



# NADO NEWS

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FEBRUARY 11, 2005

VOL. 26; No. 6

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## SPECIAL REPORT: INSIGHTS AND ANALYSIS OF THE PRESIDENT'S FY2006 BLUEPRINT

**O**n February 7, President George W. Bush unveiled a \$2.57 trillion budget package for fiscal 2006 that increases spending for the military, recommends reductions or slowing the growth for most mandatory spending programs, and eliminates 150 domestic assistance programs for education, economic development, law enforcement and a host of other federal assistance programs.

The administration's budget blueprint projects a deficit of \$390 billion next year. While this figure is down from the record shortfall of \$490 billion in FY2005, the budget does not include 2006 war costs for Iraq and Afghanistan or potential changes to the Social Security program. To put the deficit in perspective, it is equal to the total federal spending on all domestic discretionary spending including the annual appropriations bills.

For the current fiscal year, the administration plans to request a supplemental appropriation of \$81 billion for war and recovery operations, raising the costs of the war on terrorism to nearly \$336 billion since September 2001.

At the centerpiece of the president's plan is a 4.8 percent increase for regular defense programs, bringing the Pentagon's annual budget to \$419 billion. According to the White House, the defense budget has increased 41 percent under the Bush administration. The budget also shows military spending rising to \$502.3 billion annually by 2010.

Under the budget blueprint, the president permanently extends most of the tax relief provisions enacted in

2001 and 2003. The tax extensions are expected to cost an additional \$53 billion over the next five years, with the price tag jumping to \$1.13 trillion over the next decade. These budget projections do not include the costly fix to the alternative minimum tax and other tax relief items that Congress and the administration are expected to address in the coming years.

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Nearly 55 percent of the budget is reserved for mandatory programs and tax credits, up from only one-third in the early 1960s. Of the \$1.41 trillion in mandatory spending, Social Security accounts for about 21 percent or \$540 billion. Medicare is expected to increase nearly \$50 billion to \$340 billion in 2006.

Over the next ten years, according to competing government sources, the Medicare program is expected to increase from between \$720 billion to \$1.2 trillion as a result of the program's new prescription drug benefit. When Congress and the administration negotiated the new benefit last year, the ten-year estimates pegged the costs at \$400 billion.

Another cornerstone of the president's plan is to slow the growth of the federal contribution rate for Medicaid. As a comparison, the federal government's annual payment on its debt obligations is projected at \$211.1 billion in 2005, nearly \$20 billion higher than the federal share of Medicaid.

The president expects to achieve a net savings of \$47 billion in the Medicaid program over the next ten years, while also making several program changes aimed at increasing state flexibility. The president also recommends cost cutting measures of \$8.2 billion in agriculture subsidy payments and \$10.7 billion in student loan programs.

Domestic discretionary programs, which represents the one-third of the budget controlled by the congressional appropriations committees each year, is allocated \$840.3 billion in the budget. Overall, defense programs receive a 4.8 percent increase and homeland security accounts are boosted by \$1 billion or three percent.

While a number of homeland security accounts receive increases, the administration is planning to reduce and restructure funding for the terrorism preparedness and prevention activities of first responders. The president's focus is on targeting money to a limited number of regions and areas labeled as "high-threat."

The administration is also proposing to raise additional revenue for aviation security by

from 48 education programs to 18 federal community development accounts to federal assistance for Amtrak.

Within the broad budget category of community and regional development, the president plans to cut funding from the 2005 level of \$17.1 billion to \$9.4 billion. The bulk of these cuts are achieved through the elimination of HUD community development block grants and the Economic Development

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**//** The leadership of NADO is extremely concerned about the proposed elimination of EDA, including the district planning program, along with the CDBG program. Unfortunately, we will not see the full details of the president's proposal until early summer."

— Jack Scriber, NADO President

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doubling the passenger security fees implemented after 9/11. The security fee would jump from \$2.50 to \$5.50 per segment of an airline trip, with a cap of \$8.00 for a one-way ticket. This is expected to generate all of the \$4.5 billion needed for airport screening operations.

Separate from homeland security and defense programs, the remaining set of domestic programs are slated for an overall reduction of almost one percent, the first proposed net cut in domestic programs since the Reagan administration. This is accomplished in the budget by reducing or eliminating 150 domestic programs currently funded at \$20 billion, ranging

Administration, in addition to funding reductions in FEMA's disaster relief account and USDA's rural community advancement program under Rural Development.

The president is proposing to replace EDA, CDBG and 16 other federal community and economic development programs with a new economic development challenge program, entitled Strengthening America's Communities Initiative.

While the combined annual budgets of the 18 existing programs exceed \$5.5 billion, the president is recommending only \$3.71 billion for new unified formula program.

The new program would allocate resources to states and local governments to invest in distressed communities and regions, in addition to offering communities extra resources from an incentive fund aimed at rewarding communities that have met national education standards, reduced local regulatory barriers to business and housing development, and lowered violent crime rates.

Within the transportation budget, the president proposes \$284 billion over six years for highway and transit programs, up from the six-year total of TEA-21 of \$218 billion but below the \$311 billion level sought by Senate leaders. The new White House figure represents a nearly \$30 billion increase above the president's previous pledge.

The White House proposal would fund highways at \$34.7 billion in 2006 with modest increases until 2008. In 2009, annual highway funding would jump by nearly \$6 billion. The bulk of federal assistance for Amtrak is also eliminated, with the White House only providing \$360 million to maintain commuter services and freight routes along the Northeast corridor.

For aviation programs assisting local governments and rural communities, the president cuts \$500 million from the Airport Improvement Program, resulting in a \$2.9 billion budget. He eliminates the \$20 million Small

Community Air Service program, and reduces the Essential Air Service program from \$102 million to \$50 million. The White House also repropose a plan to increase the local match for the rural air service program.

The Appalachian Regional Commission and Delta Regional Authority are maintained at current levels of \$65.4 million

and \$6 million respectively. EPA's brownfields program are boosted by \$45 million to \$210 million, while the safe drinking water fund is retained at \$850 million and the clean water revolving fund is cut to \$730 million from \$1.1 billion.

Following is an in-depth analysis of key regional development programs and initiatives. ❖

Federal Programs Consolidated Under the President's Strengthening America's Communities Initiative		
	FY2005 FUNDING	OMB RANKING
<b>Agriculture:</b>		
Rural Business Enterprise Grants	\$39.68 million	Results Not Demonstrated
Rural Business Opportunity Grants	\$3 million	No Assessment Completed
Economic Impact Grants	\$21 million	No Assessment Completed
Rural EZs/ECs	\$12.5 million	No Assessment Completed
<b>Commerce:</b>		
Economic Development Administration	\$257.42 million	Moderately Effective
<b>Health and Human Services:</b>		
Community Services Block Grant	\$642 million	Results Not Demonstrated
Urban/Rural Community Development	\$33 million	No Assessment Completed
Rural Community Facilities	\$7 million	No Assessment Completed
<b>Housing and Urban Development:</b>		
CDBG Formula Grants	\$4.15 billion	Ineffective
Nat'l Community Dev. Initiative	\$30 million	Moderately Effective
CDBG Set-Asides	\$302 million	Ineffective
Brownfields	\$24 million	No Assessment Completed
Rural Housing & Economic Dev.	\$24 million	Ineffective
Urban EZs - Round II Grants	\$10 million	No Assessment Completed
Sec. 108 Loan Guarantees	\$6 million	No Assessment Completed
<b>Treasury:</b>		
CDFI Program	\$55.5 million	Adequate
Bank Enterprise Award Program	\$10 million	Results Not Demonstrated
CDFI Native Initiatives	\$4 million	No Assessment Completed
<b>Note:</b> According to White House budget documents, Effective is the highest overall performance ranking. Moderately effective is second highest ranking, followed by adequate, ineffective and results not demonstrated.		

## USDA Rural Development

The Bush administration requests \$94.6 billion in total spending for the Department of Agriculture (USDA) in FY2006, a \$300 million decrease from 2005. The budget includes \$19.4 billion in discretionary spending, \$2.6 billion less than 2005. While the bulk of USDA cuts are targeted in commodity support and farm conservation programs, several programs within the rural development portfolio are reduced or eliminated.

The Rural Community Advancement Program (RCAP), the core rural development funding stream, receives \$521.6 million in budget authority under the president's budget. This represents a \$194.3 million reduction from current spending. The

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RCAP account features \$449.6 million in budget authority for water and sewer loans and grants, \$27.8 million for community facilities and \$44 million for rural business development services.

The White House budget includes several changes in programs administered by the Rural Housing Service. Funding for Section 515 direct loans would be cut by \$73 million to \$27 million. Section 523 loans for self-help housing are reduced from \$10 million to \$5 million, and more resources are shifted to guaranteed loans instead of direct loans in the Section 502 single family housing program.

Grants for rental assistance under the Section 521 program are increased from about \$590 million to \$650 million, while Rural Housing Assistance Grants would drop to \$41 million, \$3 million less than current funding.

The request includes a new \$214 million Rural Housing Voucher Program designed to give assistance to residents displaced from multi-family housing projects as these properties are removed from the subsidized housing market.

USDA estimates that 46,000 multi-family tenants risk substantial rent increases and possible dislocation as these units move to the private sector. In addition, USDA is

currently examining options for "revitalizing" its multi-family housing stock. A recent assessment indicates that significant repairs and rehabilitation are needed.

Several mandatory spending programs created in the 2002 Farm Bill (PL 107-171), but never implemented due to opposition from congressional appropriators and the administration, are permanently cancelled in the proposed budget.

The terminated programs which were never fully implemented include the \$100 million Rural Strategic Investment Program, a \$240 million program to assist in the market development of value-added agriculture products, and \$100 million in broadband deployment assistance. In addition, nearly \$90 million is rescinded from the Rural Business Investment Program, a program modeled after SBA's Small Business Investment Company program.

The rural business investment fund had previously received \$10 million in start-up funds, however the administration's budget states that as a new program, no funds are being requested in order to develop the "target community." As a result, \$90 million in mandatory funds is being permanently rescinded.

Program funding within the Rural Business Cooperative will drop due to the elimination of the Rural Business Enterprise

Grant program, currently funded at \$39 million, and the Rural Business Opportunity Grant Program, currently funded at \$3 million.

The two programs are incorporated into the president's proposed Strengthening America's Communities Initiative within the Department of Commerce. Funding for the Intermediary Relending Program (IRP) is

retained at \$34 million, \$6 million below the 2004 level.

The Business and Industry (B&I) loan program is increased by \$304 million to nearly \$900 million. USDA is preparing a regulatory change that would establish an annual service fee to support the program.

Under the Rural Utilities Service, the White House proposes

to eliminate funding for the distance learning and telemedicine loans, currently funded at \$50 million, as well as the rural broadband telecommunication grant program, supported at \$9 million in 2005. USDA also plans to ask electric and telecommunication program recipients to "recertify" that they are servicing rural communities and not urban or suburban areas.

## FEDERAL-STATE REGIONAL COMMISSIONS

### Appalachian Commission

The budget requests \$65.47 million for the Appalachian Regional Commission (ARC), equal to current year levels.

The president's federal highway reauthorization proposal features \$450 million each year for the Appalachian Development Highway System (ADHS), the same as current law. The 2005 omnibus spending bill provided \$530 million for ADHS, \$80 million above the authorized level.

The 2006 budget maintains funding at \$6.2 million for local development districts and technical assistance. In addition, the president expects ARC to continue its focus on expanding access and use of telecommunications; reducing the gap in college-going rates between Appalachia and the nation; and diversifying Appalachia's economy by emphasizing the region's unique assets, such as cultural heritage, natural resources and beauty, and existing physical structures.

### Delta Authority

Reversing a recent trend of decreased funding requests for the Delta Regional Authority (DRA), the administration recommends \$6 million in 2006 funding. This is \$4 million above the amount requested last year by the president.

As part of the fiscal 2005 omnibus appropriations bill, the eight-state regional development commission received \$6.04 million for traditional program activities, \$1 million from USDA rural development and \$1.5 million for a USDA Intermediary Relending Program fund.

### Denali Commission

The Denali Commission receives \$2.5 million in the president's budget, nearly \$64 million below the agency's core program level.

The Denali Commission, which serves rural and remote areas of Alaska, also receives a number of set-asides within other federal agencies in the current year. Generally, these include initiatives dealing with economic development, health care clinics, housing and job training.

### Northern Great Plains Authority

Created under the 2002 Farm Bill, the Northern Great Plains Authority was designed to address the unique problems facing the five-state region of Iowa, Minnesota, Nebraska, North Dakota and South Dakota. For the second year, the White House does not recommend any funding for the authority. As part of the fiscal 2005 omnibus appropriations bill, NGPRA received \$1.49 million as a set-aside within USDA.

There is \$25.6 million for USDA's Resource Conservation and Development (RC&D) program. The administration is proposing a new policy for the RC&D program by phasing out federal support for local planning areas that have received funding for at least 20 years, resulting in eliminated funding for 189 RC&D areas. The budget states that after this time, "communities should have the capacity to identify, plan for, and address their priorities."

Positioning System (GPS) coordinates and will complete this process for 700 of the nation's 3,233 counties.

## Community Development Financial Institutions

**F**unding for the Community Development Financial Institutions Fund (CDFI) is eliminated under the president's

base closures during the 2005 Base Realignment and Closure (BRAC) round. The White House plan includes \$1.9 billion and \$5.7 billion for fiscal years 2006 and 2007 respectively.

In fiscal 2006, \$30.4 million would be available for DoD's Office of Economic Adjustment (OEA) to provide technical and financial assistance to state and local governments for base reuse plans and studies, staffing, and operating and administrative costs required to facilitate the reuse of former military property. This is \$58.3 million less than current funding level.

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## Economic Development Administration

### Census Bureau

**T**he budget provides \$657.3 million for periodic censuses and programs, an increase of \$108 million. This level allows the Census Bureau to continue planning and development activities related to the 2010 decennial census.

In addition, the Census Bureau will continue survey implementation and release of data from the American Community Survey. To enhance the MAF-TIGER system, the Census Bureau will continue a multi-year effort of aligning map feature locations with Global

plan, as the administration states that the mission of the program can be achieved through the new Strengthening America's Communities Initiative. CDFI would receive \$7.9 million to continue administering the New Markets Tax Credit program, as well as their existing awards. This is \$7 million below the 2005 budget to manage the tax credit program.

## Defense: Base Realignment and Closure

**T**he budget includes funding for the Department of Defense (DoD) to implement

**T**he budget eliminates program funding for the Economic Development Administration (EDA), including the economic development district planning program, as part of a consolidation of 18 "duplicative" federal economic and community development programs into a new unified formula grant program within the US Department of Commerce.

The administration recommends only \$26.5 million in personnel costs to monitor and administer existing EDA projects and grants.

According to White House documents, the president is proposing the new \$3.71 billion

Commerce program, Strengthening America's Communities Initiative, to streamline federal economic development programs and to target federal assistance to distressed states, regions and communities.

At the center of the massive restructuring of federal community and economic development programs is the elimination of 18 programs currently funded at \$5.5 billion. The most prominent programs slated for termination include HUD's Community Development Block Grant (CDBG) program, the Economic Development Administration, HHS's Community Service Block Grant program, and Treasury's Community Development Financial Institutions program.

While most of the details on the president's proposal will not be released until early summer, the White House released a short summary of the program. As also explained at a White House briefing attended by NADO, the \$3.71 billion program would distribute formula grants to states and local communities. The primary eligibility criteria focuses on job loss, unemployment levels and poverty.

Grantees would need to meet specific accountability measures to continue receiving funding. These measures include increased job creation and business development, in addition to improvements in homeownership rates, commercial development and private sector investments.

The initiative would also establish a bonus fund for communities that are considered "development-ready." The administration identifies these communities as those who have taken steps to improve local conditions to attract businesses. The three primary criteria include meeting yearly education progress goals

opposition in Congress. The administration plans to continue consulting with state and local stakeholders, including NADO, as it develops program details. As explained by EDA Assistant Secretary David Sampson at a White House briefing, EDA plans to pursue a two-track approach in the upcoming

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outlined in the No Child Left Behind law, reducing regulatory barriers to business creation and housing development, and reducing violent crime rates within the community.

This new economic development initiative, which would be housed within the Department of Commerce, is expected to generate considerable debate and

months. The agency will promote the president's new agenda, while also continuing to implement the requirements of the reauthorization and appropriations bills passed by Congress last year. This includes the awarding of project grants and, potentially, the development and implementation of new regulations for EDA programs such as the district planning program.

## Environmental Protection Agency

The Bush budget plan provides the Environmental Protection Agency (EPA) with \$7.6 billion in discretionary budget authority, a decrease of \$500 million under current spending. Most of the funding reductions come from the elimination of congressional project earmarks and a proposed cut of \$370 million to the Clean Water State Revolving Fund.

EPA is proposing a new \$23 million State and Tribal Performance Fund. The fund would award competitive grants for projects that demonstrate public health and/or environmental benefits, including activities such as wetlands restoration, air quality assessments and hazardous waste management.

EPA is requesting \$4 million in new funding for deployment of Water Sentinel, a pilot monitoring and surveillance program that would provide early warning of the contamination of

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The administration is seeking a total of \$210 million for the brownfields program, an increase of \$45 million above current funding.

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This is the third successive year the administration has requested cuts within the clean water fund, with this year's funding projected at \$730 million. The Safe Drinking Water revolving fund would remain at \$850 million.

The administration is seeking a total of \$210 million for the brownfields program, an increase of \$45 million above current funding. The budget is silent on provisions contained in the 2005 omnibus appropriations bill that prohibit the use of brownfield grant funds for administrative expenses.

drinking water systems. An additional \$5 million is included for homeland security grants to support state efforts to work with drinking water and wastewater systems to develop emergency response plans and enhanced security.

The budget requests \$10 million for the Clean School Bus USA Initiative, \$2.5 million over current funding. The program provides grants to governmental entities for diesel school bus retrofit and replacement projects.

## Health and Human Services

The White House is requesting \$67.14 billion in discretionary budget authority for Health and Human Services (HHS) programs, nearly \$1.77 billion below current funding.

Within HHS, the activities and funding for Community Services Block Grants, Rural Community Facilities, and Urban and Rural Community Economic Development grants are eliminated and replaced with the president's proposed Strengthening America's Communities Initiative. (See EDA section on page 6 for more details.)

The Administration on Aging is funded at \$1.37 billion, a decrease of \$30 million. Within the agency, \$354 million is allocated for home and community-based support services, \$387 million for congregate nutrition services and \$183 million for home-delivered nutrition services. Funding is only cut from the accounts for the White House Conference on Aging and a performance innovation program.

The Low Income Home Energy Assistance Program (LIHEAP) is recommended at \$2 billion, a decrease of roughly \$200 million. The president dedicates \$1.8 billion for formula block grants to states and \$200 million for an emergency fund.

Head Start would receive \$6.89 billion under the administration request, a decrease of roughly \$10 million. Of the total, \$45 million is set aside for a presidential initiative to fund nine state pilot projects to promote coordination of state preschool programs, child care programs and Head Start into a single comprehensive system of early childhood programs. A similar proposal generated an intense debate on Capitol Hill last year.

The administration plans to press ahead on reauthorization legislation for Head Start programs that would grant states greater control of program funds. Specifically, the legislation (HR 2210) passed by the House during the 108<sup>th</sup> Congress would have given states the ability to take over local Head Start centers. The Senate measure (S 1940) did not contain similar language. Senate Democrats prevented the measure from moving to conference over concerns that they would be excluded from final negotiations on the compromise package.

The HHS budget contains \$161 million to fund faith-based and community-based initiatives. The Compassion Capital Fund is funded at \$100 million, \$45 million above current spending. The campaign provides funds for community, charitable and faith-based organizations to enhance their capacity to deliver social service programs. Another \$50 million is provided for the Mentoring Children of Prison-

ers program, equal to current spending. This initiative provides grants of up to \$5 million to enable public-private organizations to establish or expand projects that provide mentoring for the children of incarcerated parents and those recently released from prison.

## Homeland Security

**T**he Department of Homeland Security (DHS) receives \$41.1 billion under the president's 2006 plan, an increase of \$2.6 billion. However, most of the terrorism prevention programs for first responders are maintained at current levels or reduced.

The budget for the Office of State and Local Government Coordination and Preparedness includes \$3.56 billion for a variety of grant, training and technical assistance programs for state and local governments. This figure is \$420 million below 2005 funding.

For the second consecutive year, the administration is pursuing a major policy shift that would target most of the first responder and homeland security money to the areas deemed to be at highest risk for a terrorist attack.

As part of this effort, the president is proposing a significant reduction in the State Homeland Security Grant program. Fund-

ing for this important planning and preparedness program would be reduced by \$280 million to \$820 million. Local governments receive 80 percent of funding under current law.

In addition to reducing the overall budget for state homeland security grants, the president is proposing a major change to the allocation formula. The new plan would set the state minimum at 0.25 percent of total funding, down from the

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current percentage of 0.75. The remaining funds would be allocated based on assessments of risk and vulnerability, as well as the needs and priorities identified in state and regional homeland security plans.

In changing the distribution formula, the administration hopes to provide states with funds to achieve preparedness and response capabilities outlined in Homeland Security Presidential Directive-8 (HSPD-8). Beginning in 2007, states must comply with this presidential order or risk a reduction in federal funding. The change in formula would potentially cost small states and rural areas millions in federal homeland security grants in 2006.

The budget also contains \$820 million for the Urban Area Security Initiative (UASI), a cut of \$65 million. The program provides resources to urban areas deemed as high threat areas or regions. Funding is used for a variety of activities.

In addition, the president's homeland security budget proposal includes a change to the administration of the Local Law Enforcement Terrorism Prevention program. Instead of a separately funded formula grant program, the budget mandates that grantees allocate at least 20 percent of their urban assistance grants and state homeland security funds for local law enforcement counterterrorism efforts. This would bring the total available funding for local law enforcement terrorism prevention activities up to approximately \$408 million, slightly above 2005 funding.

Funding for the Emergency Management Performance Grant (EMPG) is set at \$170 million, \$10 million below the current

Under the president's proposal, priority would be given in the 2006 grant cycle to proposals that would enhance terrorism response capabilities.

Within the Emergency Preparedness and Response Directorate, formerly known as FEMA, most programs receive a modest increase or remain at current levels. The president is recommending a \$50 million increase for the pre-disaster mitigation program. This would restore the program to the 2004 level of \$150 million. Another \$200 million is proposed for flood map modernization activities, the same as the current level.

The administration is proposing \$2.14 billion for disaster relief efforts, \$98 million more than 2005. The administration is also recommending a statutory change to the disaster relief program by providing that states with enhanced mitigation plans would be eligible to receive up to 12.5 percent of eligible disaster relief costs, down from the current 20 percent rate.

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## **The budget includes \$600 million for the Targeted Infrastructure Protection program, a new grant account that would fund infrastructure protection for ports and other transit facilities.**

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The budget includes \$600 million for the Targeted Infrastructure Protection program, a new grant account that would fund infrastructure protection for ports and other transit facilities. It would replace several independent funding streams that were available in 2005 for port security, intercity bus security and intercity light rail security grants.

level. This formula grant program helps state and local officials develop and implement state homeland security plans.

For a third consecutive year, the administration is proposing a funding reduction for firefighter assistance grants. A total of \$500 million is requested for the congressional favorite, \$215 million below current funding.

The budget proposes \$49.9 million to establish a regional office structure for the homeland security department. Only twelve of the 22 agencies that were folded into the department two years ago currently have field offices. The new regional structure would resemble the FEMA model, with ten regional offices distributed throughout the country.

## Housing and Urban Development

**T**he budget proposes \$28.5 billion in discretionary spending for the Department of Housing and Urban Development (HUD), 12 percent below current spending of \$32.4 billion. Overall, the president's total budget proposal cuts HUD programs by 14 percent.

The largest cut in HUD would come from the elimination of the Community Development Block Grant (CDBG) program, currently funded at \$4.1 billion. Funding for the CDBG program, along with six other HUD programs, is eliminated and replaced with a new economic development grant program within the Department of Commerce. *(See Economic Development Administration on page 6 for details.)*

The HOPE VI Program, which provides grants to public housing agencies for the revitalization of severely distressed public housing, is eliminated. The program is currently funded at \$144 million. The budget states that the HOPE VI has surpassed its primary goal of demolishing 100,000 distressed housing units by 2003.

The budget provides \$1.74 billion for the HOME Investment Partnership Program, a decrease of \$124 million. A total of \$200 million is reserved for

the president's American Dream Downpayment Initiative, an increase of \$150 million above current spending. The Housing Counseling Assistance Program, previously funded as a set-aside within HOME, would be funded as a stand-alone program at \$39.7 million, a decrease of \$2.4 million.

A total of \$75 million is provided for the president's Prisoner Re-Entry Initiative. Fund-

lion. The program provides compensation to local governments for the loss of property tax revenues due to the presence of certain federal lands.

Within the Historic Preservation Fund, funded at \$66.2 million, is a new \$12.5 million Preserve America grant program. The fund provides competitive grants to states, tribes and local communities to demonstrate sustainable uses of their historic and

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**The Payment in Lieu of Taxes (PILT) program receives \$200 million, down from the current level of \$230 million. The program provides compensation to local governments for the loss of property tax revenues due to the presence of certain federal lands.**

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ing is spread across the departments of Labor, HUD and Justice with each contributing funds.

The budget increases spending for the Tenant-Based Section 8 Program by \$960 million to \$15.845 billion. This includes \$14.1 billion for Section 8 voucher renewals.

## Department of Interior

**U**nder the Department of Interior, the Payment in Lieu of Taxes (PILT) program receives \$200 million, down from the current level of \$230 mil-

cultural sites and the economic and educational opportunities related to heritage tourism.

## Department of Justice

**T**he budget provides a total of \$21.7 billion for the Department of Justice, level with current funding. Discretionary spending for the department would be cut slightly from \$20.2 billion to \$19.1 billion.

Similar to last year's request, the proposal reintroduces the president's effort to consolidate approximately 22 programs within the Department of

Justice into one overarching justice assistance account. The new program is designed to replace the Local Law Enforcement Block Grant, the Edward Byrne Memorial Assistance Grants and the COPS hiring program.

The budget provides \$60 million for state and local law enforcement agencies, non-profit agencies and agencies of local government within the Weed and Seed program, \$2 million less than current program funding. The Weed and Seed program would also be folded into the new consolidated justice grant program.

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**The only funding left under the COPS office would be \$22 million to be used for policy development and initiatives to combat methamphetamine production. The COPS office is presently funded at \$499 million.**

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The Juvenile Assistance Accountability Incentive Block grant, currently funded at \$54 million, and the State Criminal Alien Assistance Program, currently funded at \$301 million, are both terminated under the president's budget plan. The only funding left under the

COPS office would be \$22 million to be used for policy development and initiatives to combat methamphetamine production. The COPS office is presently funded at \$499 million.

## **Labor: Workforce Development**

**T**he president proposes total 2006 funding for the Labor Department to jump from \$50.7 billion to \$54.5 billion. However, this includes a \$500 million cut in discretionary spending, from \$12 billion to \$11.5 billion.

The budget consolidates four major job training programs into a single state block grant from the employment and training account. These four programs include three that were part of the 1998 Workforce Investment Act – adult, youth and dislocated worker initiatives – along with the Employment Service State Grant program. All of the programs received roughly \$4.2 billion for 2005, but would receive only \$3.9 billion in 2006.

Funding for one-stop career centers would also be folded into the new single block grant. However, \$10 million would be set-aside for centers to conduct in-person reemployment and eligibility assessments of unemployment insurance beneficiaries.

Under the consolidated grant program, states would have the option to consolidate other federal job training programs that are currently administered by the departments of Labor, Education and Agriculture. Governors would also have the ability to reallocate certain unexpended balances from a local workforce board to another local board within the state.

During the previous legislative session, bills (HR 1261 & S 1627) to reauthorize Labor's workforce development programs stalled over Senate Democrat objections that the House legislation consolidated too much power with the states. Members of the Senate also opposed provisions allowing discriminatory hiring practices among faith-based groups.

The 2006 budget includes \$436 million for the Community Service Employment for Older Americans program, \$3.52 million less than current funding. Job Corps receives \$1.52 billion, \$42 million less than current funding. The president's budget also proposes \$250 million for the Community College Initiative, level with current funding. The Prisoner Re-Entry Initiative would be funded at \$35 million, \$15 million above current funding. The budget proposal would also move a youthbuild program within HUD to the Department of Labor. The program would be funded at \$58.9 million, \$3.1 million below 2005 funding.

## National Telecommunications and Information Administration

**W**ithin the Department of Commerce, NTIA's Technology Opportunities Program (TOPs) is eliminated, as proposed by the president last year and approved in the fiscal 2005 omnibus appropriations measure by Congress. The budget proposal also eliminates funding for the agency's Public Telecommunications Facilities, Planning and Construction Grant program, currently funded at \$21.76 million.

## Small Business Administration

**T**he Small Business Administration (SBA) budget includes \$592.9 million in budget authority for fiscal 2006, a decrease of \$17.1 million. Funding for SBA, especially grant money, has steadily decreased since the Bush administration requested \$797 million for the agency in fiscal 2003.

The budget proposes a \$16.5 billion program level for SBA's primary lending program, the 7(a) program. This represents an increase of \$500 million in the program's loan level. An increase of \$500 million is also slated for the 504 Certified Development Company's program loan level, bringing its cap up to \$5.5 billion.

For the second year in a row, the administration is seeking to eliminate funding for the microloan and microloan technical assistance programs, which received \$15 million and \$14 million respectively for fiscal 2005. The agency cites the ability of the 7(a) program to serve the same clientele.

Funding for the New Market Venture Capital Program and the Program for Investment in Microentrepreneurs (PRIME) is eliminated. The programs are currently funded at \$3.1 million and \$5 million, respectively.

The budget proposes changes to the HUBZone program, funded at \$7.3 million. Non-metropolitan counties that qualify based on unemployment will be re-evaluated on a five-year cycle rather than an annual cycle.

In addition, small businesses that either were terminated or slated for termination from the program -- because the areas they are located in are no longer considered to be distressed -- will retain the ability to participate until the results of the next census data collection.

SBA's disaster assistance program, which provides resources to businesses and individuals affected by disasters, would be funded at \$810 million, a decrease of \$3.16 billion.

## Department of Transportation

**T**he Department of Transportation's (DOT) budget authority would decline 3.3 percent to \$58.8 billion. The centerpiece of the department's budget is a \$283.9 billion six-year surface transportation bill.

Last year, the administration recommended a \$256 billion for the pending highway and transit reauthorization bill. Congressional conferees were close to settling on a \$299 billion compromise before the 108<sup>th</sup> Congress adjourned in December. However, two factions emerged in the Senate, one advocating a minimum six-year spending total of \$311 billion and the other supporting the president's lower figure of \$254 billion.

The increase in the president's transportation proposal is largely the result of legislation enacted by Congress last year that credits taxes from ethanol sales to the highway trust fund. The change is expected to add roughly \$24 billion to the fund.

The administration plans to provide new authority to issue \$15 billion in tax-exempt private activity bonds for the development of highway facilities and surface freight transfer facilities.

Highway facilities eligible for financing would consist of any surface transportation project eligible for federal assistance or

any project for an international bridge or tunnel for which an international entity authorized under federal or state law is responsible. The Secretary of Transportation would allocate the funds, which would not be subject to the annual aggregate state private activity bond limit.

The Federal Aviation Administration budget includes a \$500 million cut in the Airport Improvement Program, lowering the program to \$3 billion. Funding for the \$20 million Small Community Air Service Pilot Program is also eliminated under the president's plan.

The Essential Air Service (EAS) program would be reduced by \$52 million to a program level of \$50 million. In addition, the White House is proposing to restructure the program, including the local match share, for the third straight year.

A community would receive EAS funding only if it provided matching funds from non-federal sources. If a community is fewer than 100 miles from the nearest large or medium hub airport, 75 miles from the nearest small hub airport or 50 miles from the nearest non-hub airport with jet service, the community is required to contribute a minimum 50 percent local match to EAS funds. If a community is more than 210 miles from the nearest large or medium hub airport it has a 10 percent match requirement. All other communities have a 25 percent cost share.

In prioritizing funding, the department would first fund the most isolated communities that are able to conform to the cost-share requirements until available funds are expended. There are no minimum service require-

ments to receive funding. Service can consist of ground transportation, single-engine, single pilot operations, air taxi, charter service or regional service.

Congress incorporated a limited version of the pilot program in the 2003 aviation reauthorization bill. However, congressional appropriators have placed temporary holds on the cost-sharing pilot for EAS communities in the past two years.

For the third straight year, the White House is attempting to reorganize and streamline grant programs within the Federal Transit Administration (FTA). While Congress has resisted the proposed changes, the budget would combine formula grants, planning, research, rail modernization and Job Access Reverse Commute (JARC) funds into a single formula grant program funded at \$6.13 billion.

The new account would provide \$392.6 million for non-urbanized areas, an increase of nearly \$140 million. JARC is provided with \$163.86 million, an increase of \$38.8 million. The Rural Transit Assistance Program (RTAP)

receives a \$2.6 million increase to \$7.85 million.

The budget provides no funding for Amtrak. However, \$360 million would be allocated to the Surface Transportation Board to continue commuter rail service, primarily in the Northeast corridor. The White House has criticized Congress for failing to enact reauthorization legislation for Amtrak. This is the third year in a row the president has proposed cutting Amtrak's budget, which Congress funded at \$1.2 billion in fiscal 2005.

The administration's reauthorization proposal would essentially split the existing company into three different companies. The cost and responsibility for operating and maintaining the rail lines would be transferred to the states, which could then choose to privatize the routes, ending federal subsidies.

**The Essential Air Service program would be reduced \$52 million to a program level of \$50 million. In addition, the White House is proposing to restructure the program, including the local match share, for the third straight year.**

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(Numbers indicate program level in millions of dollars unless specified)	FY 2002 Final	FY2003 Final	FY2004 Final	FY2005 Proposed Budget	FY2005 Final Approps (1)	FY2006 Proposed Budget
<b>Department of Agriculture</b>						
<b>Rural Community Advancement Program</b>	806.56	907.73	757.42	541.98	716.05	<b>521.69</b>
RCAP-Water/Sewer	646.51	723.21	605.00	439.46	552.00	<b>449.66</b>
RCAP-Community/Facilities	83.55	96.80	75.92	29.34	89.18	<b>27.81</b>
RCAP-Business-Cooperative	76.50	87.72	76.50	73.18	74.18	<b>44.22</b>
<b>RCAP-Earmarks/Set-asides:</b>						
High energy costs	30.00	30.00	28.00	0.00	28.00	<b>0.00</b>
Economic Impact Initiative Grants (2)	25.00	25.00	25.00	0.00	21.00	<b>0.00</b>
Colonias	20.00	25.00	25.00	11.80	25.00	<b>11.80</b>
Water & Sewer Technical Assistance	17.47	18.33	17.73	16.22	18.30	<b>16.21</b>
Alaska	24.00	30.00	28.00	11.80	26.00	<b>11.80</b>
Circuit Rider	11.00	12.10	13.00	9.50	13.50	<b>9.50</b>
Delta	2.00	2.00	1.75	0.00	1.00	<b>0.00</b>
EZ/EC and REAP Zones	37.62	37.62	22.13	22.17	22.16	<b>13.37</b>
Rural Community Development Initiative	6.00	7.00	6.00	0.00	6.30	<b>0.00</b>
Northern Great Plains Regional Authority	0.00	0.00	1.50	0.00	1.49	<b>0.00</b>
<b>Rural Housing Service</b>						
<b>Loans:</b>						
Section 502 - Single Family Housing	4,217.81	5,572.00	4,091.63	3,825.19	4,459.30	<b>4,681.03</b>
Section 504 - Housing Repair	32.32	35.00	35.00	35.00	35.00	<b>35.97</b>
Section 515 - Rental Housing	114.06	115.80	116.55	60.00	100.00	<b>27.03</b>
Section 523 - Self-Help Housing Land Development	5.00	4.98	2.40	5.00	10.00	<b>5.05</b>
Section 524 - Site Loans	5.09	5.01	5.04	5.04	5.05	<b>5.00</b>
Section 538 - Multi-family Housing	99.77	100.00	100.00	100.00	100.00	<b>200.00</b>
<b>Grants:</b>						
Rental Assistance Program	701.00	726.00	584.00	592.00	592.00	<b>650.03</b>
Mutual and Self-Help Housing Grants	35.00	35.00	34.00	34.00	34.00	<b>34.00</b>
Rural Housing Assistance Grants	38.91	42.49	46.22	42.50	44.00	<b>41.00</b>
<b>Rural Business-Cooperative Service</b>						
Intermediary Relending Program	38.17	40.00	40.00	34.00	34.21	<b>34.21</b>
Business and Industry Loans	732.62	894.15	552.00	600.00	595.20	<b>899.00</b>
Rural Economic Development Loan Account	15.00	14.96	15.00	25.00	25.00	<b>25.00</b>
Rural Business Enterprise Grants (2)	41.00	46.68	48.00	40.00	39.68	<b>0.00</b>
Rural Cooperative Development Grants	7.75	9.00	24.00	21.00	24.00	<b>21.00</b>
Rural Business Opportunity Grants (2)	5.10	2.98	3.00	3.00	3.00	<b>0.00</b>
Rural EZ/EC Round II Grants (2)	14.97	14.96	12.67	0.00	12.50	<b>0.00</b>
<b>Rural Utilities Service</b>						
Rural Electrification and Telecommunications Loans Program	4,566.00	5,566.13	5,605.00	4,989.00	4,840.00	<b>3,189.00</b>
Rural Telephone Bank	174.61	174.61	173.50	0.00	175.00	<b>0.00</b>
Distance Learning & Telemedicine Grants	49.44	48.81	39.00	25.00	35.00	<b>25.00</b>
Distance Learning and Telemedicine Loans	80.00	80.00	300.00	0.00	50.00	<b>0.00</b>
Broadband Loans	0.00	0.00	602.00	331.00	550.00	<b>358.87</b>
Broadband Telecommunications Grants	22.50	10.00	9.00	0.00	9.00	<b>0.00</b>
<b>National Resource Conservation Service</b>						
Resource Conservation and Development	48.05	51.00	51.95	50.76	51.64	<b>25.60</b>

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<b>Appalachian Regional Commission</b>						
Non-Highway Program	71.29	71.29	65.61	66.00	66.00	<b>65.47</b>
Appalachian Development Highway Systems (3)	690.00	588.00	525.00	450.00	530.00	<b>450.00</b>
<b>Delta Regional Authority</b>	10.00	8.00	5.00	2.00	6.04	<b>6.00</b>
<b>Denali Commission (4)</b>	58.00	48.00	55.00	2.00	67.00	<b>2.56</b>
<b>Department of Commerce</b>						
<b>Economic Development Administration (2)</b>	365.56	320.76	318.67	320.32	257.42	<b>26.58</b>
Planning Grants	24.00	24.00	24.00	24.00	24.50	<b>0.00</b>
Public Works	250.00	205.00	202.28	200.00	166.60	<b>0.00</b>
Economic Adjustment Grants	40.90	40.90	40.90	45.00	45.40	<b>0.00</b>
Technical Assistance	9.10	9.10	8.43	8.00	8.40	<b>0.00</b>
Research & Evaluation	0.50	0.50	0.50	0.50	0.50	<b>0.00</b>
Trade Adjustment & Assistance	10.50	10.50	12.00	12.00	12.00	<b>0.00</b>
Defense Conversion	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Salaries and Expenses	30.56	30.76	30.56	30.56	30.48	<b>26.58</b>
<b>Strengthening Americas Communities Initiative (5)</b>						<b>3,710.00</b>
<b>National Telecommunications and Information Administration</b>						
Technology Opportunities Program	15.50	15.50	15.00	0.00	0.00	<b>0.00</b>
<b>Community Development Financial Institutions (2)</b>	80.00	75.00	61.00	48.40	55.50	<b>0.00</b>
<b>Environmental Protection Agency</b>						
Clean Water State Revolving Loan Funds	1,350.00	1,350.00	1,350.00	850.00	1,100.00	<b>730.00</b>
Safe Drinking Water State Revolving Loan Funds	850.00	850.00	850.00	850.00	850.00	<b>850.00</b>
Brownfields Initiative (6)	97.65	166.60	171.00	210.00	165.00	<b>210.00</b>
Enforcement State Grants	0.00	0.00	2.25	0.00	2.25	<b>0.00</b>
Environmental Information Exchange Program	25.00	19.99	20.00	25.00	19.50	<b>20.00</b>
Targeted Watershed Grants	0.00	15.00	15.00	25.00	18.00	<b>15.00</b>
<b>Homeland Security</b>						
<b>State and Local Programs</b>						
Urban Area Security Initiative	0.00	700.00	725.00	1,451.60	885.00	<b>820.00</b>
Targeted Infrastructure Protection (7)	0.00	0.00	0.00	0.00	0.00	<b>600.00</b>
State and Local Formula Grants	0.00	2,335.88	1,700.00	750.00	1,100.00	<b>820.00</b>
Local Law Enforcement Terrorism Prevention Grants (8)	0.00	0.00	500.00	500.00	400.00	<b>408.00</b>
Citizen Corps	0.00	0.00	40.00	50.00	15.00	<b>50.00</b>
Emergency Management Performance Grants	0.00	0.00	180.00	170.00	180.00	<b>170.00</b>
<b>Emergency Preparedness and Response Programs</b>						
Disaster Relief	5,020.87	800.00	1,800.00	2,151.00	2,042.38	<b>2,140.00</b>
Pre-Disaster Mitigation	25.00	150.00	150.00	170.00	100.00	<b>150.06</b>
Flood Map Modernization Fund	32.00	150.00	252.00	200.00	200.00	<b>200.00</b>
Firefighters Assistance Grants (9)	360.00	750.00	750.00	500.00	715.00	<b>500.00</b>

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<b>Department of Health and Human Services</b>						
Community Services Block Grants	650.00	645.76	645.76	495.00	642.00	<b>0.00</b>
Social Services Block Grants	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	<b>1,700.00</b>
Head Start	6,538.00	6,667.53	6,815.57	6,943.58	6,899.00	<b>6,888.14</b>
Low Income Home Energy Assistance Program (10)	2,000.00	1,700.00	1,900.00	2,000.00	2,200.00	<b>2,000.00</b>
Child Care and Development Block Grants	2,099.99	2,086.64	2,099.72	2,099.72	2,099.73	<b>2,082.91</b>
<b>Administration on Aging</b>	1,199.81	1,376.01	1,381.69	1,376.53	1,404.63	<b>1,369.03</b>
Supportive Services and Centers	357.00	358.00	356.00	357.00	357.00	<b>354.00</b>
Nutrition Services (Congregate Meals)	390.00	384.59	388.64	389.00	390.00	<b>387.00</b>
Nutrition Services (Home Delivered Meals)	176.50	180.95	180.98	181.00	184.30	<b>183.00</b>
Preventive Health Services	21.12	22.06	21.91	22.00	22.00	<b>22.00</b>
Research, Training and Special Projects	38.28	40.52	33.22	24.00	43.60	<b>24.00</b>
<b>Department of Housing and Urban Development</b>						
<b>Community Development Fund</b>	5,000.00	4,937.00	4,950.00	4,618.10	4,709.00	<b>0.00</b>
<b>Community Development Block Grant (CDBG) Formula (2)</b>	4,341.00	4,367.00	4,356.55	4,330.85	4,150.03	<b>0.00</b>
<b>CDBG Set-Asides:</b>						
Native American (11)	70.00	71.00	72.00	71.58	69.00	<b>57.80</b>
Section 107 - Special Purpose Grants	42.50	49.10	52.00	35.29	43.70	<b>0.00</b>
Economic Development Initiative	294.20	261.00	278.00	0.00	262.00	<b>0.00</b>
Housing Assistance Council	3.30	3.30	3.30	3.28	3.30	<b>0.00</b>
YouthBuild	65.00	60.00	65.00	64.62	62.00	<b>0.00</b>
Self-Help Homeownership (12)	22.00	25.25	27.00	65.00	25.00	<b>30.00</b>
<b>Community Planning and Development</b>						
American Dream Downpayment Fund	50.00	75.00	87.50	200.00	50.00	<b>200.00</b>
Brownfields Economic Development Initiative (BEDI) (2)	25.00	25.00	25.00	0.00	24.00	<b>0.00</b>
HOME Investment Partnerships Program	1,846.04	2,000.00	2,017.00	1,884.00	1,865.00	<b>1,741.00</b>
HOME- Housing Counseling Assistance	20.00	40.00	40.00	0.00	42.00	<b>39.70</b>
Urban Empowerment Zones & Enterprise Communities (2)	45.00	30.00	15.00	0.00	10.00	<b>0.00</b>
Rural Housing and Economic Development (2)	25.00	25.00	25.00	0.00	24.00	<b>0.00</b>
<b>Department of Interior</b>						
Payments in Lieu of Taxes	210.00	220.00	227.50	226.00	230.00	<b>200.00</b>
<b>Department of Labor</b>						
<b>Employment and Training Administration</b>						
<b>Consolidated WIA State Grant (13)</b>						<b>3,913.00</b>
Adult Employment and Training Activities (14)	950.00	900.00	900.00	900.00	898.00	<b>0.00</b>
Dislocated Worker Employment and Training (14)	1,549.00	1,463.77	1,456.76	1,383.00	1,479.00	<b>0.00</b>
Youth Activities (14)	1,127.96	994.46	1,000.96	1,001.00	994.00	<b>0.00</b>
Job Corps	1,459.20	1,518.55	1,546.21	1,557.30	1,559.00	<b>1,517.00</b>
Community Service Employment for Older Americans	445.10	445.20	441.25	440.20	440.20	<b>436.68</b>
One-Stop Career Centers (14)	120.00	99.35	99.35	99.35	98.76	<b>0.00</b>
Prisoner Re-entry Initiative	0.00	0.00	0.00	90.00	20.00	<b>35.00</b>
Community College Initiative	0.00	0.00	0.00	250.00	250.00	<b>250.00</b>
Youthbuild (15)						<b>58.90</b>
<b>Small Business Administration</b>						
Section 504 Development Company Debentures	4,500.00	4,500.00	4,500.00	4,500.00	5,000.00	<b>5,500.00</b>

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7(a) General Business Loans	9,435.00	10,000.00	9,550.00	12,500.00	16,000.00	<b>16,500.00</b>
Small Business Investment Company Program Debentures	2,500.00	3,000.00	3,000.00	3,000.00	3,250.00	<b>3,000.00</b>
Small Business Development Centers (SBDC)	90.01	89.00	89.00	88.00	89.00	<b>88.00</b>
Microloan Technical Assistance	17.75	15.00	15.00	0.00	14.00	<b>0.00</b>
Microloan Program	27.50	29.00	20.00	0.00	15.00	<b>0.00</b>
HUBZones (16)	2.00	2.00	2.00	0.00	1.97	<b>7.30</b>
Program for Investment in Microentrepreneurs (PRIME)	5.00	5.00	5.00	0.00	5.00	<b>0.00</b>
<b>Department of Transportation</b>						
<b>Federal Aviation Administration</b>						
Airport Improvement Program	3,300.00	3,400.00	3,400.00	3,500.00	3,500.00	<b>3,000.00</b>
Small Community Air Service Development Program	20.00	20.00	20.00	0.00	20.00	<b>0.00</b>
Essential Air Service	113.00	113.00	102.00	50.00	102.00	<b>50.00</b>
<b>Federal Transit Administration</b>						
Section 5311 - Nonurbanized Area Formula	223.43	239.40	239.40	366.60	252.90	<b>392.64</b>
Section 5311(b)(2) - Rural Transit Assistance Program	5.25	5.25	5.25	7.33	5.20	<b>7.85</b>
Job Access and Reverse Commute Grants (17)	125.00	150.00	125.00	153.00	125.00	<b>163.86</b>
Over-the-Road Bus Accessibility Incentive Program	6.95	6.95	11.00	6.95	6.95	<b>6.95</b>
<b>Federal Highway Administration</b>						
Federal-Aid Highways (18)	31,799.10	31,800.00	33,843.00	34,382.00	34,700.00	<b>34,700.00</b>

**Notes:** Numbers indicate program level in millions of dollars unless specified.

- 1 Final F2005 does not reflect across-the-board reduction of 0.83 percent.
- 2 President Proposes to terminate program and replace w/ Strengthening America's Communities Initiative.
- 3 Approximately \$450 million is provided each year by the Transportation Equity Act for the 21st Century (TEA-21).
- 4 Denali Commission figure is direct appropriations only. It does not include earmarks within other federal programs and trust fund revenue.
- 5 New economic development initiative consolidating 18 existing programs.
- 6 Combined funding from three separate accounts in EPA.
- 7 New program for FY'06.
- 8 For FY'06, funding derived from UASI & State and Local Formula Grants.
- 9 For FY'06, moved under State and Local programs.
- 10 Includes \$200 million from Emergency Contingency Fund.
- 11 For FY'06, funded as set-aside w/in Native American Housing Block Grant Program.
- 12 For FY'06, funded as stand-alone program.
- 13 New consolidated workforce program for FY'06.
- 14 Funding transferred to consolidated workforce program for FY'06.
- 15 Program transferred from HUD to DOL.
- 16 For FY'06, no appropriation requested. Funded from existing accounts.
- 17 Administration budget merges into block grant to states.
- 18 Funding for highway programs is distributed on overall federal-aid obligation limitation, as authorized by TEA-21. Levels are only estimates as TEA-21 set guaranteed levels but allows automatic increases if additional revenue is generated in highway trust fund. Maintains five major program categories of Interstate Maintenance, National Highway System, Surface Transportation Program, Bridge Replacement and Rehabilitation Program, and Congestion Mitigation and Air Quality Improvement Program.

# 2005 NADO WASHINGTON POLICY CONFERENCE

APRIL 10-12 • MARRIOTT METRO CENTER HOTEL • WASHINGTON, DC

## SATURDAY, APRIL 9

4:00 - 6:00 pm Executive Committee

## SUNDAY, APRIL 10

9:00 - 10:00 am **Task Force Meetings** (Open to All)  
 • Economic Development Administration  
 • Regional Transportation  
 • Homeland & Emergency Preparedness  
 • Research Foundation Advisory Committee

10:10 - Noon **Board of Directors** (Open to All)  
 • Presentation on NADO Program Initiatives  
 • Adoption of 2005 Legislative Priorities

1:30 - 4:00 pm **Competing in the New Political Environment:**  
 Incorporating Federal and State Advocacy into Your Organization's Strategic Plan

4:15 - 5:30 pm **Caucus Meetings for Federal-State Regional Commissions** (Delta, Northern Great Plains, SouthEast Crescent & Southwest Border)

6:00 - 8:00 pm **Opening Event: A Special Performance by Capitol Steps**, the famous troupe of former congressional staffers turned songwriters

## MONDAY, APRIL 11

8:00 - 8:50 am **Membership Caucus Meetings** (Open to All)  
 Breakout by NADO Region

9:00 - 9:40 am **Insights into the Bush Administration's Domestic Policy Agenda** for the 2nd Term

9:50 - 10:30 am **Views from Capitol Hill** on the Year Ahead  
 10:40 - 11:50 am **Transportation:** Progress or Congestion Ahead  
 Noon - 1:30 pm **Luncheon Address:** An Insiders View into the Federal Budget and Appropriations Process

The Honorable Bob Livingston (R-LA), former Chair of the House Appropriations Committee & Founder of The Livingston Group  
 1:40 - 2:50 pm **Prospects for Federal Development Programs:** EDA, USDA & HUD

3:00 - 4:00 pm **Breakout Sessions--**  
 • Homeland Security & Emergency Management: Pursuing a Regional Approach to Preparedness  
 • Future Directions for Federal Workforce and Aging Programs

4:10 - 6:00 pm **Federal Agency Networking Roundtables** (Includes Snacks and Refreshments)

## TUESDAY, APRIL 12

8:00 - 9:15 am **Breakfast** Honoring the Recipient of the 2005 NADO Legislative Leadership Award

9:30 am - 5:00 pm **Congressional Visits** on Capitol Hill

2:00 - 3:30 pm NADO Briefing for Congressional Staff:  
 Communicating the Regional Development Agenda (Capitol Hill -- Open to All)

Tuesday, April 12 & Wednesday, April 13 - Time for State Association Events Including Kentuckians in Washington

## CONFERENCE HIGHLIGHTS

- ✓ Educate lawmakers and their staffs about priority issues and local projects during Capitol Hill visits. This includes helping NADO generate and demonstrate grassroots support on topics such as economic development, homeland security and transportation.
- ✓ Learn about potential funding opportunities, pending legislation and proposed program changes to federal economic and community development, transportation, homeland security and social services programs.
- ✓ Hear from former Rep. Bob Livingston, one of the nation's leading experts and most influential advisors on federal budget and appropriations issues. From 1995 to 1999, Livingston chaired the House Appropriations Committee on which he served for 18 years.
- ✓ Receive an updated congressional directory for the 109th Congress, an in-depth analysis of the President's FY2006 budget proposal, and personalized talking points and issue briefs on priority policy issues.
- ✓ Enjoy a special presentation by the Capitol Steps, a troupe of current and former congressional staffers who monitor events and personalities on Capitol Hill and in the Oval Office, and then take a humorous look at serious issues while providing laughs for everyone.



**Warning: The Capitol Steps, according to former US Surgeon General C. Everett Koop, will cause your sides to split.**

# 2005 NADO WASHINGTON POLICY CONFERENCE

## REGISTRATION FORM

APRIL 10-12 • MARRIOTT METRO CENTER HOTEL • 775 12TH ST, NW (12TH & H STS) WASHINGTON, DC

To register for the 2005 NADO Washington Policy Conference, complete this form and send with payment to:  
 NADO, 400 N. Capitol Street, NW, Suite 390, Washington, DC 20001 • Fax 202.624.8813 • Email [info@nado.org](mailto:info@nado.org)

Name: \_\_\_\_\_ Title: \_\_\_\_\_

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Spouse Name (If Attending): \_\_\_\_\_

	Early Bird (Before March 8)	Regular (After March 8)	# of Registrants	Total
Platinum Member	\$275	\$325	X	_____
Sustaining & Sustaining Associate	\$300	\$350	X	_____
General & Associate Members	\$325	\$375	X	_____
Nonmember	\$425	\$475	X	_____
Spouse	\$50	\$75	X	_____
<b>Total # of Registrants</b>			_____	
<b>Total Amount Enclosed</b>				_____

### — HOTEL INFORMATION —

NADO's 2005 Washington Policy Conference will be held at the Marriott Metro Center Hotel, 775 12th Street, NW, Washington, DC -- located between 12th and H Streets. Please reserve your room by March 8 and reference the NADO conference rate to ensure you receive the reduced conference room rate. For reservations, please contact the Marriott at 800.228.9290 or 202.737.2200.

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**Cancellation Policy:** Cancellations must be in writing and received by April 1. A \$50 fee will be charged for each cancelled registration.

**Payment Policy:** Payments must be mailed with registration forms. Immediate payment is required prior to on-site registration.

**Americans with Disabilities Act:** If you require special services to participate in the conference, please inform NADO of your needs.