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**SUMMARY OF THE BUSH ADMINISTRATION'S  
PROPOSED FISCAL YEAR 2008 BUDGET  
February 6, 2007**

**DEPARTMENT OF AGRICULTURE**

The Administration's FY 2008 budget request proposes \$90.942 billion in budget authority for the Department of Agriculture (USDA). Of that amount, total USDA expenditures are estimated at about \$89 billion, which is approximately the same level as 2007. Roughly 75 percent of expenditures, or \$67 billion in FY 2008, will be for mandatory programs that provide services required by law, which include many of the nutrition assistance, commodity, export promotion, and conservation programs.

USDA's discretionary programs account for the remaining 25 percent of expenditures or \$22 billion in FY 2008, which is approximately the same level as FY 2007. Highlights of the Agriculture Department's proposed budget include:

- \$56.279 billion for domestic food, nutrition and consumer services, including:
  - \$5.5 billion is budgeted for the women, infants and children (WIC) program, which serves low-income nutritionally at-risk women, infants and children participants.
  - \$37 billion is included for the Food Stamp Program.
  - \$13.9 billion is included for the child nutrition/school lunch program.
- Approximately \$15 billion for rural development programs, including approximately:
  - \$6.9 million for Rural Housing Service
  - \$6.75 million for Rural Utilities Service
  - \$1.35 million for Rural Business-Cooperative Service
- \$325 million for protecting the agriculture and food supply by improving USDA's ability to protect, respond to, and recover from incidents of diseases, pests, or poisonous agents.
- \$82 million for avian influenza preparation and prevention, domestic surveillance and diagnostics, emergency preparedness and response, and technical assistance to other countries.
- The budget incorporates a \$500 million increase each year in the Commodity Credit Corporation (CCC) estimates to accommodate the cost of new farm bill proposals to be allocated among the various titles of the bill.
- \$397 million for energy projects, an increase of \$161 million over FY 2007. Of this increase, \$132 million is for rural development renewable energy investments through guaranteed loans and grants. The remaining increase of \$29 million supports research and development activities to enhance bioenergy feedstocks and improve conversion technologies for cellulosic ethanol. It does not, however, include the \$1.6 billion request for new funding cited in the Administration's 2007 Farm Bill Proposals.

- The budget proposes to exclude all retirement savings when determining eligibility for food stamps to make it easier for low-income people who receive food stamps to save for retirement.

## **DEPARTMENT OF COMMERCE**

The President's FY 2008 budget request provides \$6.55 billion in discretionary budget authority for the Department of Commerce. Highlights of the Department Commerce's proposed budget include:

- \$170 million for the Economic Development Assistance program. This represents a \$127.5 million decrease from the FY 2007 President's Budget.
- For the fourth year in a row, the President requests the U.S. Patent and Trademark Office (USPTO) keep all of the fees it will collect. USPTO will use the \$1.9 billion in spending authority contained in the President's FY 2008 Budget request to reduce application processing time and increase quality.
- \$644 million for the National Institute of Standards and Technology, to enhance research capabilities in manufacturing in order to implement the ten year American Competitiveness Initiative.
- \$1.230 billion for the Census Bureau to support initiatives that will significantly improve the breadth and quality of the information it collects and provides to the country.
- \$3.812 billion for the National Oceanic and Atmospheric Administration. This includes an includes increases of \$123 million for high priority projects that will advance ocean science and research, protect and restore sensitive marine and coastal areas, and ensure sustainable use of ocean resources.

## **DEPARTMENT OF EDUCATION**

The President's FY 2008 budget proposes \$56 billion in discretionary spending, an increase of \$1.6 billion above the FY 2007 budget request. Highlights of the Department Education's proposed budget include:

- \$24.5 billion for the No Child Left Behind Act, consistent with FY07 budget request level.
- \$1.2 billion for reauthorized Title I Grants to local Educational Agencies High School Reform formula grants.
- \$100 million for the Striving Readers Program to expand research-based interventions to improve the skills of students who are reading below grade level.
- \$412 million for a new Title I School Improvement Grant program for states to build statewide support systems to meet No Child Left Behind goals.
- \$365 million for the American Competitiveness Initiative to strength math and science education in primary and high schools.
- Proposes \$50 million for America's Opportunity Scholarship for Kids, a competitive grant program to defray part of the cost of private schools for kids currently enrolled in underperforming schools.
- \$1.2 billion for Academic Competitiveness and National SMART Grants for undergraduate students excelling in math, science, engineering or foreign languages.

- \$15.4 billion for Pell Grants. The funding will increase the maximum award to \$4,600.
- \$6.4 billion for the National Science Foundation

## **DEPARTMENT OF ENERGY**

Emphasizing “Investment in Science and Energy Security”, the Bush Administration proposes a \$24.3 billion Department of Energy budget for FY 2008. This represents an increase of \$750 million over the Administration’s FY 2007 budget request and \$687 million over the FY 2006 enacted level (an amount upon which Congress is basing the FY 2007 Continuing Resolution spending authorities). Among key policy and programmatic items are:

- Biofuels Initiative, providing \$179 million for research in ethanol production from woody and cellulosic biomass.
- Hybrid Vehicles, providing \$81 million for research towards advanced hybrid and plug-in hybrid vehicles.
- Environmental Management, providing \$5.7 billion for hazardous waste and nuclear contamination cleanup.
- Yucca Mountain, providing \$495 million for continued work on the repository.

## **ENVIRONMENTAL PROTECTION AGENCY**

The President’s FY 2008 budget provides \$7.103 billion for the U.S. Environmental Protection Agency (EPA), a proposed decrease of \$403 million (6.6%) from the FY 2006 enacted level and substantially below the estimates of FY 2007 spending that will soon be provided by Congress. Highlights of the EPA proposed budget include:

- Reduced funding for the Clean Water State Revolving Loan Fund program for wastewater facilities by \$400 million less than the funds provided in FY 2007.
- A slight increase in the Drinking Water State Revolving Loan Fund program, to \$842 million.
- A proposal to exempt private activity bonds used to finance drinking water and wastewater infrastructure from the overall private activity bonds cap.
- Slightly reduced funding for the Superfund program, with a request of \$1.245 billion, and slightly reduced funding for the Brownfields program, with a request of \$162 million for EPA brownfield programs, local brownfields grants, and state brownfields program.
- Reduced funding for EPA’s core management and programs, down approximately \$50 million from FY 2007 levels to \$2.298 billion.
- \$755 million for EPA’s Science & Technology programs, down \$11 million from estimated FY 2007 levels.
- \$73 million for the Leaking Underground Storage Tank Trust Fund, up slightly from FY 2007 levels but down from the FY 2006 level of \$87 million.
- \$22 million in funding for the completion of a “Water Security Initiative” that will help localities deal with critical infrastructure protection.
- \$29 million in funding to restore water quality in the Chesapeake Bay.
- \$35 million in funding to clean up contaminated sediments in the Great Lakes.

## **DEPARTMENT OF HEALTH & HUMAN SERVICES**

President Bush's FY 2008 budget would cut \$78 billion from the programs over five years and reauthorize the popular State Children's Health Insurance Program that covers many poor children. The overall budget for the Centers for Medicare and Medicaid Services (CMS), which administers the health entitlement programs, would be \$600.5 billion. The CMS budget makes up the vast majority of the \$699 billion budget for the Health and Human Services Department. Highlights of the Department's proposed budget include:

- \$1.2 billion in funding for the influenza vaccine industry (not for state and local governments).
- \$1.1 billion in preparedness funding to state and local governments, and hospitals, to prevent against and respond to a bioterror attack.
- Reauthorizing the State Children's Health Insurance Program (SCHIP) program for five years, including \$5 billion that time period. The President's budget proposes to re-focus SCHIP on low-income, uninsured children below 200% of the federal poverty level.
- \$3.046 billion for the Substance Abuse and Mental Health Services Administration, \$159 million less than the estimated FY 2007 level. This includes level funding for the Mental Health Services Block Grant (\$407 million) and the Substance Abuse Services Block Grant (\$1.679 billion).
- \$6.789 billion for Head Start Services, which is the same as the estimated FY 2007 level.
- \$2.133 billion for Ryan White CARE Act programs, which is a slight increase from the presumed FY 2007 level.
- \$28.7 billion for the National Institutes of Health, or \$750 million more than the presumed FY 2007 level.

## **DEPARTMENT OF HOMELAND SECURITY**

The Bush Administration proposed major cuts in programs administered by the U.S. Department of Homeland Security (DHS) for state and local First Responders. The Administration shifted emphasis away from older, traditional programs, and placed emphasis on interoperable communications, including \$1 billion for a new grant program. Other priorities for this budget year include strengthening the Federal Emergency Management Agency (FEMA), protecting the border with Mexico and Canada, and increasing First Responder Preparedness. Programmatic funding levels are as follows:

- \$600 million for the Urban Area Security Initiative, \$147 million less than the FY 2007 enacted level.
- \$187 million for the State Homeland Security Grant Program (formula awards to states for equipment, training, planning, and exercises), \$322 million less than the FY 2007 enacted level.
- \$263 million for the Law Enforcement Terrorism Prevention Grant Program (formula awards to the states for such activities), of this amount \$200 million would be reserved for UASI regions.

- \$200 million for the Emergency Management Performance Grant Program (EMPG), which would be \$6 million more than the FY 2007 enacted level.
- \$15 million for the Citizen Corps Program, the same as the FY 2007 enacted level.
- \$210 million for the Port Security Grant Program.
- \$300 million for the Assistance to Firefighters Grant Program, \$363 million less than the FY 2007 enacted level.
- \$0 for the Metropolitan Medical Response System (MMRS).
- \$9 million for the Trucking Security Grant Program.
- \$12 million for the Intercity Bus Security Grant Program.
- \$175 million for the Rail Security Grant Program.
- \$50 million for the Buffer Zone Protection Program (competitively awarded to states on behalf of local communities with high-threat infrastructure).

## **DEPARTMENT OF HOUSING & URBAN DEVELOPMENT**

The President's FY 2008 budget proposes \$35.2 billion for the Department of Housing and Urban Development (HUD), a decrease of \$3 billion below the enacted FY 2007 discretionary budget for the agency. Highlights of the budget are as follows:

- The President's budget focuses on home ownership, increased funding for housing choice vouchers, affordable housing, homeless assistance, and the revitalization of distressed communities. The budget request also includes a legislative proposal to revise the current formula to distribute the Community Development Block Grant to communities of "greatest need." The Administration believes that CDBG funds can be distributed more equitably and efficiently. Under the proposed FY 2008 budget, the CDBG formula program is funded at \$2.968 billion in funding, compared to the FY 2007 enacted level of \$3.7 billion.
- The President's budget funds the Tenant-Based Rental Assistance account at \$16 billion, a slight increase above the FY 2007 estimated funding level of \$15.9 billion.
- The Project-Based Rental Assistance account is funded under the President's budget at \$5.8 billion versus \$5.9 billion estimated for FY 2007.
- The President proposes to eliminate the HOPE VI program.
- \$1.9 billion in funding for the HOME Investment Partnership program, which is \$234 million more than FY 2007 estimated funding level.
- \$1.5 billion for Homeless Assistance Grants.
- \$300 million for Housing for HOPWA.
- \$575 million for Housing of the Elderly.
- \$116 million for lead hazard reduction.

## **DEPARTMENT OF INTERIOR**

The President's budget proposes \$10.7 billion in for the Department of the Interior. Highlights of the proposed budget include:

- \$2.229 billion for the Bureau of Indian Affairs.
- \$1.812 billion for the Bureau of Land Management.

- \$161 million for the Minerals Management Service.
- \$168 million for the Office of Surface Mining.
- \$975 million for the U.S. Geological Survey.
- \$1.001 billion for the Bureau of Reclamation.
- \$1.287 billion for the U.S. Fish and Wildlife Service.
- \$2.365 billion for the National Park Service.
- \$958 million for the Bureau of Reclamation.

## **DEPARTMENT OF JUSTICE**

The President's FY 2008 budget proposal for the Department of Justice (DOJ) is \$21.8 billion in discretionary funding. Highlights of the budget include:

- \$536.3 million for the Federal Prison System.
- \$78 million for the National Security Division.
- \$6.431 billion Federal Bureau of Investigation.
- \$25.4 million in program increases for crimes against children and obscenity.
- \$1.234 billion for the Office of Justice Programs, COPS, Office on Violence Against Women, and the creation four new competitive grant programs. These programs will address the violent crime problem that communities face, and will provide states, localities, and tribes with considerable flexibility to address their most critical needs. Consolidation of the grant programs will also allow the Department to respond in a more targeted way to local up-ticks in the crime rate. The four grant categories and their amounts are:
  - Violent Crime Reduction Partnership Initiatives: \$200 million to help state, local, and tribal law enforcement agencies form partnership with federal law enforcement agencies to combat violent crime.
  - Byrne Public Safety and Protection Program: \$350 million to assist state, local, and tribal governments with their highest-priority concerns, such as violent and drug-related crime and Presidential priorities, such as DNA backlog reduction and offender re-entry programs.
  - Child Safety and Juvenile Justice Program: \$280 million to consolidate existing juvenile justice and exploited children programs, and to assist state, local, and tribal governments with targeted efforts.
  - Violence Against Women Grants Program: \$370 million help state, local, and tribal governments address multiple domestic violence needs.
- The budget proposes eliminating State Criminal Alien Assistance Program.

## **DEPARTMENT OF LABOR**

The President's FY 2008 budget plans to overhaul and cut spending on federal job training programs as part of a reduced discretionary spending plan for the Department of Labor. The Administration requested \$10.6 billion in discretionary spending for the Department, which would represent a 6% decrease from FY 2007 estimated funding levels, as well as a 3% decrease from the \$10.9 billion the President proposed in his FY 2007 budget. Major cuts would affect training and employment programs. The budget provides \$4.3 billion for these programs, \$5.2

billion less than FY 2006. The President proposed consolidating major training and employment programs into a new individual worker oriented program called Career Advancement Accounts. The budget provides \$745 million for this initiative. Labor Secretary Elaine Chao said that workers would receive up to \$6,000 over a two year period. Other highlights of the Department's proposed budget include:

- \$91 million for the Occupational Safety and Health Administration's state training and enforcement program.
- \$39.6 million for Ex-Offender/Prisoner Re-Entry programs.
- \$2.455 billion for Workforce Investment Act programs, including \$712 million for adult programs, \$840.5 million for youth programs, and \$902.9 for dislocated worker programs.

## **DEPARTMENT OF TRANSPORTATION**

President Bush has requested approximately \$67 billion for FY 2008 to fund the Department of Transportation. This is approximately a \$2 billion increase based on estimated FY 2007 funding levels. The budget also requests the elimination of funding for the revenue aligned budget authority (RABA), which was authorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users at \$842 million for FY 2007. Funding levels for highways are based on revenue estimates. Beginning with FY 2007, authorizations for Federal-aid highway and highway safety construction programs funded from the Highway Account of the Highway Trust Fund and the Motor Carrier Safety Assistance Program (MCSAP) are adjusted whenever the highway firewall amount is adjusted to reflect changed estimates of Highway Account receipts. The additional authorizations are called RABA because they serve to align budget authority with the revised revenue. The adjustments to authorizations will be made in the same amounts and in the same years as the adjustments to the firewalls.

The FY 2008 budget request includes \$40.3 billion to fund the Federal Highway Administration, representing a slight increase over FY 2007. Highlights of the federal-aid highways program include the following:

- \$5.7 billion for the National Highway Safety (NHS) program.
- \$6 billion for the Surface Transportation Program (STP).
- \$4.7 billion for the Interstate Maintenance (IM) program
- \$4 billion for the bridge program.
- \$1.6 billion for the Congestion Mitigation and Air Quality Improvement Program (CMAQ) program.
- \$175 million in funds to a new highway Congestion Reduction Initiative. This funding is included in the budget to advance variable pricing programs that increase throughput; build new facilities; add lanes to existing facilities, or remove bottlenecks in specific locations or corridors; implement the Corridors of the Future program; enable the use of public-private partnerships to successfully build roads and highways faster and more economically; and, continue developing the next generation of system operations capabilities that improve real-time information collection and dissemination to enable state and local transportation agencies to better quantify performance, better utilize congestion management techniques, and place better information in the hands of transportation decision makers.

The budget requests \$9.4 billion to fund the Federal Transit Administration (FTA), which is \$547 million above the FY 2007 president's budget request. Highlights of the FTA budget request includes the following:

- \$1.4 billion for Capital Investment Grants.
- \$5.8 billion for Urbanized Area Programs.
- \$928 million for Bus and Bus Facilities.
- \$506 million for Non-urbanized Area Formula.
- \$156 million for Job Access and Reverse Commute.
- Clean Fuels Grant Program: \$49 million is requested to provide financing for the purchase or lease of clean fuel buses and facilities and the improvement of existing facilities to accommodate these buses.
- Transit Security: \$46.6 million is requested to support transit security. This funding, the bulk of which comes from the Formula and Bus Grants account, includes the 1 percent of Urbanized Formula Grant funding that is statutorily required to be spent on security initiatives.
- Research and University Research: FTA requests \$61 million for transit research programs. This includes \$40.4 million for National Research and Technology Programs to develop solutions that improve public transportation, \$9.3 million for the Transit Cooperative Research Program, \$4.3 million for the National Transit Institute training programs, and \$7 million for the University Transportation Research Program.

The administration requested \$14.1 billion for the Federal Aviation Administration (FAA) for FY 2008, a slight decrease from the expected FY 2007 funding level. Highlights of the FAA budget request include the following:

- \$1.9 billion for the Safety and Operations account, which provides funds for the administrative and managerial costs for the FAA's regulatory, international, medical, engineering, and development programs as well as policy oversight and overall management functions.
- \$140 million for Research, Engineering, and Development, including \$91.3 million for continued research on aviation safety issues. The remaining research funding is for reduced congestion and environmental issues, including \$14.3 million for the Joint Planning and Development Office.
- \$2.8 billion for Grants-in-Aid for Airports, which provides funds for planning and development of the nation's airports, including grants for security, safety, capacity, and noise-reduction projects.

## **U.S. ARMY CORPS OF ENGINEERS**

The President's FY 2008 budget proposes \$4.81 billion for the U.S. Army Corps of Engineers; a decrease of \$458 million below the FY 2007 enacted level of \$5.329 billion. Highlights of the budget request include:

- \$90 million for Investigations, \$72 million below FY 2007;

- \$1.523 billion for Construction, \$811 million below FY 2007;
- \$2.271 billion for Operation and Maintenance, \$502 million above FY 2007;
- \$260 million for Mississippi River and Tributaries, \$136 million below FY 2007;
- \$180 million for the Regulatory Program, \$21.6 million above FY 2007;
- \$11.3 million for Section 206 Aquatic Ecosystem Restoration, \$18.7 million below FY 2007;
- \$11.7 million for Section 205 Flood Control, \$28.3 below FY 2007;
- \$11.2 million for Section 1135 Modifications for the Improvement of the Environment, \$18.8 million below FY 2007; and
- \$900,000 for Section 14 Emergency Streambank Protection, \$14.1 million below FY 2007.

The budget request includes funds for three new studies; however, no new construction projects are in the budget. With regard to beach renourishment, the budget includes funds for projects where the shoreline is affected by the operation and maintenance of a federal navigation project. However, the budget does not provide funding for the costs of replacing sand lost due to natural causes. The budget request does not include additional funds for hurricane recovery along the Gulf Coast. Funding to continue that work is available from prior appropriations.