President’s FY2016 Budget Highlights

Special Webinar Briefing

February 11, 2015
To strengthen local governments, communities and economies through the regional strategies, partnerships and solutions of the nation’s regional development organizations
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
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

Nondefense discretionary base budget, fiscal 2016 request

Current dollars in billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Enacted</th>
<th>Budget Request</th>
<th>Budget Cap (current law)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$600</td>
<td>$700</td>
<td>$600</td>
</tr>
<tr>
<td>2016</td>
<td>$600</td>
<td>$700</td>
<td>$600</td>
</tr>
<tr>
<td>2017</td>
<td>$600</td>
<td>$700</td>
<td>$600</td>
</tr>
<tr>
<td>2018</td>
<td>$600</td>
<td>$700</td>
<td>$600</td>
</tr>
<tr>
<td>2019</td>
<td>$600</td>
<td>$700</td>
<td>$600</td>
</tr>
<tr>
<td>2020</td>
<td>$600</td>
<td>$700</td>
<td>$600</td>
</tr>
</tbody>
</table>

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
President Obama’s FY2016 Budget Would Lift 2013 Spending Caps

Comparison of FY2015 and FY2016 Budget Requests
(in billions)

Source: National Journal
Sequestration and the Budget

Sequestration cut in billions of dollars

Sequestration Caps for Non-Defense Discretionary Spending Rising

2013: $21  
2014: $14  
2015: $28  
2016: $37

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.
President’s FY2016 Budget

- Budget Reductions
  - HUD-CDBG
  - USDA-Economic Impact Grants
  - USDA-High Energy Cost Grants
  - USDA-Mutual Self-Help Housing Grants
President’s FY2016 Budget

- Noteworthy Increases
  - HUD-HOME Partnership Program
  - EDA-Planning Grants
  - USDA-Rural Business Development Grants
  - USDOT Programs
President’s FY2016 Budget

- New Programs proposed under President’s budget
  - POWER+ Plan
  - Upward Mobility Program
  - Paid Sick and Parental Leave
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 31st: MAP-21 Extension and Funding Expire
- June/July: Congressional Appropriations Action
- October 1: New Fiscal Year Begins
Congressional Budget Reconciliation

Federal Budget Process

- Presidential Budget
  - House Budget Resolution
  - Senate Budget Resolution
  - Conference Committee
    - House vote on Conference Report
    - Senate Vote on Conference Report
  - Budget Enacted

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
# EDA Program Breakdown

(Numbers indicate program level in millions of dollars unless specified)

<table>
<thead>
<tr>
<th></th>
<th>Final FY2014</th>
<th>Final FY2015</th>
<th>President's Request FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Department of Commerce</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Development Administration</td>
<td>246.50</td>
<td>250.00</td>
<td>273.00</td>
</tr>
<tr>
<td><strong>Economic Development Assistance Programs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning Grants</td>
<td>29.00</td>
<td>30.00</td>
<td>39.50</td>
</tr>
<tr>
<td>Public Works</td>
<td>96.00</td>
<td>99.00</td>
<td>85.00</td>
</tr>
<tr>
<td>Economic Adjustment Assistance</td>
<td>42.00</td>
<td>35.00</td>
<td>53.00</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>11.00</td>
<td>11.00</td>
<td>12.00</td>
</tr>
<tr>
<td>Research &amp; Evaluation</td>
<td>1.50</td>
<td>1.50</td>
<td>3.00</td>
</tr>
<tr>
<td>Trade Adjustment Assistance</td>
<td>15.00</td>
<td>12.50</td>
<td>10.00</td>
</tr>
<tr>
<td>Innovative Manufacturing Loans/Sec. 26</td>
<td>5.00</td>
<td>4.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Regional Innovation Strategies/Sec. 27</td>
<td>10.00</td>
<td>10.00</td>
<td>25.00</td>
</tr>
<tr>
<td>Assistance for Coal Mining Communities</td>
<td>3.00</td>
<td>10.00</td>
<td>6.00*</td>
</tr>
<tr>
<td>Salaries and Expenses</td>
<td>38.00</td>
<td>37.00</td>
<td>45.50</td>
</tr>
<tr>
<td>Commission</td>
<td>Final FY2014</td>
<td>Final FY2015</td>
<td>President's Request FY2016</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>--------------</td>
<td>--------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Appalachian Regional Commission</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Highway Program</td>
<td>80.30</td>
<td>90.00</td>
<td>95.00</td>
</tr>
<tr>
<td>Appalachian Development Highway System</td>
<td>470.00</td>
<td>470.00</td>
<td>470.00</td>
</tr>
<tr>
<td>Delta Regional Authority</td>
<td>12.00</td>
<td>12.00</td>
<td>12.00</td>
</tr>
<tr>
<td>Denali Commission</td>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>Northern Border Regional Commission</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Southeast Crescent Regional Commission</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
</tr>
</tbody>
</table>

(Numbers indicate program level in millions of dollars unless specified)
➢ 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
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
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
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
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
2016 Appropriations Process Moving Forward

House Appropriations Committee reports appropriations measures to comply with the budget resolution (allocations)

Senate Appropriations Committee reports appropriations measures to comply with the budget resolution (allocations)

House: 13 separate Appropriations bills

Senate: 13 separate Appropriations bills

13 House votes

13 Senate votes

13 conference committees

House votes on conference report

Senate votes on conference report

The president may sign or veto the 13 bills
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
Sunday, March 22

- Pre-conference workshops
  - The Changing Energy Economy
  - Rural Economic Development Partnerships
Monday, March 23

- Federal Agency Networking Session
- Plenary and concurrent sessions
- Special performance by Capitol Steps
Tuesday, March 24

- Nathan Gonzales, Editor and Publisher, Rothenberg & Gonzales Political Report

- Jay Williams, Assistant Secretary for Economic Development, U.S. Department of Commerce
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
Wednesday, March 25

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