



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH

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SPECIAL REPORT: President's Budget Proposal for Fiscal Year 2010, California Implications - May 8, 2009

On Thursday, May 7, 2009, President Barack Obama released the Administration's Budget Proposal for Fiscal Year 2010, which begins October 1, 2009. The Budget proposes FY 2010 spending of \$3.7 trillion.

The budget documents outline the Administration's recommendations for discretionary and mandatory spending, as well as its revenue proposals. Developing a reliable analysis of any budget is difficult. This document provides a California-oriented analysis of the proposal prepared by the staff of the California Institute for Federal Policy Research. It is available on the Institute's website at <http://www.calinst.org/pubs/Budget2010.shtml> or alternatively in pdf format at <http://www.calinst.org/pubs/Budget2010.pdf>.

DEPARTMENT OF JUSTICE

The FY 2010 Budget requests \$26.5 billion in total spending for the Department of Justice, as opposed to the \$25.5 billion estimated for FY09.

Office of Justice Programs

The Budget requests \$225 million in total funding, as opposed to the \$134.6 million for the Office of Justice Programs requested by the Bush Administration for FY2009, and the projected FY09 funding of about \$210 million. This OJP account includes programs that provide grants, contracts and cooperative agreements for research, development and evaluation; development and dissemination of quality statistical and scientific information; and promotion and expansion of law enforcement information sharing initiatives and systems.

State and Local Law Enforcement Assistance

The Budget requests \$728 million for FY10 programs, as opposed to the \$4.5 billion estimated for FY09.

- **SCAAP** - President Obama's Budget proposes eliminating the State Criminal Alien Assistance Program, as the Bush Administration did for the last several years. The FY09 Omnibus appropriated \$400 million for the program. California receives about 40 percent of SCAAP funding. The Budget documents state: "The Administration proposes to terminate SCAAP. The Administration recognizes the financial burden that the current immigration system places on States and localities, and is committed to reducing illegal immigration. However, SCAAP resources can be better used to enhance Federal enforcement efforts." Elsewhere, the budget complains the program is "unfocused.."

- **Southwest Border Prosecutor Initiative** - The Budget proposes funding the Southwest Border Prosecutor Initiative at \$30 million. This initiative provides funding for local prosecutor offices in the four border states, California, Texas, Arizona, and New Mexico. It provides payments to support approved prosecution and pre-trial detention costs for cases formally referred to local prosecutors by the U.S. Attorneys Offices and cases diverted from federal prosecution by law enforcement pursuant to a locally negotiated agreement. Funding for FY09 is estimated at \$59 million.

- **Byrne Justice Assistance Grants (JAG)** - The Byrne Justice Assistance Grants program awards grants to state and local governments to support a broad range of activities to prevent and control crime based on local needs and conditions, including: law enforcement programs; prosecution and court programs; prevention and education programs; corrections and community corrections programs; drug treatment programs; and planning, evaluation, and technology improvement programs. The FY 2010 Budget proposes \$519,000,000 for this program. Estimated spending for FY09 is \$546,000,000.

CONTENTS:	
JUSTICE.....	1
HOUSING AND URBAN DEVELOPMENT	2
TRANSPORTATION.....	3
ENERGY.....	5
HOMELAND SECURITY.....	6
INTERIOR.....	8
EPA.....	9
AGRICULTURE.....	10
EDUCATION.....	11
LABOR.....	12
DEFENSE.....	13
OTHER.....	13

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- **Byrne Competitive Grants** - The Byrne Competitive Grants program awards grants to state, local, and tribal government agencies, for-profit and non-profit organizations, and faith-based and community organizations to improve the functioning of the criminal justice system and assist victims of crime. The FY 2010 Budget proposes \$30,000,000 for this program, including \$10,000,000 for SMART Office activities. FY09 expenditures are estimated at \$30 million.

Community Oriented Policing Services

The FY 2010 Budget requests \$761 million for the Office of Community Oriented Policing Services (COPS) Appropriations account, which supports programs administered by COPS and the Office of Justice Programs (OJP). FY09 obligations are estimated to be about \$1.28 billion. Included within that funding is:

- **Hiring Grants.** The hiring grants initiative provides funding to state, local and tribal law enforcement agencies to hire additional sworn law enforcement officers deployed in community policing activities. The initiative will continue to support the Administration's goal of hiring 50,000 law enforcement officers nationwide. The FY 2010 Budget proposes \$298,000,000 for this program.

- **COPS Methamphetamine Grants.** Meth grants assist state, local and tribal law enforcement agencies in combating methamphetamine production and distribution, to target drug hot spots, and to remove and dispose of hazardous materials resulting from clandestine methamphetamine labs. The FY 2010 Budget proposes \$27,000,000 for this program.

Juvenile Justice Programs

The Administration request is \$317 million for the Juvenile Justice Programs. The FY09 estimate is about \$393 million.

Bureau of Prisons

The BOP budget includes \$102,120,000 for the activation of FCI McDowell in West Virginia and FCI Mendota in California.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

The President's Budget proposes Budget authority of \$47.5 billion for the Department of Housing and Urban Development, as compared to the \$40.1 billion estimated for FY09.

Community Development Block Grant programs (CDBG)

The Community Development Block Grant (CDBG) program provides flexible annual formula grants to State and local governments to benefit mainly low- to moderate-income persons. The Budget provides \$4.5 billion for FY 2010 to fully fund the CDBG, compared to the FY09 estimate of \$3,900,000,000.

The Budget requests three new initiatives. As a set-aside within the account, \$150 million is provided for a Sustainable Communities Initiative. The objective of this initiative is improved coordination of transportation and housing investments that result in more regional and local sustainable development patterns, reduced greenhouse gas emissions, and more transit-accessible housing choices for residents.

The second component is the Metropolitan Challenge Grants, which is a local complement to the broader regional plans. The Budget provides \$40 million for this investment to facilitate changes in local zoning and land use policy and practice. The

objective is to provide incentives to encourage sustainable growth and reverse counter productive growth patterns that have evolved in many areas, and then to subsequently replicate these models.

Finally, the third component would provide \$10 million for a joint HUD-DOT research effort designed to advance transportation and housing linkages. The research agenda include tracking of housing and transportation expenditures by location; creating broader measures of affordability and metropolitan accessibility; evaluating location efficient mortgages and energy efficient mortgages; identifying best practices in transit-oriented development and those that responds to affordable housing needs; establishing standardized performance measures

such as vehicle-miles traveled or location efficiency. It is expected that about \$2 million of this set-aside will be used to evaluate this new initiative.

The second Initiative is the Rural Innovation Fund, which is funded at \$25 million. These funds are provided to states through a competitive process to promote innovative and cost effective approaches to improving housing conditions in rural communities. The third Initiative is the University Community Fund, which is also funded at \$25 million. These funds serve to promote revitalization in communities surrounding the universities, with a renewed emphasis on energy conservation, homeownership training/counseling, and other community and economic development activities.

Tenant-based Rental Assistance

The President's Budget funds the Tenant-Based Rental Assistance account at \$13,836,000,000, in addition to the \$4 billion previously appropriated under this heading that will become available on October 1, 2009. The Tenant-Based Rental Assistance helps low-income individuals afford housing by subsidizing their rental payments.

Project-Based Rental Assistance

The Project-Based Rental Assistance account is funded under the President's Budget at \$7,700,000,000, about \$0.7 billion more than the FY09 request funding. Project-Based Rental Assistance helps make housing more affordable by subsidizing the landlords who make a certain portion of their residences available to low-income individuals.

Public Housing Capital Fund

The budget proposes \$2,244,000,000 billion for the Capital Fund, a formula-driven program based on estimated need, is designed to respond to the capital and management improvement requirements of public housing. The program protects and enhances a valuable affordable housing resource, which serves approximately 1.1 million families with limited income. Of those families, 31 percent are elderly and 27 percent are disabled. The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) provided \$4 billion for the Public Housing Capital Fund. HUD has already awarded nearly \$3 billion by formula that will help reduce the backlog of capital needs and will award the remaining \$1 billion by competition this year for energy efficient, green communities and other priority investments

The Choice Neighborhoods Initiative

The Choice Neighborhoods Initiative will replace the Revitalization of Severely Distressed Public Housing (HOPE VI) program. According to the Budget documents, it will provide \$250 million in 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. The goal of the program is to demonstrate that concentrated and coordinated neighborhood investments from multiple sources can transform a distressed neighborhood and improve the quality of life of current and future residents. Choice Neighborhoods grants will primarily fund the preservation, rehabilitation and transformation of public and HUD-assisted housing.

HOME Investment Partnership

The President's Budget proposes \$1,825,000,000 in funding for the HOME Investment Partnership program.

Homeless Assistance Grants

President Bush's Budget proposes \$1,793,715,000 for Homeless Assistance Grants, as compared to the FY09 request of \$1,677,000,000.

Housing Opportunities for People with AIDS (HOPWA)

The Budget proposal fund for HOPWA amounts to \$310,000,000, which is the same as FY09 funding levels.

Housing for the Elderly

The Budget proposes \$522,000,000 in FY10 funding, as compared to the FY9 request of \$765 million.

DEPARTMENT OF TRANSPORTATION

In FY10, the President proposes \$72.5 billion for Transportation programs, compared to \$70.5 billion estimated FY09.

The Budget documents state that “The Administration is developing a comprehensive approach for surface transportation reauthorization. Consequently, the Budget contains no policy recommendations for programs subject to reauthorization. . . . Instead, the Budget conservatively displays baseline funding levels for all surface programs.”

Transportation Planning Research and Development

The 2010 Budget recommends a \$10,233,000 million appropriation to finance research activities and studies concerned with planning, analysis, and information development needed to support national transportation policy formulation.

Federal Aviation Administration (FAA)

The President's Budget requests \$9.34 billion in Federal Aviation Administration (FAA) Budget authority, including \$3.3 billion for grants-in-aid for airports; and \$180 million for research, engineering and development. \$6,208 million would be provided from the Airport and Airway Trust Fund for FAA activities.

Federal Highway Administration (FHWA)

The 2008 Federal Highways Administration (FHWA) Budget includes \$41,883 million in new budget authority and \$53,448 million in outlays.

Orange County (CA) Toll Road Demonstration Project Program Account

As required by the Federal Credit Reform Act of 1990, this account records for this program, the subsidy costs associated with the direct loans obligated in 1992 and later years as well as administrative expenses of this program. The Department provided these lines of credit for two toll road projects in Orange County, California. Each year, \$24 million of these lines of credit expire if not used. No budget authority is granted to the program in FY 2010.

Federal-Aid Highways (FAH)

A total of \$5,739 million is requested for Federal-aid highways and highway safety construction programs for FY 2009.

Federal Motor Carrier Safety Administration

The 2010 Budget requests \$0 for the Federal Motor Carrier Safety Administration. Again, the budget states that the Administration is working to develop a comprehensive approach for surface transportation re-authorization. Consequently, the Budget contains no policy recommendations for surface programs subject to re-authorizations, including Motor Carrier Safety Grants. Instead, the Budget conservatively displays baseline funding levels for all surface programs.

National Highway Traffic Safety Administration (NHTSA)

\$708 million is appropriated for this agency. These funds are split with \$82 million proposed for operations and research expenses, allocated from the HTF, while \$626 million is set aside for grants to states to fund targeted highway safety projects and initiatives.

Federal Railroad Administration (FRA)

The President proposes \$1.6 billion to support FRA programs, this includes \$780 million for the National Railroad Passenger Corporation (Amtrak), although funds for Amtrak would be limited to efficiency incentive grants and debt servicing costs. The FY10 Budget recommends \$5 billion to support the development of high speed rail.

Federal Transit Administration (FTA)

Reauthorized under SAFETEA-LU, the Federal Transit Administration (FTA) provides funding to transit operators, State and local governments and other recipients for the construction of facilities; the purchase of vehicles and equipment; the improvement of technology, service techniques, and methods; the support of region-wide transportation planning; and transit operations. FTA also provides financial assistance to help implement other national goals relating to mobility for the elderly, people with disabilities, and economically disadvantaged individuals. Transit funds are split between formula/ bus and capital investment discretionary grant accounts. The 2010 Budget proposes \$10.33 billion for the FTA.

Research and University Research Centers

The Budget proposes a \$68 million allocation for transit research programs, an increase of \$1 million from prior funding.

Formula and Bus Grants

The Budget document states: "To reflect the growing imbalance between projected Highway Trust Fund (HTF) revenues and baseline spending in the most transparent manner, the Budget shows only the HTF funding that can be supported while maintaining positive annual cash balances in the trust fund. The remaining spending compared to the baseline for the program is shown as discretionary budget authority from the General Fund. Specifically, for 2010 the Budget includes \$5 billion in contract authority and obligation limitation in the existing Formula and Bus Grant account and \$3.3 billion in a new Formula and Bus Grants, General Fund Share account. Again, this presentation does not represent the Administration's recommended funding levels or a budgeting approach for the upcoming reauthorization. Rather, it is intended to accurately depict the condition of the HTF and recognize that, under current law, maintaining baseline spending would require support from the General Fund."

DEPARTMENT OF ENERGY**National Nuclear Science Administration**

The Budget includes a total of \$26,394 billion in discretionary authority for the Department of Energy for fiscal year 2010, compared to the \$25,988 million estimated for FY09.

Of the total spending, \$420,754,000 million (a decrease from the \$439,190,000 estimated for FY09) would be provided to the National Nuclear Security Administration, which stewards the nation's nuclear stockpile and includes the federal energy laboratories.

Energy Efficiency and Renewable Energy

Funding for hydrogen technology will decrease from \$169 million estimated in FY09 to \$68 million in FY10 estimated funding, and solar energy funding will increase from \$175 million to \$320 million. Weatherization and intergovernmental activities will drop from \$516 million to \$301 million.

DOE Office of Science

For science programs at DOE, the budget proposes some increases which will benefit California. High Energy Physics would grow from \$792 million to \$819 million, nuclear physics from \$511 million to \$552 million, advanced scientific computing research would rise from \$368 million to \$409 million, and basic energy sciences from \$1,569 million to \$1,680 million.

Fusion Energy Sciences

Fusion energy sciences, for which California receives significant funding, will receive significant increases. The total fusion science spending would rise from \$402 million in 2009 to \$421 million in 2010. The fusion energy sciences (FES) program is the national research effort to advance plasma science, fusion science, and fusion technology that is the knowledge base needed for an economically and environmentally attractive energy source.

The Budget also provides for continued funding for the DIII-D program, a fusion program under way at General Atomics in San Diego.

High Energy Physics

The High Energy Physics (HEP) program will receive an increase from the estimated FY09 \$792 million, to \$819 million for FY10.

Basic Energy Sciences

The \$1.680 billion basic energy sciences (BES) estimate for FY10 funds basic research material sciences, chemistry, geosciences, and aspects of biosciences. The program supports a substantial basic research budget for materials sciences, chemical sciences, biosciences, and geosciences. It includes funding for BES funding for the multi-agency national nanotechnology program, which funds the operation of the Nanoscale Science Research Centers (NSRCs) at the Oak Ridge, Lawrence Berkeley, Brookhaven, and Argonne national laboratories.

Elk Hills School Lands Fund

The Budget states: "Under the settlement agreement, \$300 million has been paid to the State of California. There is no request for funding in FY 2010. The timing and levels of any future budget request are dependent on the schedule and results of the equity finalization process."

DEPARTMENT OF HOMELAND SECURITY

The FY2010 proposed funding for the Department of Homeland Security is \$42.7 billion, versus the approximately \$40.1 billion estimated for FY09.

Citizenship and Immigration Services

The budget requests \$364,000,000, of which \$112,000,000 is targeted for the E-Verify program. This compares to the FY09 request of \$154,540,000, with \$100,000,000 for E-Verify. Of this, \$10 million and 80 positions are requested to support improvements to the employment eligibility verification system.

The Budget assumes that USCIS will continue to be funded primarily through fees on the applications and petitions it adjudicates. However, the Budget proposes to reform the existing fee process by providing an appropriation to cover the cost of asylum and refugee operations, as well as the cost of military naturalizations. Currently, fees are not charged on beneficiaries of these services. Instead the cost burden is spread to applicants for other immigration benefits unrelated to those programs. The Budget also calls for streamlining and modernizing the immigration application processes.

Total funding of \$10 million is requested for an Immigrant Integration program within USCIS, in order to improve the integration of immigrants into the United States. This program allows USCIS and the Office of Citizenship to work across the Federal Government and with state and local governments, U.S. businesses, non-profits, academia, and faith-based organizations to support effective integration efforts across the country. USCIS will provide grants to community-based organizations for citizenship preparation programs; facilitate English language learning through improved web resources; build volunteer capacity by developing a training certification framework for volunteers and, promote citizenship with integration messages at the workplace, among federal agencies, and the general public.

Immigration and Customs Enforcement

For salaries and expenses of ICE the FY10 Budget proposes \$5,348,000,000, compared to the \$4.92 billion requested last year. Included in that is \$2,539,180,000 for detention and removal operations, including transportation of unaccompanied minor aliens.

The Budget provides over \$1.4 billion for Immigration and Customs Enforcement programs to ensure that illegal aliens who commit crimes are expeditiously identified and removed from the United States. Funding of \$110 million is provided to continue expansion of E-Verify, the electronic employment eligibility verification system.

For the department's Secure Communities function, the budget requests \$39.1 million to hire, train, and equip 80 new enforcement personnel who will identify suspected criminal aliens, determine subjects' alien status, prioritize ICE enforcement actions against the highest threat criminal aliens, and assist in the removal of apprehended criminal aliens.

Federal Law Enforcement Training Center

For 2010 the Budget requests \$245,356,000 for a FLETC, which, in addition to providing law enforcement training to federal personnel, provides training to State and local law enforcement personnel on a space-available basis.

Customs and Border Protection

The Budget proposes \$7,623,068,000 in FY10 funding, of which \$3,226,000 is to be derived from the Harbor Maintenance Trust Fund. Funding is roughly the same as last year's request. The Budget funds \$45 million for the expansion of an exit pilot at key land ports of entry and other border security priorities. Funding of \$368 million within existing Customs and Border Protection funds support 20,000 Border Patrol agents protecting nearly 6,000 miles of U.S. borders.

Under the heading of "Combating Southbound Firearms and Currency Smuggling," the administration proposes an increase of \$26.1 million to enhance DHS' capability to combat southbound firearms and currency smuggling through additional personnel at and between the ports of entry and along the southwestern US border. The funding is

intended to support an additional 44 Border Patrol agents and 8 support staff as well as 65 Customs and Border Protection officers and 8 support staff. It also notes that resources are also requested to expand and maintain the Licensed Plate Reader (LPR) program to help establish and maintain effective control of the border. Additionally Immigration and Customs Enforcement (ICE) requests an additional \$70 million to hire 349 positions (specifically Special Agents, Intelligence Analysts, and Criminal Investigators) to increase enforcement staffing, improve cooperative efforts with the Mexican government, and establish another Border Violence Intelligence Cell.

Border Security Fencing, Infrastructure, and Technology

A total of \$779,452,000 is requested for border security, fencing, and infrastructure, about the same as the \$775 million requested in FY09.

The DHS Secure Border Initiative (SBI) is a comprehensive, multi-year plan to secure the borders of the United States and reduce illegal cross border activities such as smuggling of economic migrants, illegal drugs, and articles and people with terrorist intent. Within this broader SBI framework, the SBInet Program is responsible for acquisition, development, installation and integration of technologies to provide (1) surveillance and detection tools for situational awareness; (2) command, control, and intelligence tools; and, (3) a communications infrastructure needed to augment the DHS ONENET communications network to transport sensor information to/from field and headquarters elements

United States Visitor and Immigrant Status Indicator

The 2010 Budget includes \$356,194,000 for US-VISIT, to create an automated entry and exit system; to integrate existing biometric databases; use available data to match alien arrival and departure records; and use biometrics to screen visa applicants and applicants for admission to the United States against law enforcement databases. The FY09 budget request was for \$300 million for the program.

Federal Emergency Management Agency

Homeland Security Grants

The FY10 Obama Administration FEMA grants request is for \$3,867,000,000, compared to the \$3,105,700,000 President Bush requested in FY09.

Of the total, \$2,045,000,000 is slated for the State and Regional Preparedness Program, of which

- \$950,000,000 is for the State Homeland Security Grant Program
- \$887,000,000 is for the Urban Area Security Initiative
- \$250,000,000 is for Port Security Grants
- \$315,000,000 is for Emergency Management Performance Grants

The port security grant program would be slated for a sharp overall increase, from a combined total of \$400 million to a combined total of \$1.5 billion.

Firefighter Assistance Grants

The Budget requests \$590 million for firefighter assistance grants, versus the \$300 million requested in FY09. The FIRE grant program is rurally-focused and, therefore, California received just 4% of funds in one recent year.

Cybersecurity Research

Total funding of \$37.2 million, an increase of \$6.6 million, is requested to support Science and Technology in addressing critical capability gaps identified in the Comprehensive National Cybersecurity Initiative (CNCI); funds are intended to develop technologies to secure the nation's critical information infrastructure and networks.

An additional \$75 million is proposed for cybersecurity within the federal government.

Pre-Disaster Mitigation Fund

\$150 million is proposed for Pre-Disaster Mitigation grants, substantially more than the \$90 million requested in FY09.

Disaster Relief Funding

The budget proposes \$2 billion -- an increase of \$600 million or nearly a 50% from FY 2009 -- for non-catastrophic disaster relief as needed.

DEPARTMENT OF THE INTERIOR

The President's 2010 Budget includes \$12 billion for the Department of the Interior (DOI), as opposed to the \$11.3 billion projected for FY09.

Bureau of Land Management

About \$975 is requested to fund BLM for FY 2010, a bit less than the approximately \$1 billion estimated in FY09 spending.

Oregon and California Grant Lands - \$111,557,000 is requested for the management of these lands, slightly more than the \$110 million requested in FY08.

Payments to Nevada from receipts on land sales - The Budget documents state that the Secretary is authorized by law to sell not more than 700 acres of public lands per calendar year in and around Las Vegas, Nevada, the proceeds of which are to be used to acquire environmentally sensitive lands in the Lake Tahoe Basin of California and Nevada.

Forest Ecosystem Health and Recovery Fund - Funds in this program can be used for the purpose of planning, preparing, implementing and monitoring salvage timber sales and forest ecosystem health and recovery activities, such as release from competing vegetation and density control treatments. The Federal share of receipts (defined as the portion of salvage timber receipts not paid to the counties under 43 U.S.C. 1181f and 43 U.S.C. 1181f-1 et seq., and Public Law 106-393) derived from treatments funded by this account shall be deposited into the Forest Ecosystem Health and Recovery Fund. \$6 million in new obligations is requested in FY10, about the same as in FY09 .

Bureau of Reclamation

The Budget proposes \$893,125,000 in funding for Water and Related Resources funding under the BOR, as opposed to the roughly \$920 million requested for FY09. This account supports the development, management, and restoration of water and related natural resources in the 17 Western States. The Budget documents state:

"Competition for finite water supplies [in the West] is growing to meet the needs of expanding municipalities, the environment, and agriculture, while at the same time, climate change and extended droughts are impacting water availability. In 2010, Reclamation will help address these concerns through a Water Conservation Initiative, which includes water recycling and reuse (Title XVI) and competitive challenge grants. The goal of this effort is to assist local communities' availability of water by encouraging voluntary water banks and other conservation measures."

CALFED - The Budget request for BOR CALFED funding for FY10 is \$31,000,000, \$9 million less than estimated funding of \$40 million in FY09.

Central Valley Project Restoration Fund - The Budget proposes \$35,358,000 in CVP funding for FY10, versus the \$56,079,000 requested in FY09. Resources are derived from donations, revenues from voluntary water transfers and tiered water pricing. The account is also financed through additional mitigation and restoration payments collected on an annual basis from project beneficiaries.

San Gabriel Basin Restoration Fund - \$5 million is available in the Fund, the same as in FY09. The Fund is intended to design, construct, operate and maintain water quality projects to remediate contamination of groundwater in the San Gabriel and Central Basins of Southern California, contingent on receipt of local cost share. Administration of the fund was transferred from the Secretary of the Army to the Secretary of the Interior by Public Law 107-66.

San Joaquin Restoration Fund - \$16 million in fund receipts is anticipated this year. This fund receives funding (user fees and repayment receipts) from the Friant Division long term contractors and other Federal and non Federal sources to implement the provisions described in the Stipulation of Settlement (Settlement) for the *NRDC et al. v. Rodgers* lawsuit. The Fund is based on the delivered water only for the Friant Division long term contractors as required per the Central Valley Project Improvement Act (CVPIA).

Fish and Wildlife Service

The Budget proposes about \$1,218,206,000 in FY10 funding, compared to the \$1.302 billion requested in funding for FY09.

National Park Service

The FY07 request is for \$2,266,016,000, compared to the FY09 request of \$2,131,529,000.

Payments in Lieu of Taxes (PILT)

The Budget proposes \$390 million in new authority, as compared to the \$378 million estimated for FY09. PILT funding is provided to counties and other units of local government for lands within their boundaries that are administered by the Bureau of Land Management, Forest Service, National Park Service, Fish and Wildlife Service, and certain other agencies

Wildland Fire Management - \$899,780,000 is proposed in FY 2010 to fund the program, as compared to the estimated \$860 million in FY09 funding.

General Provisions

No funds may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters.

The costs of the Kesterson Reservoir Cleanup Program and the costs of the San Joaquin Valley Drainage Program shall be classified by the Secretary of the Interior as reimbursable or nonreimbursable and collected until fully repaid pursuant to the "Cleanup Program-Alternative Repayment Plan" and the "SJVDP-Alternative Repayment Plan" described in the report entitled "Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995", prepared by the Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal reclamation law.

ENVIRONMENTAL PROTECTION AGENCY (EPA)

The President's Budget provides \$10.5 billion for the Environmental Protection agency, compared to \$7.8 billion estimated for FY09.

Clean Water State Revolving Fund

The Budget provides \$2,400,000,000 for the Clean Water State Revolving Fund. States use their capitalization grants, along with matching funds, to make loans to localities.

Science and Technology

The proposed Budget includes \$842,349,000, as compared to \$790,051,000 in last year's request for the Science and Technology account. This program finances the activities that provide the scientific and technology basis for EPA's regulatory actions.

Environmental Programs and Management

The Budget proposes \$2.9 billion for Environmental Programs and Management, a slight increase from the estimated FY09.

Clean and Safe Water

The FY10 budget includes \$499 million for the Clean and Safe Water program, an increase from the FY09 estimated of \$479 million

Clean Air and Global Climate Change

The FY10 budget includes \$481 million for the Clean Air and Global Climate Change program, an increase from the FY09 estimated of \$462 million.

State and Tribal Assistance Grants

The proposed Budget provides \$5.2 billion for State and Tribal Assistance Grants, compared to \$2.96 billion for FY09. Included in this funding is: \$2,400,000,000 for making capitalization grants for the Clean Water State Revolving Funds. The budget also includes: \$1.5 billion for capitalization grants for the Drinking Water State Revolving Funds.

Brownfields

EPA will allocate \$2,940,564,000 to implement the Small Business Liability Relief and Brownfields Revitalization Act of 2002. Less than \$95,846,000 of these funds shall be for the Geographic Programs.

Superfund

The Budget funds the Hazardous Substance Superfund at \$1.3 billion, a slight increase from FY09.

DEPARTMENT OF AGRICULTURE

The Budget includes \$26 billion in discretionary budget authority for FY10.

U.S. Forest Service

The President had requested \$1,516,564,000 for the U.S. Forest Service. The Budget reflects an accelerated refocusing of national forest management to forest ecosystem restoration project work, including global climate change adaptation and mitigation. Specifically, the Budget supports a continuing emphasis on addressing climate change in NFS programs. Evaluation of how changes in climate are affecting forest and grasslands will be incorporated into land management planning activities.

Farm Bill

The 2010 Budget proposes \$391 million for the Wetlands Reserve Program, an decrease from FY09's estimated \$418 million.

Market Access Program (MAP)

Under the Market Access Program or MAP, CCC Funds are used to reimburse participating organizations for a portion of the costs of carrying out overseas marketing and promotional activities. The 2008 Farm Bill continued the authority for the MAP program and as follows: \$100 million for 2002, \$110 million for 2003, \$125 million for 2004, \$140 million for 2005, and continued funding at \$200 million for 2008-2012. The budget proposes to reduce the annual funding level for MAP by \$40 million to \$160 million in order to reduce spending and the size of the Federal deficit. California agriculture interests have been heavy users of MAP, which seeks to develop and expand commercial export markets for U.S. agricultural products.

Agricultural Research Service

For FY 10, the Budget proposes \$1,153,368,000 for the Agricultural Research Service. The budget proposed \$161,830,000 for the National Agricultural Statistics Service.

Animal and Plant Health Inspection Service

The proposed Budget funds the Animal and Plant Health Inspection service at \$872,423,000. Of those funds, the Budget allocates \$2,058,000 for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions; \$60,243,000 shall be used to prevent and control avian influenza, and \$14,607,000 for the National Animal Identification program.

Funds from the APHIS account have been used in the past to help prevent Glassy-Winged Sharpshooter/Pierce's Disease and Sudden Oak Death in California and throughout the nation. In fiscal year 2010, the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals.

Food Safety and Inspection Service

The budget requests \$1,018,520,000 for the Food Safety Inspection Service. This service is limited only to meat, poultry and egg products.

Agricultural Marketing Service

Agricultural Marketing Service activities assist producers and handlers of agricultural commodities by providing a variety of marketing services. The budget requests \$90,848,000 for the Agricultural Marketing Service, allotting \$8 million for inspection and standardization.

Conservation

National Forest Land Acquisition

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, the budget proposes \$1,050,000, to be derived from forest receipts. The purpose of these land acquisitions is to provide soil stabilization and restoration of vegetation within these critical watersheds. In addition, the Administration plans to minimize erosion and flood damage to these areas through this acquisition program.

Wildland Fire Management

The President's Budget includes \$2,238,147,000 for Wildland Fire Management, compared with \$2,131,630,000 estimated for FY09.

Food and Nutrition Service

The budget includes \$61 billion for the Supplemental Nutrition Assistance Program (SNAP). Women, Infant, and Children (WIC) a program that serves the nutritional needs of low-income pregnant and postpartum women, infants, and children up to age five is provided \$7 billion in the 2010 Budget. California typically receives about 16% of WIC funds, which would amount to approximately \$1 billion.

DEPARTMENT OF EDUCATION

Total discretionary budget authority for the Department of Education would remain increase approximately 1%, from \$45.4 billion in FY 2009 to \$46.7 billion in FY 2010. Funding in the stimulus bill adds an additional \$81 billion for the Education Department (\$10 billion for special education, \$13 billion for Title I,

For carrying out provisions of the Elementary and Secondary Education Act of 1965 and related programs, President Obama's budget for FY 2010 proposes a total of \$38.3 billion, up from \$37.6 billion in 2009. Program eliminations would include Even Start and the Safe & Drug Free Schools Program.

Grants to Local Educational Agencies - Title I

For Title I, the largest federal education grant and the 4th largest program overall, President Obama's budget proposal for FY 2010 includes a total of \$13 billion, a substantial reduction from the \$14.5 billion appropriated in 2009 via regular sources. The department stated that the reduction was possible because of the large boost provided the program by ARRA. All \$1.5 billion in proposed cuts from FY2009 omnibus levels would be taken from the program's "basic grant" -- one of four component grants that together comprise Title I.

Title I funds are used for local programs that provide extra academic support to help raise the achievement of eligible students in high-poverty schools or, in the case of school-wide programs, help all students in high-poverty schools to meet academic standards. The \$1.5 billion spending reduction would allow spending of an additional \$1.5 billion for "activities that focus more closely on efforts to turn around low-performing schools."

- Title I Formula Components

Funds for Title I are allocated according to four formulas: Basic Grants, Concentration Grants, Targeted Grants and Education Finance Incentive Grants or EFIG. The President's Budget proposes \$5,097,946,000 for basic grants (down from \$6.6 billion in 2009); \$1,365,031,000 for concentration grants; \$3,642,712,000 for targeted grants; and \$3,264,712,000 for education finance incentive grants or EFIG.

In previous years, California received its largest proportional share of Title I funding from targeted grants, followed by concentration grants, then basic grants, and lastly EFIG. However, it is important to note that these proportions may shift considerably from year to year.

- SAIPE

Of the basic grant funds, up to \$4 million may again be used by the Secretary of Education to obtain annually updated local educational-agency-level census poverty data from the Bureau of the Census under the Small Area Income and Poverty Estimates (SAIPE) program. The California Congressional Delegation was instrumental in the creation of the SAIPE program, which allows for intercensal estimates of poverty data. For many years, data on child poverty were collected only every 10 years, so the primary basis for allocating federal Title I dollars were often

badly out of date by the end of a decade. For more information on SAIPE estimations or to view state-level, county-level or school district-level estimates, visit the Census Bureau's SAIPE website.

- Forward Funding

For a number of years, each fiscal year's budget (and the subsequent appropriations bills for that fiscal year) have provided a portion of funds in the current fiscal year, but shift an additional (often larger) portion of the funds ahead to the next fiscal year. A number of education programs are "forward funded", meaning that funding is provided in advance -- an attempt to allow school and school districts to plan ahead for budgeting. Federal government budgeters have taken advantage of the flexibility this provides in order to shift dollars out of current year budgets and provide the appearance of lower immediate spending amounts. The FY 2010 budget provides a total of \$16.4 billion for the Title I family of programs, of which \$5 billion is to become available on July 1, 2010, and shall remain available through September 30, 2011, and of which \$10.8 billion becomes available on October 1, 2010, and shall also remain available through September 30, 2011, for academic year 2010-2011.

School Improvement Grants (SIG)

Of the \$1.5 billion shift in Title I funds, fully \$1 billion is slated to go to School Improvement Grants (SIG), which would grow from \$500 million in 2009 to \$1.5 billion in 2010. The Administration would require least 40 percent of states' SIG allocations are spent on school improvement activities in middle and high schools, an effort to focus attention on rising dropout rates.

Special Education

The budget proposes \$12.6 billion for funding through the Individuals With Disabilities Education Act (IDEA). The total would represent level funding from 2009 amounts, though IDEA -- like Title I -- received a major shot in the arm from the Recovery Act. ARRA provided more than \$12 billion to the three programs that comprise IDEA.

Pell Grants

The Budget calls for an increase in the Pell Grant program, which is used to help lower-income individuals attend college. The maximum annual discretionary grant per student would be \$5,550 for the 2010-2011 school year under the President's stated plan (it had recently risen sharply from a \$4,050 maximum thanks in large part to ARRA funding).

The Education Department budget documents states that "it is not enough just to make Pell Grants more generous and to put on a short term patch." The Obama Administration states that it will seek to index Pell Grants to the Consumer Price Index (CPI) plus one percent, shifting Pell from a discretionary to a mandatory program.

Importantly for California, Congress and the Bush Administration recently collaborated to eliminate "tuition sensitivity" for the Pell Grant program. Tuition sensitivity elimination will improve California's share of Pell Grants. The provision, which limited the maximum grant to students at very low cost institutions, affecting students at only one institution nationwide -- the California Community College system. California received 11.9 percent of Pell grants to states in FY 2004.

DEPARTMENT OF LABOR

The President's Budget proposes \$13.3 billion in funding for the Department of Labor, an increase from FY09 estimated funding levels of \$12.7 billion.

Employment and Training Administration

The 2010 budget proposes \$2,969,449,000 for multiple employment and training programs, including: \$861,540,000 for adult employment and training activities; \$924,069,000 for youth activities; and \$1,183,840,000 for dislocated worker employment and training activities.

Employee Benefits Security Administration

For the 2010 budget, the Administration requests \$156,060,000 for the Employee Benefits Security Administration.

Occupational Safety and Health Administration

The Administration requests \$564 million for the Occupational Safety and Health Administration; \$106 million being the maximum amount available for grants to States under 23(g) of the Occupational Safety and Health Act.

DEPARTMENT OF DEFENSE

Total spending for the Department of Defense would be \$664 billion, an amount that includes \$130 billion for overseas conflicts and \$534 billion for overall defense.

Production of the C-17 airlifter would be formally eliminated. The workhorse aircraft has been built in Long Beach by Boeing, which will have produced more than 200 planes by the time the production line is shuttered. No new funds had been appropriated for the C-17 in 2009. The end of the program represents the closure of the last major aircraft production line in California.

The Administration proposes to eliminate \$3 billion for the F-22 Raptor fighter aircraft program. Also terminated would be \$465 million for an alternative engine for the F-35 Joint Strike Fighter program, as well as the Next-Generation Bomber. No funds had been appropriated for the new bomber - which would have provided new capability that is still being handled by a 173-aircraft fleet comprised of B-52s, B-1Bs and B-2s.

Overall spending for DoD procurement would increase 7% from FY2009 levels, from \$101.7 billion to \$107.4 billion. Included would be \$6.8 billion for purchases of F-35 Joint Strike Fighters (plus \$3.6 billion for JSF research) and \$2.9 billion for F/A-18E/F fighters.

The budget proposes to reduce substantially (from \$401 million to \$187 million) funding for the Airborne Laser Program (ABL).

OTHER PROVISIONS

Wildfire Suppression

The Administration requests discretionary budget authority of \$282 million for USDA and \$75 million for DOI for wildfire suppression contingencies. It requests the amounts be allocated to the Appropriations Committees in a separate category, available only for the specified purposes and on condition that they be appropriated as contingent funding in a separate budget account, available for obligation only after exhaustion of the appropriated ten-year average for wildfire suppression and only after a issuance of a presidential finding of need. The budget continues to request the authority to transfer funds from non-fire accounts to maintain ongoing fire suppression, but only if the ten-year funding is exhausted.