



# President's FY2016 Budget Highlights

**NADO**

**Special Webinar Briefing  
February 11, 2015**

# NADO's Mission



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



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# Presentation Overview



- President's Budget Request: Highlights of key programs for NADO members
- Comparison of President's Budget request versus current funding levels
- Context of the FY2016 appropriations process moving forward
- Washington Policy Conference Preview



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# President's FY2016 Budget

- President's FY2016 Budget was released on February 2
- Proposes **\$4T** in federal spending for FY2016
- Recommends eliminating sequestration
  - Raises discretionary spending caps by **7%** as set by sequestration
  - Taxes and fees proposed to pay for the increases



# President's FY2016 Budget

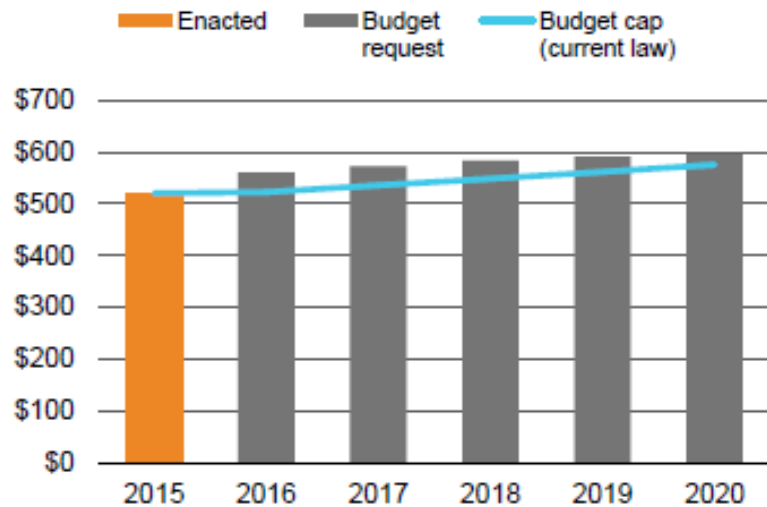
- Budget would provide an increase of **\$37B** for nondefense programs and **\$38B** for defense programs above spending caps
- Discretionary spending would increase **5.8%** from current levels
- Includes **\$1.8T** of deficit reduction over 10 years, bringing total the total deficit down to **\$4.3T**



# President's FY2016 Budget

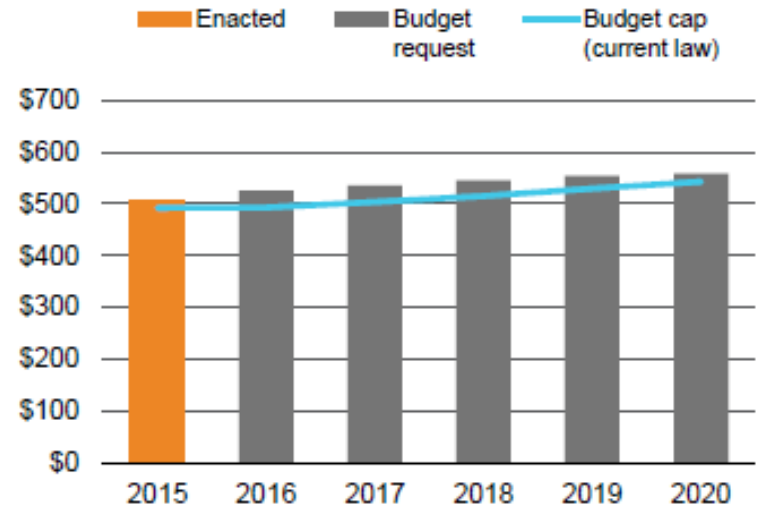
## Defense discretionary base budget, fiscal 2016 budget request

Current dollars in billions



## Nondefense discretionary base budget, fiscal 2016 request

Current dollars in billions



Notes: Excludes Overseas Contingency Operations (OCO), disaster relief, wildfire suppression and program integrity funds, all of which aren't subject to budget caps. Because the Department of Homeland Security did not receive full-year fiscal 2015 appropriations, enacted figures reflect the fiscal 2015 request for DHS and enacted levels for all other agencies.

Source: Office of Management and Budget

Source: Bloomberg News

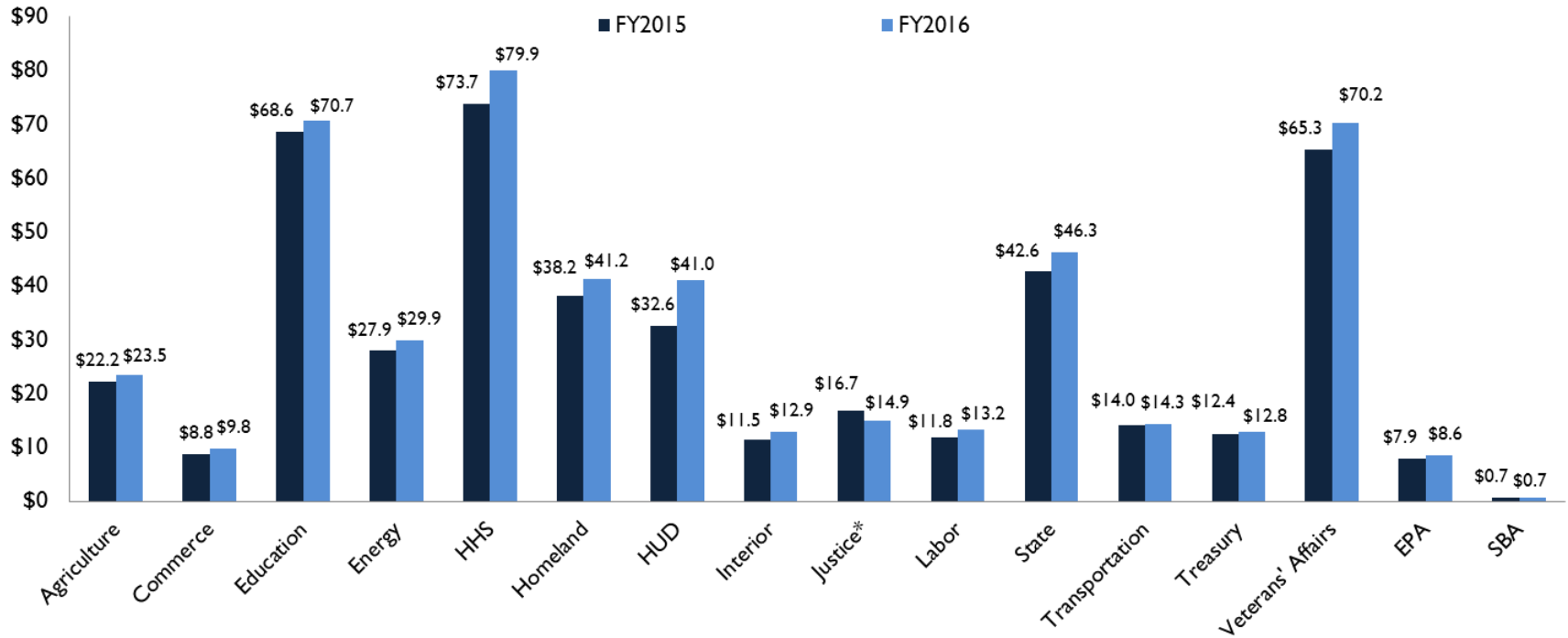


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# President's FY2016 Budget

## President Obama's FY2016 Budget Would Lift 2013 Spending Caps

Comparison of FY2015 and FY2016 Budget Requests  
(in billions)



Source: National Journal

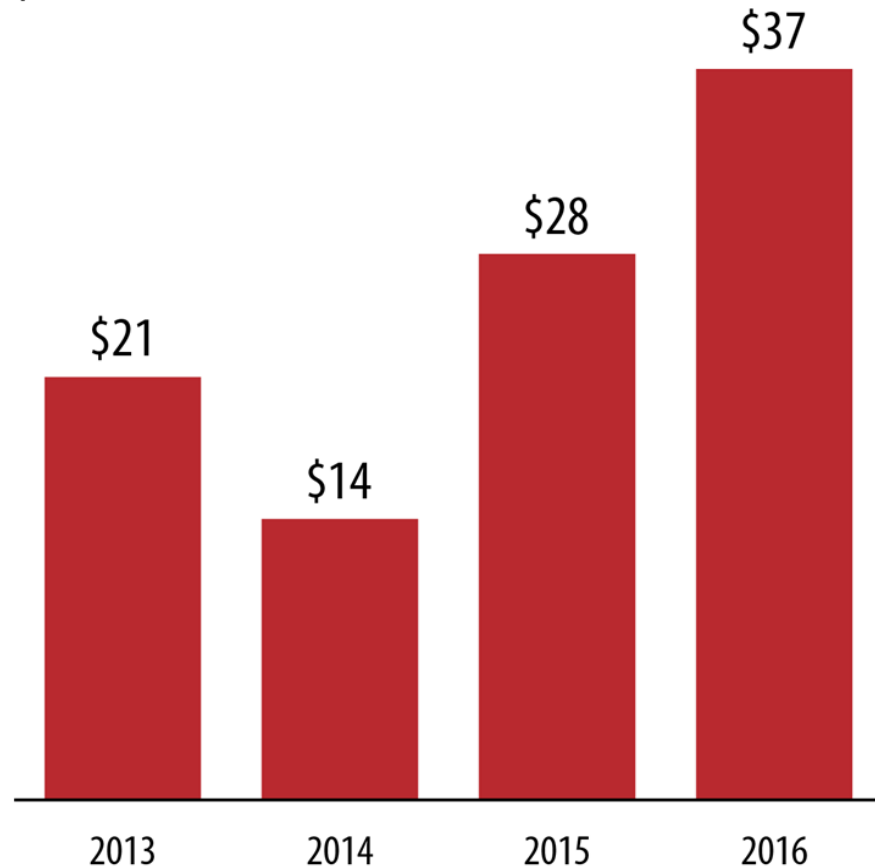


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# Sequestration and the Budget

Sequestration cut in billions of dollars

**Sequestration Caps for Non-Defense Discretionary Spending Rising**



Source: CBPP Calculations based on Congressional Budget Office and Office of Management and Budget data. 2013 data does not include \$3 billion in sequestration from appropriations exempt from caps.



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# President's FY2016 Budget

## ➤ **Budget Reductions**

➤ HUD-CDBG

➤ USDA-Economic Impact Grants

➤ USDA-High Energy Cost Grants

➤ USDA-Mutual Self-Help Housing Grants



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# President's FY2016 Budget

## ➤ Noteworthy Increases

➤ HUD-HOME Partnership Program

➤ EDA-Planning Grants

➤ USDA-Rural Business Development Grants

➤ USDOT Programs



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# President's FY2016 Budget

- **New Programs proposed under President's budget**
  - POWER+ Plan
  - Upward Mobility Program
  - Paid Sick and Parental Leave



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# President's FY2016 Budget

## ➤ **POWER+ Plan**

- Partnerships for Opportunity and Workforce and Economic Revitalization
- Interagency proposal designed to help communities adapt to the changing energy sector
- \$55m in targeted funds across several federal agencies:
  - \$20m for DOL's Dislocated Workers National Reserve
  - \$25m for ARC for investments in coal communities
  - \$6m for EDA's place-based regional innovation efforts
  - \$5m for EPA's Brownfields Program
  - \$12m for USDA's Rural Economic Development grants



# Congressional Budget Reconciliation

- Affects entitlements and revenues, not discretionary appropriations
- Cannot be filibustered; hard to amend
- Likely issues for debate: ACA, Medicare, Medicaid, SSI, SNAP
- Can also include the debt ceiling
- Other: SGR, tax extenders, highway extension



# Key Budget and Appropriations Dates

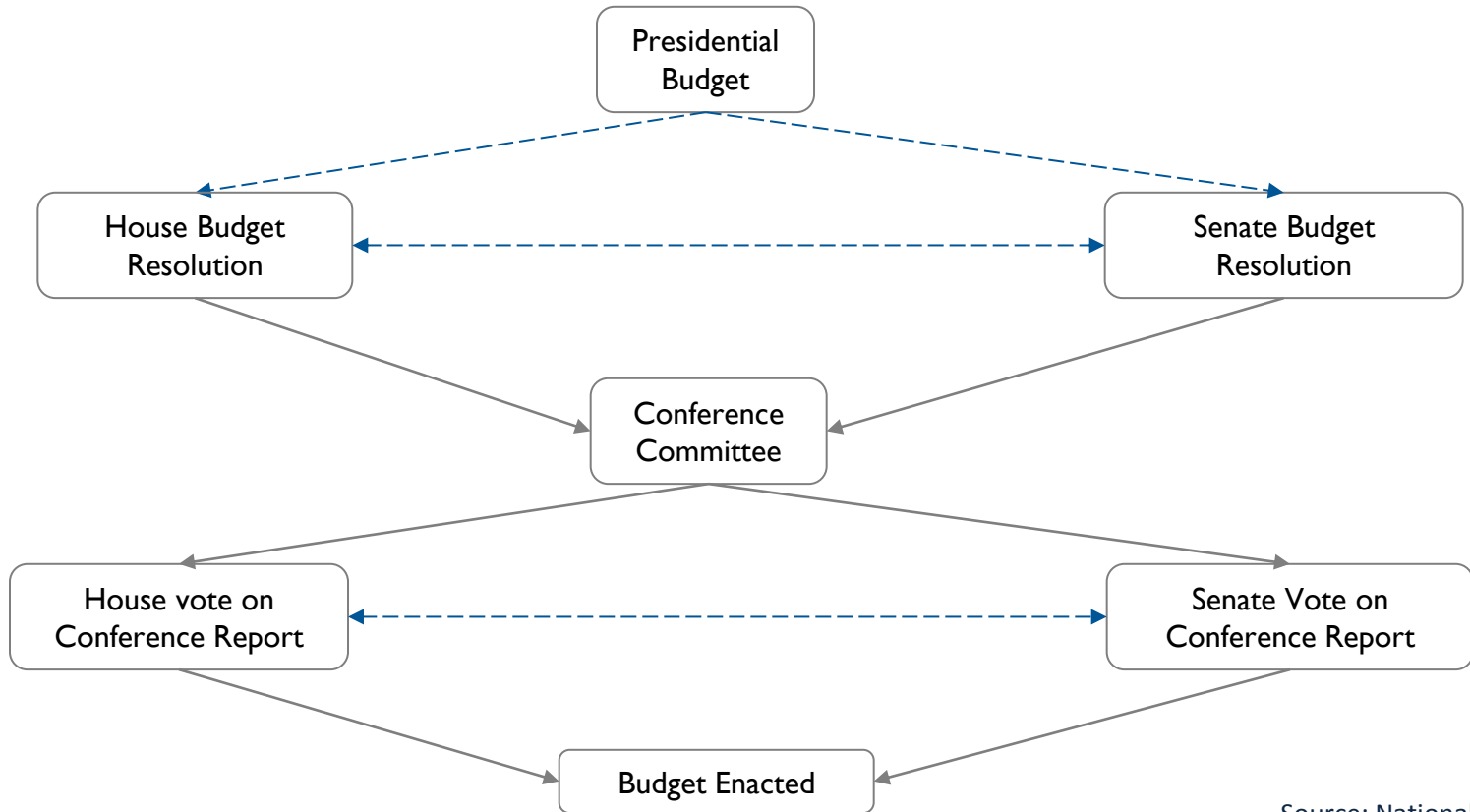
- February 27: Current CR for Dept. of Homeland Security expires
- March/April: Budget Resolutions and Budget Reconciliations
- March (with possible extension): Debt Ceiling Increase
- May 31<sup>st</sup>: MAP-21 Extension and Funding Expire
- June/July: Congressional Appropriations Action
- October 1: New Fiscal Year Begins



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# Congressional Budget Reconciliation

## Federal Budget Process



Source: National Journal

# EDA Program Requests



- Overall FY2016 Budget Request for EDA: **\$237m**, with **\$227.5m** for Economic Development Assistance Programs
- Increase of **\$14.5m** for core programs
- **\$9.5m** increase for Planning Grants
- **\$14m** decrease for Public Works
- **\$25m** for Regional Innovation Strategies



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# EDA Program Breakdown

(Numbers indicate program level in millions of dollars unless specified)	Final FY2014	Final FY2015	President's Request FY2016
<b>Department of Commerce</b>			
<b>Economic Development Administration</b>	<b>246.50</b>	<b>250.00</b>	<b>273.00</b>
<i>Economic Development Assistance Programs</i>	209.50	213.00	227.50
Planning Grants	29.00	30.00	39.50
Public Works	96.00	99.00	85.00
Economic Adjustment Assistance	42.00	35.00	53.00
Technical Assistance	11.00	11.00	12.00
Research & Evaluation	1.50	1.50	3.00
Trade Adjustment Assistance	15.00	12.50	10.00
Innovative Manufacturing Loans/Sec. 26	5.00	4.00	0.00
Regional Innovation Strategies/Sec. 27	10.00	10.00	25.00
Assistance for Coal Mining Communities	3.00	10.00	6.00*
Salaries and Expenses	38.00	37.00	45.50



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# Federal-State Regional Commissions Budget Requests



(Numbers indicate program level in millions of dollars unless specified)	Final FY2014	Final FY2015	President's Request FY2016
<b>Appalachian Regional Commission</b>			
Non-Highway Program	80.30	90.00	95.00
Appalachian Development Highway System	470.00	470.00	470.00
<b>Delta Regional Authority</b>	12.00	12.00	12.00
<b>Denali Commission</b>	10.00	10.00	10.00
<b>Northern Border Regional Commission</b>	5.0	5.0	5.0
<b>Southeast Crescent Regional Commission</b>	0.25	0.25	0.25



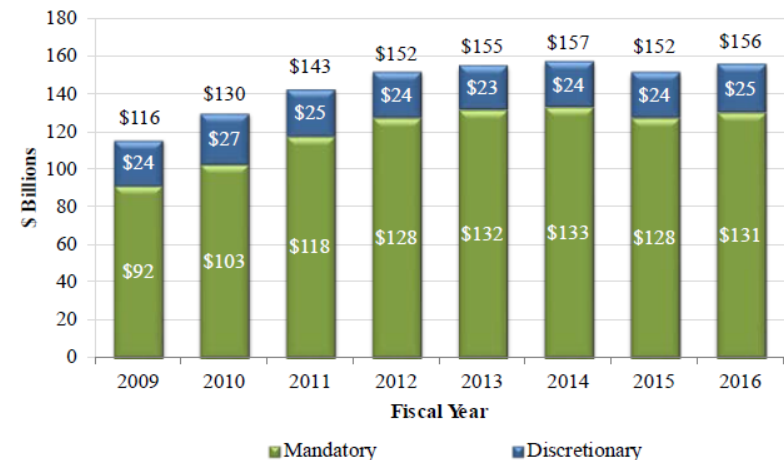
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# USDA Rural Development Program Requests



- Requests **\$2.8B** for USDA Rural Development Programs for 2016
- Provides **\$25B** in discretionary funding for USDA
- Since 2009, USDA discretionary funding has decreased over **\$1.3B**

USDA Budget Authority



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# HUD-CDBG

## Program Requests



- Requests **\$2.8B** for CDBG Formula Grants, down **\$200m** from last year
- Provides **\$1B** for the Home Partnership Program
- Requests **\$2.5B** for Homeless Assistance Grants



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# DOL Workforce Program Requests



- **\$766m** for WIA Adult Employment and Training, level with current funding
- **\$816m** for WIA Youth Employment and Training
- **\$100m** for Apprenticeship Grants
- **\$3.2m** in technical assistance to implement WIOA
- **\$23.5B** for mandatory legislative proposals for the extension of Trade Adjustment Assistance programs, Job-Driven Training Proposal, and the Paid Leave Partnership Initiative with states



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# USDOT Program Requests



- Requests **\$77.1B** for USDOT in FY2016, a **\$22B** increase over current levels
- Provides **\$50B** for Federal-Aid Highways
- Provides **\$13.9B** for FTA's Formula Bus Grants
- Includes **\$283.4m** for the Essential Air Service Program
- **\$1.25B** for TIGER Grants



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# USDOT Program Requests

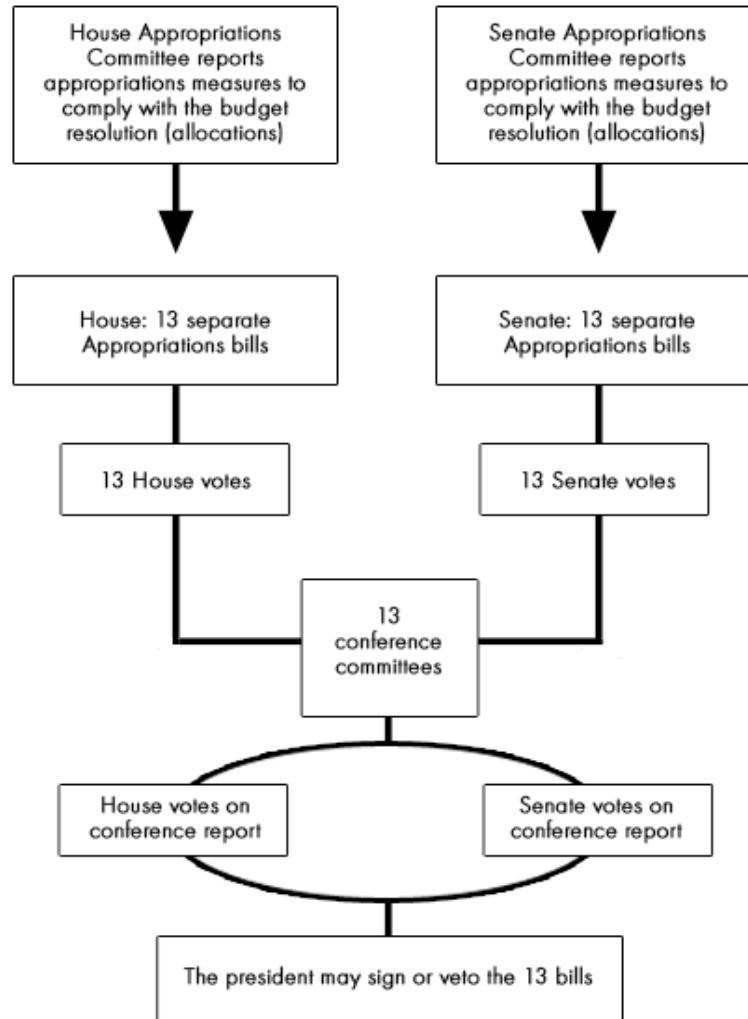


- Budget request includes proposal for a six-year, **\$478B** surface transportation reauthorization
  - **\$1.25B** per year for TIGER grants
  - **\$18B** over six years for a multi-modal freight program
  - **\$317B** over six years for highways
  - **\$115B** over six years for transit



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# 2016 Appropriations Process Moving Forward



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# Moving Forward



- NADO's comprehensive budget report will be released to members on **Friday, February 13**
- NADO staff will continue to monitor and track FY2016 appropriations bills
- Webinar slides and recording will be posted on [NADO.org](http://NADO.org)



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Washington  
Policy  
Conference  
Preview



**Sunday, March 22**

- Pre-conference workshops
  - The Changing Energy Economy
  - Rural Economic Development Partnerships



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Washington  
Policy  
Conference  
Preview



Monday, March 23

- Federal Agency Networking Session
- Plenary and concurrent sessions
- Special performance by Capitol Steps



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# Washington Policy Conference Preview



## Tuesday, March 24



- Nathan Gonzales, Editor and Publisher, Rothenberg & Gonzales Political Report
- Jay Williams, Assistant Secretary for Economic Development, U.S. Department of Commerce



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# Washington Policy Conference Preview

## NADO on the Hill Tuesday, March 24



- Make your Hill appointments now
- Transportation provided from hotel
- NADO Basecamp: relax and check e-mail between meetings
- Afternoon reception in the Hall of States Building



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# Washington Policy Conference Preview



## Wednesday, March 25

- New CEDS Guidelines Workshop with Brian Kelsey
- U.S. Secretary of Commerce Penny Pritzker (invited)



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# Washington Policy Conference Preview



- Congressional Outreach Tool offered again this year for a nominal fee
- Customized document with your organization's priorities
- Look for more information on [nado.org](http://nado.org)



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# Questions



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