

Budget Proposals Update

Newsletters/Alerts
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With the current Continuing Resolution set to expire this Friday, lawmakers on Capitol Hill are finding it hard to come to a compromise on spending levels for the remaining months of Fiscal Year 2011.

Over this past weekend, negotiations were underway between Democrats and Republicans to assemble a package for the remaining six months of Fiscal Year 2011 with cuts totaling around \$33 billion. Last night and this morning, negotiations seems to have come to a standstill as the Republican House presented the Democrat White House with a measure of spending cuts totaling roughly \$61.5 billion. This is about double what the Democrats hoped to cut.

The majority of the disagreement between the parties over the FY11 spending bills have been deciding on the total amount of cuts and what they should entail. The Republicans have argued that more severe cuts should be made than are being proposed and the Democrats maintain that in this economic climate, cutting too much would lead to additional job losses.

In order to avoid a looming government shutdown if a new agreement can not be reached in the next few days, the House is preparing an additional one week stop-gap measure that contains about \$12 billion in cuts and funds the Department of Defense through the rest of FY11.

If the House Appropriations proposal passed, this would be the seventh such CR of the fiscal year.

According the House Appropriations Committee, the measure also includes:

Defense

- \$515.8 billion in base funding (this is 2.9% reduction from President's FY11 request and 1.5% increase over last year's funding level)
- \$165.6 billion in operations and maintenance
- \$102.1 billion for procurement
- \$75 billion for research and development
- Eliminates all Defense earmark account funding, which is a cut of \$4.2 billion from last year

Agriculture = \$1.4 billion in cuts compared to last year's level

- \$43 million in admin costs (including rent, facilities and operations)
- \$137 million from rural development and conservation accounts (includes NIFA Integrated Activities, Animal and Plant Health Inspection Service, Natural Resources Conservation Service, Rural Housing Service, etc)
- \$350 million from a dairy program intended for one time funding
- \$39 million in unused broadband loan program funds

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Commerce/Justice/Science = \$430 million in cuts compared to last year's level

- \$149 million in construction accounts for law enforcement
- \$22 million from the Census Bureau
- \$139 million from NASA Construction projects and to continue phasing out the Space Shuttle program
- \$20 million from NIST's construction grants

Energy and Water = \$632 million in cuts compared to last year's levels

- \$11.25 million from Energy Efficiency and Renewable Energy Account
- \$2.4 million from Electricity Delivery and Energy Reliability Account
- \$6.3 million from Nuclear Energy account
- \$30.6 million from Fossil Energy Research and Development
- \$2.1 million from Naval Petroleum and Oil Shale Reserves
- \$18 million from Clean Coal Technology Account
- \$7.2 million from Energy Programs, Science

Military Construction /Veterans Affairs

- \$629.5 million from military construction accounts (most of the rescissions are result of construction costs decreasing due to competitive bids)
Dept of Veterans Affairs is reduced by \$160 million because of cancelation of FLITE project and reduction of personal costs.

Financial Services = \$626.5 million in cuts compared to last year's levels

Homeland Security = \$1.4 billion in cuts compared to last year's levels

- \$495 million from FEMA's first responder grants
- \$112 million from IT programs
- Reductions to administrative expenses

Interior = \$1.27 billion in cuts compared to last year's levels

- \$150 million in unobligated FY10 Wildland Fire Suppression funding
- \$71.5 million from Land and Water Conservation Fund
- \$80 million from Fish and Wildlife Service
- \$700 million from Clean Water and Drinking Water Funds

Labor, Health, Human Services and Education = \$2.5 billion in cuts compared to last year's levels

- \$156 million for CDC's Immunization and Respiratory Diseases funding
- \$185 million in hospital preparedness grants
- \$119 million in "Teaching American History" funds
- \$390 from LIHEAP contingency funds
- \$300 million in excess information technology funding at the Social Security Administration

State/Foreign Ops = \$832 million in cuts compared to last year's levels

Transportation, Housing and Urban Development = \$2 billion in cuts compared to last year's levels

- \$1.5 billion from High Speed Rail Corridors and Intercity Passenger Rail Service Capitol Assistance through the elimination of excessive grant funds.
- \$280 million in Capitol Investment Grants
- \$149 million Public Housing Operation fund

As we understand, after the GOP Caucus meeting this morning House Majority Leader Eric Cantor said they have not yet decided if they will hold a vote on the proposed one week stop gap bill. This is giving some the understanding that negotiations will continue on the longer six month measure. The President urged a long term compromise today stating that agencies are having trouble setting budgets based on two week CRs.

Even as the stalemate over FY11 continues, House Republicans unveiled their FY12 Budget. It mimics the aggressive cuts they call for in FY11 by calling for about \$6 trillion in spending cuts over the next decade and a overhaul of Medicare and Medicaid.

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