

# THE KANSAS CITY STAR

## As sequestration nears, gear up for problems

By Mike Hendricks and Dave Helling February 23

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Rhymes with frustration. And there will be plenty to go around in the weeks ahead if Congress fails to craft a budget deal by Friday that cancels the sequester's automatic, dramatic and problematic cuts to the federal budget.

Fewer food inspections. Canceled flights. Less money for schools and national defense.

All that and more forced by suddenly having to slash \$85 billion from a \$3.6 trillion federal budget. And here's the really strange part: The sequester cuts, which could eventually mean unpaid furloughs for thousands of federal workers in the Kansas City region, were never supposed to actually happen.

Triggering a self-imposed fiscal doomsday machine would be an act of irresponsibility, it was said.

Now it looks far more likely than not to kick in, as scheduled, March 1. How long the cuts stay in place remains anyone's guess — subject, as usual, to bickering politicians who spent last week pointing fingers at each other.

“It's probably going to happen,” said Joan Flaherty, who heads the Kansas City-based union local representing 1,300 employees of the Social Security Administration in Kansas, Missouri and three other states. “They're projecting four-day workweeks from now until the end of the (fiscal) year.”

Another inside-the-Beltway drama the rest of us can ignore?

Not this time. According to the White House, the nonpartisan Congressional Budget Office and a host of Washington watchers, federal workers won't be the only ones feeling the pinch.

Sequestration would also be a major pain in the neck for Americans of every stripe, whole industries and the economy as a whole.

Take air travel. You think flying is a hassle now? Just wait. The sequester's mandatory budget cuts will mean canceled flights due to reduced work hours for air traffic controllers. And expect longer waits trying to board flights — work furloughs will cut into staffing at security checkpoints, too.

National parks will cut their hours, the Interior Department says. More than 100 wildlife refuges would close to the public or eliminate programs.

The price of meat, poultry and eggs could go up, the Department of Agriculture says, because packing plants would have to shut down for up to two weeks a year. They can't operate without food safety inspectors, who — like most other civilian employees in the federal government — face up to 22 days of unpaid leave between now and Sept. 30.

Those who aren't let go, that is. Thousands of federal workers, and employees of federal contractors, could find themselves among the ranks of the unemployed.

Bad timing for them, because jobless benefits are also on the chopping block, at least for the long-term unemployed. Housing for the homeless will see less funding. Aid for low-income students and early education programs also could be slashed.

While active-duty members of the military wouldn't see pay reductions, many of the 800,000 civilians in the Defense Department would work fewer hours, which the Pentagon says would mean reduced readiness.

The impact of the sequester would be dramatic — but not everyone thinks that's such a bad thing.

'Meat-cleaver approach'

The possibility of a sequester — literally, a required reduction in federal spending — has existed for more than a year.

Mandatory cuts were embedded in the Budget Control Act of 2011, which raised the debt ceiling in exchange for a promise of eventually cutting federal spending by \$1.2 trillion over a decade. A special congressional “supercommittee” was set up to find those cuts, with the threat of the sequester looming as an unacceptable alternative.

As in unacceptable to both pro-defense Republicans and social-spending Democrats, because the automatic sequester reductions would hammer defense and non-defense spending in roughly equal measure.

But the supercommittee failed. So now welcome to Sequesterville. A growing chorus of conservatives and Republicans are happy to settle in.

“Is sequestration perfect? No. Is it the ideal way to cut spending? No,” said Tad DeHaven, a budget policy analyst with the libertarian Cato Institute. “But spending has to be cut. It should have been cut a long time ago.”

Some conservative analysts make a similar argument — as bad as it is, the sequester is preferable to continued runaway federal expenditures.

“There are probably better cuts to be made,” said Daniel Hanson, an analyst with the conservative American Enterprise Institute in Washington, D.C. “But this is what’s on the table. This is what can get done.”

Democrats abhor the situation.

The White House recently launched a fierce attack on the sequester, claiming it would cost the economy billions of dollars, increase unemployment, cause unneeded layoffs and threaten national security.

“It will jeopardize our military readiness,” President Barack Obama said last week. “It will eviscerate job-creating investments in education and energy and medical research.”

The White House — and most congressional Democrats — support a replacement for the sequester that includes closing tax loopholes to provide additional revenue, as well as spending cuts. Republicans firmly reject proposals that raise taxes, saying any sequester replacement should shift spending cuts to other programs.

Some programs are exempt. Social Security, food stamps, Medicaid and veterans' benefits don't face reductions. Medicare cuts are limited to 2 percent of planned spending through reduced payments to providers, not patients.

Practically everything else is in play. Annual defense spending must be reduced roughly 8 percent, with a 5 percent cut for what's called "discretionary" spending.

But because the \$85 billion goal for 2013 must be met by the end of September, administrators have to cram nearly a year's worth of reductions into an eight-month window.

For defense, that means a 13 percent cut, and a 9 percent reduction in non-defense programs.

"It will be a stupid experiment," said Michael Linden of the Center for American Progress, a left-leaning Washington think tank. "Anybody who's ever done a family budget, if you're forced to cut spending 10 percent, it's going to matter."

Try 20 percent.

For many federal workers, that's the pay cut they'll be facing the rest of 2013 if Congress fails to act. Not only is that a personal hardship, but it will also have a ripple effect in places like Kansas City, where the federal government is the largest single employer in the area.

Those 41,500 federal employees and contractors, working for 146 agencies, will have that much less to spend on groceries, much less frills.

Or take Knob Noster, Mo., home to Whiteman Air Force Base. Nearly three-fourths of its 2,700 residents get a paycheck from Uncle Sam.

“I don’t think it’s going to affect us in a really negative way,” said city administrator Doug Kermick.

But there will be less money flowing, he said, to buy gas or have a night out.

Gloom and doom

For most Americans who don’t work for the government, the pain won’t be immediate.

Unlike past federal shutdowns, when just like that Washington had no money to spend, the sequester merely slows spending down over several months. The furloughs that would reduce services wouldn’t begin until the end of March or early April.

“It’s more like a rolling blackout,” Linden said.

Still, administrators must make some decisions relatively quickly, and that has led to some backlash from those who think the Obama administration isn’t using the flexibility it has to decide how the cuts are made.

Instead of across-the-board reductions, critics say, the government should be creative in meeting the spending guidelines. They accuse federal department heads of employing gloom-and-doom tactics to pressure congressional action.

The meat and poultry industry, for starters, lashed out when the U.S. Department of Agriculture announced 15-day furloughs for meat inspectors. While acknowledging that would limit production at 6,290 plants across the country, resulting in \$10 billion in production losses and \$400 million in lost wages, the USDA said it had no other choice.

“To say that we’re concerned is an understatement,” American Meat Institute spokeswoman Janet Riley said. “USDA has the ability to exercise judgment in who gets furloughs, and meat inspection is considered a public health issue.”

But Agriculture Secretary Tom Vilsack responded in a letter that his agency has no alternatives.

There's been similar back-and-forth when it comes to plans for cutbacks in border security, scientific research and cuts to federal programs like Meals on Wheels.

It's hard to say whether turning up the pressure on lawmakers to replace the sequester with something else will work.

Pointing fingers

For now, Republicans and Democrats — again, predictably — are blaming each other for the impasse.

Republican House Speaker John Boehner called the sequester “ugly and dangerous” but said it was Obama's responsibility.

The president, in turn, pointed out that Boehner voted for the sequester, as did a majority of Republicans in the House. The Democrats split in half.

In the Democratic-led Senate, a majority of both parties supported the sequester mechanism.

“The sequester was one of President Obama's plans that I voted for that didn't work out at all,” said Sen. Roy Blunt, a Missouri Republican.

Whomever you choose to blame for getting us into this game of chicken, we're all going to be paying for it one way or another.

The nonpartisan Congressional Budget Office predicts that the forced reductions in federal spending would cut economic growth in half this year.

Already, many businesses have held off on hiring until Washington can get its act together and end this habit of lurching from one crisis to another.

Both political parties have said for months that the sequester is a terrible way to run a government.

Yet here the nation is — preparing for budget cuts no one wants and no one expected to happen.

“It’s dysfunctional at best,” said Rep. Kevin Yoder, a Kansas Republican. “It’s making it difficult for us to tackle these larger issues.”

Read more here: <http://www.kansascity.com/2013/02/23/4083529/as-sequestration-nears-gear-up.html#storylink=cpy>