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House of Representatives
Committee on Appropriations
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October 9th, 2012

Dear Colleague:

My purpose here is to illustrate the consequences of an automatic, across-the-board, uniform percentage reduction prescribed by the Budget Control Act (BCA). This letter will examine the impact of sequestration on the whole range of Federal responsibilities and, I hope, help make the case for Congress to act responsibly by agreeing to a more sensible approach to deficit reduction.

First, let us remember the purpose of sequestration. In an effort to reduce the deficit by \$2.4 trillion, the BCA captured the initial \$1.2 trillion in cuts almost entirely by capping discretionary appropriations over the ten years from FY 2012 to FY 2021. To get the second installment of \$1.2 trillion, Congress established the Joint Select Committee on Deficit Reduction. Concerned, however, that the Congressional Super Committee might require additional motivation to agree on a balanced deficit reduction plan, Republicans and Democrats agreed to sequestration. Sequestration is not so much a back-up plan as an inducement for all sides to reach a compromise. Clearly, any thoughtful, deliberate agreement will be an improvement over the mechanical and indiscriminate nature of sequestration cuts. So the BCA provided plenty of time, more than one full year between the due date for the Joint Committee to propose its recommendations and the imposition of sequestration, to enable Congress and the President to try again.

To be clear: If sequestration takes effect, it is only because it failed to motivate Congressional action as intended. The across-the-board cuts take effect only because the Joint Select Committee failed, and only if, in the ensuing year, Congress and the President fail to reach agreement on a more sensible deficit reduction plan.

The Sequestration Transparency Act (STA) directed OMB to report on how the Administration interprets the law related to implementing sequestration. On September 14, OMB submitted its report estimating percentage cuts for defense and nondefense appropriations based on assumptions set in the STA:

- A reduction of 9.4 percent in 2013 for discretionary defense (function 050) appropriations for each non-exempt item
- A reduction of 8.2 percent in 2013 on discretionary nondefense appropriations

OMB, in accordance with the STA, looked at only one aspect of sequestration. As another motivation to act, the BCA also set up a second, separate sequestration to enforce the firewall between security and non-security appropriations. Because the Joint Committee failed, a new and lower defense firewall goes into effect, requiring an additional cut in defense spending. Based on levels in the agreed upon continuing resolution for FY 2013, we estimate:

- An additional reduction of 1.9 percent in 2013 only for discretionary defense (function 050) accounts

There are many reasons to prefer a grand bargain on deficit reduction to formulaic, indiscriminate cuts in discretionary spending. In part, it is important to see how these cuts will affect Americans in order for sequestration to motivate Congress to agree on an alternative. We agree with the sentiment expressed in the OMB report:

“The Administration does not support these cuts, but unless Congress acts responsibly, there will be no choice but to implement them.”

In addition to the specific, misguided policy impacts illustrated below, there are broad economic reasons to disapprove of sequestration. The mechanical approach divides ten years of deficit reduction into ten equal installments. However, imposing a heavy dose of austerity during a weak recovery undermines one of the fundamental economic principles of deficit reduction. Simply put, the first principle of any cure is to do no harm. Sequestration harms by slowing economic growth and inhibiting job creation now. Erskine Bowles and Alan Simpson, co-chairs of the National Commission on Fiscal Responsibility and Reform, made the point succinctly:

Don't disrupt the fragile economic recovery. We need a comprehensive plan now to reduce the debt over the long term. But budget cuts should start gradually so they don't interfere with the ongoing economic recovery. Growth is essential to restoring fiscal strength and balance.

If Congress fails to replace sequestration with a responsible, long-term deficit reduction plan, Moody's has warned they will downgrade America's credit rating and the Congressional Budget Office notes they will overturn their forecast of steady growth for 2013, predicting another recession with a 9.1 percent unemployment rate. CRS estimates that sequestration alone would result in 1.4 million jobs lost in the same year.

Defense

Defense Secretary Leon Panetta has warned that sequestration “could pose a significant risk to national security” and would “literally undercut our ability to put together the kind of strong national defense we have today.” He also warned that the unemployment rate could spike 1 percentage point if sequestration took effect. “We’d be shooting ourselves in the head,” Panetta concluded.

When he served as Office of Management and Budget Director, Jacob Lew also noted that the across-the-board cuts would endanger our national security. The Defense Department “would almost certainly be forced to furlough large numbers of its civilian workers, training would have to be curtailed, the force reduced and purchases of weapons would have to be cut dramatically,” Lew wrote.

The sum of the two sequestrations on defense appropriations (the largest subset of defense function 050) equals \$60.6 billion, including \$50.5 billion associated with the 9.4 percent cut and an additional \$10.1 billion from the smaller, firewall enforcement sequestration. It should also be noted that sequestration will apply to the sum of base and Overseas Contingency Operations.

In addition, under the Budget Control Act, the President has the authority, and intent, to exempt military personnel from sequestration.

Reducing Operations & Maintenance accounts by the amounts required will severely constrain resources for housing, training and equipping the troops. Base Operations Support (BOS) would be reduced by \$2.4 billion and Facilities Sustainment, Renovation and Modernization (FSRM) would be reduced by \$1.1 billion under sequestration. The safety, efficiency and basic functioning of all military posts, camps and stations, is put at risk by limiting utility services, base security and resources to maintain structures. Sequestration would reduce readiness training by \$2.9 billion and limit the availability of combat related training such as home station and rotational exercises required to maintain the readiness of US forces. Another \$1.3 billion would be cut from Training and Recruiting, harming efforts to recruit personnel, provide skill development training, provide professional development education and training, and provide officer accession and development (including the Military Service academies). Depot Maintenance would also be reduced by \$1.6 billion under sequestration. This reduction would limit DoD’s ability to maintain and modernize key weapon systems, and overhaul weapons systems damaged in operations. Sequestration would severely degrade the Defense Department’s ability to maintain a trained and ready force, and would similarly ensure that the condition of combat equipment and military facilities would deteriorate.

The fiscal year 2013 enacted level for the Defense Health Program is \$32.7 billion, which would be reduced by \$3.7 billion under sequestration. This reduction is contrary to the premise of DoD exempting military personnel from sequestration and would be fundamentally unworkable because military personnel, their dependents and retirees are

entitled to care. Sequestration would also reduce funding available for psychological health, traumatic brain injury, and for suicide prevention activities.

Educational programs for military dependents would be cut along with funding to operate Department of Defense Dependent Schools.

The required reduction to Procurement accounts would mean 8 fewer UH-60 Blackhawk helicopters and 5 fewer CH-47 Chinooks, slowing Army plans to modernize its utility and heavy lift helicopter fleet. The CH-47 Chinook has proven especially valuable in Afghanistan because of its effectiveness at high altitudes compared to other utility aircraft. Sequestration would take up to 11 Stryker vehicles out of the program, hurting the Army's ability to keep Stryker brigades fully outfitted. Two fewer F-18G (Growler) aircraft would be built, impairing the fielding of electronic warfare capabilities. Sequestration will make it more difficult to avoid a carrier-based strike fighter shortfall by building 3 less F/A-18E/F aircraft. And one less P-8A would slow the Navy effort to field new surveillance aircraft. Sequestration would cut \$1.7 billion from the Shipbuilding and Construction, Navy account, and depending on allocation, remove at least one new vessel. Sequestration would also cut one Evolved Expendable Launch Vehicle (EELV) potentially disrupting the schedule of military space launches.

Research, Development, Test and Evaluation accounts would also be cut, reducing funding for the Joint Strike Fighter by \$1 billion, cutting four aircraft, and reducing advance procurement, putting the production ramp at risk for aircraft planned in the outyears. Sequestration would reduce funding for the Aerial Refueling Tanker program by \$99.5 million and potentially slow the EMD contract. Even though Congress accelerated risk reduction activities for the Next Generation Bomber, sequestration will cut funding by \$33.7 million.

Sequestration would cut over \$2 billion from military construction accounts. This would require the Department of Defense to render its entire construction program unexecutable; the FY 2013 FYDP includes 150 projects ranging from barracks to child development centers. A cut of this magnitude would also have a severe impact on employment in the construction industry.

All Veterans' programs administered by the Department of Veterans Affairs, including administrative expenses, are exempt from sequestration.

The National Nuclear Security Administration (NNSA) would also be subject to the more substantial defense reduction. Under sequestration, NNSA Weapons activities would be cut by \$861 million. With this reduced budget, NNSA would no longer be able to support modernization of the weapons complex, including required life extension programs to ensure the nation's nuclear deterrent remains safe, reliable and effective. Further, NNSA would not have the resources to maintain a level of emergency readiness commensurate

with threat conditions and would be unable to operate and respond in a timely manner, adding significant risk to the first responders and public's safety in the event of a radiological or nuclear incident.

Defense nuclear nonproliferation efforts would also be constrained. NNSA would not have the resources to achieve a four-year lockdown of vulnerable nuclear material, leaving materials vulnerable to terrorist theft and undermining our national security.

Naval Reactor programs would be at risk, as well. One year of sequestration would delay, by a minimum of three years, the Spent Fuel Recapitalization project, the OHIO replacement, and the Land-based Prototype Refueling Overhaul. Each year recapitalization is delayed forces the Government to spend \$88 million per year in temporary facilities. In addition to delaying the OHIO replacement, the reduction also eliminates the life-of-ship core, an effort to extend the life of the reactor to that of the submarine. This would necessitate building two more ships than the twelve currently needed to meet deterrence requirements. And delaying the refueling overhaul would reduce the output of trained nuclear operators by at least 33% (approximately 1,000 operators per year), leaving submarines and aircraft carriers inadequately manned for safe operations.

Homeland Security

Required reductions of budgetary resources for the Department of Homeland Security will roll back significant progress in securing our Nation's borders, increase wait times at our Nation's land ports of entry and airports, impact aviation and maritime safety and security, leave critical infrastructure vulnerable to attacks, hamper disaster response time, and eliminate cyber security infrastructure that has been developed in recent years.

Since the sequester would not be ordered under the BCA until January, federal agencies including the Department of Homeland Security would be forced to compensate for the first quarter of spending with even greater budget cuts through the rest of the year.

Over 24,500 jobs could be lost to achieve reduced funding levels including:

- 3,400 Border Patrol agents – a reduction in Border Patrol agents to below FY 2009 levels, from an anticipated 21,370 agents to 17,970; a cut of this magnitude would significantly impact progress along the Southwest Border. DHS would not be able to maintain the minimum number of 21,370 agents set by P.L. 112-74.
- 3,400 Customs and Border Protection (CBP) Officers – a reduction in CBP Officers to below FY 2007 on-board levels, from an anticipated 21,775 Officers to 18,375; this reduction will significantly increase wait times at our Nation's land ports of entry.

- 7,403 active duty and civilian U.S. Coast Guard personnel – a decrease in force levels to below FY 2006 levels from 61,686 currently on-board to 54,283; this cut will be exacerbated because a portion of USCG funding in the defense category is subject to a higher 9.4% cut under sequestration. The cuts will significantly impact the Coast Guard’s operations as well as maritime safety and security.
- 932 Immigration and Customs Enforcement (ICE) Special Agents – a decrease of this magnitude would significantly impact efforts to investigate crimes involving counter-proliferation, terrorism, and transnational threats.
- 802 ICE Enforcement and Removal Operation positions – These cuts to on-board levels will significantly roll back progress that has resulted in record-high removals of illegal criminal aliens this past year.
- 7,240 Transportation Security Officers – Losing that many TSA officers will substantially increase passenger wait times and impact mission critical activities.
- 819 Secret Service personnel – a cut to below FY 2006 force levels from current on-board levels which impacts the work of Special Agents, uniformed division officers, and protective detail personnel.
- 536 FEMA core personnel – a cut to current on-board levels decimates FEMA’s permanent workforce which, along with a \$769 million reduction to BCA-authorized appropriations for the Disaster Relief Fund (DRF), will significantly hamper FEMA’s preparedness and disaster response capabilities.
- \$116.6 million cut to the Federal Air Marshals – a reduction which will lead to a significant cut in FAMS personnel such that they would no longer be able to maintain effective coverage for both the domestic and international flights.
- \$140.4 million cut to National Protection and Programs Directorate’s (NPPD) Infrastructure Protection and Information Security – a reduction which will significantly impact essential cybersecurity activities, including protections critical to protecting civilian federal computer networks.

In order to sustain frontline operations in recent years while facing declining budgets, DHS has already taken significant reductions to administrative and mission support functions over the past several years. Over \$3 billion in cost avoidances and savings have been achieved to date, which leaves little else to cut without directly impacting frontline operations.

Where possible, DHS and its Components would attempt to avoid cutting frontline positions. However, as stated by OMB in its report to Congress, “No amount of planning can mitigate the effect of these cuts.”

Public Safety

The Federal Aviation Administration’s ability to oversee and manage the Nation’s airspace and air traffic control system would be severely impaired, if sequestration takes effect. Sequestration would reduce resources to operate the air traffic control system by more than \$800 million and would force the FAA’s air traffic organization to lay off more than 2,200 employees, including air traffic controllers, technicians and support staff. In addition, FAA would need to furlough every single operations-funded employee for several days.

The FAA would, no doubt, continue to make the safety of the national airspace its highest priority. To maintain safety while reducing personnel, however, it is hard to imagine that these cuts won’t translate into fewer flights per day, with significant adverse consequences for commercial airlines, package delivery services and businesses whose sales force rely heavily on air travel. Sequestration would also severely reduce the personnel and resources available to provide general aviation services at smaller airports. Services to commercial aviation companies seeking to introduce new aviation products would also be curtailed. Reduction in aircraft certification staff would delay the approval of new aviation products and the jobs these new products would create.

Sequestration would cause significant delays to FAA’s NextGen program and reduce FAA’s entire capital program by nearly \$230 million. The NextGen program is needed to modernize an already aging air traffic control system. Many of the facilities and systems that the FAA uses to operate the air traffic control system are more than 50 years old. The reduction in key capital programs means FAA will do less to prevent further deterioration of existing facilities and would delay the transition to a satellite-based navigation system.

The safety of our food and medical products would be put at risk. Sequestration would reduce the Food and Drug Administration’s (FDA) funding by \$318 million below FY2012. This would reduce the non-user fee portion of FDA’s budget to below the 2010 level. Recent growth in FDA’s inspection workforce, which increased by more than 8% between

2010 and 2012, would be put at risk. Sequestration would also lead to significant reductions in FDA testing of samples of the high volumes of food, drugs and other medical products coming into our country from abroad. In addition, sequestration would make even more difficult the implementation of recent landmark legislation, the Food Safety Modernization Act.

The meat and poultry industry would be especially vulnerable. The Food Safety and Inspection Service (FSIS) at USDA is responsible for inspection of meat and poultry products. Sequestration would reduce its funding to below the 2008 level. This would result in weeks of furloughs, causing shortages of federal inspectors at slaughter and processing plants. Since plants cannot operate without inspectors, the plants would have to operate fewer hours or close their doors. Each day of FSIS inspector furloughs would also impact hundreds of thousands of plant workers and have serious financial repercussions for the meat and poultry industry, as well. Consumers would feel the impact as prices for meat and poultry rose due to the downturn in production.

The Department of Justice would be cut by \$2.5 billion, forcing DOJ to eliminate approximately 7,500 positions, 6.5 percent of its total workforce. This would include more than 3,000 FBI, DEA, ATF agents and US Marshals, and nearly 1,000 attorneys. This would severely impact investigations and prosecutions related to terrorism, drug gangs, gun-running, and violent crime. This loss of personnel would come on top of approximately 2,400 positions lost since DOJ instituted a hiring freeze following funding cuts in FY 2011. In addition, DOJ would be forced to furlough all of its remaining personnel for an average of 25 days, equivalent to the loss of thousands of additional positions.

To absorb its share of cuts, the Bureau of Prisons (BOP) would be forced to eliminate thousands of on-board correctional officer positions, representing at least 10 percent of its correctional officer workforce, and would need to furlough its remaining staff for up to 30 days. This scenario would significantly raise the inmate-to-staff ratio, creating an unacceptable threat to health and safety at Federal prisons, and likely could not be implemented. As a result, either BOP would run out of authority to obligate funding or the Department would be forced to transfer additional funding to BOP, if available, from other DOJ components.

The Judiciary would also be faced with an 8.2% reduction in resources. The Judiciary would have to reduce its workforce by 5,400 court staff through forced downsizing and/or furloughs. As a consequence, the federal courts would be unable to properly supervise thousands of persons under pretrial release and convicted felons released from federal prisons, thus compromising public safety in the community. In addition, funding for the U.S. Marshals to detain individuals awaiting trial or sentencing would be exhausted two months before the end of the year.

The 8.2 percent cut would also translate into a staffing cut of 370 Court Security Officer positions. In order to avoid deeper reductions in Court Security personnel, the Judiciary would need to eliminate nearly 50 percent of the budget for security systems and equipment countermeasures to provide adequate protection for the courts; the US Marshals Service recommends the equipment and the Judiciary pays for it. Reductions of this magnitude would create security vulnerabilities throughout the federal court system.

The 8.2 percent funding cuts would significantly impact the National Weather Service's forecasting capability. Cuts to NOAA weather satellite development would result in a 2- to 4-year period in which weather data from NOAA's polar-orbiting satellite would be unavailable, putting American communities at greater risk from tornadoes, hurricanes and other major weather events. In addition, up to 10 percent of the staffing and other resources for local weather warnings and forecasts would be eliminated. Together, these budget cuts would significantly reduce the accuracy of weather forecasts all across the country.

An 8.2% cut would seriously harm programs to address Wildland fire. In preparedness operations, sequestration would result in a \$105 million cut and mean the loss of more than 100 Full-time Equivalents (FTEs). Timber stands would be at greater risk of catastrophic fire as hazardous fuels treatments would have to be curtailed. Firefighting operations (suppression) would not be funded at the 10-year average, greatly increasing the risk of funding shortfalls, as occurred in FY 2012. Such a likely shortfall would impact more than just the fire programs. With no carryover funds and a cut in the FLAME reserve fund, agencies would need to take funds from various no-year appropriation accounts, like construction, to make up the firefighting shortfall. This would mean that construction projects (and the resulting jobs they entail) would have to be halted or delayed. Grants to rural fire departments would be curtailed and firefighting equipment purchases would be scaled back.

Sequestration would cut nearly \$196 million from the Clean Water and Safe Drinking Water funds used to improve and repair water and wastewater infrastructure all over America. Christine Todd Whitman, the EPA Administrator under President George W. Bush, estimated that infrastructure needs of this sector topped \$662 billion; the estimate is a decade old and has certainly grown. An estimated 75 to 110 new agreements with communities, towns and municipalities would not be executed leaving them with outdated wastewater and drinking water infrastructure. It also represents a missed opportunity to add an estimated 4,900 to 10,780 engineering, construction and other support service jobs.

A sequestration-ordered 8.2% cut (\$37.4 million) for the Bureau of Ocean Energy Management (BOEM), the Bureau of Safety and Environmental Enforcement (BSEE), and the Office of Natural Resources Revenue (ONRR) would have a significant impact on oil and gas production, safety and environmental protection, and revenue collection. Following the Deepwater Horizon oil spill in 2010, significant reforms were instituted. To carry out these

needed reforms Congress provided additional funds in FY 2011 and FY 2012 as part of a multiyear effort to address the substantial shortcomings in drilling safety, environmental protection, and regulatory oversight that had been identified in the wake of the accident. An 8.2% cut would mean these agencies would have to reduce their FTEs, resulting in delays in the timely and thorough review of exploration and development plans, as well as a variety of permits. No additional safety inspectors could be hired and recently hired safety inspectors would need to be laid off, resulting in the potential for reduced safety and a greater number of accidents offshore. Ironically, a cut of this magnitude would mean less revenue collected for the federal government, as well as the increased possibility of fraud as audits would have to be curtailed.

Protection of Financial Markets

The Securities and Exchange Commission (SEC) would reduce personnel by roughly 235 FTE under sequestration. This reduction would force major cutbacks in every corner of the SEC, and would have a dramatic impact on the largest programs: enforcement, examinations, and disclosure. The implementation of rules for the OTC derivatives markets will be delayed, the number and scope of Enforcement investigations will be limited and exam coverage of the industry will continue to be extremely limited.

The Commodity Futures Trading Commission (CFTC) regulates futures markets to protect against fraud and manipulation and to ensure open and financially sound markets. Under sequestration, CFTC would be funded at 39 percent below what is needed, as the President requested, to implement financial reform and, as a consequence, would have to make do with about 360 fewer FTE. The agency would lack the resources it needs to investigate high-risk traders and take action against Ponzi schemes. Industry registration applications and applications for regulatory exemptions would be delayed. Significantly less work would be done to implement the landmark Dodd-Frank Wall Street Reform and Consumer Protection Act, and the agency would be struggling even to carry out its pre-Dodd-Frank responsibilities.

International Affairs

Cuts to international security cooperation would jeopardize our commitment to allies and partners. An 8.2 percent cut would significantly impair our ability to:

- ensure Israel maintains its technological/military advantage;
- train and assist Mexican authorities to fight violent cartels;
- provide counter narcotics efforts and secure our southern border;
- support assistance to over 130 nations in efforts to deny al Qaeda safe havens and promote stability and progress.

Sequestration would also undermine the civilian transition in Iraq and impede U.S. efforts in Afghanistan.

The brutal assault on our diplomatic post in Benghazi, Libya has brought heightened attention to what Congress appropriates for embassy and diplomatic security. Sequestration cuts to these programs would place the safety of American citizens and diplomatic personnel abroad at risk by once again setting the State Department and USAID on a path toward hollowing out staffing at embassies and missions. Security is paramount not only to the men and women serving our nation abroad, but also for the thousands of American citizens traveling or working overseas. Cuts of more than 8.2 percent for operations would significantly impact security programs where State Department personnel not only provide physical protection for diplomatic personnel and facilities overseas, but advise U.S. corporations operating internationally on the security environment to help promote further business development and trade. Additionally, diplomatic security personnel serve a critical role in risk assessments that inform advisory warnings for American tourists traveling internationally. Cuts required by sequestration would place at risk the ability for American citizens to travel and work overseas in safety.

Cuts to global health and development funding would jeopardize the progress we are making in saving lives and building a better and more secure world for children and their families. Implementation of mandated sequestration would result in lost opportunities and lives in Sub-Saharan Africa and Asia - the neediest regions of the world. As a consequence of an 8.2 percent cut below the FY 2012 level, 1.2 million fewer vaccines would be available for children, resulting in more than 14,000 deaths from completely preventable illnesses. Three million children and family members could be denied treatment or preventative interventions for malaria. Sixty thousand children and family members with tuberculosis could be denied treatment, of which 7,000 will likely die, based on average mortality rates. Important research to develop a vaccine for HIV/AIDS could be threatened, ultimately slowing our progress to finding a cure. Hundreds of thousands of new HIV/AIDS infections will not be prevented and more than 270,000 patients will lose access to life saving drugs. Access to basic education will be denied for 650,000 students, creating long-term consequences for stability and economic growth. Additionally, further cuts to family planning and reproductive health programs below the FY 2012 level could deny 2.5 million women access to family planning services, leading to 750,000 additional unintended pregnancies, of which evidence indicates would result in 350,000 more abortions.

Budgets cuts of 8.2 percent would not only hamper long-term development progress around the world, but also U.S. efforts to meet the immediate needs of families fleeing from natural and man-made disasters. Available humanitarian funding is already overstretched, responding to major crises in the Horn of Africa, the Sahel, Sudan, Syria, and Yemen. Cuts to this account could reduce support to conflict victims in places like Darfur and South Sudan; mothers and children facing starvation in Somalia and the Sahel; reduce resources for preventing new emergencies; and would undermine the US ability to respond

to the next major natural disaster. As a major new refugee crisis emerges from Syria, refugee assistance will be forced to shift resources away from assistance that builds longer term self-sufficiency. Cuts in gender-based violence prevention and services; refugee education programs; income generating activities for refugees; and programs to find homes for the long-term displaced would have a severe impact on these refugee populations, leaving them less self-sufficient and more aid dependent in the long run.

Education

Roughly 100,000 fewer children nationwide would be enrolled in Head Start – thereby losing comprehensive early childhood services. More than 20,000 Head Start employees could lose their jobs.

Title I Grants to School Districts would see a cut in excess of \$1 billion, denying funding to well over 4,000 schools serving nearly 2 million disadvantaged students. These funds pay for teachers, tutors, and after-school programs. Sequestration would mean job losses for more than 16,000 teachers and aides.

The Department of Labor, Job Corps would need to reduce the number of at-risk youth served by approximately 4,300. A cut of this magnitude would also endanger the opening of any new center and could force the closing of centers. Job Corps provides a residential environment at 124 centers nationwide for at-risk youth to gain the education and skills they need to find and keep jobs, serve in the military or enroll in post-secondary education. Every dollar that a Job Corps center spends in its local area results in \$1.91 in economic activity.

Impact Aid payments would be reduced to about 1,200 districts which serve approximately 950,000 Federally Impacted children. This will lead to more teacher layoffs and other reductions in services.

Special Education Grants to States/IDEA would face significant reductions under sequestration. States and school districts could be forced to lay off approximately 12,000 special education teachers and aides, as well as other staff serving kids with disabilities. More than 500,000 students with special needs stand to be impacted by this reduction in services.

Health, Science, and Innovation

Roughly 900,000-1,000,000 fewer patients would be served in Community Health Centers. Health Centers provide primary care and other basic services, with sliding fee scales based on ability to pay. They are an important source of medical care for the uninsured.

The National Institutes of Health would lose about \$2.5 billion from sequestration. A large portion of NIH's budget provides research project grants. Under sequestration, about 2,400 fewer research project grants would be made to universities and institutes throughout the country for research into the causes and treatments of diseases like cancer, diabetes, Alzheimer's, and epilepsy.

Centers for Disease Control and Prevention (CDC) would have about \$525 million less to prevent and detect outbreaks of infectious diseases like flu, tuberculosis, and HIV/AIDS and to improve prevention and screening for chronic diseases such as diabetes and cancer. For example, sequestration of the budgetary resources for grants that help support breast and cervical cancer screenings for low-income uninsured and underinsured women would mean that between 35,000 to 45,000 fewer screenings could be provided through this program.

Sequestration would cut \$423 million from Science and ARPA-E at the Department of Energy. Federally supported basic research has been a reliable source of new knowledge and new products. This cut would significantly curtail fundamental research in areas of science that are a key to our nation's prosperity and to preserving America's place as the world leader in science and technology. Given the long time horizons necessary to make significant progress in the area of science, Federal support of fundamental research is necessary and an investment that the private sector, with its required attention to short term earnings, cannot support.

Funding cuts would cripple NASA's efforts to establish U.S. commercial capability to transport American astronauts to the International Space Station. These cuts would effectively extend the period of U.S. dependence on Russia and its Soyuz spacecraft for these flights, now that the space shuttle has been retired. Thus, the cut would not be a true savings, as the U.S. would need to pay Russia for additional Soyuz flights, at a cost of at least \$63 million per seat.

Funding for the National Science Foundation would be cut by approximately \$580 million compared to FY 2012, including a cut of \$471 million from research grants and \$68 million from STEM education programs. At this level, NSF would fund 1,600 fewer research and education grants, supporting approximately 19,300 fewer researchers, students, and technical support personnel than in FY 2012.

Safety-Net Programs

The Supplemental Nutrition Program for Women, Infants and Children (WIC) provides supplemental foods to low-income, nutritionally at risk, pregnant, postpartum, and breastfeeding women, infants, and children up to age 5. Sequestration would reduce its funding to \$966 million below the level requested in the FY 2013 budget that is needed to serve all eligible participants. Based on projections of participation and food prices, this

would result in over 900,000 participants being dropped from the rolls, a reduction of over 10 percent.

Approximately 80,000 low-income children of working parents would lose child care and development block grant assistance and many more would experience a reduction in services. This would exacerbate the difficulty States are experiencing in serving low-income families at a time when State budgets are being cut. It also would set back State efforts to improve the quality of child care for our most vulnerable children.

The Social Security Administration (SSA) would be forced to cut over \$600 million in expenses by furloughing employees for 2-3 weeks. Client services and efforts to fight waste, fraud and abuse will undoubtedly suffer due to this reduction in staffing. For example, Social Security offices will have fewer staff to process claims and resolve problems. The 800-number will have increased waiting times because fewer people will be available to answer the calls. There will be additional delays when applying for benefits under the Disability Insurance program. SSA will conduct fewer disability reviews and SSI redeterminations, and be less confident that benefits will only be provided for those that are eligible.

If sequestration takes effect, it is estimated that 200,000 tenants would be evicted from their rental housing. In some rental markets, the income provided by Section 8 tenants wouldn't be replaced by new tenants, so landlords could lose income as well. The cut to the Homeless Assistance Grant account necessarily means reduced capacity to serve the homeless. Approximately 100,000 more people would be on the streets if sequestration goes into effect.

Under sequestration, Indian health care would suffer a major setback. The budget for the Indian Health Service would be cut by \$356 million. Native Americans already die at significantly higher rates than other Americans from a whole host of diseases. While Native American life expectancy has increased, it is still 5.2 years less than all other U.S. races. Clinical and preventive care programs would need to be scaled back to fit within the sequestration-ordered cut. Decreased funds to recruit and retain qualified health care professionals would accelerate the existing problem of staffing rural health care facilities. Many of these facilities are already in dire need of repair or replacement, which would be further delayed under a sequestration-ordered cut.

Sequestration would even cut Congress's capacity to serve our constituents. Under an 8.2% cut, each House Congressional Office would lose more than \$100,000. Mid-level congressional staff (legislative assistants) earn \$48,762 on average, according to the 2010 House Compensation Study. Members of Congress would have to eliminate more than 2 Legislative Assistants to live within these new levels.

The required cuts would also reduce resources for the White House, including cuts to the National Security Council, the Homeland Security Council, the Council of Economic Advisors, and the US Trade Representative office. These offices, with greatly reduced travel, staff, and IT systems, would not be able to effectively carry out their missions. These illustrative examples are by no means comprehensive but suggest the complications and challenges that sequestration would impose.

In conclusion, Congress must find a way to replace sequestration with a balanced approach to long-term deficit reduction that focuses on economic growth and job creation, and does no harm to our economic recovery in the short-run.

Norm Dicks