

November 28, 2011

First FY2012 appropriations measures enacted in “mini bus”

On Friday, November 18, 2011, President Obama signed into law the Consolidated and Further Continuing Appropriations Act for fiscal year 2012 (P.L. 112-55). This new law combines three of the twelve regular appropriations bills that Congress must pass each year in order to fund the salaries and programs of the federal government. As adopted, the new law combines levels of spending as worked out by a joint House-Senate Conference Committee for the Departments of Agriculture, Commerce, Justice, Housing and Urban Affairs, and Transportation as well as such agencies as NASA and the National Science Foundation into a “miniature omnibus” measure (“mini-bus”). The new law also contains a provision that extends funding for the remainder of the federal government’s programs on a temporary basis to December 16, 2011. In that time, lawmakers hope to be able to approve the nine funding bills that have been left outstanding. Below is a brief description of the implications for the region of these first three bills. Please contact us if you have specific questions or would simply like more information about these funding measures. [Peter Phipps](#) and [Kate Brittain](#) can be reached at 202.547.0048 and [Michele](#) at 202.460.9417.

Agriculture, Rural Development, Food and Drug Administration and Related Agencies

Funding for the Department of Agriculture (USDA) is the main component of this portion of the mini-bus, and is geared towards such programs as the Food and Drug Administration, the Natural Resources Conservation Service, rural development, foreign food aid, and food safety and inspection. The law provides roughly \$2.5 billion for the Food and Drug Administration, including an increase to facilitate the implementation of the Food Safety Modernization Act which became law in January. The Food Safety and Inspection Service will receive just over \$1 billion. The Supplemental Nutrition Assistance Program (SNAP) – formerly the “food stamp” program – will receive \$80.4 billion in mandatory spending. The Rural Utilities Programs through the USDA, which include grant and loan programs to provide distance learning and telemedicine opportunities to those in rural communities, will receive \$551 million.

In addition, the section includes funding for the Women, Infants, and Children (WIC) program which the Conference Committee set at \$6.618 billion. This is \$36 million more than what the Senate had passed in its initial funding proposal, and some \$570 million more than was included in the House version. WIC provides food and nutrition assistance to those with limited means, and is geared primarily towards nutritionally at-risk pregnant women, young children and nursing mothers. For the New England states, the monthly average usage rate for WIC in the previous fiscal year was more than 258,000 individuals. The bill also includes a provision sought by Senator Susan Collins (R-ME) that prevents the USDA from utilizing funds to change the school breakfast/lunch program in a manner that would restrict the serving of white potatoes, corn, peas, and lima beans to students. Senator Collins had sought to dissuade the USDA from implementing the policy, and put specific language in the funding law to ensure the USDA policy would not be implemented.

Commerce, Justice, and Science and Related Agencies

Funding for the Departments of Commerce and Justice make up the lion’s share of this portion of the overall bill, and includes resources for the Census Bureau (\$943M), the patent office (\$2.7B), the FBI (\$8.1B), the Economic Development Administration (\$257M), and the U.S. Trade Representative

(\$51.3M). As passed, the overall bill is \$583 million less than fiscal year 2011, but does include \$12 billion for scientific research through the National Institute of Standards and Technology (NIST), the National Science Foundation (NSF), the National Oceanic and Atmospheric Administration (NOAA), and the National Aeronautics and Space Administration (NASA). NOAA will receive \$4.9 billion, a \$306 million boost from fiscal year 2011 levels. NIST will receive \$751 million – a cut of less than \$1 million – and basic research funding at NIST would receive an 11 percent increase of \$60 million. Funding for the NSF is slated to jump by \$173 million to about \$7 billion in fiscal year 2012, while NASA's funding would be set at \$17.8 billion; a reduction of \$648 million compared to fiscal year 2011. The \$2.7 billion for the Patent and Trademark Office (PTO) includes all the expected fees collected by the Office in fiscal year 2012.

One provision of this section of PL 112-55 and championed by Senator Jeanne Shaheen (D-NH) was a \$260 million increase to the Bureau of Prisons (BOP) account. Due to the increase in funds, the BOP will receive approximately \$6.5 billion, which will provide enough funds to allow the federal prison in Berlin, NH to open. The nearly 1,300 bed prison had sat vacant for more than a year due to BOP budget constraints. Once open, the facility is expected to create over three hundred jobs in New Hampshire's North Country. Berlin's unemployment rate for September was 7.4 percent – among the highest percentages in the state.

Transportation and Housing and Urban Development and Related Agencies

The third component of this new spending law provides funds for the nation's transportation programs as well as programs under the jurisdiction of the Department of Housing and Urban Development (HUD). Nearly \$40 billion will be allocated for highway and bridge projects across the nation. House and Senate conferees also put more than \$1.6 billion into the emergency highway account of the Federal Highway Administration in order to continue to assist states like Vermont recover and rebuild roadway infrastructure due to Hurricane Irene and other related disasters. In addition, \$500 million will be provided for so-called "TIGER" grants to help fund "road, rail, transit and port projects that promise to achieve critical national objectives." Further, there is some \$2 billion available for transit programs in the new law. The conference report also contains \$45 million for the Hartford-New Britain Busway project using funds from the Bus and Bus Facilities program. Further, the new law contains \$1.4 billion for Amtrak to continue its operations and helps maintain the Downeaster rail service from Portland to Boston. The agreement does eliminate, however, funding for high speed rail programs. The new law also provides \$12.5 billion for the Federal Aviation Administration (FAA), which includes a set-aside of \$3.35 billion for capital improvements at airports, and nearly \$900 million for the FAA's NextGen air traffic control system upgrade.

Programs under the jurisdiction of HUD will receive some \$37.7 billion, of which nearly \$17.25 billion will go towards Section 8 rental assistance, and \$1.35 billion will be spent on administrative payments to public housing authorities. A voucher program targeted to assist homeless veterans will receive \$75 million, and \$1.9 billion will go towards general homeless assistance grants. In addition, the Community Development Block Grant (CDBG) program will receive \$2.95 billion, which is \$388 million less than fiscal year 2011. The grants provide funding for a wide variety of needs to help states and communities bridge budget gaps while fostering housing and job availability. Of the funds made available to the CDBG program, as much as \$400 million may be used for disaster assistance for areas that have been impacted by natural disasters.

What may be of particular interest to the citizens of Vermont and Maine was a provision added by Senate Transportation Appropriations Subcommittee Ranking Member Susan Collins (R-ME) and senior Democrat on the Committee and subcommittee, Patrick Leahy (D-VT) that would allow trucks up to 100,000 pounds to use the interstate roads in those two states for the next 20 years. Because of current federal restrictions, trucks up to 100,000 pounds cannot use interstate highways in these states. Senators Leahy and Collins touted the language as a safety enhancement that will remove the heaviest trucks from the roads that run through towns and villages in the two states.