

The “Sequester” - Robo-Budget Cuts

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You're probably tired of hearing about the "sequester"--that is, \$85 billion in robotically-automatic across-the-board federal government budget cuts this year and \$1.2 trillion over ten years--which was written into the Budget Control Act of 2011. Lawmakers reassured us at the time that these across-the-board budget reductions would never happen; they instead expected that Democratic and Republican members of Congress would meet in civility and jointly cooperate to work out ways to reduce government expending. Any lawmaker who expected such a thing should probably be voted out of office on the grounds of incompetence, but meanwhile those budget cuts are now taking hold, and there is a very real possibility that the two sides won't agree on a more sensible plan.

What is the sequester, exactly? It's a roughly equal reduction in the budget of virtually all federal agencies, without regard to whether they are wastefully managed or vitally necessary. Thus, you are hearing that the TSA security staff at airports will be put on forced unpaid leave, which will almost certainly mean longer lines before you can get to your gate. There will be fewer border patrol agents, which means the process of checking cargo flowing into the U.S. from Canada and Mexico will even slower than it is today. National parks, and the rangers who manage them, will receive less funding. FBI agents, air traffic controllers and meat inspectors will be taking unpaid vacations. Recently, the Smithsonian Institution museum in Washington, D.C. announced how it would handle its own fiscal reduction. Programs like Medicare and Social security are exempt.

Two of the cuts have gotten the most attention: an 8% reduction in the budget of the U.S. armed forces, and a 9.4% reduction in unemployment benefits for Americans who have been jobless for six months or longer. Longer-term, fully half of the \$1 trillion federal agency cuts that are slated to take place over the next decade--if no deal is worked out--would come right out of the Pentagon's pocket.

Less often cited: \$200 billion of the overall cuts is a reduction in the federal government's interest payments on its debt.

Economists, meanwhile, are concerned about a Congressional Budget Office estimate that the sequester cuts will cost 750,000 jobs and lower U.S. economic growth by 0.6% this year.

The heads of government agencies have some discretion over the parts of their budgets that they will reduce, but so far we haven't heard much about what, specifically, will be reduced and where the agencies will choose to spend their reduced budgets. You can expect to read, over the next week or so, a series of graphic descriptions of the impact of the sequester, what jobs will be lost, what those people do and how their furloughs will impact the public. Some of these may make your blood boil, and there will be public pressure to take a more intelligent knife to government spending--which could last right up to March 27, when Congress's most recent continuing resolution to fund the rest of the government runs out.

As an advance cheat sheet, you can find an agency-by-agency impact report here: <http://www.govexec.com/management/2013/02/furlough-watch-potential-agency-agency-impacts-sequestration/61535/?oref=dropdown>. You'll see that the Veterans Affairs Department is mostly exempt from the sequestration cuts, while the Justice Department may have to furlough hundreds of federal prosecutors. Air traffic control towers at 100 airports could be closed, potentially leading to 90-minute peak travel hour delays for flights to major cities. And the majority of 800,000 civilian workers for the Defense Department would begin working 4-day weeks.

If you want to see just how detailed and complicated the budget reduction task is going to be, you can read the Congressional Budget Office's 224-page review of federal bureaucracy budget items and the sequestration impacts: http://news.sciencemag.org/scienceinsider/Combined_STARReport_Watermark.pdf. You might even look at the cuts vs. what YOU might cut: should there be salary reductions at the Library of Congress's gift shop, reduced funding for the Pacific Coastal Salmon Recovery Program, or an \$11 million reduction in native American student education under the U.S. Office of Elementary and Secondary Education?

Should the National Endowment for the Arts see \$12 million cut from this year's \$148 million budget? More? Less? Eventually, somebody is going to have to look at all those line items and make a whole lot of individual choices. Chances are you would do a better, more reasonable job than those who, for the next month, will be shouting partisan slogans at the press corps in Washington.

Sources:

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