Presentation Overview

➢ Budget Action

➢ Appropriations

➢ Congressional To-Do List

➢ Administration Infrastructure Plans

➢ Notable Administration Actions

➢ NADO Advocacy Efforts
President’s FY2018 Budget: Overview

- President’s FY2018 Budget was released on May 23
- Proposes $4.1T in federal spending for FY2018, same overall spending level as FY2017
- $668b for defense discretionary spending ($22b above the limit set by the 2011 Budget Control Act)
- $479b for non-defense discretionary spending ($57b below the 2011 BCA cap)
- Domestic discretionary savings made up of $27b in program eliminations and $30b in reductions
-33% State Department
-31% Environmental Protection Agency
-21% Agriculture Department
-21% Labor Department
-18% Department of Health and Human Services
-16% Commerce Department
-14% Education Department
-13% Department of Housing and Urban Development
-13% Transportation Department
-12% Interior Department
-6% Energy Department
-5% Small Business Administration
-4% Treasury Department
-4% Justice Department
-1% NASA

Department of Veterans Affairs +6%
Department of Homeland Security +7%
Defense Department +9%
President’s FY2018 Budget

➢ Shift of federal programs and functions to state and local governments and the private sector

➢ Agencies Slated for Elimination

➢ U.S. Economic Development Administration
➢ Appalachian Regional Commission
➢ Delta Regional Authority
➢ Denali Commission
➢ Northern Border Regional Commission
➢ U.S. Department of Housing and Urban Development’s Community Development Block Grant (CDBG) Program and HOME Investment Partnerships Program
➢ U.S. Department of Agriculture’s Water and Wastewater loan and grant program and discretionary activities of the Rural Business Cooperative Service
➢ U.S. Department of Transportation’s TIGER Discretionary Grant Program
President’s FY2018 Budget

- Agencies Slated for Elimination, cont.
  - U.S. Department of Transportation’s Essential Air Service Program
  - U.S. Department of Transportation’s Capitol Investment Grants Program (New Starts)
  - U.S. Department of Labor’s Senior Community Employment Program
  - Federal Emergency Management Agency’s Flood Hazard Mapping Program
  - U.S. Department of Treasury’s Community Development Financial Institutions (CDFI) Fund (new grants)
  - U.S. Environmental Protection Agency categorized grants
  - U.S. Department of Commerce’s Manufacturing Extension Partnership
  - National Endowment for the Arts
  - National Endowment for the Humanities
FY2018 Budget Action in Congress

➢ Statutory deadline to pass a budget resolution was April 15

➢ House budget resolution proposal: $621.5b for defense; $511b for domestic

➢ House budget resolution also mandates a $150b cut in mandatory spending over 10 years

➢ Includes reconciliation instructions for tax overhaul
### FY2018 Budget Action in Congress

<table>
<thead>
<tr>
<th>Figures are in billions</th>
<th>FY2018 Budget Cap</th>
<th>FY2018 House Proposed Budget</th>
<th>FY2018 Senate Budget Level (Temporary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defense Discretionary</td>
<td>549</td>
<td>621.5</td>
<td>551</td>
</tr>
<tr>
<td>Non-Defense Discretionary</td>
<td>515.4</td>
<td>511</td>
<td>518.5</td>
</tr>
</tbody>
</table>
FY2018 Budget Action in Congress

➢ House defense spending level is $72.5\text{b} above Budget Control Act cap

➢ This level of defense spending would bust the cap, triggering across-the-board cuts (known as sequestration)

➢ FY2018 level proposed by the House Budget Committee as well as temporary levels set by the Senate would require a new bipartisan budget deal
Congressional Appropriations Action

- House Appropriations Committee has completed action on all 12 spending bills
- Minibus package in the works to move Defense, Energy and Water Development, Legislative Branch, and Military Construction-Veterans Affairs Affairs on House floor
- Senate Appropriations Committee has completed markup of Agriculture, Energy and Water Development, and Military Construction-Veterans Affairs spending bills
- Transportation-HUD, Commerce, Justice, Science and Financial Services bills considered this week
FY 2018 Appropriations

U.S. Economic Development Administration

➢ House Appropriations Committee has recommended $176m for EDA, a $100 million decrease
   ➢ $140 million for economic development programs
   ➢ $36 million for salaries and expenses
## FY2018 Appropriations

### USDA - Rural Development Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>FY17 Final</th>
<th>FY18 House</th>
<th>FY18 Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Housing Service</td>
<td>$2.06b</td>
<td>$1.86b</td>
<td>$1.97b</td>
</tr>
<tr>
<td>Rural Business Loan &amp; Grants</td>
<td>$65.3m</td>
<td>$58.2m</td>
<td>$64.3m</td>
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<tr>
<td>Intermediary Relending Program</td>
<td>$9.9m</td>
<td>$8.2m</td>
<td>$8.8m</td>
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<tr>
<td>Rural Coop Dev Grants</td>
<td>$26.5m</td>
<td>$21m</td>
<td>$26.5m</td>
</tr>
<tr>
<td>Rural Econ Infrastructure Grants</td>
<td>$0</td>
<td>$122.6m</td>
<td>$0</td>
</tr>
<tr>
<td>Rural Utilities Service Loans/Grants</td>
<td>$571m</td>
<td>$472m</td>
<td>$550m</td>
</tr>
<tr>
<td>Water and Waste Disposal Loans</td>
<td>$1.25b</td>
<td>$1.25b</td>
<td>$1.25b</td>
</tr>
<tr>
<td>Broadband Loans and Grants</td>
<td>$65.6m</td>
<td>$4.5m</td>
<td>$61.1m</td>
</tr>
</tbody>
</table>
## FY2018 Appropriations

### Energy and Water Development – Regional Commissions

<table>
<thead>
<tr>
<th>Program</th>
<th>FY17 Final</th>
<th>FY18 House</th>
<th>FY18 Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian Regional Commission</td>
<td>$152m</td>
<td>$130m</td>
<td>$142m</td>
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<tr>
<td>Delta Regional Authority</td>
<td>$25m</td>
<td>$15m</td>
<td>$25m</td>
</tr>
<tr>
<td>Denali Commission</td>
<td>$15m</td>
<td>$5m</td>
<td>$15m</td>
</tr>
<tr>
<td>Northern Border Reg Commission</td>
<td>$10m</td>
<td>$5m</td>
<td>$15m</td>
</tr>
<tr>
<td>Southeast Crescent Reg Commission</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$0</td>
</tr>
</tbody>
</table>

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FY2018 Appropriations

Interior, Environment, and Related Agencies

Brownfields
➢ Grants to States: House provides $47.7m ($48m in FY2017)
➢ Infrastructure Projects: House provides $90m ($80m in FY2017)

Payment In Lieu of Taxes (PILT)
➢ House provides $465m (level funding)
FY2018 Appropriations
Labor, HHS, Education, and Related Agencies
Workforce Programs

Adult Employment and Training
➢ FY17 Final: $815m
➢ FY18 House: $776m

Youth Employment and Training
➢ FY17 Final: $873m
➢ FY18 House: $831m

Apprenticeship Grants
➢ FY17 Final: $95m
➢ FY18 House: $0
FY2018 Appropriations
Labor, HHS, Education, and Related Agencies
Workforce Programs

Dislocated Worker Employment and Training
➢ FY17 Final: $1.2b
➢ FY18 House: $1.1b

Community Service Employment for Older Americans
➢ FY17 Final: $400m
➢ FY18 House: $300m

Job Corps
➢ FY17 Final: $1.7b
➢ FY18 House: $1.69b
FY2018 Appropriations

Transportation, Housing and Urban Development and Related Agencies

Federal-Aid Highways
➢ FY17 Final: $43.2b
➢ FY18 House: $44.2b

Transportation Infrastructure Grants (TIGER)
➢ FY17 Final: $500m
➢ FY18 House: $0

Essential Air Service
➢ FY17 Final: $175m
➢ FY18 House: $150m
FY2018 Appropriations

Transportation, Housing and Urban Development and Related Agencies

Community Development Block Grant (CDBG)
- FY17 Final: $3b
- FY18 House: $2.9b

HOME Investment Partnerships
- FY17 Final: $950m
- FY18 House: $850m

Homeless Assistance Grants
- FY17 Final: $2.4b
- FY18 House: $2.4b
Congressional To Do List

➢ Debt ceiling increase

➢ FAA reauthorization (expires September 30)

➢ Health Care

➢ Tax overhaul (dependent upon budget resolution)

➢ National Flood Insurance Program reauthorization (expires September 30)
Administration’s Infrastructure Plans

➢ Air Traffic Control Restructuring

➢ Permit Streamlining

➢ $200b in federal spending to encourage $800b in private investment through tolling, P3s, asset privatization, expansion of TIFIA
   ➢ DOT plans on inclusion of a rural title
   ➢ Funding mechanism as well as pay-for unknown

➢ Advisory Council on Infrastructure

➢ Fall timeline

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Notable Administrative Actions

➢ USDA-Rural Development Re-organization
  ➢ Elimination of Undersecretary for Rural Development
  ➢ New Assistant to the Secretary for Rural Development, Anne Hazlett
  ➢ Senate has included language in their FY2018 Agriculture Appropriations bill to require the Undersecretary position

➢ Task Force on Agriculture and Rural Prosperity
  ➢ Created by Executive Order in April; multi-agency effort led by USDA
  ➢ Inaugural Meeting on June 15
  ➢ Recommendations for administrative and legislative actions due in October
Notable Administrative Actions

➢ Task Force on Apprenticeship Expansion
  ➢ Created by Executive Order in June; collaborative effort between Labor, Education, and Commerce Departments
  ➢ Nominations due August 8
  ➢ Other members represented from companies, trade or industry groups, educational institutions, and labor unions
  ➢ Report due to President detailing administrative and legislative actions promoting both public- and private-led apprenticeships
Notable Administrative Actions

Presidential Nominations & Confirmations

➢ There are 570 key positions requiring Senate confirmation
  ➢ 357 have no nominee
  ➢ 18 are awaiting nomination
  ➢ 146 have been formally nominated
  ➢ 49 have been confirmed

"The Trump administration is below the performance of every president since Reagan in terms of not just getting people confirmed, but in terms of nominating people."

Dr. Terry Sullivan, White House Transition Project
What’s Next?

- Senate considering spending measures through various subcommittees
- Need for bipartisan budget deal to avoid sequestration
- Potential for Continuing Resolution; continued uncertainty
- Competing issues – healthcare, tax reform, infrastructure
- Potential major hang-up for appropriations: border wall
- August Recess cut short
- New Fiscal Year Begins Oct. 1
NADO Advocacy Efforts

- **Coalitions**
  - Rebuild Rural (Infrastructure focused)
  - Economic Development Stakeholders (NADO-led)
  - HUD-CDBG Coalition
  - Coalition to Invest in America’s Workforce
  - Brownfields Coalition

- **Engagement with Congress and the Administration**
  - Increased Hill visits
  - Agency outreach
  - Sign-on letters
  - Targeted outreach pieces focused on successful projects in key congressional districts as well as the national impact of programs
NADO Advocacy Efforts

Outreach Materials

➢ Federal Investments at Work
➢ Congressional Letter
➢ Board Resolution

• Highlights federal impact in region
• Customize to programs, services
• Responds to funding rollbacks
• Distribute to federal, state, local stakeholders

• Monthly Legislative Updates – last week of each month
Questions