



# washington dc update

February 17, 2011

## More on the FY 2012 Budget

We heard a prominent political commentator comment recently on TV that if he heard any more figures on the FY12 budget he felt that his head was going to explode. We suspect that many WESTCAS members must share this sentiment. However, funding issues associated with the EPA, the Corps of Engineers, and the Bureau of Reclamation will have a tremendous impact on the arid west and for many years to come and it is vital that you have a complete view of what is at stake.

Both the Administration and many in Congress are simultaneously saying that Federal discretionary spending has to be reduced while at the same time proclaiming that the nation has an infrastructure deficit. They are correct on both accounts. But we need to be aware of how these statements, and the proposed budget numbers coincide and we also need to ask ourselves as well as the Congress and the White House how well these three infrastructure programs we are about to discuss have served the nation.

Many of those leading the budget fight advocate going back to funding levels for FY08. The rationale here is that Federal spending has ballooned since FY08 and going back to that level as a baseline for FY12 spending prevents the budget increases of FY09 and FY10 from being locked into the Federal budget. How does this philosophy impact the following three Federal programs that are important to WESTCAS members?

### USEPA Clean Water and Drinking Water Revolving Fund

Please look at the attached chart from the EPA FY12 budget overview. You can see that EPA's overall budget was essentially flat for five fiscal years from FY05 through FY09 and then suddenly ballooned up in FY10 and 11. But how did EPA's Clean Water and Drinking Water SRF fare when FY08 and the proposed budget for FY12 are compared?

- \$2,972,595,000 FY08.
- \$2,540,000,000 FY12 [proposed]
- 280 State and Tribal Assistance earmarks FY08.
- -0- State and Tribal Assistance earmarks FY12
- That's a cut of \$432,595,000 from FY08 to FY12 [proposed]



US Army Corps of Engineers

- \$167,261,000 Investigation funding, FY08
- \$104,000,000 Investigation funding, FY12 [proposed]
- \$2,294,029,000 Construction funding, FY08
- \$1,480,000,000 Construction funding, FY12 [proposed]

Bureau of Reclamation

- \$949,882,000 in FY08.
- \$965,600,000 FY12 [proposed]

CONCLUSION

The bottom line to us is that five crucial Federal programs, [USEPA's Clean Water and Drinking Water SFR; Corps of Engineers Investigations and Construction; and Bureau of Reclamation] that were underfunded by common consensus are now facing additional severe cuts. Over five fiscal years [FY08 to FY12 proposed] and not taking inflation into account, a total of \$1,309,885 has been cut from the EPA and the Corps budgets while the Bureau's budget has remained flat.

That amounts to a 15% cut in EPA funding for Clean and Safe Drinking Water SRF, 38% for Corps Investigations, and 35% for Corps Construction.

Decision-makers in the Federal community need to be aware that these crucial programs did not participate in the increases in the Federal budget in FY09 and FY10. Moreover, they also need to understand that there are well-established delivery mechanisms at the Federal, State, and local levels to see that funding from these programs have the impact for which they are intended.

Throwing out the baby with the bathwater is never, in our view, a good policy. And finally, wouldn't it be refreshing if those who constantly bemoan on our infrastructure deficit would indeed use a very sharp knife instead of a meat cleaver when budgeting for these programs?

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