

# 2017 Budget Request By Department and Agency

What follows is an agency-by-agency breakdown of President Barack Obama's \$4.23 trillion budget proposal for fiscal 2017, as released Feb. 9. The budget fits within the spending caps that were reset in last October's budget deal (PL 114-74), although it also proposes further changes that would be offset by new taxes or spending cuts, or treated as mandatory spending. At the top of each section, the dollar amounts listed for each agency are discretionary budget authority, in billions.

## DEPARTMENTS

### AGRICULTURE

FY 2015 actual	FY 2016 enacted	FY 2017 request
\$25.0	\$25.7	\$24.2

### School Lunches in the Summer

Big shifts in funding for agriculture programs would take place in fiscal 2017 if President Obama's proposed budget makes it through Congress intact. That, of course, is unlikely, but the White House is taking its best shot at building a legacy on food policy.

Among the initiatives in the president's blueprint are a doubling down on agricultural research, cuts in federal crop insurance and a new program to feed low-income families in the summer.

The latter program is clearly a bid to put a final stamp on the Healthy, Hunger-Free Kids Act enacted near the beginning of Obama's presidency with a push from his wife, Michelle. His administration's final budget for the Agriculture Department seeks \$127 million to launch a national program providing summer meals for children who rely on subsidized lunches during the school year. The goal is to feed 20 million children annually by fiscal 2026 at a cost of \$12 billion.

The proposal builds on pilot projects by the department for children who receive free school meals. About 22 million students currently get subsidized meals through the school lunch program.

The administration seeks to boost targeted agricultural research by funding the Agriculture and Food Research Initiative at \$700 million, the authorized level. It got \$350 million in fiscal 2016. The 2017 proposal calls for a mix of \$375 million in discretionary funding and \$325 million in mandatory funding. Obama officials argue that publicly funded agricultural research has fallen over the years.

Farm-state lawmakers will provide stiff opposition to changes in the federally subsidized crop insurance program. Past proposals to cut federal crop insurance spending have gone nowhere. In the fall, farm-state lawmakers won repeal of a \$3 billion cut over 10 years in federal payments to private companies selling crop insurance policies that had become law as part of a bipartisan budget agreement.

The administration is seeking \$330 million in fiscal 2017 for the Commodity Futures Trading Commission, which oversees the futures market and over-the-counter derivatives. a 32 percent increase for the independent agency.

— Ellyn Ferguson

### COMMERCE

FY 2015 actual	FY 2016 enacted	FY 2017 request
\$8.6	\$9.4	\$9.7

### Focus on Manufacturing

A highlight of the fiscal 2017 budget for the Commerce Department would be expansion of a network of institutes to build workforce skills and enhance the nation's manufacturing capabilities.

Two new institutes and one already in operation would get about \$42 million and an additional \$1.9 billion is proposed for more manufacturing institutes over the next 10 years.

The goal is 45 institutes "where researchers, companies and entrepreneurs can come together to develop new manufacturing technologies with broad applications," according to White House documents. "Each institute will have a unique technology focus."

The Census Bureau seeks \$1.6 billion to upgrade data collection systems for the 2020 census. Commerce said the money could save \$5 billion by lowering the cost per household of conducting the census.

— Alisha Green

**DEFENSE**

Core funding		
FY 2015 actual <b>\$497.3</b>	FY 2016 enacted <b>\$521.7</b>	FY 2017 request <b>\$523.9</b>
Overseas Contingency Operations		
FY 2015 actual <b>\$63.1</b>	FY 2016 enacted <b>\$58.6</b>	FY 2017 request <b>\$58.8</b>

**Major Decisions Deferred**

President Obama sent Congress a defense request that reflects his lame-duck status. With a few exceptions, the fiscal 2017 Pentagon budget would put off to the next administration fundamental choices about personnel levels, force structure and new weapons.

“This really is a punt,” says Todd Harrison, a defense budget expert with the Center for Strategic and International Studies.

Congress would have it no other way. Lawmakers will not want to box the next president in — either by canceling major programs or reorienting priorities in a big way. “Congress is likely to want to wait it out as well,” Harrison says.

Still, many lawmakers are eager find a way to add double-digit billions of dollars to the total Pentagon appropriation.

In his Feb. 9 proposal, Obama recommended \$582.7 billion for the Pentagon. The figure included \$523.9 billion for the military’s core expenses — the so-called base budget — an amount capped by law. Also wrapped into the total is nearly \$58.8 billion for war costs. But that’s just the minimum amount that must be spent for overseas operations. There is no ceiling on this category of money. And since the law capping base budgets was enacted in 2011, lawmakers have regularly provided more for war accounts than was requested.



**Thornberry**

Members of the House Armed Services Committee, led by its chairman, Texas Republican Mac Thornberry, wrote to the House Budget Committee on Feb. 8 that the defense budget would need at least \$15 billion more than the president sought for fiscal 2017. “The president’s response to a security environment that is quickly degrading is to further cannibalize our military capability,” Thornberry said.

Mike McCord, the Pentagon’s comptroller, said cuts would center on modernization programs. Comparing procurement to the fiscal 2016 level, it’s down about \$6.8 billion, budget documents show.

All told, the president’s fiscal 2017 request is about \$2.5 billion more than the current enacted level. That increase would have been devoured by inflation. But something else is going to get there first, McCord said: the cost of a proposed 1.6 percent pay raise for military service personnel — another amount Congress may boost.

The new Pentagon proposal mostly avoids cutting programs. The \$11.2 billion in weapons cuts come to about 2 percent of the budget. And those are cuts to plans, not cuts to actual spending levels.

Crossed off the wish list were 24 Blackhawk helicopters, nine Apache helicopters and 77 Marine Corps Joint Light Tactical Vehicles, McCord said. Virtually all other major spending items were

untouched. The number of active duty soldiers and sailors would go down slightly, but not more than planned. The number of carrier battle groups, fighter jet squadrons and the like also was not altered.

While the Pentagon again asked Congress for authority to close unneeded bases, few expect that to happen, so excess infrastructure will remain in operation. Operations and maintenance spending would go up about \$6 billion from this fiscal year to next, partly to keep all those bases running. Other proposed savings, such as cuts to Army helicopters and proposals to reduce spending on health care or commissaries, may similarly not come to pass.

In some cases where Pentagon officials trimmed top programs, they made up for it with increases elsewhere. For example, officials announced they would reduce the previously planned purchase of Air Force F-35s in fiscal 2017 by five. But the Navy’s and Marine Corps’ F-35s would go up by 13 — a net increase of eight of the planes. Across all the services, 63 F-35s would be bought.

About two months after Defense Secretary Ashton B. Carter started a fight with the Navy over Littoral Combat Ships, he has retreated. The LCS is a shore-hugging vessel that is fraught with questions about her capabilities. Carter pushed the service to buy 40 instead of 52 in exchange for more spending on other weapons. Carter had planned to force the Navy to buy only one LCS ship in fiscal 2017. Carter still plans to cut the overall number, but he is now asking Congress for a second LCS in fiscal 2017 to keep two shipyards healthy for a coming competition.

The European Reassurance Initiative, a program to deter Russia by more weapons and training on U.S. allies’ territories and provide a continuous U.S. Army presence, would be quadrupled from the fiscal 2016 level of \$800 million to \$3.4 billion. Likewise, the amount dedicated to fighting the Islamic State would double to \$7.5 billion, including \$200 million to fight extremists in Africa.

Republicans have vowed to provide extra funds in the the overseas war accounts, and Carter has acknowledged that the contingency fund is designed to cover “variable costs,” suggesting that the department’s request could increase. “We’ll just see how it goes,” he told reporters in late January.

“This is now a blatantly obvious budgetary game,” says Gordon Adams, who oversaw defense budgets at the Office of Management and Budget in the Clinton administration. “It’s a testimonial that budget discipline has collapsed in defense.”

— *John M. Donnelly and Megan Scully*

**EDUCATION**

FY 2015 actual <b>\$66.9</b>	FY 2016 enacted <b>\$68.3</b>	FY 2017 request <b>\$69.4</b>
---------------------------------	----------------------------------	----------------------------------

**On to ‘Every Student Succeeds’**

With Congress having just revised the No Child Left Behind law after years of debate over K-12 education standards, the Obama administration is hoping to build on the momentum by focusing on early learning and schools in lower-income areas in fiscal 2017.

President Obama’s budget request seeks a \$450 million increase,

to \$15.4 billion, for Title I education grants to schools that serve the poorest students, which the recent Every Student Succeeds Act kept as the Education Department’s largest K-12 grant program.

The increase may not necessarily mean new money for schools, since states will be directing more Title I dollars for activities they previously funded with School Improvement Grants, a program that was eliminated under the new law.

The budget proposal also includes \$350 million for Preschool Development Grants, an increase of \$100 million above the enacted level for fiscal 2016. The grants were formally authorized for the first time in the new law, though the money comes through the Health and Human Services Department.

Head Start, another program within HHS that delivers early childhood support services to low-income children, would receive \$9.6 billion, an increase of \$434 million over the 2016 enacted level. That includes \$292 million to expand access to programs that offer longer school days and school years.

In addition, the budget includes \$500 million for Student Support and Academic Enrichment Grants, newly authorized in the law, which gives funds to states and school districts to support student achievement, including programs to expand access to science and math courses and boost the use of technology in the classroom.

The administration also included a “Computer Science for All” proposal, which would receive \$4 billion in mandatory funding over three years for states to increase access to K-12 computer science and other science, technology, engineering and math coursework.

Obama’s budget would give special attention to teachers, particularly those who serve in low-income schools that often have the hardest time recruiting and retaining good instructors. The budget proposes a new incentive program that would provide \$1 billion in one-time mandatory funds to attract and keep teachers in high-need schools by increasing compensation and paths for advancement, starting teacher-led programs to improve instruction and improving working conditions.

The budget proposes policies to make higher education more affordable and boost oversight of colleges and universities — goals that many lawmakers share as they prepare to reauthorize the Higher Education Act.

— Sarah Chacko

**ENERGY**

FY 2015 actual	FY 2016 enacted	FY 2017 request
<b>\$27.4</b>	<b>\$29.6</b>	<b>\$30.2</b>

**High Priority for Global ‘Mission’**

A major focus for the Energy Department in fiscal 2017 is Mission Innovation, the title of an international effort by top carbon-emitting nations to bolster research and development of clean energy systems.

President Obama’s budget request for the next year would provide \$7.7 billion for clean energy research, with 80 percent going to DOE. Overall the department would get \$30.2 billion in discretionary funds in fiscal 2017, an increase of \$600 million from the current

estimated spending level, plus \$2.3 billion for mandatory spending.

Energy Secretary Ernest J. Moniz noted the importance of Mission Innovation in helping the U.S. meet the commitments it made at the Paris climate conference in December.

“The president’s budget satisfies the discretionary cap, so it’s not like these initiatives are being asked for above the line,” Moniz said when the budget was released Feb. 9. “That just shows the priority being attached to this.”

DOE’s budget request includes \$2.9 billion for the Office of Energy Efficiency and Renewable Energy, an \$800 million increase compared to fiscal 2016. DOE also seeks \$1.3 billion to support “game-changing investments in clean transportation infrastructure and technology,” according to DOE’s fact sheet.

Another \$4 billion would go for loan guarantee authority to promote projects that reduce greenhouse gas emissions.

— Jeremy Dillon

**HEALTH AND HUMAN SERVICES**

FY 2015 actual	FY 2016 enacted	FY 2017 request
<b>\$83.4</b>	<b>\$85.0</b>	<b>\$78.3</b>

**Targeting Cancer, Zika and Opioids**

Biomedical research would get a significant funding boost, as would efforts to combat opioid abuse, under President Obama’s fiscal 2017 request for the Health and Human Services Department.

The chief beneficiary would be the National Institutes of Health, which would see another \$1 billion increase in its budget, to \$33.1 billion. The fiscal 2016 spending law hiked the NIH budget by \$2 billion.

Supporters say the NIH needs additional injections of cash because the agency has lost nearly 25 percent of its purchasing power over the past decade. The administration says the funding bump would provide about 10,000 new grants in areas including brain research and precision medicine.

“Cancer mortality rates are 15 percent lower because we made key investments in research,” HHS Secretary Sylvia Mathews Burwell said when the budget proposal was unveiled.

The National Cancer Institute would see a 13 percent increase, to \$5.9 billion, to help fund the “moonshot” initiative to cure cancer that is being spearheaded by Vice President Joseph R. Biden Jr., who lost his son Beau to brain cancer last year.

The administration is making a separate supplemental request for \$1.8 billion in emergency funds to combat the spread of the Zika virus, with the lion’s share going to HHS.

With the number of deaths from heroin and prescription drug overdoses climbing, the administration highlighted areas of the budget dedicated to combating opioid abuse.

Funding for cancer research, opioid abuse and mental health programs could gain traction in the Republican-led Congress, but other aspects of the president’s budget won’t have bipartisan appeal. The request includes \$300 million for the Title X family planning program, up slightly from the fiscal 2016 enacted level of \$286.5 million.

Planned Parenthood derives a slice of its annual \$450 million in federal funding from the Title X program. Republicans have called for cutting or even eliminating Title X in light of the controversial sting videos released about Planned Parenthood last summer.

— *Melanie Zanona*

**HOMELAND SECURITY**

FY 2015 actual*	FY 2016 enacted*	FY 2017 request
<b>\$46.5</b>	<b>\$48.0</b>	<b>\$47.3</b>

\*Excludes disaster relief spending.

**Border Security on the Radar**

Hot-button issues abound in the fiscal 2017 proposal for the Homeland Security Department and, based on the debate in recent years, one of the hottest is likely to be immigration.

President Obama’s executive action on immigration outraged Republicans in discussions over the fiscal 2015 budget, while so-called sanctuary cities that limit enforcement action against illegal immigrants dominated negotiations over fiscal 2016 funding.

In its fiscal 2017 proposal, the White House requests \$7 billion for salaries and benefits for 21,070 Border Patrol agents and 23,821 Customs and Border Protection officers, according to a DHS fact sheet. It would also support 2,070 new officers through an increase in user fees, according to documents provided by OMB.



**Jeh Johnson**

The proposal seeks \$197.5 million for inspection and enforcement efforts abroad such as the Immigration Advisory Program, which aims to keep high-risk travelers off U.S.-bound flights. Another \$353 million would go to technology and infrastructure along the country’s borders, while \$529 million would go to CBP intelligence activities, including analytic support to agents in the field.

The proposal requests \$2.2 billion for Immigration and Customs Enforcement to maintain almost 31,000 detention beds. Republicans, who generally want more detention beds, are unlikely to be pleased with the White House’s figure.

DHS said the administration’s proposal would bolster efforts to counter violent extremism through better community partnerships. The government views outreach efforts as an important aspect of their attempts to contain extremist threats, although members of the Muslim community have expressed concerns about the approach.

The White House addresses cybersecurity concerns in part by seeking \$471 million for the National Cybersecurity Protection System to help maintain the EINSTEIN program to protect government networks against online threats. It also asks for \$274.8 million for the Continuous Diagnostics and Mitigation program to provide hardware, software and services to bolster the .gov networks. Those requests are part of a \$19 billion overall boost for cybersecurity in fiscal 2017, an increase of about 35 percent over fiscal 2016.

— *Ryan Lucas*

**HOUSING AND URBAN DEVELOPMENT**

FY 2015 actual	FY 2016 enacted	FY 2017 request
<b>\$30.4</b>	<b>\$37.8</b>	<b>\$38.0</b>

**War on Homelessness Drags On**

There is still a long way to go for President Obama to meet the goal he set in 2010 to end homelessness within 10 years. So his fiscal 2017 budget proposal includes what Housing and Urban Development Secretary Julián Castro calls a bold policy pursuit of spending \$11 billion over 10 years on a program dubbed Opening Doors.

HUD says the program would enable communities across the country “to end family homelessness by 2020, and then sustain that achievement.” Included in the plan would be \$10.8 billion for project-based rental assistance — \$400 million of which is requested as an advance appropriation for 2018, the budget states. That program serves the elderly, families and people with disabilities and provides transitional housing to homeless Americans.

The president’s request would spend nearly \$2.7 billion for a range of activities and programs to assist homeless people. The administration is proposing a \$300 million mandatory appropriation for a new Local Housing Policy Grants program. Another \$25 million would be go to test innovative projects for homeless youth.

Even though Republicans have balked at some voucher and other HUD efforts, there may be some room for cooperation, housing policy experts say.

“Over the years, even though there’s been disagreement around many HUD programs, there has been bipartisan support for the efforts to serve people who are homeless,” says Sheila Crowley, president and CEO of the National Low Income Housing Coalition.

— *Kate Ackley*

**INTERIOR**

FY 2015 actual	FY 2016 enacted	FY 2017 request
<b>\$12.2</b>	<b>\$13.2</b>	<b>\$13.2</b>

**Revenue-Sharing Fight Looms**

The Interior Department would get stay-the-course funding in fiscal 2017 with \$13.2 billion in discretionary authority under President Obama’s budget. But the White House found room for a \$2 billion, 10-year Interior Department program to boost resources for coastal communities to respond to the impact of climate change, including \$400 million for Alaska.

The Coastal Climate Resilience Fund would cover such actions as relocating entire towns, according to the budget request. The new spending would be offset by repealing a 2006 law that directs an outsize share of revenue collected from Gulf of Mexico oil drillers to Alabama, Louisiana, Mississippi and Texas. Similar proposals in the past have failed in Congress.

Interior Secretary Sally Jewell defended the proposal to repeal the



Gulf offshore oil-and-gas-revenue-sharing law, saying there is little funding for coastal areas facing climate change effects such as erosion from rising sea levels.

The law expanded Gulf drilling and directed 37.5 percent of revenues from a limited number of federal leases to the four states, which received a combined \$1.95 million in fiscal 2015.

“This really is a proposal to recognize that the revenues from oil and gas operations offshore belong to all Americans,” Jewell said.

Louisiana GOP Sen. Bill Cassidy promised to exercise his clout on the Senate Appropriations Committee and the Energy and Natural Resources Committee to preserve the revenue-sharing law. “I will do everything in my power to use my seat on these committees to not only block the president’s raid on oil and gas revenues, but fight to increase Louisiana’s share of offshore revenue,” he declared.

The budget included the president’s latest call for permanent reauthorization of the Land and Water Conservation Fund, which is administered by the Interior and Agriculture departments. Funding would include \$475 million in discretionary money and \$425 million in mandatory spending, with a move to all mandatory spending in fiscal 2018. Congress ignored such a plan in last year’s budget, and enacted a three-year reauthorization in its omnibus spending bill.

Congress set current year LWCF spending at \$450 million, up about \$144 million over fiscal 2015.

Obama’s budget also would boost department spending by \$206 million over estimated current year levels for National Park Service restoration and visitor projects in connection with its centennial initiative, and \$100 million annually in mandatory funding in the following three fiscal years.

The budget renews a proposal to change the Wildfire Management Program to provide more predictable funding sources, with 70 percent coming from discretionary caps and the rest from an adjustment to the cap rather than funds from other department programs.

— *Ed Felker*

**JUSTICE**

FY 2015 actual <b>\$26.3</b>	FY 2016 enacted <b>\$28.7</b>	FY 2017 request <b>\$29.0</b>
Discretionary totals shown, not offset by credits from Crime Victims and Asset Forfeiture funds.		

**Expanded Effort Against Encryption**

President Obama would keep the Justice Department’s funding essentially flat at \$29.0 billion for fiscal 2017. Within that total, he found room for \$38 million extra for an effort to get around encryption of information and messages on cellphones.

FBI officials call the absence of such capability “going dark” and worry that the messages might contain details of attack plans against the United States. The budget request would more than double the current \$31 million in funding for the effort.

FBI Director James Comey unsuccessfully pushed Congress last year to set aside concerns from tech companies and provide officials access to encrypted messages and real-time communications after getting a judicial order to search a phone.

The budget asks for \$500 million per year over 10 years for an initiative to reduce “unnecessarily long sentences and unnecessary incarceration” and build community trust in police.

The budget requests 230 new positions to enhance criminal background checks for gun purchases and expand the system to a round-the-clock service as part of the administration’s recent executive actions on gun control.

The budget also includes a \$1.4 billion request to build new headquarters for the Federal Bureau of Investigation, an effort that got \$390 million in last year’s omnibus spending bill.

— *Todd Ruger*

**LABOR**

FY 2015 actual <b>\$11.9</b>	FY 2016 enacted <b>\$12.2</b>	FY 2017 request <b>\$12.8</b>
---------------------------------	----------------------------------	----------------------------------

**Emphasis on Youth Unemployment**

Acknowledging that a long streak of job growth hasn’t fully reached young people and other groups, President Obama’s request for the Department of Labor focuses on job training and bridging the gap between joblessness and employment.

Labor Secretary Thomas E. Perez said in a blog post that the fiscal 2017 proposal for \$12.8 billion in discretionary budget authority would help with “tackling the unfinished business.” It includes nearly \$6 billion for employment training, apprenticeship programs and partnerships with private companies.

Perez noted that while the overall the unemployment rate is at an eight-year low of 4.9 percent, last summer the jobless rate for 16- to 24-year-olds stood at 12.2 percent. The budget includes \$5.5 billion in new mandatory funding to create a pathway to the workforce for youths and young adults.

The budget seeks \$2 billion over five years for a mandatory Apprenticeship Training Fund to assist employers and states in creating programs aiming to double the number of apprentices. The blueprint seeks \$1.8 billion for Job Corps, an increase of \$66 million, for a program that provides training for 50,000 young people each year.

— *Katherine Tully-McManus*

**STATE**

FY 2015 actual <b>\$28.3</b>	FY 2016 enacted <b>\$28.5</b>	FY 2017 request <b>\$28.7</b>
Overseas Contingency Operations		
FY 2015 actual <b>\$9.4</b>	FY 2016 enacted <b>\$14.9</b>	FY 2017 request <b>\$14.9</b>

**All Eyes on the Middle East**

There is at least one bright spot for Republicans in President Obama’s fiscal 2017 proposal for the State Department and foreign aid: the request to support allies such as Jordan and Ukraine that are confronting aggression by the Islamic State terror group and by Rus-

TRANSPORTATION

FY 2015 actual	FY 2016 enacted	FY 2017 request
<b>\$17.9</b>	<b>\$14.3</b>	<b>\$12.0</b>
Proposed restructuring would move some programs to mandatory spending in FY 2017.		

Trouble With Infrastructure

Few sections of President Obama’s fiscal 2017 budget proposal have less chance of being enacted than his spending plan for transportation. The blueprint calls for a significant overall increase for the Transportation Department, from \$76 billion enacted for fiscal 2016 to \$98.1 billion for fiscal 2017. The proposed 21st Century Clean Transportation Plan would combine resources from other agencies, including the Energy Department, NASA and the EPA.

But the surge in investment isn’t reflected in the discretionary side of the budget under the purview of the House and Senate Appropriations committees. Instead, discretionary budget authority in Obama’s budget would decrease from \$14.3 billion in fiscal 2016 to about \$12 billion in fiscal 2017. The decline would be more than offset by increased investment on the mandatory side of the budget.

Obama’s move to make so much spending mandatory has been panned by Republican leaders and appropriators, who are averse to giving up annual control over programs.

The administration’s plan would be funded by a \$10.25 per barrel fee on domestic and imported oil levied on oil companies — another reason the proposal will face opposition from the GOP. The White House says the fee would bring in \$319 billion for transportation over 10 years, an amount that could be supplemented with a one-time injection of \$176 billion from a corporate tax overhaul.

The per-barrel fee on oil would raise the price of gasoline by about 20 cents per gallon, a senior Treasury official said.

The transportation plan includes \$7.5 billion in fiscal 2017 to fund new grant and formula programs within the Federal Highway Administration. That includes a switchover of several programs currently funded with general fund appropriations, including the Transportation Investment Generating Economic Recovery (TIGER) grant program and New Starts transit grants.

Combined with resource levels under current law, the plan would amount to nearly \$900 billion for surface transportation over 10 years through the Transportation Department.

All major transportation agencies would see increases except the Federal Aviation Administration, which would have a slight decrease. For the Federal Railroad Administration, the fiscal 2017 request amounts to about \$6.3 billion, a boost from \$1.7 billion.

The Federal Transit Administration’s fiscal 2017 level would be \$19.9 billion, compared to \$11.8 billion enacted in fiscal 2016. The Federal Highway Administration would also get a significant boost, with \$51.5 billion in total budgetary resources requested in fiscal 2017, up from \$43 billion enacted in fiscal 2016, according to the agency’s overview.

The president’s transportation funding proposal reflects a search to find a different revenue source than motor fuel taxes, which have

sia is expected to be an easy sell in Congress.

In December, lawmakers in their fiscal 2016 omnibus spending package went beyond what the administration had sought by providing almost \$1.3 billion in military and economic assistance for Jordan, roughly \$275 million more than had been requested. Ukraine got nearly \$100 million more than the White House sought.

This year the president is seeking \$4.1 billion to strengthen the ability of Middle Eastern partner countries to stand up to ISIS aggression, fight ISIS recruitment and address humanitarian needs that have resulted from the spreading conflict in Syria and Iraq. The request includes development funds for regional countries that are hosting large numbers of Syrian refugees and have experienced a strain on their ability to provide adequate social services.

The administration is seeking \$953 million in public diplomacy and economic funding for countries in Europe, Eurasia and Central Asia that are concerned about Russian aggression and unwanted influence. Funds would go to a broad range of activities, including combating local corruption, improving the rule of law, promoting European integration and improving defense capabilities. Georgia, Moldova and Ukraine are singled out for attention in this effort.

Beyond those proposals, the debate in Congress over foreign-policy spending in fiscal 2017 is expected to be contentious.

The budget request includes \$6.2 billion in humanitarian assistance for refugees, internally displaced peoples and those affected by natural or manmade disasters. That is less than the \$7.6 billion in humanitarian-related accounts provided by Congress for fiscal 2016, says Heather Higginbottom, deputy secretary of State for management and resources. OMB said the request would meet the administration’s goal of resettling at least 100,000 refugees from around the world in the United States in the next fiscal year.

The administration renewed last year’s \$1 billion budget request for developmental aid for Central America as part of a broader plan to reduce the number of migrants seeking to enter the United States from El Salvador, Honduras and Guatemala. Congress provided \$750 million of that amount in the fiscal 2016 omnibus.

Roughly two-fifths of all requested development assistance would go to the president’s initiatives on climate change and combating food insecurity. The State Department is asking \$978 million for its Feed the Future initiative, which works to improve agricultural productivity, food security and nutrition in developing countries.

The State-Foreign Operations budget includes nearly \$984 million of a broader administration request of \$1.3 billion for the Global Climate Change Initiative, which helps developing countries prepare for the effects of global warming. The request includes \$500 million of a combined State-Treasury department contribution of \$750 million to the United Nations’ Green Climate Fund. That’s a \$250 million increase as the administration seeks to make good on a 2014 pledge of \$3 billion to the fund.

The Green Climate Fund was a major target of Republicans last year. GOP lawmakers vowed to block funding but ultimately failed to get any language included in the omnibus that would have explicitly barred the president from sending fiscal 2016 dollars to the fund.

— Rachel Oswald

historically paid for the bulk of federal transportation improvements. For years, the taxes, which haven't increased since 1993, have been inadequate to pay for programs authorized by Congress.

— *Kellie Mejdrich*

**TREASURY**

FY 2015 actual	FY 2016 enacted	FY 2017 request
<b>\$12.2</b>	<b>\$12.6</b>	<b>\$13.1</b>

**More for Regulators a Sore Spot**

Skirmishes over the Dodd-Frank financial regulatory overhaul are once again breaking out in the wake of President Obama's fiscal 2017 request to boost funding for two key agencies charged with regulating Wall Street.

The Securities and Exchange Commission would get an 11 percent increase, to \$1.8 billion, and the Commodity Futures Trading Commission would see a 31 percent increase to \$330 million, under the administration's budget blueprint.

Both requests are sure to face opposition in Congress.

Obama's budget describes the increases for the two agencies as "a down payment toward doubling" their funding by 2021 to better enforce Dodd-Frank regulations.

The Treasury Department would get \$13.1 billion for its operations next year, up 4 percent from this year's estimated amount. The total Treasury budget, including international assistance programs, would be \$15.5 billion.

Most of that money — \$12.28 billion — would go to the Internal Revenue Service. The budget promises "a significant investment" that would be used "to further improve customer service to meet taxpayer demand." Republicans have fought White House efforts to boost IRS funding since the 2013 revelation that the tax agency had applied intensive scrutiny to some conservative tax-exempt groups based on political names or leanings.

— *David Lerman*

**VETERANS AFFAIRS**

FY 2015 actual	FY 2016 enacted	FY 2017 request
<b>\$65.1</b>	<b>\$71.6</b>	<b>\$75.2</b>

**Big Boosts Sought for Vets**

Mental health services, medical research and efforts to reduce homelessness among veterans would all see funding increases at the Department of Veterans Affairs if the Obama administration gets its way in fiscal 2017.

The White House asked for \$75.2 billion in discretionary spending authority for the VA in fiscal 2017, or 4.9 percent more than what Congress appropriated for the agency in the current fiscal year.

The agency also will seek \$102.5 billion in mandatory spending for a total of \$181.2 billion in fiscal 2017, compared with \$162.7 billion Congress approved for fiscal 2016. Another \$103.7 billion will go

toward a fiscal 2018 advanced appropriation for the agency's mandatory programs.

The VA estimates it will treat 7 million patients at its hospitals in fiscal 2017. The number of veterans who served in Iraq and Afghanistan is expected to reach 922,664 in fiscal 2017 and nearly 1 million the following year. Outpatient visits in fiscal 2017 will grow to about 75 million, or 2.9 percent more than this year's levels, the VA said.

The 2017 budget proposal includes \$7 billion to expand mental health services, including treatments for post-traumatic stress disorder and military sexual trauma.

The 2017 budget also includes a request for \$663 million to fund cutting-edge medical research, including collecting genetic samples and health information from 1 million vets over the next five years.

— *Gopal Ratnam*

**OTHER AGENCIES**

**FOOD AND DRUG ADMINISTRATION**

FY 2015 actual	FY 2016 enacted	FY 2017 request
<b>\$2.6</b>	<b>\$2.7</b>	<b>\$2.7</b>

Discretionary totals above do not include user fees.

**Race for the Cures**

The "moonshot" cancer research initiative would get most of the limited new funding proposed for the Food and Drug Administration in the administration's fiscal 2017 budget request.

Meanwhile, food safety, the prime focus of last year's budget blueprint, would be mostly funded by proposed user fees that will likely be rejected by Congress.

The FDA total budget is split between appropriated funds from Congress and user fees from the makers of drugs, medical devices and tobacco products. The administration seeks about \$2.75 billion in appropriations, a \$17 million increase from fiscal 2016. The request also includes about \$2.1 billion in new user fees.

The combined \$4.8 billion topline request for the FDA budget, including user fees, represents an \$80 million bump over the approximately \$4.7 billion Congress granted for fiscal 2016.

The plan proposes \$75 million for the cancer initiative, which the administration would use to create a virtual center focused on evaluating cures and diagnostic tests that will pull in scientists from the FDA's centers for drugs, biologics and devices. The money would be transferred from the National Institutes of Health.

For food safety, the request seeks \$25 million in new spending and an extra \$180 million that would be derived from new user fees imposed on food facilities and importers. Food-related user fees

have been rejected by Congress every year since enactment of the 2010 Food Safety Modernization Act.

— Andrew Siddons

**ARMY CORPS OF ENGINEERS**

FY 2015 actual	FY 2016 enacted	FY 2017 request
<b>\$5.6</b>	<b>\$6.0</b>	<b>\$4.6</b>

**It’s a Lock: There Will Be a Battle**

The Obama administration has once again set the stage for a fight with Congress over funding for the Army Corps of Engineers.

Its fiscal 2017 budget request for the Corps is \$4.6 billion, 23 percent below the level that Congress provided in fiscal 2016.

The proposal fits the pattern of the past few years in which the administration seeks what congressional appropriators regard as unrealistically low spending levels for the Corps, which builds and maintains locks, dams, harbors and flood control infrastructure.

In its fiscal 2017 proposal, the administration says it wants to cut \$808 million, or about 40 percent, from Corps spending on what it calls “low priority studies and construction.” This is nearly 65 percent larger than a cut it proposed last year. The budget seeks a \$432 million reduction in Corps operations and maintenance spending, more than twice as big a cut as requested for last year.

When Army Corps officials went before the House Energy and Water Development Appropriations Subcommittee last year, Chairman Mike Simpson of Idaho complained to them that while they sometimes “said all the right things about the economic benefits of navigation” and flood control projects, “year after year, the budget falls far short of actually making progress in any of these areas. ... I guess every member of Congress has an Army Corps project in the district that is important to them and important to the country, frankly.”



Simpson

As it did in last year’s budget, the administration is proposing to raise revenue from the barge and towboat industry by imposing an annual per-vessel fee for use of inland waterways. The excise tax on diesel fuel used in inland waterways commerce was increased last year to 29 cents per gallon, but will not produce enough revenue to pay for future capital investments, the budget said.

The Waterways Council, a coalition of shippers, barge operators, ports, unions and conservancy groups, is opposed to the fee.

The biggest single construction line item in the budget is \$225 million for the Olmsted Locks and Dam on the Ohio River between Kentucky and Illinois.

— Tom Curry

**ENVIRONMENTAL PROTECTION AGENCY**

FY 2015 actual	FY 2016 enacted	FY 2017 request
<b>\$8.1</b>	<b>\$8.1</b>	<b>\$8.3</b>

**Water Woes in the Forefront**

Drinking water contamination has become a national issue in the wake of the lead poisoning crisis in Flint, Mich., and the EPA has said it will in 2017 propose long-term revisions to the federal lead and copper rule, which sets standards for states to implement locally.

The White House’s budget would allocate about \$2 billion for states to fund wastewater-treatment and water-delivery systems.

Overall, the administration would give the EPA about \$8.3 billion for discretionary spending in fiscal 2017, compared with \$8.1 billion for the current year. The new request for the agency emphasizes the administration’s continued focus on climate change, air pollution programs and stronger drinking water standards. About \$235 million would be directed to the agency’s program to reduce carbon emissions, including a rule known as the Clean Power Plan that was put on hold by the Supreme Court this month.

— Ed Felker

**NASA**

FY 2015 actual	FY 2016 enacted	FY 2017 request
<b>\$18.0</b>	<b>\$19.3</b>	<b>\$18.3</b>

**Shooting for the Moon ... of Jupiter**

NASA hopes to move toward less reliance on the Russian space program with its funding request for fiscal 2017.

Part of the Obama administration’s \$19 billion budget proposal for the space agency is a request for \$8.4 billion to continue commercial development of systems to transport astronauts to the International Space Station, along with a Space Launch System rocket and Orion crew vehicle for sending astronauts on deep space missions. The funds, NASA says, would end “the need to pay Russia for crew transport services.”

The overall funding request is almost 2 percent below the fiscal 2016 enacted level of \$19.3 billion. The administration wants \$790 million for NASA’s research to create quieter, more efficient and less-polluting aircraft, a 23 percent increase over fiscal 2016.

Under the budget proposal, NASA’s science branch would get \$5.6 billion for programs including the Hubble Space Telescope, global land-imaging measurements and a planned mission to Jupiter’s moon Europa.

Another \$827 million would go to space technology programs such as deep space communications for future missions.

— Alisha Green