

**USU/A·P·L·U Office of Urban Initiatives
Federal Update
FY2012 Budget Summary and the FY2011 Continuing Resolution**

The following summary provides a quick initial review by USU of: 1) the FY2012 budget requests from different agencies related to urban development and the urban agenda; and 2) an update on the Continuing Resolution (CR) and the amendments being added to it. It does not cover all issues related to higher education policy.

For additional information, government-wide budget documents are available [here](#) on the White House Office of Management and Budget (OMB) website. Information on the status of the CR is available [here](#).

2012 Federal Budget Overview

Corporation for National and Community Service

The President is requesting \$1.3 billion for the Corporation for National and Community Service, which is a 9% increase over the 2010 budget. The budget proposes to increase the funding for the Social Innovation Fund from \$50 million in 2010 to \$70 million in 2012. The fund invests in new approaches to solving difficult social problems. Americorps funding is also increased to \$770 million from \$698. Americorps supports volunteers, including students, to building the capacity of the nonprofit sector to address social problems.

Department of Education (ED)

The President proposes to increase Education spending. Specific budget allocations include:

- \$26.8 billion, an increase of 6.9 percent, for a reformed Elementary and Secondary Education Act (ESEA);
- \$150 million in Promise Neighborhoods, an effort that looks to integrate K-12 education reforms with support services that address an entire neighborhood, to improve high school completion and entry into college.
- \$975 million in competitive initiatives to recruit, prepare, reward, and retain great teachers.
- \$150 million to launch the First in the World Competition, to increase college access and improve educational productivity using an evidence-based competition
- \$50 million (with a goal of \$1.3 billion over five years) in performance based funding to higher education institutions that demonstrate success enrolling, graduating and enabling the employment of high-needs students.

Finally, the Department of Education is looking at significant reform by eliminating 13 discretionary programs and consolidating 38 K-12 programs into 11 programs.

Additional information about the Department's budget proposal is available [here](#).

Economic Development Administration (Department of Commerce)

The President's budget requests \$284 million, a 7.5-percent increase, for the Department of Commerce Economic Development Assistance (EDA) programs. A portion of these funds, \$40 million, will be used to support businesses and regions through the Regional Innovation Program authorized in the America COMPETES Reauthorization Act and provide financing for science and research parks.

The EDA will also support the Administration's proposal to make competitive awards for Growth Zones, to bring market-based growth strategies and tax benefits to 20 new areas facing economic distress in urban and rural regions that have both strong potential for growth and significant need. Growth zones replace the Empowerment Zone programs run by HUD and represent an EDA/HUD partnership. The Budget also provides \$40 million through EDA to assist the selected zones with planning, seed capital, and technical assistance.

The Administration's budget request seeks to save \$15.8 million by eliminating the Trade Adjustment Assistance for Firms program.

The Department of Commerce budget is available [here](#).

Health Resources Services Administration (HRSA in the Department of Health and Human Resources)

The FY2012 budget request includes \$9 billion for the Health Resources and Services Administration representing a net increase of \$975 million above the FY 2010 program level. The HRSA budget includes \$3.3 billion for Health Centers Programs of which \$1.2 billion is mandatory funding created by the Affordable Care Act Community Health Center Fund which aims to expand the capacity of existing health centers as well as create new areas of access.

Housing and Urban Development (HUD)

At the agency briefing, Secretary of Housing and Urban Development Shaun Donovan stressed a commitment to building inclusive and sustainable communities free from discrimination as well as strengthening the nation's housing and rental markets and using housing as a tool for improving the quality of life. The FY2012 Budget Request would provide flat funding of \$150 million for the interagency Sustainable Communities program for communities to develop comprehensive sustainable development plans.

Up to \$5 million of the Sustainable Communities funding will be used to improve energy efficiency in HUD-assisted public and privately-owned housing through better energy use data collection and analysis. The budget also removes Sustainable Communities from the Community Development Fund budget and gives its own line item.

The proposed budget would also fund the Community Block Grant program at \$3.8 billion in FY2012, a \$300 million cut from FY2010 levels. CDBG provides an important state and local resource for community development purposes.

HUD will also be launching another interagency effort in partnership with the Department of Commerce's Economic Development Administration (EDA) to assist communities better use the federal investments they already have to build the capacity required to address challenges of severe economic distress. The program, which will be launched in the spring in several selected cities, aims to build more effective local partnerships. There will be some targeted EDA funds, technical assistance and the creation of a National Resource Bank, which will serve as a one-stop expert shop available to communities to assist with their development needs.

The Budget would fund Promise Neighborhoods at \$250 million for transformative investment in high poverty neighborhoods focused on preservation, rehabilitation and transformation of HUD assisted public and privately owned multifamily housing and to improve surrounding communities. Promise Neighborhoods was essentially a demonstration project in FY2010.

The Administration's FY2012 budget request for HUD proposes 0 funding to the University Development Fund, which supports partnership efforts for minority-serving universities to engage in neighborhood development. It was funded at \$25 million in FY2010. More research is being pursued to determine the status of the four programs (Tribal Colleges and Universities Program, Historically Black Colleges and Universities, Hispanic Serving Institutions Assisting Communities and Alaska Native and Native Hawaiian Serving Institutions Assisting Communities) that comprised the Fund.

Additional information on the HUD budget request is available [here](#).

National Institutes of Health (NIH)

In the Administration's FY 2012 request, the National Institutes of Health (NIH) would receive \$31.829 billion, a \$745 million, or 2.4-percent, increase above the FY2010 enacted level of \$31.084 billion.

The request for the National Institute of Minority Health and Health Disparities is \$214,608,000 up from the 2010 budget of \$211,469,000.

The NIH budget request, including links to the request of each institute and center, is available [here](#).

Continuing Resolution (CR) Update

Given the deep cuts proposed by the CR, many programs of interest to USU are scheduled to be cut or eliminated. Cuts, noted in parentheses below, are calculated via a comparison with the 2011 budget request. In addition, Congress can add amendments until COB February 15, 2011. Examples of relevant amendments submitted are noted below.

Department of Education: 56 Programs are proposed for elimination (full list is available) including:

- Mathematics and Science Partnerships
- National Board for Professional Teaching Standards
- Teach for America
- Promise Neighborhoods
- Statewide Data Systems

Ed programs proposed for cuts include:

- Title I Grants to Local Education Authorities (\$13.7 billion)
- Pell grants (\$5.6 billion)
- Hispanic Serving Institutions (\$100 million which is a 78.2% reduction)
- Strengthening Historically Black Colleges and Universities (\$85 million or 31.9 % reduction)

Department of Housing and Urban Development

- Sustainable Communities' unobligated balance to be rescinded
- Choice Neighborhoods (\$250 million)
- Community Development Fund (\$2.8 billion)

Department of Commerce

- Economic Development Programs (\$71 million).

Department of Health and Human Services

- Community Health Centers budget (\$1.2 billion)

Corporation for National and Community Services

- Social Innovation Fund (\$1288.6 million)

CR Amendments (as of 2/14/11)

Additionally, there were a large number of amendments proposed. Those relevant to USU's priority are:

Amendment 37 from NJ Representative Garrett reduces the Community Development Fund by reduced by \$1,500,000,000.

Amendment 72 from Indiana Representative Todd Rokita forbids any funding to be used for doctoral dissertation research grants authorized Under Title V of the Housing and Urban Development Act of 1970.

Amendment 204 from Representative Scalise (Louisiana) forbids the use of budget funds from supporting many of the new White House positions and offices including the White House Director of Urban Affairs and the White House Office of Health Reform.