

Sequestration by the Numbers A Snapshot for Oregon

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Dear Friends,

The automatic, across-the-board cuts initiated by the Budget Control Act will have harmful impacts throughout Oregon. Students will be forced to leave their Head Start classrooms, some seniors won't receive their Meals on Wheels, and civilians employed by the Department of Defense will be furloughed. Federally funded research at our universities will be slashed, and students struggling to pay for college will receive less aid. Mothers who rely on the WIC program will struggle to feed their newborn children, and families that count on the food assistance program SNAP will receive less help.

I didn't vote for these cuts, and I am working diligently to stop them from taking effect. Unfortunately, partisanship and congressional gridlock have once again brought us to a crisis point. I hope that we can stop sequestration, but more broadly, I hope we can get back to working together in the U.S. Congress, because governing by crisis has devastating consequences for our economy.

The federal government has been funded through a series of short-term continuing resolutions since September 2010. The refusal to pass a budget has limited the ability of federal agencies to plan, and it's plunged Congress into numerous partisan debates over deficit politics.

Another example of where governing by crisis has failed us is the debate over the debt ceiling, which in the summer of 2011 triggered a downgrade of the country's credit rating. It cost the U.S. Treasury \$1.3 billion in higher interest rates in 2011, and untold billions in the years to come. Merely calling into question the validity of the public debt sent consumer confidence and hiring into free fall.

Meanwhile, it is important to recognize that the budget cuts already enacted by the Budget Control Act and the revenue increases delivered by the American Taxpayer Relief Act have in many ways stabilized the deficit. Non-defense discretionary spending as a share of GDP is now on track to reach historic lows, and economists are raising serious questions about the adverse consequences on growth that would be brought on by the across-the-board cuts.

Despite these developments, there remains an obvious need to enact a long-term fiscal plan to address the deficit and eventually reduce our national debt without slowing our economic recovery. Nobody seriously challenges the need for sound fiscal planning, but as President Obama said in his State of the Union address, deficit reduction alone is not an economic plan. We must consider the broad economic and social impacts of sequestration. In the short term, that means stopping sequestration, but over the long run it means returning to the hard work of negotiating in good faith, turning away from easy politics, and focusing again on growing our economy.

Sincerely,



11,971 Oregon jobs will be lost through sequestration.

The George Mason University Center for Regional Analysis concluded that nearly 12,000 Oregon jobs will be lost if sequestration moves forward. The nationwide figure exceeds 2 million job losses.

	JOB LOSSES DEFENSE CUTS	JOB LOSSES NON-DEFENSE CUTS	TOTAL JOB LOSSES
Oregon	2,946	9,025	11,971
United States	1,090,359	1,047,349	2,137,708

[George Mason University Center for Regional Analysis]

16,320 fewer job seekers will receive workforce training.

Oregon will lose about \$470,000 in funding for job search assistance, referral, and placement, meaning around 16,320 fewer people will get the help and skills they need to find employment. [White House Report on Sequestration in Oregon, 2/24/13]

\$15.5 million will be cut from medical research in Oregon.

The National Institutes of Health (NIH) is the largest source of funding for medical research in the world. NIH's work has improved human health by increasing life expectancy and making breakthroughs in the treatment of cancer, heart disease, and diabetes. NIH research also has a significant economic impact, directly supporting hundreds of thousands of jobs and supporting the medical innovation sector, which employs 1 million Americans. Across-the-board budget cuts would mean that reduced NIH award funding would impede medical research and cost 317 Oregon jobs. [NIH, accessed 2/12/13; UMR, 2/13]

\$3.9 million will be cut from scientific research in Oregon.

Under the across-the-board cuts forced by sequestration, Oregon would lose roughly \$3.9 million in funding from the National Science Foundation (NSF), resulting in fewer awards to support job-creating research into new scientific breakthroughs. The NSF is the funding source for approximately 20 percent of all federally supported basic research conducted by America's colleges and universities, and supports the basic research that leads to scientific advancement in fields like nanotechnology, mathematics, and computer science. [NSF, accessed 2/12/13; DPCC calculations based on NSF, accessed 2/12/13]



EDUCATION

140 Oregon teachers could lose their jobs.

Title I grants under the Elementary and Secondary Education Act provide financial assistance to schools with high numbers of children from low-income families to help them meet educational performance standards. Sequestration would cause a \$10.2 million reduction in funding, resulting in a loss of 141 jobs and impacting 13,000 students. [White House Report on Sequestration, 2/24/13]

600 Oregon children will lose access to school readiness programs.

Head Start promotes the school readiness of low-income children from birth to the age of five years by enhancing their cognitive, social, and emotional development. Early education services improve students' chances of success in school. Across-the-board spending cuts could result in a substantial reduction in funding, affecting at least 600 Oregon children. [White House Report on Sequestration, 2/24/13]

3,670 special education students in Oregon will lose support.

Special education grants to states provide assistance to help meet the additional costs of providing educational services to children with disabilities. Funding under this program supports the salaries of special education teachers, costs associated with service personnel such as speech therapists, physical therapists, and psychologists, and the use of assistive technology in classrooms. As a result of across-the-board cuts, Oregon schools will lose \$6.4 million in funding for special education grants, supporting 77 fewer jobs. [Department of Education, 2/13/13; NEA, 2/5/13]

\$33.2 million will be cut from the Oregon University System.

If sequestration occurs, the Oregon University System expects the loss of approximately \$33.2 million in federal funds currently invested in our campuses, which are economic drivers for the state of Oregon. The estimated \$33.2 million in reductions would include 8.4 to 9.5 percent decreases in federal funding awarded to Oregon's public university system through the National Science Foundation, Health and Human Services, Department of Energy, Department of Defense, NASA, Department of Agriculture, and the Department of Education Research and Student Aid programs (Supplemental Educational Opportunity Grant, and Work-Study). Sequestration will also reduce other federal grants and appropriations, and result in the possibility of increased student loan processing fees for students receiving Stafford and PLUS loans. [Oregon University System President's letter on Sequestration]



PUBLIC SAFETY

\$742,175 in funding for Oregon first responders will be cut.

FIRE grants help firefighters and other first responders obtain critically needed equipment, protective gear, emergency vehicles, training, and other resources necessary to protect the public and emergency personnel from fire and related disasters. SAFER grants provide funding directly to fire departments and volunteer firefighter organizations to help increase the number of trained, "front line" firefighters in their communities. At around FY2011 award allotment levels, the across-the-board cuts under sequestration would mean approximately \$291,547 less in FIRE Grants and \$450,628 less in SAFER funding for Oregon firefighters and first responders. [CRS, 10/2/12; FEMA, SAFER Grants; FEMA, FIRE Grants]

87 Oregon facilities will receive fewer food safety inspections.

The across-the-board cuts under the sequester could force the FDA to conduct 2,100 fewer inspections of food facilities nationwide, which might raise the risk of safety incidents and lead to more outbreaks of foodborne illnesses like salmonella or E. coli. The USDA's Food Safety and Inspection Service (FSIS) may have to furlough employees, which could cause serious delays in food processing and inspection that could result in millions of dollars of losses to the agriculture sector. FSIS inspectors are responsible for ensuring safe conditions at more than 6,000 facilities nationwide, including 87 in Oregon. [White House, 2/8/13; FSIS, 2/4/13]

1 hour could be added to TSA wait times at airports.

The TSA would reduce its frontline workforce, including a seven-day furlough for TSA screeners, which may result in adding to current passenger wait times by as much as an additional hour at the nation's largest and busiest airport security checkpoints. [U.S. Department of Homeland Security, 2/14/2013]

10 percent of Federal Aviation Administration would be on furlough.

FAA's operating account will incur the majority of the reductions within the agency. FAA will be required to undergo a funding cut of more than \$600 million. As a consequence, the vast majority of FAA's nearly 47,000 employees would be furloughed for at least one day per pay period. As much as 10 percent of FAA's workforce would be "on furlough" on any given day resulting in reduced air traffic control, longer delays, and economic losses for air transportation, tourism and the economy as a whole. [White House Report on Sequestration 2/24/13, U.S. House Appropriations Committee Democrats]



HEALTH CARE

7,600 fewer Oregon families would be assisted by WIC.

The WIC program assists low-income women, infants, and young children with nutritional needs. Assuming caseload and food price inflation projections do not change significantly, and that WIC will experience a 5.1 percent cut as a non-exempt non-defense discretionary program through sequestration, approximately 600,000 participants would be cut from the program in fiscal year 2013, including 7,600 in Oregon. [National WIC Association, Impact of Sequestration on WIC, 2/11/13]

462 fewer Oregon women will be screened for cancer.

The National Breast and Cervical Cancer Early Detection Program helps low-income, uninsured, or underinsured women gain access to diagnostic services like clinical breast examinations, mammograms, pap tests, and pelvic examinations. An across-the-board cut could result in \$116,382 in reduced funding. [CDC, accessed 12/17/12; DPCC Calculations Based on Senate Appropriations Subcommittee on Labor, Health, and Human Services, and Education, and Related Agencies, 7/25/12]

1,670 fewer children will receive life-saving vaccinations.

Grants for childhood immunizations help to purchase and distribute vaccines for poor and uninsured children. An across-the-board cut could result in \$114,000 in reduced funding in Oregon, meaning up to 1,670 fewer children will be immunized. [White House Report on Sequestration, 2/24/13]

\$690,077 will be cut from Oregon Meals on Wheels.

Senior nutrition programs provide meals and nutrition services to seniors in group settings like senior centers or through delivery to individuals who are homebound because of illness, disability, or geographic isolation. Across-the-board cuts would reduce funding used to ensure that Oregon seniors remain healthy and independent. [White House Report on Sequestration, 2/24/13]



DEFENSE

3,000 Oregon Department of Defense civilian employees will be furloughed.

President Obama has announced that he will exercise his authority to exempt military personnel accounts, which will ensure that active military are not directly affected by sequestration. Civilian employees, however, will face severe cuts; the Department of Defense (DoD) is considering the furlough of up to 800,000 civilian employees (the entire workforce) for up to 22 days. DoD is also in the process of implementing hiring freezes. The impact will be felt nationwide as 86 percent of the total DoD workforce is assigned to duty stations outside the Washington, DC, metropolitan area. The furloughs and hiring freeze will impact veterans heavily because veterans make up 44 percent of the DoD civilian workforce. Approximately 3,000 civilian Department of Defense employees in Oregon would be furloughed. [White House Report on Sequestration, 2/24/13]

1,547 U.S. Army jobs in Oregon affected by sequestration.

In Oregon alone, the U.S. Army will furlough 1,512 civilian employees, cut 15 private sector jobs, and adjust 20 Base Operation Support positions as a result of the sequester. The overall economic impact to Oregon is estimated at a \$26 million loss. [U.S. Army Program Analysis and Evaluation Report]

55 percent of U.S. Marine Corps units will have unsatisfactory readiness.

Because of sequestration, the Marine Corps would be unable to maintain all currently planned deployments and exercises. More than 55 percent of USMC forces will have unsatisfactory readiness ratings. Depot maintenance will be reduced to 27 percent of the baseline requirement, causing a delay of 18 months or more to reset “war torn” equipment. More than 50 percent of USMC Aviation squadrons will be nondeployable. The USMC will not complete rebalancing forces to the Asia-Pacific region. [U.S. House Appropriations Committee Democrats]

25 percent of Coast Guard surface operations will be halted.

The Coast Guard would have to curtail air and surface operations by nearly 25 percent, adversely impacting maritime safety and security across nearly all mission areas. A reduction of this magnitude will substantially reduce drug law enforcement, monitoring our borders, fisheries law enforcement, aids to navigation, and other law enforcement operations. In addition, the cuts will impact the safe flow of commerce along U.S. waterways. The Coast Guard plans to defer asset maintenance, which could have a long-term detrimental impact on the readiness of its aging fleet and shore facilities. [U.S. Department of Homeland Security, 2/14/2013]