

## **Fact Sheet on Fiscal Year 2013 Continuing Resolution, Defense and Military Construction/Veterans Affairs Appropriations Bills**

The funding package contains 2013 Appropriations bills for Defense and Military Construction/Veterans Affairs, as well as continuing resolutions (CR) at Fiscal Year 2012 levels for the remaining 10 Appropriations bills. The Continuing Resolution maintains some anomalies included in the previous six-month Continuing Resolution valid through March 27<sup>th</sup>, and includes few others to account for changing needs and circumstances.

The bill's overall spending level complies with the discretionary spending cap enacted in the Budget Control Act for FY2013, which is \$1.043 trillion. In order to achieve that level, an across-the-board cut would reduce security spending in the bill by 0.109% and non-security spending by 0.098%.

The funding package would not prevent sequestration for affected departments and agencies, which would reduce the overall level of spending to \$984 billion, according to the Congressional Budget Office's latest estimate.

Items of note in the funding package, divided by subcommittee, include:

### **Agriculture**

The CR includes increased funding for the Commodity Supplemental Food Program (CSFP), higher limits for certain farm operation and ownership loans, authority to adjust rural development funding internally to maintain 2012 levels, and \$48 million for the Emergency Watershed Protection program for areas affected by major Stafford Act declarations.

However, it does not include anomalies and funding requests critical for responsible stewardship of agriculture and food and nutrition programs, including:

- A requested anomaly to allow Food and Drug Administration (FDA) to spend scheduled increases in user fees for most user fee programs, like tobacco. The user fees assessed on tobacco product manufacturers fund regulation of manufacturing, distribution, and marketing of tobacco products and educating the public about the dangers of tobacco products, especially to young people.
- A requested funding increase of \$75 million for the WIC program.

- A requested funding increase of \$103 million for the U.S. Commodity Futures Trading Commission to reach the 2013 budget request level, hampering implementation of Dodd-Frank protections of integrity of financial markets.

### **Commerce, Justice, Science:**

The CR increases funding for NOAA weather satellites and for the NASA Exploration account, for future human spaceflight and launch systems, and commercial spaceflight development.

Unfortunately, however, the CR does not include anomalies and funding requests that are important for the Census, Drug Enforcement Administration (DEA), and Equal Employment Opportunity Commission (EEOC), including:

- A requested \$50 million increase for Census, potentially jeopardizing ongoing economic Census activities and 2020 Census cost-savings preparations.
- Additional funding for DEA to support drug threat assessment activities that were absorbed by the agency following the closure of the National Drug Intelligence Center last year.
- A requested \$7 million increase for EEOC, hindering the agency's ability to restore front-line investigator staff lost in 2012.

### **Defense**

- The 2013 Defense Appropriations Act under consideration matches the proposal negotiated between Republicans and Democrats in the House and Senate in November 2012.
- The bill provides base funding of \$517.6 billion and Overseas Contingency Operations (OCO) funding of \$87.2 billion.
- The imbalance between Operations and Maintenance (O&M) accounts and the investment accounts has been addressed to provide an additional \$10 billion in O&M to maintain equipment; train soldiers, sailors, Marines, and airmen; and fund critical operations.
- The bill will not prevent the \$46 billion sequester for the Department of Defense, which will result in civilian furloughs, deployment and training cutbacks, and facility maintenance cuts.

### **Energy and Water:**

The CR continues increased funding for the Department of Energy Weapons Program and further increases funding for domestic uranium enrichment.

Unfortunately, the CR does not include anomalies and funding requests important for disaster recovery, cyber-security, water infrastructure, advanced manufacturing, and weatherization, including:

- A request to lower the local cost-share from 65/35 to 90/10 for Army Corps of Engineers projects in communities affected by Sandy, hindering ability of local communities to recover and rebuild.
- A requested \$4 million to enhance cyber-security and ensure alignment with the President's Cross-Agency Priority (CAP) Goal for Cybersecurity.
- An increase in cost ceilings for Army Corps of Engineers projects Little Calumet River (IN), Miami Harbor, and Olmstead Lock and Dam (IL & KY), forcing a slowdown of work, delayed benefits, and increased total costs.
- A requested \$34 million increase for advanced manufacturing processes that enhance American competitiveness in the global market.
- A requested \$71 million to retrofit homes of 10,000 low-income families, making homes more efficient and saving heating and cooling costs.

### **Financial Services:**

The CR extends the federal employee pay freeze for the remainder of calendar year 2013 and compels the U.S. Postal Service to continue the 6-day per week delivery. It also includes six anomalies from the existing CR – DC authority to spend local funds; DC emergency planning funds; FCC spectrum auction funds; RESTORE Act funds; Office of Government Ethics (OGE) funds to implement the STOCK Act; and SBA small business loans.

Unfortunately, however, the CR does not include anomalies and funding requests critical to implement and enforce laws, increase capital available to small businesses and entrepreneurs, protect whistleblowers.

- Requested funding for the Internal Revenue Service (IRS) and Securities and Exchange Commission (SEC), hindering ability to implement the Affordable Care Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- Requested language for the Community Development Financial Institutions (CDFI) Fund Bond Guarantee program, denying CDFI authority to make loan guarantees that benefit small businesses and entrepreneurs. This program is authorized and inclusion in the CR would have cost \$0, but would unlock \$1 billion in economic activity at no cost to taxpayers.

- Requested funding for the Office of Special Counsel to implement the newly-enacted Whistleblower Protection Enhancement Act, hindering enforcement of whistleblower protections.

### **Homeland Security:**

The CR increases funding available for the Coast Guard to acquire Fast Response Cutters, National Security Cutter 6, and a new heavy icebreaker. It also includes a requested increase for cybersecurity, although overall funding for National Protection and Programs Directorate decreases from the amount provided in the existing CR.

The CR continues staffing minimums for Customs and Border Protection Officers, Border Patrol Agents, and Air and Marine officers at same level as the end of Fiscal Year 2012, resulting in more significant funding reductions for overtime, training, and critical national security equipment.

The CR does not include anomalies and funding requests important for disaster and terrorism preparedness, aviation security, and flood mitigation, including:

- A requested increase for FEMA State and Local Grants, locking the program into its lowest funding level in history and short-changing disaster preparedness and anti-terrorism funds to states, urban areas, ports, transit, and first responders.
- A requested increase of \$25 million to keep TSA's information technology modernization efforts on track. These efforts are necessary to support various threat assessments and credentialing activities for maritime, surface, and aviation transportation workers.
- Language reflecting the Biggert-Waters Flood Insurance Reform Act, necessary to fund a new Technical Advisory Map Council and a new Flood Mitigation Assistance grant program.

### **Interior and Environment:**

The CR fails to provide adequate funding for environmental preservation and health care for Native Americans:

- The CR continues a \$50 million rescission from the Environmental Protection Agency (EPA), forcing cuts to Hazardous Substance Superfund, and State and Tribal Assistance Grants (STAG) including Brownfields, Drinking Water State Revolving Fund, and Clean Water State Revolving Fund.
- The CR does not include requested funding to cover clinical care costs in the Indian Health Service.

### **Labor, HHS, Education:**

The CR under-funds priorities that are critical to implement the Affordable Care Act, crack down on fraud in health care and Social Security, and help working families:

- The CR does not include a requested \$949 million to implement health insurance exchanges under the Affordable Care Act, scheduled to begin enrolling participants in October. Funding is needed for IT infrastructure to process enrollments and payments, eligibility verification, call centers, and other assistance to help individuals and small businesses select and enroll in health plans.
- The CR does not include a requested \$567 million increase for Health Care Fraud and Abuse Control (HCFAC) and Social Security disability reviews and SSI eligibility determinations, as authorized by the Budget Control Act, which return more money to the treasury than they cost.
- The CR underfunds Head Start by \$70 million, potentially causing reduced enrollment, even though both House and Senate versions of the FY2013 L-HHS-Ed bill would have provided significant increases from the FY2012 enacted level.
- The CR underfunds Child Care and Development block grants by \$70 million, forcing more parents to choose between job and child care, even though both the House and Senate versions of the L-HHS-Ed bill provide for significant increases from the FY2012 enacted level

At the same time, the CR overfunds unemployment insurance operations at \$220 million above the President's budget request and House or Senate versions of the Labor-HHS-Ed bill, instead of redirecting these funds to other critical priorities.

### **Legislative Branch:**

- The Continuing Resolution allows Architect of the Capitol (AOC) to transfer \$61 million for rehabilitation of the Capitol Dome without providing additional funding, which will force AOC to forgo other multi-year projects.

### **Military Construction/Veterans Affairs**

- The 2013 Military Construction/Veterans Affairs Appropriations Act under consideration matches the proposal negotiated between Republicans and Democrats in the House and Senate in November 2012.
- The bill would appropriate a total of \$146.8 billion to build military structures, family housing, and medical and education facilities; provide veterans' health, disability, educational, and vocational benefits; and for related purposes.

- The bill provides \$10.6 billion for military construction projects – a decrease of \$2.4 billion from the FY2012 enacted level due to the Air Force’s deliberate pause in construction and a continued decline in BRAC funding requirements.
- The bill provides \$133.9 billion in discretionary and mandatory funding for the Department of Veterans Affairs, a \$2.5 increase in discretionary funding from the FY2012 enacted level.
- All funding within the Department of Veterans Affairs is exempt from sequestration.

#### **State, Foreign Operations:**

The CR fully funds the Memorandum of Understanding (MOU) regarding aid to Israel. Further, it rightly rescinds and re-appropriates embassy security funding, providing an additional \$2 billion to protect U.S. diplomatic missions abroad.

Unfortunately, however, the CR does not include anomalies and funding requests critical to our global leadership, including:

- Loan guarantees for Jordan, necessary to help an important ally stabilize its economy.
- A requested increase of the cap on special transfer authority, hindering the State Department’s ability to respond to Syria, Mali, and future contingencies.
- A requested increase of the cap on peacekeeping funds for the mission in Somalia, putting the United States in arrears.
- A requested increase the U.S. quota for the International Monetary Fund (IMF), potentially diminishing U.S. influence in the organization.

#### **Transportation, HUD:**

The CR will hinder efforts by the National Highway Transit Safety Administration to develop technologies to prevent drunk driving and eliminates state grants to battle distracted driving.

The CR fails to strike outdated language allowing HUD to use Public Housing Agency reserves to fund operations, nor does it provide a requested \$562 million to make up for the shortfall, resulting in the lowest per-unit operating subsidy since 2007.

Further, it does not include important anomalies or funding requests that are critical to federal housing efforts and investments in our roads and bridges, including:

- Increased loan commitment authority for the Federal Housing Administration (FHA) General and Special Risk Loan Program, which will result in shutdown this spring of the FHA program that insures multifamily and health care facility loans.

- A scheduled \$555 million increase in federal highway investments mandated by MAP-21, costing more than 6,000 jobs at a time of 16% unemployment in the construction trades.