



# washington dc update

## Congress Returns to Grapple with the FY11 Budget

March 27, 2011

### Summary and Take-Away

#### Infrastructure Funding Cuts could be the Low-Hanging Fruit?

The current CR keeps the government funded through Friday, April 8<sup>th</sup>. Something must be done quickly. If significant water resources FY12 budget reductions continue, many local-federal projects important to WESTCAS member agencies will be compromised.

**Take away:** WESTCAS can make a difference in the debate over budget cuts. HRA will provide more details on exactly how in the near future. Stay tuned.

Congress returns to session this week to try to hammer out an agreement on what to do with funding the remaining months of Fiscal Year 2011. The current Continuing Resolution that is keeping the government open expires on Friday, April 8<sup>th</sup>. Congress is also scheduled to be out of session for the second half of April for its "Spring Recess" so something has to be done over the next three weeks.

During this period, there will be lots of political theater as all sides demonstrate their ability to perform the art of "brinkmanship" with regard to whether the Federal Government will shut down. The most probable outcome is that after a great deal of huffing and puffing, a deal will get done and the government will remain open.

WESTCAS members have a much greater stake in this debate than you may realize. This is because all of the cuts that are going to be argued over in the next two weeks come from about 16% of the Federal budget. Because so much had to be cut from such a small part of the Federal budget in a very short time, much of this activity can be visualized as somebody rushing through a fruit orchard and picking all of the low-hanging fruit.

That is indeed what has happened with many of the water resources infrastructure programs that WESTCAS members have depended upon for generations. Let us ask: "how many people reading this report have either used or know of colleagues who have used the EPA Clean and Safe Drinking Water Revolving Loan program, Corps of Engineers Construction funding, or construction funds from the Bureau of Reclamation? We're guessing pretty much 100%.

What you need to realize is that the FY11 Continuing Resolution currently under consideration cuts these programs so sharply

that if this policy is continued in future fiscal years these agencies and programs may become irrelevant. Please study once again the attached chart which we sent out earlier this month. It shows EPA's Clean Water SRF being cut by more than two-thirds between FY10 and FY11.

Or consider the Corps of Engineers. Even though it has a project backlog of \$59.3 billion, Corps Investigations funding has been reduced from \$160 million in FY10, to \$104 million in FY11 and also for FY12. Corps Construction funding, which was almost \$2.3 billion in FY08 shrunk to \$2,031 million in FY10? The FY11 figure is \$1.690 billion and the FY12 request is for \$1.480 billion.

Bureau Funding is not so drastically impacted going from \$951,158,000 in FY10, down to \$913,580,000 in FY11, and then back up to \$965,600,000 requested for FY12.

We are not quoting these numbers to make you shake your heads and sigh. The fact is that these sorts of budget reductions, if they continue, will compromise important Federal water resource agencies that are important to WESTCAS. For example, there were 32,408 employees in 1983 in the Corps' Civil Works Division. This number has shrunk to 22,607 today.

The Federal government needs to be a partner with local stakeholders when it comes to financing the construction of water resources infrastructure. And enough people need to be working in these agencies to process funding, and review 404 and other permitting applications. But given current budget trends, this likely won't be possible in the near future.

WESTCAS can help make a difference in this debate. Please stay tuned. We will be sharing thoughts for how this can be done in the near future.