
<td>$17.5 B</td>
<td>$17.5 B</td>
<td>$17.5 B</td>
<td>$16.0 B</td>
</tr>
<tr>
<td></td>
<td>Microloan Program (subsidy)</td>
<td>$3.0 M</td>
<td>$7.0 M</td>
<td>$3.67 M</td>
<td>$2.80 M</td>
</tr>
</tbody>
</table>
# State of Small Business Programs

## Department of Treasury’s CDFI Program

<table>
<thead>
<tr>
<th>Agency</th>
<th>Program</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13 President’s Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development Financial Institutions (CDFI) Fund (Dept. of Treasury)</td>
<td>Financial/Technical Assistance component</td>
<td>$106 M</td>
<td>$150 M</td>
<td>$146 M</td>
<td>$128 M</td>
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<tr>
<td></td>
<td>Bank Enterprise Award (BEA) Program</td>
<td>$25 M</td>
<td>$22 M</td>
<td>$18 M</td>
<td>$15 M</td>
</tr>
</tbody>
</table>
## State of Small Business Programs

### U.S. Department of Agriculture

<table>
<thead>
<tr>
<th>Agency</th>
<th>Program</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13 President’s plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>USDA</td>
<td>Business and Industry (B&amp;I) Guaranteed Loan Program</td>
<td>$993 M</td>
<td>$813.8 M</td>
<td>$822.88 M</td>
<td>$821.2 M</td>
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<tr>
<td>USDA</td>
<td>Intermediary Relending Program (IRP)</td>
<td>$33.53 M</td>
<td>$19.14 M</td>
<td>$17.71 M</td>
<td>$18.89 M</td>
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<tr>
<td>USDA</td>
<td>Rural Business Enterprise Grants (RBEG) Program</td>
<td>$38.72 M</td>
<td>$38.65 M</td>
<td>$24.31 M</td>
<td>$29.80 M</td>
</tr>
<tr>
<td>USDA</td>
<td>Rural Business Opportunity Grants (RBOG)</td>
<td>$ 2.48 M</td>
<td>2.48 M</td>
<td>$2.25 M</td>
<td>$0.00 M</td>
</tr>
</tbody>
</table>
HUD CDBG: Background

- President’s FY13 Request: Level funding for formula grants at $2.948B
  - 11% below FY11 level of $3.34B
  - 26% below FY10 level of $3.99B

- This continues a recent downward trend in CDBG funding since the program reached a high of $4.36 billion in FY2003
## State of Small Business Programs

U.S. Department of Housing and Urban Development

<table>
<thead>
<tr>
<th>Agency</th>
<th>Program</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY12 President’s Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUD</td>
<td>Community Development Block Grants (CDBG), Entitlement Program</td>
<td>$3.99 B</td>
<td>$3.34 B</td>
<td>$2.94 B</td>
<td>$2.94 B</td>
</tr>
</tbody>
</table>

*FY13 Senate T-HUD Appropriations Bill = $3.1 B*