



# **The Northeast-Midwest Regional Budget Analysis:** *Information about the President's Proposed Fiscal 2012 Funding Request for Selected Programs of Regional Interest*

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**Northeast-Midwest Institute  
Northeast-Midwest Congressional Coalition  
Northeast-Midwest Senate Coalition**

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## **Regional Overview**

Each year the Northeast-Midwest Institute and Northeast-Midwest Congressional and Senate Coalitions produce a rapid review of the President's proposed budget for its potential impact on the Northeast-Midwest region. This analysis describes, by Congressional Appropriations Committee jurisdiction, federal programs of key interest to the Northeast-Midwest region which are either facing large proposed cuts or enjoying proposed increases in the Administrations FY 2012 proposed budget.

### ***Agriculture***

With the proposed cuts to USDA's mandatory Farm Bill conservation programs, overall NRCS and FSA conservation programs will lose more than \$1 billion from what they would have received under the funding growth levels envisioned under the Farm Bill. The budget, however, includes the highest funding levels ever for the Wetlands Reserve Program (WRP), a winner in the President's FY 2012 budget, which enjoyed a \$285 (56.4%) increase over last year's request to total \$785 million (a \$59 million increase from current funding levels). The WRP is a voluntary program,

managed by NRCS, in which landowners are paid to retire cropland from agricultural production if those lands are restored to wetlands and protected, in most cases, with a long-term or permanent easement. The water rich Northeast-Midwest region is a major subscriber to this program.

Also subject to bump up (25%) from FY 2011 request levels were the Farm and Ranch Lands Protection Program (NRCS funding for the purchase of conservation easements or other interests in land for the purpose of protecting agricultural use and related conservation values by limiting nonagricultural uses of the land) to total \$200 million, and the Conservation Stewardship Program (financial and technical assistance on Tribal and private agricultural working lands to support ongoing conservation stewardship) to total \$788 million

The president proposes a deep cut (31%) from \$72 million in his FY 2011 request, to \$50 million in his FY 2012 request, to the Agriculture Department's Chesapeake Bay Conservation Program, which provides Chesapeake Bay regional producers assistance in implementing conservation practices.

### ***Energy and Water***

The President's stated interest in research and development for a new energy future is evident in his hefty proposed increases in funding for such programs as the Industrial Technologies Program, the Building Technologies Program and the Advanced Research Projects Agency-Energy (ARPA-E). All told, the President requests an over 100% increase for these programs to \$1.341 billion from a FY 2011 request of \$631 million, and a 335% increase over the FY 2010 appropriated level of \$308 million. The ARPA-E program accounts for \$541 million of the proposed increase over the FY 2010 actual level.

### ***Interior and Environment***

The President's FY 2012 budget cuts \$550 million (26%) from the FY 2010 appropriation for the Clean Water State Revolving Fund-a Federal loan assistance authority for water quality improvement projects to construct municipal wastewater facilities and implement nonpoint source pollution control and estuary protection projects. Likewise, the Administration strips \$390 million (28%) off the similarly structured Drinking Water State Revolving Fund. Though the proposed SRF funding levels total \$1 billion more than in FY 2009 appropriations, the need for infrastructure repair and renewal is great, and ever growing, in the older industrial areas of the Northeast-Midwest region.

Shared with the Agriculture Department, the Interior Department's Land and Water Conservation Fund, however, received a pronounced increase in the President's FY 2012 proposed budget. The program is a significant resource for the Northeast-Midwest region, providing funds for Federal, State, and local land acquisition and other conservation programs, and grants to States for recreation planning, acquiring lands and waters, and developing recreation facilities. In FY 2010 the program received \$450 million, and the President proposes to fully fund it at \$900 million in FY 2012, a 100% jump.

The President devotes \$350 million to the Environmental Protection Agency's Great Lakes Restoration Initiative in FY 2012. This level is up by 17% from the FY 2011 proposed level, but down by \$125 million (26%) from FY 2010 actual appropriations for the program.

***Labor, HHS***

The number of families in need of energy assistance in the Northeast-Midwest region is at record levels, as has the number of reported shut-offs and arrears. The Northeast-Midwest Senate and Congressional Coalitions led the effort to restore funding for LIHEAP to \$5.1 billion in FY 2010. The President's FY 2012 request for the nation's Low Income Home Energy Assistance Program is only \$2.57 billion (1.98 billion in block grants and 590 million in contingency), 22% lower than his FY 2011 request of \$3.3 billion, and a painful 50% cut from the FY 2010 appropriated amount.

***Commerce, Justice, State***

This year the Administration requested \$142.0 million for the Manufacturing Extension Partnership Program, a critical element in governmental efforts to assist in the rebirth of manufacturing in the Northeast-Midwest region. This level is a \$12 million increase over his FY 2011 request, and \$17.3 million more than the FY 2010 actual amount appropriated.

***Transportation, Treasury, and HUD***

In the area of mass transportation, so critical to the economies of the Northeast-Midwest states, the administration proposes to discontinue two narrow programs and replace them with two broader programs. The President in his FY 2012 budget eliminates all direct funds for Amtrak (National Railroad Passenger Corporation), totaling nearly \$1.6 billion in FY 2010; and the Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service program, funded at \$2.5 billion in FY 2010. Meanwhile, the President creates a new Railroad System Preservation and Renewal Fund and Railroad Network Development Programs, at \$4 billion each. These programs support the Administration goal of 80% of Americans connected by high-speed rail within 25 years. Amtrak will now compete for funds with other programs through the Railroad System Preservation and Renewal Fund and is expected to be the major recipient. The programs are meant to be authorized by Congress' coming Surface Transportation Reauthorization.