



GOP will propose sequester changes; wary Democrats plan their own

By: Anita Kumar and William Douglas – February 25, 2013

In a last-minute bid to minimize the most painful impacts of federal spending cuts – and perhaps blame – Republicans will propose this week allowing the government to choose where to cut.

They plan to introduce proposals to allow flexibility while maintaining the overall level of cuts mandated by a 2011 law.

The proposal is in response to the Obama administration's repeated complaint that the law doesn't allow managers the flexibility to shift the reductions from such areas as teachers or programs to help female victims of violence. It's also a move to shelter the GOP from blame should the cuts cause widespread pain.

"As a leader, he should want as much flexibility as he can get from Congress," said Louisiana Gov. Bobby Jindal, the chairman of the Republican Governors Association. "When did he ever go to his Cabinet secretaries, his agency heads and say, 'What would be the least painful . . . way?'"

Democrats criticized the proposal, however, saying it would lock in the overall level of cuts – \$85 billion for this fiscal year and \$1.2 trillion over 10 years – which they argue would hurt the economy. They'll propose smaller spending reductions supplemented by tax increases.

"The overwhelming majority of Americans want us to compromise before our neighbors, friends and family members get pink slips or notices that they can only work for a few days a week this month," said Senate Majority Leader Harry Reid, D-Nev.

Both proposals are expected to be unsuccessful in a divided Congress, leaving lawmakers scrambling to act just days before the cuts are to start taking effect. As of Monday, the two sides were not negotiating. President Barack Obama will travel Tuesday to Newport News, Va., to talk about the impact of defense cuts.

The reductions – known inside the Beltway as sequestration – stem from a compromise between both parties to raise the nation's debt ceiling in 2011. Both sides agreed to the automatic cuts as a doomsday scenario to force themselves to find a more palatable way to reduce projected budget deficits. They did not find an alternative, however.

The first round of reductions – postponed from January – is estimated to be \$85 billion. But the nonpartisan Congressional Budget Office predicts that agencies will reduce spending by about \$44 billion, with the remaining cuts coming in future years.

The White House has spent months describing in detail what the reductions might mean in each state and agency, from Head Start programs to law enforcement officers. The administration has blamed the impact in part on the fact that the 2011 law gave it no room to move money around to meet essential services.

“There is very little flexibility in terms of how to make those cuts happen,” White House Press Secretary Jay Carney said last week. The White House didn’t ask Congress to give the administration the flexibility to pick what programs would be slashed.

“The fact that the White House isn’t banging on our door for flexibility . . . is mind-boggling,” said Don Stewart, a spokesman for Senate Minority Leader Mitch McConnell, R-Ky.

Supporters and opponents say Obama wants to avoid the reductions altogether while blaming Republicans for the most severe cuts. “They could score political points this way,” said Tad DeHaven, a budget analyst for the Cato Institute, a libertarian research center.

Jo Comerford, the executive director of the National Priorities Project, a nonpartisan, liberal-leaning research center that analyzes how tax dollars are spent, said she’d welcome flexibility but that the White House never pursued it because it wanted a balanced approach that comprised more than just spending cuts. “President Obama is saying there are other ways to move forward,” she said.

Obama has urged Congress to delay the reductions, even by a few months, by passing a package of modest spending cuts and additional tax revenue by eliminating tax loopholes that benefit certain industries or the wealthy.

Carney didn’t rule out that the president would sign legislation that allowed flexibility. But Carney dismissed suggestions Monday that additional flexibility would help alleviate the problem.

A bill that “introduced enough flexibility to do away with all the bad things doesn’t exist,” he said. “It can’t be written, not with the size of these cuts, and the fact that they needed to be implemented in such a short period of time in this fiscal year.”

Janet Napolitano, the secretary of homeland security, said Monday that added flexibility would help only “on the margins” because she’d still have to cut pay for thousands of workers who are key to security at airports, the border, in ports and elsewhere. “The plain fact of the matter is (the cuts) fall at such a heavy level because we’re so personnel-rich as a department,” she said.

Republicans in Congress have been pushing for flexibility for some time, including floating a proposal that would let the White House offer changes to realign funding after the cuts took effect.

This week, some Republicans, including Sen. James Inhofe of Oklahoma, the ranking member of the Senate Armed Services Committee, began to work on bills that might be unveiled as early as Tuesday.

Senate Democrats will introduce a plan to postpone the cuts to Jan. 2, 2014. Reductions would be replaced by a minimum 30 percent phased-in tax rate on incomes between \$1 million and \$2 million; eliminating loopholes for businesses that move jobs overseas; slicing \$27.5 billion from defense and cutting \$27.5 billion over 10 years by eliminating direct payments to large farmers.

In a meeting Monday at the White House, Obama urged the nation's governors to press members of Congress to avert the spending reductions altogether. "I hope that you speak with your congressional delegation and remind them in no uncertain terms exactly what is at stake and exactly who is at risk," the president said.

Republican governors, who said they'd asked the administration for flexibility, remained critical of both parties for the crisis.

"The answers to everything we got was no," South Carolina Gov. Nikki Haley said. "I cannot be more frustrated than I am right now. . . . My kids could find \$83 billion out of a \$4 trillion budget."