



washington dc update

January 13, 2011

Budget Realities and Infrastructure Needs

It is hard to ignore the budgetary realities that are not just looming but which are very much an ongoing reality. The Federal deficit for the current fiscal year is estimated to be \$1.4 trillion dollars. If one excludes Defense, all other domestic discretionary spending is about \$700 billion. So if the Federal government, other than the Pentagon, were essentially eliminated, that would reduce our deficit for one year by about half. Or to put it another way, \$700 billion down and no Federal government and \$700 billion to go.....to eliminate the deficit for a single year.

While perhaps some would support the elimination of the non-defense portion of the Federal government, most would not. So whatever one's political persuasion, it's hard to believe that the deficit can be addressed just by cutting budgets. But at the same time, most observers believe that Federal discretionary spending is certainly in line for some painful reductions.

That leaves the question of how individual programs will be impacted. There is a consensus that our nation suffers from a lack of infrastructure investment. By most estimates, the amount of Federal support for infrastructure represents only a tiny fraction of the need. Last week, as part of our "Primer for Emerging WESTCAS Issues" report we listed spending for the Corps of Engineers and the Bureau of Reclamation from FY08 through FY10. This time-frame is important because many proposals to cut Federal spending advocate going back to the FY08 levels. We want to repeat these figures and also to add those for the EPA Clean Water and Drinking Water Revolving Fund. These are the major three sources of Federal spending which impact water resources infrastructure.

	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
Corps Investigations	\$167,261,000	\$168,100,000	\$160,000,000
Corps Construction	\$2,294,029,000	\$2,141,667,000	\$2,031,000,000
Bureau of Rec Water And Related Resources	\$949,882,000	\$920,259,000	\$951,158,000

	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
USEPA State Revolving Fund	\$2,972,595,000	\$2,968,464,000	\$4,970,223,000
Number of State and Tribal Assistance Grant Earmarks from the Congress	280	301	333

If you look at these numbers, it is clear that Corps Investigations spending has been flat between FY08 and FY10 and that Corps Construction spending has actually been reduced by more than 11%. In fact, the only increases in Appropriations were the 61% increase between FY09 and FY10 for EPA’s State Revolving Fund.

As the budget reduction express begins to gain momentum in the Congress, several questions need to be addressed. First, should crucial infrastructure programs that have seen no increases in funding for the past three fiscal years be cut just like other programs which have enjoyed large increases? Second, should successful water infrastructure funding programs, such as EPA’s State Revolving Fund, which have enjoyed budget increases but which are still woefully underfunded, be cut back to FY08 levels?

Not all programs are created equal. If organizations like WESTCAS want to advocate for Federal infrastructure funding partnerships, there will be a chance to do so in the near future.

Contact Fred or Tom

Fred Hicks – 703.626.5384	Tom Ray – 254.855.0880
P.O. Box 2115	P.O. Box 955
Springfield, VA 22152-0115	Waco, TX 76703-0955
fbhicks@aol.com	tom@hicks-ray.com

