



THE UNITED STATES CONFERENCE OF MAYORS

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TO: The Mayor

FROM: Tom Cochran *Tom Cochran*
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DATE: February 27, 2009

SUBJECT: **President's 2010 Budget Outline**

President Barack Obama submitted a 2010 budget outline to Congress on February 26, listing his budget priorities for the first year of his Administration. The document only provides funding highlights and few details on the funding levels for most programs. The Administration plans to submit a more detailed budget later in April.

The following is a list of some of the highlights in the President's 2010 budget outline:

HOUSING

- Provides \$4.5 billion for the Community Development Block Grant program. The Administration proposes to "change" the current CDBG formula which will require approval by Congress. The proposed action is worded in the budget proposal as follows: "the budget reforms the program's formula to better target economically distressed communities." This is all the proposal mentions about the formula change.
- Provides \$1 billion for the Affordable Housing Trust Fund to finance the development and rehabilitation of affordable housing for low-income residents.

JUSTICE AND PUBLIC SAFETY

- Includes funding to begin hiring 50,000 additional police officers through the COPS program.
- Includes \$109 billion for the Prisoner Reentry programs, including \$75 million for the Second Chance Act.

TRANSPORTATION

- Builds on the \$8 billion included in the American Reinvestment and Recovery Act for high-speed rail. The proposal marks a new federal commitment to high speed rail by proposing a five-year, \$5 billion high-speed rail state grant program.
- Provides \$800 million to move the nation from a ground-based radar system to satellite-based system.
- Increases funding for public transit to support commuters, improve air quality and reduce greenhouse gases.
- Details on the funding levels for other Transportation Department programs (i.e., highway and transit) were not included in the blueprint.

ENERGY

- While the President's budget does not specifically speak to the Energy Efficiency and Conservation Block Grant, it does say that it will build upon \$6.3 billion provided for clean energy and energy efficiency grants to state and local governments in the American Reinvestment and Recovery Act.
- Provides \$3.2 billion for the Low-Income Heating and Energy Assistance Program (LIHEAP).

CHILDREN, HEALTH AND HUMAN SERVICES

- Creates a new \$630 billion reserve fund over the next ten years for Health Care Reform.
- Provides an additional \$1 billion to double the number of children served by Head Start.
- Makes permanent the "Making Work Pay Tax Credit", a refundable income tax credit which offsets the payroll tax on up to the first \$6,450 of earnings for about 95% of all American workers.
- Makes permanent the increase in the "Child Tax Credit" which was approved in the American Reinvestment and Recovery Act.

ENVIRONMENT

- Provides \$3.9 billion, for the Clean Water and Safe Drinking Water State Revolving Funds (SRFs), "an unprecedented federal commitment to water infrastructure in the United States".

COMMERCE/CENSUS BUREAU

- Provides \$4 billion in additional funds to ensure that the Census Bureau has the funds it needs to complete the 2010 Census.

TROUBLE ASSET RELIEF PROGRAM (TARP) II

- Includes "a \$250 billion contingent reserve for further efforts to stabilize the financial system (the reserve, which reflects a net cost to the government would support \$750 billion in asset purchases.)"

Please contact Larry Jones of the Conference staff at 202-861-6709 or ljones@usmayors.org if you have any questions.