



PRESIDENT'S FY2010 BUDGET BLUEPRINT: AN ANALYSIS OF FEDERAL REGIONAL DEVELOPMENT PROGRAMS

With a focus on implementing healthcare reform, building a green economy, addressing climate change and promoting livable communities, President Obama released his detailed FY2010 budget plan on May 7. The proposal contains \$3.4 trillion in total budget authority for FY2010, roughly \$135 billion less than the FY2009 level (*excluding resources provided by American Recovery and Reinvestment Act*).

The total includes \$1.24 trillion in discretionary budget authority (which is controlled mostly by the congressional appropriations committees), roughly \$71 billion over the FY2009 level. By comparison, the congressional budget resolution (S. Con. Res. 13) adopted in April contains \$1.08 trillion in discretionary budget authority and \$3.58 trillion in overall budget authority.

The administration's budget eliminates or reduces spending for 121 programs, totaling roughly \$17 billion. Nearly \$11.5 billion of the cuts are within discretionary spending accounts, with nearly half coming from programs within the Department of Defense.

Even with these reductions, the budget anticipates an FY2010 deficit of \$1.25 trillion and a FY2009 deficit of

\$1.84 trillion. The total national debt is projected to grow from roughly \$11.26 trillion today to \$14.43 trillion by the end of FY2010. By FY2019, the budget anticipates that the \$675 billion in net interest payments required to service the debt for the year will nearly equal non-defense discretionary spending of \$720 billion.

Mandatory spending on entitlement programs is expected to grow dramatically over the next decade. For FY2008, \$1.12 trillion was dedicated for discretionary programs versus \$1.61 trillion in mandatory spending. By 2019, discretionary spending is only projected to reach \$1.43 trillion, while mandatory programs are anticipated at more than \$3.06 trillion each year.

Mandatory spending on entitlement programs, such as Medicare, Medicaid and Social Security, is expected to grow dramatically over the next decade. For FY2008, \$1.12 trillion was dedicated for discretionary programs versus \$1.61 trillion for mandatory spending. By 2019, discretionary spending is projected to reach \$1.43 trillion, while mandatory programs are expected to reach more than \$3.06 trillion annually.

Medicare spending is expected to jump from \$452 billion in FY2010 to \$871 billion by FY2019, while the federal share of Medicaid will rise from

\$290 billion in FY2010 to \$471 billion by FY2019. Meanwhile, non-defense programs covered by the annual appropriations process will only change from \$687 billion in FY2010 to \$720 billion by FY2019.

USDA RURAL DEVELOPMENT

President Obama's FY2010 budget includes \$25.7 billion in discretionary funding for the U.S. Department of Agriculture (USDA), \$700 million above FY2009. Rural Development programs would receive \$3 billion, up from \$2.7 billion in FY2009.

RURAL HOUSING SERVICE

For the Rental Assistance Program, the budget allocates \$1.1 billion, \$189 million more than current funding. The budget proposes to maintain the one-year rental assistance contracts.

The budget provides \$38.7 million for Mutual and Self Help Housing Grants and \$41.5 million for Rural Housing Assistance Grants, both level with current funding.

For the Rural Community Facilities Program Account, \$55 million in budget authority is provided, \$9 million less than current spending. This will support \$295 million in community facility direct loans, \$206 million in guaranteed loans and \$44 million in grants. The budget stipulates that priority will be given to health facility projects. An additional \$6.2 million is provided for the Rural Community Development Initiative and \$14 million for Economic Impact Initiative Grants.

RURAL BUSINESS SERVICE

Within the Rural Business Service (RBS), \$22 million is provided to support \$52 million in loans and \$11 million in grants under a new Rural Microentrepreneur Assistance Program. In addition, the 2008 farm bill (P.L. 110-246) provides another \$4 million in mandatory funding to support \$14 million in loans and \$1 million in grants under the new program.

Under the program, one percent direct loans and grants may be made by USDA Rural Development to microenterprise development organizations (MDOs) (including public entities such as regional development organizations). Loans would be used by intermediaries to establish reserves for relending to microentrepreneurs. Grants will be made to MDOs, which may relend a portion to provide training,

NEW FY2010 BUDGET INITIATIVES

USDA Rural Microentrepreneur Assistance:
\$26 million (mandatory & discretionary funding)

USDA Biorefinery Assistance:
\$262 million (mandatory & discretionary funding)

EDA Regional Innovation Clusters:
\$50 million

EDA Business Incubators:
\$50 Million

HUD Sustainable Communities Initiative:
\$150 million

HUD Rural Innovation Fund:
\$25 million

HUD Choice Neighborhood Initiative:
\$250 million

HUD Energy Innovation Fund:
\$100 million

Housing Trust Fund:
\$1 billion

Interior Preserve America Grant:
\$3.1 million

DOL Career Pathways Innovation Fund:
\$135 million

Treasury Capital Magnet Fund:
\$80 million

operational support, business planning and market development assistance.

The request provides \$97.1 million for the Rural Business Program Account, a \$9.8 million increase, and \$53 million in budget authority to support \$993 million in Business and Industry Guaranteed Loans, \$39 million for Rural Business Enterprise Grants and \$2.5 million for Rural Business Opportunity Grants.

The Intermediary Relending Program is provided \$8.4 million in budget authority to support \$33.5 million in

Within the USDA Water and Waste Disposal program account, the President's FY2010 budget would support over \$1 billion in direct loans, \$75 million in guaranteed loans and \$469 million for grants, an \$80 million increase in grant resources.

direct loans, equal to the current program level. Of this, \$2 million is allocated to counties in the Mississippi Delta region and \$880,000 is for direct loans in authorized empowerment zones, enterprise communities and REAP zones.

The budget provides level funding of \$33 million for Rural Economic Development Loans and \$17 million for Rural Cooperative Development Grants, \$8 million more than current spending. The administration provides \$2.5 million for the Appropriate Technology Transfer program and \$22 million for the Value-Added Market Development program, a \$16 million increase.

The budget requests funding for a new Biorefinery Assistance Program, authorized in the 2008 farm bill, to provide loan guarantees to fund the development, construction and retrofitting of commercial scale advanced biorefineries. The budget provides \$245 million in mandatory funds to support \$691 million in guaranteed loans and \$17 million in discretionary funds to support \$49 million in guaranteed loans.

The request includes \$68.1 million in budget authority for the Rural Energy Program, \$63.1 million more than current funding, to support \$246 million in guaranteed loans and \$34 million in grants. This is in addition to the \$60 million in mandatory funding provided in the 2008 farm bill.

RURAL UTILITIES SERVICE

The budget provides \$546.2 million in budget authority for the Rural Utility Service (RUS) Water and Waste Disposal Program Account, \$10 million less than current spending. This will support over \$1 billion in direct loans, \$75 million in guaranteed loans and \$469 million in grants, an \$80 million funding increase.

For Distance Learning and Telemedicine (DLT) grants, the budget provides \$30 million, \$5 million less than current funding. No funding is provided for DLT loans. In addition, \$38.5 million in budget authority is provided to support \$532 million in broadband direct loans, \$132 million more than current funding. Funding for broadband grants remains level at \$13.4 million.

The budget terminates funding for High Energy Costs Grants, Rural Empowerment Zones and Enterprise Communities Grants and the Resource Conservation and Development Program.

COMMERCE DEPARTMENT

CENSUS BUREAU

The budget requests \$7.1 billion for the Census Bureau's Periodic Censuses and Programs, which are currently funded at \$2.9 billion. The massive increase is due predominantly to the 2010 decennial census.

According to the request, the Census Bureau will be conducting the major decennial census operations in 2010, including mail-out, receipt and processing of returned census forms and conducting the non-response follow-up operation. Other operations include Group Quarters Enumeration, Update Leave, Update Enumerate and Military Enumeration. These operations will be supported by local and regional offices and Census headquarters.

The Census Bureau proposes to "reinstate the Community Address Updating System (CAUS) to maintain and improve the Master Address File for non-urban areas of the country."

According to the agency's budget submission, "after a temporary suspension, the CAUS program is scheduled to resume data collection in FY2010. Funding will support infrastructure, research of targeting methodology for updates, along with field work to maintain the MAF for non-urban communities in the U.S. These areas are excluded from automatic updates from postal files and require the use of trained field representatives to add, update or delete non-city style addresses in the MAF."

The Census will continue to conduct the American Community Survey to provide socioeconomic data on an ongoing basis, rather than waiting for decennial censuses.

ECONOMIC DEVELOPMENT ADMINISTRATION

The budget requests \$284 million for the Economic Development Administration (EDA), an increase of \$11.2 million. The administration is proposing to dedicate at least \$50 million each for two major initiatives focused on regional innovation clusters and the development of a public-private network of business incubators.

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Under the regional innovation cluster initiative, EDA would increase its support for early-stage cluster initiatives in distressed regions and areas, including planning, asset mapping, feasibility studies and implementation activities. Specifically, the agency would also promote activities like worker training and skills development, research and development, technology adoption, commercialization, marketing and business growth.

The President is also proposing to expand EDA's existing support for business incubators that encourage entrepreneurial activity in economically distressed areas and regions. This would include infrastructure assistance as well as research and information sharing.

The funding request for specific EDA program accounts includes:

- **Planning:** \$31 million, equal to current spending
- **Technical Assistance:** \$13.4 million, an increase of \$4 million
- **Public Works:** \$42.8 million, a reduction of \$90.4 million
- **Economic Adjustment:** \$125 million, an increase of \$89.6 million
- **Research:** \$2 million, an increase of \$1.5 million
- **Trade Adjustment Assistance:** \$16 million, equal to current funding
- **Global Climate Change Mitigation Incentive Fund:** \$16.5 million, an increase of \$1.8 million
- **Salaries and Expenses:** \$38 million, an increase of \$5.8 million

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

For the Manufacturing Extension Partnership (MEP), the budget requests \$124.7 million, an increase of \$14.7 million. The increased funding will be used to "expand technology and business resources to help strengthen manufacturers' competitiveness in the global market, as well as support activities concerning energy efficient manufacturing practices."

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

As part of the American Recovery and Reinvestment Act (ARRA / HR 1) adopted earlier this year, the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunity Program (BTOP) received \$4.7 billion to support competitive grants for broadband deployment in underserved and unserved areas. Details on the grants are expected to be available in June 2009.

The budget does not request funding for BTOP grants or for the Public Telecommunications, Facilities, Planning and Construction (PTFPC) program, which currently receives \$20 million.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

The budget requests \$243.6 million for the Treasury Department's Community Development Financial Institutions (CDFI) Fund, an increase of \$136.6 million. Of this amount, \$10 million is for technical assistance to Native American organizations and \$18 million to administer New Markets Tax Credits. In addition, \$80 million is transferred to the Capital Magnet Fund.

The Capital Magnet Fund was established by the 2008 Housing and Economic Recovery Act, which placed Fannie Mae and Freddie Mac into federal conservatorship. The program, which is administered by CDFI, is tasked with funding a variety of economic development, housing or community development initiatives.

Eligible fund recipients include "certified" CDFIs or non-profit organizations with affordable housing as a principal purpose. Legislation requires "each grant from the Capital Magnet Fund awarded under this section shall be reasonably expected to result in eligible housing, or economic and community development projects that support or sustain an affordable housing project funded by a grant under this section whose aggregate costs total at least 10 times the grant amount."

The budget directs no less than 20 percent of SRF resources to be dedicated to projects addressing green infrastructure, water or energy efficiency improvements or other environmentally innovative activities. The budget also reserves up to 1.5 percent of SRF funds for grants.

DEPARTMENT OF DEFENSE: BASE CLOSURE

The budget allocates \$396.8 million for the Department of Defense Base Closure Act of 1990, \$61 million less than current funding. For the Base Closure Account of 2005, the budget allocates \$7.5 billion to remain available until expended, \$1.3 billion less than current spending.

DEPARTMENT OF ENERGY

The budget requests \$220 million for Weatherization Assistance Grants, an increase of roughly \$20 million above the regular program level. The budget includes \$75 million for State Energy Grants, \$25 million more than current funding. No funding is requested for the new Energy Efficiency and Conservation Block Grant (EECBG) program, which received \$3.1 billion in the economic recovery bill.

ENVIRONMENTAL PROTECTION AGENCY

The budget requests \$10.4 billion in discretionary spending, \$2.8 billion over current funding. For State and Tribal Assistance Grants (STAG), the budget requests nearly \$5.2 billion, an increase of roughly \$2.3 billion.

The additional funding is directed largely to the Clean Water State Revolving Fund (SRF), which would increase nearly \$1.7 billion from \$689 million to

\$2.4 billion. The budget proposes \$1.5 billion for the Safe Drinking Water SRF, an increase of roughly \$670 million.

The budget directs no less than 20 percent of SRF resources to be dedicated to projects addressing green infrastructure, water or energy efficiency improvements or other environmentally innovative activities. The budget also reserves up to 1.5 percent of SRF funds for grants.

The budget requests \$174.7 million for the three brownfields accounts, an increase of nearly \$5 million over current funding.

No funding is sought for the Climate Change Initiative Grants for Local Communities program. The initiative, which received an initial appropriation of \$10 million in FY2009, provides one-time only grants to local communities to implement climate change programs.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The budget contains \$80.4 billion in discretionary budget authority for the Department of Health and Human Services (HHS), roughly equal to the current level of \$80.5 billion.

For the Administration on Aging, the budget requests level funding of \$1.5 billion. Aging funding includes \$435 million for congregate meals, \$215 million for home delivered meals and \$361 million for home and community-based supportive services.

The Low Income Home Energy Assistance Program (LIHEAP) is provided \$3.2 billion, a reduction of \$1.9 billion. The administration is proposing the creation of a new “mandatory trigger mechanism” to provide LIHEAP automatic increases in response to energy price spikes. According to the agency’s budget submission, “the normal appropriations process cannot always respond to the volatile energy market on a timely basis; the trigger will ensure a prompt and potentially significant increase in funds in response to a rapid future rise in costs.”

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The Social Services Block Grant (SSBG) program remains at \$1.7 billion, while the Community Service Block Grant (CSBG) stays around \$736 million.

The proposal contains \$7.2 billion for Head Start, an increase of more than \$120 million. According to the agency’s budget request, this “will allow local programs to continue to serve approximately 978,000 children, including about 69,000 ARRA funded low-income children and families, continuing the historic increase provided by ARRA and assuring that Head Start grantees maintain quality programs. The budget proposes appropriations language to ensure that this funding increase is used to maintain the increased number of children served in FY 2009.”

The administration seeks \$50 million for a new Strengthening Communities Fund to help build the capacity of non-profit organizations and state and local governments to better serve low-income and disadvantaged populations.

DEPARTMENT OF HOMELAND SECURITY

The budget includes \$42.7 billion in discretionary funding for the Department of Homeland Security (DHS), a \$2.7 billion increase over the current level, excluding supplemental funding. For programs within the Federal Emergency Management Agency (FEMA), the budget provides \$7.2 billion, an increase of \$200 million.

For State Homeland Security Grants, level funding of \$950 million is provided. Final grant allocations will be determined by DHS on the basis of risk and effectiveness and then adjusted to ensure that each state receives a minimum allocation of at least 0.36 percent of the total. At least 25 percent of all funds will be directed to law enforcement terrorism prevention activities. In addition, \$60 million is slated for use in Operation Stonegarden to focus on Southwest Border security issues.

Funding for Firefighter Assistance Grants is reduced by \$185 million to \$590 million. Of this, \$420 million is allocated to support the SAFER grant program, which allows fire departments to hire staff. The remaining \$170 million is allocated for traditional Assistance to Firefighter grant activities, which includes training, equipment and response vehicles purchases.

Additional state and local funding includes:

- **Emergency Management Performance Grants:** \$315 million, level with current funding
- **Interoperable Communications Emergency Grants:** \$50 million, level with current funding
- **Regional Catastrophic Preparedness Grants:** \$35 million, level with current funding

The administration provides \$887 million for the Urban Area Security Initiative (\$50 million more than current funding), \$250 million for Port Security Grants (\$150 million less than current funding) and \$250 million for public transportation and railroad security grants (\$150 million less than current funding).

**The increased funding for CDBG
“will allow an update to a formula
that is more than 30 years old
without any jurisdiction receiving
a reduction in funding.”**

Funding for FEMA mitigation grants includes:

- **Disaster Relief:** \$2 billion for Disaster Relief, an increase of \$600
- **Pre-Disaster Mitigation (PDM):** \$150 million; a \$60 million increase with the administration also proposing to move toward a “base-plus-risk” PDM funding allocation
- **Flood Map Modernization:** \$220 million, level with current funding

The administration is proposing to eliminate FEMA grant programs for Emergency Operation Centers, trucking security and intercity bus security.

HOUSING AND URBAN DEVELOPMENT

The budget requests \$43.7 billion in direct appropriations for the Department of Housing and Urban Development (HUD), an increase of roughly \$3 billion.

The budget provides \$4.18 billion for the Community Development Block Grant (CDBG) program, an increase of \$540 million. The administration is also proposing to reform the CDBG funding formula.

Specifically, “CDBG reform proposes a modernized formula to better target funds to communities with the greatest economic need.” The budget adds that the “reform legislation will also include a hold harmless provision to transition communities over time to the improved formula.” According to the administration, CDBG reform legislation will be transmitted to Congress by mid-2009.

The administration is proposing to direct the additional CDBG resources to “needy communities that do not receive their fair share because of problems in the existing formula,” while ensuring no city or county receives less than their FY2009 allocation.

The administration’s budget provides \$1.8 billion for the HOME Investment Partnership Program, level with current spending.

The administration is seeking \$150 million for a new Sustainable Communities Initiative (SCI) to “stimulate improved regional planning efforts that integrate housing and transportation decisions, and to challenge communities to reform zoning and land use ordinances.”

Of the amount requested for SCI, \$100 million is for Regional Planning Grants to support linking transportation and land use. Eligible applicants would include metropolitan planning organizations (MPOs) and consortia of HUD formula block grant recipients, “with an emphasis on recipients’ capacity for long-term cross-jurisdictional partnerships, public and private engagement and ability to integrate resources.”

The initiative contains \$40 million for Metropolitan Challenge Grants “to foster reform and reduce barriers to achieve affordable, economically vital, and sustainable communities.” Resources would be provided to “facilitate changes in local zoning and land use policy and practice. The objective is to provide incentives to encourage sustainable growth and reverse counterproductive growth patterns that have evolved in many areas.”

The budget requests \$25 million for a new Rural Innovation Fund that would essentially replace the current Rural Housing and Economic Development program. The new program would aim to address “the problems of concentrated rural housing distress and community poverty.” Another \$25 million is requested for a new University Community Fund for grants to assist universities in revitalizing their surrounding communities.

The administration is proposing to replace the HOPE VI Revitalization program with a new \$250 million Choice Neighborhoods Initiative. The program would provide competitive grants to “transform neighborhoods of extreme poverty into functioning, sustainable, mixed-income neighborhoods with appropriate services, schools, public assets, transportation and access to jobs.”

Grants would primarily fund the preservation, rehabilitation and transformation of public and HUD-

assisted housing. Eligible grantees will include public housing authorities, local governments, non-profit organizations and for-profit developers.

Funding could be used for resident and community services, community development, affordable housing activities, and multi- and single-family housing disposition. Grantees will undertake “comprehensive local planning with input from the residents and community.” It is anticipated that “up to ten percent of the appropriation will be used for planning grants to assist local partnerships to develop strong proposals for future fiscal year grant competitions.”

In justifying its plan to let the HOPE VI program lapse, the administration’s budget explains that the program “has accomplished its goal of contributing to the demolition of 100,000 severely distressed public housing units.” HUD is proposing to “build on the success of the HOPE VI program with its Choice Neighborhoods Initiative.” The HOPE VI program currently maintains an unobligated balance of \$900 million and, according to the budget outline, “will spend out over several years.”

No direct appropriation is requested for the HUD Section 108 Community Development Loan Guarantee program. The program “will continue to be administered, but restructured based on a legislative proposal that would require zero credit subsidy cost.” The reform proposal would support an overall program level of \$275 million for FY2010.

The budget requests \$100 million to remain available through FY2013 for a new Energy Innovation Fund to provide support “for promising local initiatives that can be replicated across the nation and to stimulate and enhance private investment in cost-saving energy efficiency retrofits of existing housing, through improved use of FHA single family and multifamily mortgage products.” Of the funds requested, \$25 million would be directed at the single family housing market, \$25 million would be for a multifamily energy pilot program and \$50 million for a local initiatives fund. No community would be able to receive more than \$10 million.

The administration is requesting \$1 billion for the initial capitalization of the Housing Trust Fund, which was authorized in the Housing and Economic Recovery Act of 2008. The primary purpose of the fund is to increase and preserve the existing supply of rental housing for low- and very low-income households. Under the legislation, funds will be distributed by formula to states (\$3 million minimum state allocation) for redistribution to non-profit and for-profit agencies with housing experience.

No funding is requested for the Brownfields Economic Development Initiative (BEDI) or the Neighborhood Stabilization Program (NSP).

INTERIOR DEPARTMENT

The budget request includes \$12 billion in discretionary spending for the Interior Department, an increase of roughly \$700 million.

The Emergency Economic Stabilization Act of 2008 (P.L. 110-343) converted the Payments in Lieu of Taxes (PILT) program to a mandatory spending program, funded at \$390 million for FY 2010. The budget requests no additional funding for the program.

The budget requests \$77.6 million for the Historic Preservation Fund, an increase of \$8.1 million. The fund provides grants to states and local governments to demonstrate sustainable uses of historic sites and assets through heritage tourism. Of the funds proposed, the administration is requesting \$3.1 million for a new Preserve America grant program to provide funds to states and local communities for the preservation of historic resources through the promotion of heritage tourism.

DEPARTMENT OF JUSTICE

Within the Department of Justice (DOJ), \$728 million is recommended for state and local law enforcement assistance, \$600 million less than current funding. Of this, \$549 million is provided for Byrne Justice Assistance Grants and Byrne Competitive grants, \$27 million less than the combined FY2009 funding for both programs.

The administration requests no funds for the Byrne Discretionary Grant account, which is typically heavily earmarked. The budget proposes to zero out funding for the State Criminal Alien Assistance program (SCAAP), Drug Courts and the Offender Re-Entry program. The budget requests \$25 million for the Weed and Seed Program, level with current spending.

The budget includes \$761 million for Community Oriented Policing Services (COPS) programs, \$210.5 million more than current funding. COPS funding includes the following requests:

- **COPS Hiring:** \$298 million; no funding was appropriated for this program in FY2009
- **Methamphetamine Grants:** \$27 million, \$12.5 million less than current funding
- **Police Integrity Initiatives:** \$20 million; a new program to fund innovative community policing strategies that enhance trust between the police and their communities
- **Community Policing Development:** \$16 million; a new initiative to provide “funding for a variety of innovative and knowledge resource products to support the integration of community policing strategies throughout the law enforcement community to enable officers and community members to more effectively address emerging law enforcement and community issues.”

The budget does not include spending for the COPS Technology Program or the COPS Training and Technical Assistance account.

For Juvenile Justice Programs, the administration requests \$317 million. Of this amount, \$55 million is for Juvenile Justice Accountability Block Grants and \$62 million is for Juvenile Justice Incentive Grants, both level with current funding. The administration eliminates funding for Juvenile Justice discretionary grants. Instead, the administration is proposing to spend \$25 million on community-based, violence-prevention initiatives that focus “on street-level outreach, conflict mediation, and the changing of community norms to reduce violence, particularly shootings.”

LABOR: WORKFORCE DEVELOPMENT

The budget request includes \$13.2 billion in discretionary spending for the Department of Labor (DOL), slightly over current spending of \$12.9 billion.

The budget proposal allocates \$8.7 billion for employment and training programs, with \$3.8 billion of that concentrated in programs administered under the Workforce Investment Act (WIA), a law that Congress is expected to reauthorize this year. This is \$207 million above current WIA program funding.

For WIA grants to states and local WIBs for adult employment and training activities, youth activities and dislocated worker employment and training activities, the budget allocates \$2.9 billion as follows:

- **\$861.5 million** for adult employment and training activities, level with current funding
- **\$924 million** for youth activities, level with FY2009
- **\$1.2 billion** for dislocated worker employment and training, also level with current funding (does not include \$71.1 million set-aside for National Emergency Grants)

The budget allocates \$229.2 million for the national reserve account for dislocated workers assistance, \$53.8 million less than current funding.

The budget replaces the Community-Based Job Training Grants program, which typically receives \$125 million within the dislocated workers national reserve account, with a new \$135 million Career Pathways Innovation Fund. The modified program would focus on helping individuals pursue coursework and training that leads to better jobs in a particular field, such as health care, law enforcement and clean energy. The pathways fund is requested as a national activity, rather than within the dislocated workers account, so community colleges and other entities could serve a broader audience with the program funds, including disadvantaged adults.

Another \$50 million is proposed for a new Green Jobs Innovation Fund to help workers receive job training in green industry sectors and occupations. The

program, expected to support 25-60 grants, would build upon the 2009 Recovery Act's one-time funding for a similar program.

The budget allocates \$15 million for a new Workforce Data Quality Initiative to support the development of data systems that integrate education and workforce data. It will provide competitive grants to support the development of data systems that track individuals as they move through the education system and into the workforce. The initiative will be developed in cooperation with the Department of Education.

The budget includes \$114.5 million for Youthbuild activities, a \$44.5 million increase over current spending. Similar to the FY2009 appropriations bill, the budget stipulates that for program years 2010 and 2011, Youthbuild funding may be used to serve individuals that have dropped out of high school and re-enrolled in an alternative school.

For Community Service for Older Americans, the administration is proposing to spend \$575.4 billion, \$3.4 million more than current funding. The budget requests \$1.7 billion for Job Corps, \$100 million more than current funding. Of this, \$1.6 billion is allocated for Job Corps Operations and \$115 million is allocated for construction, rehabilitation and acquisition of Job Corps centers. Remaining funds are reserved for "necessary Job Corps expenses."

SMALL BUSINESS ADMINISTRATION

The FY2010 budget request contains \$700 million in direct appropriations for the Small Business Administration (SBA), \$87.8 million over current spending.

The budget proposes a program level of \$17.5 billion for the Section 7(a) Guaranteed Loan program; \$7.5 billion in guaranteed debentures for the Section 504 Guaranteed Loan program; and \$3 billion for the Small Business Investment Company (SBIC) debenture program. All are level with current program levels.

According to its budget submission, SBA is working to expand the Small/Rural Lender Advantage Initiative launched in FY2008. According to the agency, "it

provides smaller SBA lenders a streamlined way to process standard 7(a) loans of up to \$350,000 as a way to encourage the lenders to do more SBA lending.”

The budget supports a microloan program level of \$25 million, an increase of \$3 million. Microloan Technical Assistance is provided \$10 million, a reduction of \$10 million.

The Small Business Development Center (SBDC) program is provided \$97 million, a reduction of \$13 million. The budget request also reduces PRIME funding \$1.8 million to \$3.1 million.

DEPARTMENT OF TRANSPORTATION

The budget requests \$73.3 billion in total budget authority for the Department of Transportation, an increase of nearly \$1.8 billion over current spending.

The administration is developing a comprehensive approach for the SAFETEA-LU surface transportation reauthorization. The budget request contains no specific policy recommendations for programs subject to reauthorization, including highway and transit programs, and it only displays baseline funding levels for all surface transportation programs.

Federal surface transportation legislation is scheduled to expire at the end of FY2009. The budget request indicates that the administration is developing a reauthorization principles and the baseline funding amounts for surface transportation programs will change based on the passage of final legislation.

FEDERAL HIGHWAY ADMINISTRATION

Within the Federal Highway Administration (FHWA), the budget contains \$41.8 billion in total funding, roughly \$200 million over current spending. For Federal-Aid Highways, the budget contains a transfer of \$36.1 billion from the Treasury’s General Fund. The funding serves only as a baseline level of support if a multi-year reauthorization bill is not enacted, or if

The budget request indicates that the administration is developing a reauthorization proposal and the baseline funding amounts for surface transportation programs will change based on the passage of final legislation.

other action is not taken to shore up the Highway Trust Fund (HTF), by the end of FY2009. An additional \$5 billion in obligation authority is available through the HTF.

The Highway Account of the HTF is expected to need an extra \$4 billion for FY2009 and at least another \$10-11 billion in FY2010 to keep the program solvent. If action is not taken to increase revenue flowing into the HTF through passage of reauthorization legislation or transfer money from the General Fund, Congress will need to cut highway spending or find alternative revenue options.

FEDERAL TRANSIT ADMINISTRATION

For the Federal Transit Administration (FTA), the budget proposal contains \$10.3 billion in total funding, an increase of \$104 million.

The budget contains \$8.3 billion for Formula and Bus Grants, an increase of \$83 million, and \$1.8 billion for Capital Investment Grants, an increase of \$18 million. Of this amount, \$3.3 billion is derived from a transfer from the General Fund and \$5 billion in obligation authority from the Mass Transit Account of the HTF.

Similar to Federal-Aid Highway funding, the budget request for FTA programs represents a baseline funding request that is subject to change based on the administration’s reauthorization proposal and passage of surface transportation legislation.

FEDERAL AVIATION ADMINISTRATION

For the Federal Aviation Administration (FAA), the budget requests a total of \$15.9 billion, an increase of

\$486 million over the current funding level. Spending requested for specific FAA programs includes:

- **Airport Improvement Program (AIP):**
\$3.5 billion, level with current spending
- **Essential Air Service (EAS) Program:**
\$175 million, an increase of \$52 million (\$50 million in mandatory funding coupled with \$125 million in discretionary appropriations)
- **Small Community Air Service Program:**
No funding is requested, currently receives \$8 million under FY2009 enacted law

FEDERAL RAIL ADMINISTRATION

For the Federal Railroad Administration, the budget contains \$2.7 billion in discretionary spending, an increase of more than \$900 million. The request includes \$1 billion for a new Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service program to support capital investment grants for intercity passenger rail service.

Amtrak receives \$1.5 billion, including \$572 million for capital costs and \$930 million for capital and debt services grants.

NATIONAL INFRASTRUCTURE BANK

The budget contains \$5 billion to fund a new National Infrastructure Bank. The bank, which would require the passage of authorization legislation, would “invest funds directly into large capital infrastructure projects that promise significant national or regional economic benefits. Federal funds are to be delivered through a variety of credit and grant mechanisms designed to not only provide federal resources but also attract and coordinate state, local, and private co-investment.”

No funding is requested for the federal-state regional commissions authorized in the 2008 Farm Bill, including the Northern Border, Southeast Crescent, Southwest Border and Northern Great Plains regional commissions.

FEDERAL-STATE REGIONAL COMMISSIONS

APPALACHIAN REGIONAL COMMISSION

The budget requests \$76 million for the Appalachian Regional Commission’s (ARC) non-highway programs, an increase of \$1 million over FY2009. The proposal includes \$63.8 million for Area Development programs, \$6.2 million for Local Development Districts (an increase of \$200,000) and \$6 million for salaries and expenses. ARC will continue to invest at least half of its area development funds in the region’s most severely distressed counties and areas.

DELTA REGIONAL AUTHORITY

Funding for the Delta Regional Authority (DRA) remains level at \$13 million under the administration’s FY2010 request.

The administration is proposing to permanently amend DRA’s statute to require the consent of the Federal Co-chair, along with a majority share of the eight-member states, in order to accept a decision.

At the end of 2008, the DRA decision-making structure reverted to requiring only a majority vote by the states and Federal Co-chair to move forward, meaning the states could potentially overrule the Federal Co-chair. The U.S. Department of Justice has issued an opinion that such a structure puts the federal government in an unconstitutional, subservient position to states.

DENALI COMMISSION

The budget includes \$11.9 million for the Denali Commission’s core programs, \$165,000 over current spending.

No funding is requested for the federal-state regional commissions authorized and reauthorized in the 2008 Farm Bill, including the Northern Border, Southeast Crescent, Southwest Border and Northern Great Plains regional commissions.

**NADO News Special Report:
FY 2010 Budget Request**

(Numbers indicate program level in millions of dollars unless specified)	FY 2005 Final (1)	FY 2006 Final (2)	FY 2007 Final (3)	FY 2008 Final	FY 2009 Final	Recovery Act	FY 2010 Request
Department of Agriculture (4)							
Rural Community Advancement Program (5)	716.05	701.94	701.94	0.00	0.00	0.00	0.00
USDA Rural Utilities Service							
Rural Electric & Telecommunications Loans (Program Level)	4,840.00	6,094.00	6,094.00	7,800.00	7,300.00	0.00	7,290.00
Rural Telephone Bank	175.00	2.50	2.50	0.00	0.00	0.00	0.00
Distance Learning & Telemedicine Grants	35.00	30.00	30.00	35.00	34.75	0.00	30.00
Distance Learning and Telemedicine Direct Loans	50.00	25.00	25.00	0.00	0.00	0.00	0.00
Broadband Direct Loans	550.00	500.00	500.00	300.00	400.49	7,160.00	532.00
Broadband Telecommunications Grants	9.00	9.00	9.00	13.50	13.40	1,940.00	13.40
High energy costs	28.00	26.00	20.00	20.00	17.50	0.00	0.00
Water and Waste Disposal Program (Direct Loans) (5)	921.00	990.00	1,097.00	1,022.00	1,022.00	2,734.00	1,022.00
Water and Waste Disposal Program (Guaranteed Loans) (5)	3.00	75.00	28.00	75.00	75.00	0.00	75.00
Water and Waste Disposal Program (Grants) (5)	470.00	452.00	455.00	469.00	469.00	939.00	469.00
Former RCAP-Earmarks/Set-asides:							
Economic Impact Initiative Grants	21.00	18.00	18.00	14.00	10.00	0.00	14.00
Colonias	25.00	25.00	25.00	25.00	20.00	0.00	0.00
Water & Sewer Technical Assistance	18.30	18.25	18.25	18.50	5.60	0.00	19.00
Alaska	26.00	25.00	25.00	25.00	22.00	0.00	0.00
Circuit Rider	13.50	13.75	13.75	13.75	14.00	0.00	14.00
Delta	1.00	2.00	2.00	3.00	3.00	0.00	3.00
EZ/EC and REAP Zones	22.16	21.37	0.00	21.70	14.80	0.00	27.50
Rural Community Development Initiative	6.30	6.35	6.35	6.30	6.30	0.00	6.25
Northern Great Plains Regional Authority	1.49	0.00	0.00	0.00	0.00	0.00	0.00
USDA Rural Housing Service							
Loans:							
Section 502 - Single Family Housing	4,459.30	4,821.83	4,821.83	5,349.00	7,345.47	11,042.00	7,325.00
Section 504 - Housing Repair	35.00	35.00	35.00	34.00	34.40	0.00	34.40
Section 515 - Rental Housing	100.00	100.00	100.00	70.00	69.51	0.00	69.51
Section 523 - Self-Help Housing Land Development	10.00	5.04	5.04	5.00	4.97	0.00	4.97
Section 524 - Site Loans	5.05	5.00	5.00	5.00	5.04	0.00	5.04
Section 538 - Multi-family Housing	100.00	100.00	100.00	130.00	129.09	0.00	129.00
Grants:							
Rental Assistance Program	592.00	653.10	616.02	482.00	902.50	0.00	1,091.00
Mutual and Self-Help Housing Grants	34.00	34.00	34.00	38.73	38.73	0.00	38.70
Rural Housing Assistance Grants	44.00	43.98	43.98	39.00	41.50	0.00	41.50
Rural Housing Vouchers	0.00	16.00	16.00	5.00	5.00	0.00	5.00
Community Facility Program (Direct Loans) (5)	426.00	300.00	333.00	294.00	295.00	130.00	295.00
Community Facility Program (Guaranteed Loans) (5)	195.00	210.00	228.00	206.00	206.40	0.00	206.00
Community Facility Program (Grants) (5)	20.00	17.00	48.00	45.00	20.37	63.00	44.00
USDA Rural Business-Cooperative Service							
Intermediary Relending Program	34.21	34.21	34.21	33.78	33.53	0.00	33.50
Business and Industry Loans	595.20	923.00	923.00	1,043.00	993.00	2,990.00	993.00
Rural Economic Development Loan Account	25.00	25.03	25.03	33.10	33.08	0.00	33.00
Rural Business Enterprise Grants	39.68	40.00	40.00	39.00	36.73	20.00	39.00

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(Numbers indicate program level in millions of dollars unless specified)	FY 2005 Final (1)	FY 2006 Final (2)	FY 2007 Final (3)	FY 2008 Final	FY 2009 Final	Recovery Act	FY 2010 Request
Rural Cooperative Development Grants	24.00	29.49	26.72	28.02	12.64	0.00	17.00
Rural Business Opportunity Grants	3.00	3.00	3.00	2.50	2.50	0.00	2.50
Rural EZ/EC Round II Grants	12.50	11.20	11.20	8.20	8.10	0.00	0.00
Renewable Energy Grants (<i>Discretionary & Mandatory</i>)	23.00	23.00	23.00	36.00	30.70	0.00	128.10
Value-added Ag Product Market Grants (6)	13.00	19.00	23.00	19.00	18.86	0.00	21.80
Biorefinery Assistance (<i>Discretionary & Mandatory</i>)	n/a	n/a	n/a	n/a	n/a	0.00	740.00
Microentrepreneur Assistance (<i>Mandatory & Discretionary</i>)	n/a	n/a	n/a	n/a	n/a	0.00	78.00
National Resource Conservation Service							
Resource Conservation and Development	51.64	51.30	51.30	51.09	50.73	0.00	0.00
Appalachian Regional Commission							
Non-Highway Program	66.00	65.47	64.81	73.03	75.00	0.00	76.00
Appalachian Development Highway Systems (7)	530.00	490.00	470.00	485.60	479.50	0.00	0.00
Delta Regional Authority	6.04	12.00	12.00	11.68	13.00	0.00	13.00
Delta Region Transportation Development Program (8)	0.00	10.00	10.00	24.00	10.00	0.00	0.00
Delta Transportation Assessment (9)	0.50	0.50	0.00	0.00	0.00	0.00	0.00
Denali Commission (10)	67.00	50.00	50.00	21.80	11.80	0.00	11.97
Department of Commerce							
Economic Development Administration (11)	287.91	284.04	284.04	279.93	272.80	150.00 (13)	284.00
Planning Grants	24.50	27.00	27.00	25.38 (12)	31.00	0.00	31.00
Global Climate Change Fund	n/a	n/a	n/a	9.40	14.70	0.00	16.50
Public Works	166.60	160.38	160.38	148.05	133.28	0.00	42.80
Economic Adjustment Grants	45.40	44.79	44.79	42.30	35.33	0.00	125.00
Technical Assistance	8.43	8.32	8.32	9.40	9.40	0.00	13.40
Research & Evaluation	0.50	0.48	0.48	0.47	0.49	0.00	2.00
Trade Adjustment & Assistance	12.00	13.00	13.00	14.10	15.80	0.00	16.00
Salaries and Expenses	30.48	30.07	30.07	30.80	32.80	0.00	38.00
Nat'l Institute of Standards and Technology							
Manufacturing Extension Partnership	107.54	104.65	89.64	90.00	110.00	0.00	124.70
Nat'l Telecomm. and Information Administration							
Broadband Technology Opportunities Program	n/a	n/a	n/a	n/a	0.00	4,700.00	0.00
Community Development Financial Institutions	55.50	55.00	55.00	94.00	107.00	100.00	243.60
Capital Magnet Fund	n/a	n/a	n/a	n/a	n/a	n/a	80.00
Department of Energy							
Energy Efficiency and Conservation Block Grant	0.00	0.00	0.00	0.00	0.00	3,200.00	0.00
Weatherization Assistance Grants (14)	228.16	242.55	204.55	227.22	200.00	5,000.00	220.00
State Energy Program	46.50	35.64	49.45	44.10	50.00	3,100.00	75.00
Environmental Protection Agency (15)							
Clean Water State Revolving Loan Funds	1,100.00	900.00	1,000.00	700.00	689.08	4,000.00	2,400.00
Safe Drinking Water State Revolving Loan Funds	850.00	850.00	850.00	842.10	829.03	2,000.00	1,500.00
Brownfields Initiative (16)	165.00	165.00	165.00	168.30	169.70	100.00	174.75

**NADO News Special Report:
FY 2010 Budget Request**

(Numbers indicate program level in millions of dollars unless specified)	FY 2005 Final (1)	FY 2006 Final (2)	FY 2007 Final (3)	FY 2008 Final	FY 2009 Final	Recovery Act	FY 2010 Request
Environmental Information Exchange Program	19.50	20.00	20.00	10.00	10.00	0.00	10.00
Targeted Watershed Grants	18.00	16.85	16.85	10.00	0.00	0.00	0.00
State and Local Air Quality Management	n/a	220.26	208.56	216.82	224.80	0.00	226.60
Climate Change Initiative Grants	n/a	n/a	n/a	n/a	10.00	0.00	0.00
Department of Health and Human Services (17)							
Community Services Block Grants	642.00	636.79	636.79	665.42	746.00	1,000.00	736.00
Social Services Block Grants	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	0.00	1,700.00
Head Start	6,899.00	6,843.11	6,888.57	7,000.00	7,112.00	2,100.00	7,234.00
Low Income Home Energy Assistance Program (18)	2,200.00	2,183.00	2,183.00	2,611.00	5,100.00	0.00	3,200.00
Child Care and Development Block Grants	2,099.73	2,082.91	2,082.91	2,100.00	2,130.00	2,000.00	2,127.00
Compassion Capital Fund	55.00	65.00	65.00	53.62	47.68	0.00	0.00
Strengthening Communities Fund	n/a	n/a	n/a	n/a	n/a	n/a	50.00
Administration on Aging (17)	1,404.63	1,376.62	1,382.86	1,438.00	1,490.00	100.00	1,491.00
Supportive Services and Centers	357.00	354.13	354.13	358.00	361.34	0.00	361.00
Nutrition Services (Congregate Meals)	390.00	389.21	399.00	418.00	434.26	65.00	435.00
Nutrition Services (Home Delivered Meals)	184.30	183.74	188.30	197.30	214.46	32.00	215.00
Grants to Native Americans	0.00	0.00	0.00	0.00	27.20	3.00	27.00
Preventive Health Services	22.00	21.61	21.61	21.40	21.02	0.00	21.00
Research, Training and Special Projects	43.60	24.84	24.84	14.92	18.17	0.00	13.00
Department of Homeland Security							
State and Local Programs							
Urban Area Security Initiative (UASI)(19)	885.00	765.00	770.00	820.00	837.50	0.00	887.00
State and Local Formula Grants (SHSGP)(19)	1,100.00	550.00	525.00	950.00	950.00	0.00	950.00
Local Law Enforcement Terrorism Prevention Grants (19)	400.00	400.00	375.00	0.00	0.00	0.00	0.00
Citizen Corps	15.00	20.00	15.00	15.00	15.00	0.00	15.00
Emergency Management Performance Grants	180.00	185.00	200.00	300.00	315.00	0.00	315.00
Firefighters Assistance Grants	715.00	655.00	662.00	750.00	775.00	210.00	590.00
National Exercise Program	0.00	0.00	49.00	50.00	40.00	0.00	42.00
Mitigation Programs							
Disaster Relief	2,042.38	1,700.00	1,500.00	1,400.00	1,400.00	0.00	2,000.00
Pre-Disaster Mitigation	100.00	50.00	100.00	114.00	90.00	0.00	150.00
Flood Map Modernization Fund	200.00	200.00	199.00	220.00	220.00	0.00	220.00
Department of Housing and Urban Development							
Community Development Fund	4,709.00	4,220.00	3,771.90	3,900.00	3,900.00	n/a	4,450.00
Community Dev. Block Grant (CDBG) Formula	4,150.03	3,748.40	3,710.91	3,600.00	3,640.00	1,000.00	4,185.00
CDBG Set-Asides:							
Native American	69.00	60.00	60.00	62.00	65.00	0.00	0.00
Section 107 - Special Purpose Grants	43.70	20.60	20.60	25.90	19.55	0.00	0.00
Economic Development Initiative	262.00	310.00	0.00	179.83	165.31	0.00	160.00
Housing Assistance Council	3.30	3.00	3.00	0.00	3.50	0.00	0.00
Self-Help Homeownership	25.00	61.00	19.80	26.50	64.00	0.00	77.00
Brownfields Economic Development Initiative (BEDI)	24.00	10.00	10.00	10.00	10.00	0.00	0.00
HOME Investment Partnerships Program	1,865.00	1,750.00	1,750.00	1,700.00	1,825.00	2,250.00	1,825.00
HOME- Housing Counseling Assistance	42.00	42.00	42.00	50.00	65.00	0.00	100.00
American Dream Downpayment Fund	50.00	25.00	25.00	10.00	0.00	0.00	0.00

**NADO News Special Report:
FY 2010 Budget Request**

(Numbers indicate program level in millions of dollars unless specified)	FY 2005 Final (1)	FY 2006 Final (2)	FY 2007 Final (3)	FY 2008 Final	FY 2009 Final	Recovery Act	FY 2010 Request
Urban Empowerment Zones & Enterprise Communities	10.00	0.00	0.00	0.00	0.00	0.00	0.00
Rural Housing and Economic Development	24.00	17.00	17.00	17.00	26.00	0.00	0.00
Public Housing Revitalization (HOPE VI)	144.00	99.00	99.00	100.00	120.00	0.00	0.00
Homeless Assistance Grants	1,241.00	1,327.00	1,441.60	1,585.00	1,677.00	1,500.00	1,794.00
Neighborhood Stabilization Fund	n/a	n/a	n/a	n/a	4,000 (20)	2,000.00	0.00
Sustainable Communities Initiative (SCI)	n/a	n/a	n/a	n/a	n/a	n/a	150.00
Regional Planning Grants	n/a	n/a	n/a	n/a	n/a	n/a	100.00
Metropolitan Challenge Grants	n/a	n/a	n/a	n/a	n/a	n/a	40.00
DOT/HUD Research	n/a	n/a	n/a	n/a	n/a	n/a	10.00
Rural Innovation Fund	n/a	n/a	n/a	n/a	n/a	n/a	25.00
Choice Neighborhoods Initiative	n/a	n/a	n/a	n/a	n/a	n/a	250.00
Housing Trust Fund	n/a	n/a	n/a	n/a	n/a	n/a	1,000.00
Energy Innovation Fund	n/a	n/a	n/a	n/a	n/a	n/a	100.00
Department of Interior (15)							
Payments in Lieu of Taxes (21)	230.00	236.00	236.00	232.50	376.00	0.00	390.00
Department of Labor (17)							
Employment and Training Administration (Services Only)	5,318.06	4,940.50	5,134.54	5,115.66	3,626.45	3,950.00	3,833.60
Adult Employment and Training Activities	898.00	866.00	866.00	864.20	861.54	500.00	861.54
Dislocated Worker Employment and Training	1,479.00	1,476.00	1,476.00	1,189.00	1,183.84	1,250.00	1,183.84
Youth Activities	994.00	950.00	950.00	940.50	924.06	1,200.00	924.06
Job Corps	1,559.00	1,559.00	1,559.00	1,630.00	1,683.94	250.00	1,700.00
Community Service Employment for Older Americans	440.20	432.30	483.61	530.09	571.92	120.00	575.40
One-Stop Career Centers	98.76	82.00	82.00	82.00	91.70	0.00	776.00
Prisoner Re-entry Initiative & Reintegration of Ex-Offenders	20.00	0.00	0.00	74.80	108.50	0.00	115.00
Community-Based Job Training Grants (Community College)	250.00	125.00	125.00	125.00	125.00	0.00	0.00
Youthbuild (22)	0.00	0.00	0.00	60.00	70.00	50.00	114.50
National Programs	103.50	46.41	27.97	61.08	48.70	0.00	57.50
Career Pathways Innovation Fund	n/a	n/a	n/a	n/a	n/a	n/a	135.00
Workforce Data Quality Initiative	n/a	n/a	n/a	n/a	n/a	n/a	15.00
National Infrastructure Bank	n/a	n/a	n/a	n/a	n/a	n/a	5,000.00
Small Business Administration							
Section 504 Development Company Debentures	5,000.00	7,500.00	7,500.00	7,500.00	7,500.00	0.00	7,500.00
7(a) General Business Loans	16,500.00	17,000.00	17,000.00	17,500.00	17,500.00	0.00	17,500.00
Small Business Investment Company Program Debentures	3,250.00	3,000.00	3,000.00	3,000.00	3,000.00	0.00	3,000.00
Small Business Development Centers (SBDC)	89.00	89.00	89.00	97.12	110.00	0.00	97.00
Microloan Technical Assistance	14.00	13.00	13.00	15.00	20.00	24.00	10.00
Microloan Program	15.00	22.00	22.00	17.00	22.00	50.00	25.00
HUBZones	1.97	2.00	2.00	2.10	2.50	0.00	2.18
Program for Investment in Microentrepreneurs (PRIME)	5.00	2.00	2.00	3.00	5.00	0.00	3.12
Department of Transportation							
Federal Aviation Administration							
Airport Improvement Program	3,500.00	3,550.00	3,550.00	3,500.00	3,600.00	1,100.00	3,500.00
Small Community Air Service Development Program	20.00	10.00	10.00	10.00	8.00	0.00	0.00
Essential Air Service	102.00	110.00	110.00	125.00	123.00	0.00	175.00

**NADO News Special Report:
FY 2010 Budget Request**

(Numbers indicate program level in millions of dollars unless specified)	FY 2005 Final (1)	FY 2006 Final (2)	FY 2007 Final (3)	FY 2008 Final	FY 2009 Final	Recovery Act	FY 2010 Request
Federal Transit Administration							
Section 5311 - Nonurbanized Area Formula	252.90	372.24	438.00	506.50	465.00	680.00	(26)
Section 5311(b)(2) - Rural Transit Assistance Program	5.20	7.76	8.08	8.76	9.30	0.00	(26)
Job Access and Reverse Commute Grants	125.00	138.00	144.00	156.00	164.50	0.00	(26)
Over-the-Road Bus Accessibility Incentive Program	6.95	6.89	7.60	8.30	8.80	0.00	(26)
Federal Highway Administration							
Federal-Aid Highways (23)	34,700.00	36,000.00	38,244.00	40,200.00	40,700.00	27,500.00	36,100(26)
Highway Safety Improvement Program (24)	0.00	1,236.00	1,256.00	1,276.00	1,296.00	0.00	(26)
High Risk Rural Roads (24)	0.00	90.00	90.00	90.00	90.00	0.00	(26)
Rail-Highway Crossing Program (25)	0.00	220.00	220.00	220.00	220.00	0.00	(26)
Notes: Numbers indicate program level in millions of dollars unless specified.							
1. Final FY2005 funding does not reflect across-the-board reduction of 0.83 percent							
2. Final FY2006 funding does not reflect across-the-board reduction of one percent and extra cuts for SSJC and Interior and EPA programs							
3. Final FY2007 funding does not reflect across-the-board reduction of one percent and extra cuts for SSJC and Interior and EPA programs							
4. FY 2008 funding does not reflect across-the-board reduction of 0.7 percent for Agriculture appropriation accounts							
5. FY2008 appropriations eliminates stand-alone RCAP account. Transfers funding streams and programs to RHS, RUS and RBS							
6. FY 2009 Value-Added Funding includes mandatory and discretionary spending							
7. Approximately \$470 million is provided each year by SAFETEA-LU							
8. SAFETEA-LU provides \$10 million in annual funding for the development of Delta region transportation program							
9. SAFETEA-LU provides \$500,000 each year in FYs 2005-2006 for a Delta regional transportation study							
10. Denali Commission figure is direct appropriations only and does not include earmarks within other federal programs and trust fund revenue							
11. FY2006 & FY2007 funding does not include 0.28 percent rescission in Commerce spending bill							
12. EDA reauthorization law mandates a minimum planning level of \$27 million							
13. \$50 million of EDA recovery fund may be transferred to Federal-State regional commissions and \$50 million is for communities suffering from corp. restructurings							
14. FY2009 grant funding does not include supplemental of \$250 million							
15. FY 2008 funding does not reflect an across-the-board cut of 1.56 percent for Interior & Environment appropriations accounts							
16. Combined funding from three separate accounts in EPA							
17. FY 2008 funding does not reflect across-the-board reduction of 1.75 percent for Labor & HHS appropriations accounts							
18. FY2006 & FY2007 actual includes \$183 million for Emergency Contingency Fund, FY 2009 Funding included in CR							
19. Separate funding for LLETIP eliminated. States now required to reserve 25 percent of SHSGP and UASI funds for terrorism activities							
20. FY2009 NSP funding was provided through Housing Recovery Act of 2008 (PL 110-289)							
21. FY2006 & FY2007 funding does not include 0.48 percent rescission. FY2009 & FY2010 spending only includes mandatory funds							
22. Program transferred to DOL from HUD							
23. Funding for highway programs is distributed on overall federal-aid obligation limitation, as authorized by SAFETEA-LU. Levels are only estimates. SAFETEA-LU allows automatic increases if additional revenue is generated in highway trust fund.							
Maintains six major program categories of Interstate Maintenance, National Highway System, Surface Transportation Program, Bridge Replacement and Rehabilitation Program, Congestion Mitigation and Air Quality Improvement Program and Safety							
24. Core stand-alone program authorized by SAFETEA-LU							
25. Set-aside program within core safety program							
26. FY2010 budget request provides broad baseline surface transportation funding. Detailed numbers will be available upon release of administration's reauthorization plan.							