

**The U.S. Conference of Mayors Staff  
Executive Summary of Key City Priorities  
In the  
President's FY 2008 Budget Proposal  
February 6, 2007**

**CUTS/ELIMINATIONS**

- **Community Development Block Grant Fund (CDBG)**—Grants given directly to local governments to promote community and economic development would be cut from \$4.215 billion in 2007 to \$3.037 billion in 2008, a reduction of \$1.178 billion or a 27% cut.
- **Law Enforcement**—Funding for key local law enforcement partnership programs would be cut in half, from \$2.481 billion to \$1.234 billion. The Administration is requesting no funding for the COPS community policing program, the Byrne Justice Assistance Grant (JAG), the State Criminal Alien Assistance Program (SCAAP), and the Weed and Seed program.
- **Homeland Security First Responder Programs**—Overall funding for state block grants, law enforcement terrorism prevention grants, high-threat urban area grants and fire assistance grants would be cut by \$985 million (35%), down from \$2.791 billion to \$1.806 billion. Further, the budget calls for a \$125 million cut in state and local preparedness efforts to fight bioterrorism. Funding would be reduced from \$823 million to \$698 million or by 15%. With terrorists targeting mass transit worldwide, the budget fails to enhance transit security by freezing transit, passenger rail, and freight rail at \$175 million.
- **Amtrak**—A deep reduction has been proposed in funding for Amtrak, a cut of almost \$500 million or 38%. Funding would be reduced from \$1.294 billion to \$800 million.
- **Mass Transit**—Public transportation programs would be cut by \$309 million below the \$9.731 billion guaranteed in the surface transportation law.
- **Port Security**—A total of \$190 million would be cut from the \$400 million port security grant program enacted last year in the Port Security Improvement Act of 2006 (PL 109-347). This program provides critical security grants to the owners and operators of ports and terminals, as well as port authorities and state and local agencies.
- **Airport Improvement Program**—Funding for the Airport Improvement Program would be reduced \$800 million below the current authorized level of \$3.500 billion. This would threaten noise-reduction, safety, security, and capacity projects at the nation's airports.

- **Clean Water State Revolving Fund**—The President’s Budget request of \$688 million is a \$312 million cut (31%) from the FY 2007 enacted appropriations of \$1 billion. This represents an even more significant decrease when compared to previous levels such as in FY 2004 when the allocation was \$1.35 billion. The President’s proposal would represent nearly a 50% decrease from that appropriation amount.
- **Low-Income Heating and Energy Assistance Program (LIHEAP)**—Funding for low-income heating and energy assistance would be reduced from \$2.179 billion to \$1.800 billion, a cut of \$379 million or 17%.
- **Job Training Programs**—The budget calls for a \$715 million cut in workforce programs, down from \$5.378 billion to \$4.663 billion, a 13% reduction. It also calls for a new consolidated state block grant program which would combine funds for Workforce Investment Act Adult, Dislocated Worker, and Youth Programs with the Employment Service into a single funding stream.
- **Community Service Block Grant**—Similar to last year, the Administration is proposing to eliminate the Community Service Block Grant which was funded at \$636 million.

#### **INCREASES**

- **Pell Grants**—On a positive note, the Administration’s budget calls for a \$2.833 billion increase in the Pell Grant Program, which would raise the amount available in 2008 from \$12.606 billion to \$15.439 billion.
- **Private Activity Bonds**—The President’s budget also includes a proposal to help local governments fund water and wastewater projects through private activity bonds (PABs), which are used to finance water and other infrastructure projects. Under current law there is an overall limit on the volume of PABs that each state may issue. The President’s proposal would remove water and wastewater projects from the state volume cap, giving these projects greater access to the PAB market.
- **Arts and Culture**—For the first time in three years, the President has proposed a slight increase of \$4 million for the National Endowment for the Arts, which would make \$128 million available for 2008. The Administration has also proposed a 30% increase for the Office of Museum Services, an increase from \$31 million to \$40 million.