A LONG TERM CONTINUING RESOLUTION AT SEQUESTER LEVELS WILL BE A DISASTER

We must replace the sequester and allow a 2014 Omnibus Appropriations bill to move forward before the end of the year.

The consequences of another long term Continuing Resolution (CR) at sequester levels will threaten the health, safety and financial security of American families especially when compared to the Senate Appropriations Committee’s 2014 bills (see Senate Appropriations Committee analysis, The Consequences for America, attached). Here are some highlights of the consequences of a long term Continuing Resolution:

- **FBI**: Underfunded by $914 million. FBI agents will be furloughed for roughly ten days.
- **Education**: Head Start would serve 177,000 fewer kids. Title I would serve 1.3 million fewer students.
- **Medical Research**: NIH would receive $2 billion less for research – translating to 1,300 fewer grants.
- **Defense**: Funding for national defense programs would be $53.9 billion lower, further degrading the readiness of our forces, the defense industrial base, and military bases around the country.
- **Protecting Embassies**: Funding to protect our embassies abroad would be down $142 million.
- **Innovation**: The National Science Foundation would not be able to provide 1,500 grants.
- **Nutrition**: As many as 500,000 fewer infants, children and women would receive nutrition support.
- **Energy Assistance**: 760,000 fewer households will receive home energy assistance.
- **Highways**: Repairs to highways would face a $636 million shortfall.
- **Bridges**: Critical work on our nation’s bridges would be down $500 million.
- **Transit**: Support for transit systems around the country would be underfunded by $134 million.
- **Waste and Fraud**: $2.7 billion less in recovered taxpayer funds from abuses in Medicare & Medicaid.
- **Policing Wall Street**: $420 million less than needed at the SEC, and $120 million less at the CFTC.
- **Affordable Care Act**: Under a CR, HHS will lose $1.4 billion to operate and improve the Health Exchanges (Marketplaces) in their first year of operation.
Long Term Continuing Resolution under Sequester vs.
The Senate Appropriations Bills

The Consequences for America

JOBS & THE ECONOMY

- **FAA Operations** – The Senate bill includes $559 million more than a long term CR would, which will allow the FAA to hire the air traffic controllers necessary to fill positions lost to attrition and needed to keep the skies safe at current and projected travel levels. At a CR funding level, the FAA would likely have to impose a hiring freeze and impose as many as 21 furlough days on air traffic controllers and aviation safety inspectors.

- **Patent and Trademark Office** – The PTO would not have access to an estimated $238 million in fees that the FY2014 Senate bill provides the agency. Allowing these collected fees to be sequestered will undermine the ability of the PTO to process applications that help launch new products and technologies that fuel our economy and grow jobs.

- **Clean Energy** – Compared to the Senate bill, a CR will cut clean energy research grants by $532 million. A CR would also underfund new investments in biofuels, electric vehicles, and advanced manufacturing to create clean energy jobs by $562 million.

- **Wall Street Reform** – The Senate bill provides the funding levels requested by the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) in order to implement the Dodd-Frank Wall Street Reform law. A CR would underfund the SEC by $420 million – 25 percent below their needs. A CR would cut the CFTC by $120 million – 38 percent, below their required level.

- **NASA** – Under a CR funded at the sequester level, NASA would receive $1.1 billion less than the Senate bill’s level, which will cut critical science and exploration programs that create jobs across the country and fuel new technologies.
New Military Construction Stalled – Unlike the Senate Bill, a CR prohibits new starts for military construction, which would block execution of 96 percent of FY 2014 major projects. The list includes 204 stalled military construction projects located in 39 states, totaling $4.8 billion.

Agricultural Research – A CR would decrease agricultural research and extension activities by $242 million compared to the Senate bill. The United States is currently being significantly outspent on agricultural research by China, which spends roughly $45 billion annually, jeopardizing America's status as the world leader in food production.

Science – Under a CR at sequester levels, funding for the National Science Foundation (NSF) would be $542 million less than the FY2014 Senate bill. The Senate bill would provide 1,500 more competitive grants supporting 17,000 more technicians, scientists, and students in fiscal year 2014.

Environmental Protection Agency (EPA) – A CR would cut $73 million from the Clean Water State Revolving Fund and $46 million from the Drinking Water State Revolving Fund, which in addition to presenting environmental risks, would lead to 6,500 fewer jobs and 42 fewer projects nationwide.

FDA User Fees – A CR would have serious consequences for FDA's various user fee programs, which would negatively affect the pharmaceutical and medical device industries and could delay important treatments for patients.

Contract Towers – The Senate protects the contract tower program, but under a CR the FAA will likely target the contract tower program once again for closures – undermining business and personal travel near smaller market airports.

Internal Revenue Service – Unlike a CR, the Senate bill provides the funding needed for the IRS to engage in corrective action to remedy serious management shortcomings and fix internal controls recently identified by its Inspector General. IRS staffing has dropped by 10,000 in recent years, which has harmed its responsiveness to taxpayers with one of every three calls going unanswered.

Defense Industrial Base – A CR at sequester levels will erode the defense industrial base, including shipbuilders, aerospace industry, depots and arsenals, and tank and vehicle manufacturers.
INFRASTRUCTURE

- **Aging Bridges** – Of the over 600,000 bridges in our nation, one in four are classified as deficient. The Senate bill contains $500 million for the new Bridges in Critical Corridors program to address these needs across the country. This program would not be funded in a CR.

- **Infrastructure Investments** – Funding for the TIGER program, which provides grants for significant transportation projects across the country, would be down $76 million under a CR.

- **Highways** – The Senate bill provides $636 million in highway funding that would not be funded in a CR.

- **Transit** – Under a CR, transit funding will be reduced by $134 million compared to the Senate bill.

- **Critical Infrastructure Protection** – Compared to the Senate bill, a CR underfunds critical infrastructure protection by $33.7 million, which will harm efforts to prevent catastrophic impacts to critical infrastructure during man-made or natural disasters.

- **Flood Control** – A CR would underfund the Army Corps of Engineers by $675 million compared to the Senate bill for efforts nationwide to address flood control, navigation, and ecosystem restoration projects. The Senate bill also provides funding for the Harbor Maintenance Trust Fund at the level called for in the Senate passed WRDA bill; a CR does not.

- **Satellites** – In 2012, the United States suffered 11 major weather and climate disasters that cost $110 billion dollars. One-third of US GDP is affected by climate and weather. Under a CR, improvements to our Federal weather infrastructure are threatened because next generation weather satellite technology would be underfunded by $255 million.

- **Military Bases** – A CR at sequester levels will continue the erosion of facilities and maintenance on military bases. Small local businesses that rely on annual contracts that will be cut back substantially for a second year in a row.
COMPPELLING HUMAN NEEDS

- **Head Start** – The Senate bill would provide Head Start services to 177,000 more children than funding at a CR level. The Senate bill also expands Early Head Start, which provides services for children and families from before birth through age 3.

- **Title I (Education for the Disadvantaged)** – The Senate bill provides $852 million more for Title I than a CR – enough to provide Title I services to an additional 1.3 million students.

- **Special Education** – The Senate bill provides $748 million more for Special Education State Grants than a CR – enough to cover the costs of employing more than 9,000 additional special education staff.

- **Affordable Care Act** – Under a CR, HHS will lose $1.4 billion critical to operate and improve the Health Exchanges (Marketplaces) in their first year of operation.

- **NIH** – The Senate bill provides $2 billion more for the National Institutes of Health than a CR – enough to award about 1,300 additional new research grants. That means 1,300 additional opportunities to achieve scientific breakthroughs that could lead to life-saving treatments and cures.

- **Fraud and Abuse** – The Senate bill more than doubles the funding to go after fraud and abuse in Medicare and Medicaid. These activities return $7.90 to the Treasury for every $1 Congress appropriates. At that rate, the Senate level’s investment will return more than $5 billion to the Treasury over the next three years.

- **Child Care** – The Senate bill provides $291 million more for child care subsidies for working families.

- **Preschool Development Grants** – The Senate bill includes $750 million for a new program intended to help States expand or create high-quality preschool systems that serve 4-year-olds from low- and moderate-income families. A CR would have nothing for this program.

- **Low Income Home Energy Assistance Program (LIHEAP)** – The Senate bill provides a $325 million increase over a CR for LIHEAP, which will allow States to provide home energy assistance to approximately 760,000 more households this winter and next summer.

- **Section 8 Housing Program** – Compared to the Senate bill, a CR would result in 159,000 fewer families receiving assistance for affordable housing.
• **Nutrition** – Under a CR, as many as 500,000 infants, children and members of their family would not see nutrition aid under the WIC Program.

• **Commodity Supplemental Food Program** – Under a CR, 50,000 low-income senior citizens would not be able to receive essential food aid that the Senate bill would provide.

• **Rural Development Rental Assistance Program** – Under a CR 39,600 low-income rural households, which are generally headed by single women, the elderly, and the disabled, would not receive their housing aid.

• **Food Safety** – A CR would reduce FDA funding by $217 million below the Senate bill, which will undermine food safety efforts at the agency.

• **Global Health** – A CR would fall $389 million short compared to the Senate bill in funding for global health programs to combat HIV/AIDS and other preventable infectious diseases including malaria, tuberculosis, pneumonia, and malnutrition. As a direct result there will be tens of thousands of additional deaths from these diseases, tens of thousands of additional children orphaned by AIDS, and millions fewer life-saving immunizations for children resulting in tens of thousands of preventable deaths.

• **Development Assistance** – A CR would underfund Development Assistance by $115 million compared to the Senate bill, which includes aid to the poorest countries for basic and higher education, the environment and climate change, food security, microfinance, and water and sanitation programs.
NATIONAL SECURITY

- Undermining our Military — According to the military Chiefs, the readiness of the force will continue to degrade under a CR at sequester levels. By the end of FY 2014, 85% of Army brigade combat teams will not be fully trained to deploy; the Navy and Marine Corps will only have one carrier strike group and one amphibious ready group trained and ready for surge operations when they typically have three; and the Air Force will have to cut up to 550 aircraft and potentially divest entire fleets of aircraft, possibly A-10s, B-1s, and KC-10 squadrons.

- Customs and Border Protection (CBP) — A CR would put CBP salaries and expenses $206 million below levels necessary to sustain current operations for securing the border and facilitating trade. Under a CR, CBP would have to furlough officers up to 16 days per employee.

- Coast Guard — A CR funding level will require the Coast Guard to operate its surface and air assets 25 percent below planned levels. As a result of budget cuts there has been a noticeable change in most mission areas, including a 35 percent reduction in drug seizures and a 22 percent reduction in interdiction of undocumented migrants.

- Protecting Classified Material — In response to Wikileaks and the Snowden case, the Senate bill includes $29.8 million to safeguard and help deter any unauthorized release of classified DHS information. A CR would provide no funding for this protection.

- Military Healthcare — The Defense Health Program, which pays for the healthcare of service members and their families, will have a $2.7 billion shortfall under a CR.

- Sexual Assault Victims — The Senate bill includes $25 million to establish Special Victims’ Counsel programs across all the services. No funding would be provided in a CR.

- VA Backlog — Reforms and funding to reduce the VA claims backlog that were included in the Senate Defense and VA bills will not be funded or directed in a CR.

- Embassy Protection — The Senate bill includes nearly $50 million to increase Marine Security Guard presence at U.S. embassies and locations overseas and $92 million to increase Marine Crisis Response forces around the globe. These initiatives would not be funded under a CR.
• **Wasted Military Resources** – Wasteful spending for DOD will go unchecked in a CR since it would fund programs that have since been terminated or are no longer needed. For example, a CR would fund another three destroyers at over $1 billion per ship when the Navy only needs one of these ships in FY 2014. Furthermore, a CR would not allow DOD to enter into multi-year contracts for several weapon systems, which will waste millions of dollars in taxpayer savings associated with these types of contracts.

• **Maritime Security Program (MSP)** - The Senate bill fully funds the MSP program, which supports contracts with privately-owned, U.S.-flag, U.S.-crewed commercial ships to provide DOD with military sealift capacity. At a CR level of funding, DoD could lose up to 25 vessels from the program, jeopardizing future military readiness.

• **Refugee Aid** – A CR would fall $200 million short of the Senate bill in providing life-saving food, shelter and basic health care for refugees. There are currently 2 million Syrian refugees and an additional 4.5 million internally displaced Syrians who are in desperate conditions. As the humanitarian crisis in Syria escalates the U.S. share of the cost of relief aid will increase and additional funds will be required, as well as for the millions of refugees in Africa and elsewhere.
PUBLIC SAFETY

- Federal Law Enforcement – Under a CR at sequester levels, the Department of Justice (DOJ) would not be able to replace the more than 3,400 employees lost under the current hiring freeze and some agencies could face significant furloughs.

- Cybersecurity – Under a CR, America’s cybersecurity efforts would be underfunded by $1.15 billion, hampering our efforts to protect and defend networks and critical infrastructure. There are 6 million probes or attacks on U.S. government networks a day, and among the attackers are 140 foreign spy organizations.

- Federal Bureau of Investigation (FBI) – The FBI would face a $914 million cut compared to the FY2014 Senate Bill. The Senate bill will allow the FBI to conduct 1,500 more terrorism, cyber intrusion, and violent crime investigations. Under a CR, FBI Agents would face roughly 10 days of furlough in FY2014.

- Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) – Under a CR at sequester levels, ATF would receive a $158 million cut compared to the Senate bill. With the Senate level of funding, the ATF can recommend more than 200 more gun cases for prosecution, keeping guns from criminals, gang members, drug dealers, and the mentally ill.

- US Marshals Service – Under a CR, the Marshals Service’s budget would be reduced by $202 million compared to the Senate bill. At the Senate level, about 3,000 more violent fugitives and sex offenders will be put behind bars.

- US Attorneys – Funding for U.S. Attorneys would be down $177 million under a CR compared to the Senate bill. At the Senate level, the U.S. Attorneys’ offices will be able to prosecute approximately 300 additional criminal cases in Federal courts.

- State and Local Law Enforcement – The Commerce, Justice, Science bill is the major Federal funding source for our State, local, and tribal partners who fight violent crime and terrorism, combat violence against women and children, and support victims of crime. According FBI figures, police departments reported an uptick of 0.7 percent in violent crimes in 2012, after more than five years of steadily declining crime rates. Under a CR at the sequester level, State and local law enforcement would be provided $337 million less to fight violent crime and gangs, and terrorism. For example, COPS Hiring grants would be reduced by $22 million under a CR compared to the Senate bill, resulting in about 150 fewer police officers being hired.
• **Immigration and Customs Enforcement (ICE)** — Under a CR, ICE will not have funds sufficient to maintain its detention bed needs. To make up for the shortfall, ICE may have to engage in a hiring freeze and/or furloughs, which will undermine thousands of enforcement actions that target child predators, human traffickers and those smuggling dual use and weapons technologies to countries that sponsor terrorism.

• **The Judiciary** — Compared to the Senate bill, a CR would underfund our Federal Courts by $450 million. Since July 2011, the courts have been forced to downsize by nearly 2,700 employees, a 12 percent loss of staff, due to budget constraints. These cuts impact the Courts’ ability to administer justice and keep the public safe. It would result in reductions in supervision of convicted felons released from prison and serious delays in the movement of civil, criminal, and bankruptcy cases.

• **Nuclear Waste** — A CR would underfund efforts to clean up nuclear waste legacy sites resulting from the nuclear weapons program in Washington State, New Mexico, South Carolina, Idaho, and Tennessee.