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Furloughed civilians: Ogden already feels pinch from defense cuts

By: Eric Schulzke – February 28, 2013

Last week, Troy Green was shocked to find himself on the front line of the federal budget wars — not in Washington, D.C., but in Ogden, Utah.

A property manager, Green had just learned of impending furloughs at Hill Air Force base. Two days later, he began getting calls from tenants — some trying to figure out how they will cover their rent on reduced pay, others backing out of long-term lease plans.

“They’re in limbo,” Green said. “They want to lease for a year and then buy the home. But they can’t do either one now.”

With Washington in a furor over efforts to forestall the automatic budget cuts set to kick in today, their immediate impact is already being felt at places like Hill Air Force Base, which currently employs 11,500 civilian DOD employees, according to Richard Essary, a base spokesman.

If this continues, Green fears, “People coming into Hill Air Force Base are not going to buy homes and become part of the community.” It’s the uncertainty that Green finds most troublesome, with his clients unable to plan, sink roots, or move on with their lives.

Even setting aside the impact on everyday lives, the budget cuts at Hill have serious implications for military readiness, said Dave Hardman, president of the Ogden-Weber Chamber of Commerce, who understandably has a deep interest in the affairs of the base.

One of Hill’s primary roles, Hardman said, is to maintain vital but aging planes, including the venerable F-16 fighter, many of which are well past their life expectancy and only kept in shape through vigorous maintenance. Much of the civilian work at Hill, Hardman said, is airplane maintenance.

Keeping the F-16 going, Hardman said, is all the more critical because “we lack the political will to pay for the F35s that are scheduled to replace them.”

Flight training will also be hit. “They have restricted flight of all military aircraft to mission-based flights, so the everyday training missions are going to curtailed,” Hardman said.

Advocates on the left and the right disagree on how to balance spending cuts and new taxes to forge a sustainable path. But there is little disagreement that across-the-board spending cuts under current law are a strange way to get there.

“Let us not forget that this is nuts,” said Jared Bernstein, a fellow at the Center on Budget Priorities and budget adviser to Vice President Joe Biden. “We are

accommodating ourselves to deep dysfunction at significant cost to the economy, for no other reason than that policy makers refuse to compromise.”

In the crosshairs

Shortly after the 2011 debt ceiling deal, now known as “the sequester,” was signed into law, Defense Secretary Leon Panetta declared that the proposed cuts would “hollow out” the U.S. military.

Last week, he announced that the hollowing had begun, declaring that while military personnel are exempt, “we have no legal authority to exempt civilian personnel funding from reductions.” If sequestration is not averted, he said, “(The Department of Defense) will be forced to place the vast majority of its civilian work force on administrative furlough.”

The projected weekly one-day furloughs for civilian DoD employees, which would kick in on 30 days notice as early as April, amount to a 20 percent pay cut.

According to the terms of the 2011 compromise, fully half of the sequester cuts must come from defense — even though defense accounts for just 19 percent of the discretionary budget on the table.

This was part of a strategy engineered by the Obama White House when first proposing the plan, according to the venerable journalist Bob Woodward in his book, “The Price of Power.” The defense budget thus found itself in the crosshairs.

The notion from the White House was that Republicans would not be willing to accept severe defense cuts, and would thus be ready to make concessions. To the surprise of most observers, Republican leaders in Washington quickly came to terms with the compromise, even the defense cuts. Most of the push to reverse the sequester in recent weeks has come from the White House.

This past week, Woodward got into a verbal spat with the White House, with Woodward disputing the administration’s continued efforts to disclaim responsibility for the sequester, for “moving the goal posts” on compromise.

Horizontal cuts

“The problem is not the magnitude of the sequester,” Bernstein said. “It’s how we get there. It’s horizontal cuts instead of vertical cuts. Everyone takes a percentage hit without any regard for whether is program is effective and efficient or whether it could benefit from a cut.”

The very arbitrariness of the tool, Bernstein added, was intended to be a “sword of Damocles” — a looming threat that would force everyone to look for a compromise on a more balanced solution.

The Obama administration moved aggressively over the last two weeks to slash spending in areas where public reaction is most likely, including air traffic control and immigration enforcement.

House Republicans led by Speaker John Boehner countered with a proposal to grant broad discretion to the White House, requiring the cuts but allowing flexibility. In short, the proposal would have allowed vertical cuts rather than horizontal slashing.

Bernstein is not impressed with that proposal, however, arguing that this would simply have enshrined the cuts without balancing it against tax increases. "It's just another way to cut," he said.

A balanced approach requires tax increases as well as spending cuts, Bernstein argues, and by removing the threat of irrational cuts, he believes, Republicans would have no incentive to come to the table.

Exaggerated danger?

There is at least one skeptic in all of this. Michael Tanner at the Cato Institute insists that the cuts in the sequester are greatly exaggerated. "It's not slamming on the brakes. It's easing up slightly on the gas pedal and then flooring it again," he wrote in a column at CNN.com.

The Cato Institute also produced a graph suggesting that the sharp rise in federal spending over the past few years is barely touched by the cuts, really only returning to the already high 2009 numbers.

"Most of the numbers cited about the numbers of jobs at risk," Tanner wrote, "come from industry groups with a vested interest in making the cuts look as bad as possible."

According to Tanner, "the Pentagon's predictions are mostly nightmares, meant to frighten. The 2013 sequester would leave military spending at roughly 2006 levels, adjusting for inflation. Over a decade the caps, combined with the war's end, would leave spending near Cold War highs."

And yet even Tanner concedes that the clumsy approach will do damage to defense.

"This year's sequestration should be avoided. It will likely lead to furloughs, complicate procurement and harm readiness. Drawdowns should not be achieved by a demoralizing slash," Tanner wrote.