

House Passes CR Number Six for FY2011

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The U.S. House on Tuesday passed a new Continuing Resolution (CR), House Joint Resolution 48, a three-week extension of stopgap funding to finance the federal government at current (FY2010) rates for three weeks –until April 8. In addition to keeping government operations uninterrupted, this new CR would cut \$6 billion in spending from a projected \$1.5 trillion budget deficit. The Senate is expected to take up the bill on Thursday. The current CR passed two weeks ago expires Friday night. If it passes the Senate and goes to the President it will mean that half of FY2011 has been covered by temporary funding measures that further push off new budget appropriations.

The Republican majority needed the votes of Democrats to offset GOP defections and get the bill over its first hurdle. This extension passed by a 271-158 vote, with 85 Democrats joining 186 Republicans in support of the measure. A total of 54 Republicans opposed the latest measure as conservatives within the party expressed frustration that a final agreement to significantly cut federal spending had not yet been reached. A look at the vote counts on the CRs that have passed during the 112th Congress suggest the atmosphere continues to be in a state for flux:

- **HJRes48** – passed March 15, funds through 4/8
 - yeas/nays were 271-158
 - Republican 186 to 54; Democrat 85 to 104
- **HJRes44** – passed March 1, funds through 3/18
 - yeas/nays were 335 to 91
 - Republican 231 to 6; Democrat 104 to 85
- **HR1** full-year CR – passed House February 19 but failed in the Senate
 - yeas/nays 235 to 189
 - Republicans 235 to 3; Democrats 0 to 186

The Latest Cuts

This new CR would cut \$6 billion in spending on top of the \$4 billion in reductions that were enacted under the current CR. But the combined \$10 billion falls far below the \$60 billion in proposed reductions in HR1.

Program cuts: This CR reduces or terminates 25 programs for a total of \$3.5 billion in reductions, almost all of which were cuts included in the President's FY2011 or FY2012 budget requests. A few are rescissions of unused funds from completed projects (e.g. –\$1.7 billion leftover from 2010 Census.)

Agency – Program Cut (\$Million)

- Commerce -\$1,807
- HHS -\$386
- Labor -\$350
- USDA -\$344
- SSA -\$200
- DHS -\$107
- Interior -\$55
- CPB -\$50
- Transportation -\$50
- EPA -\$25
- HUD -\$18
- State -\$17
- Congress -\$2

Earmark reductions: This CR terminates \$2.6 billion in earmarked finances that were automatically renewed in the CR approved by the previous Congress in December, 2010. The earmarks impact the appropriations areas below.

Appropriations Bill – Earmark Reduction (\$Million)

- Financial Services/General Government -\$1,106
- Commerce/Justice/Science -\$724
- Interior -\$378
- Agriculture -\$358

For a full list of program and earmark reductions see the U.S. House Appropriations Committee list [here](#).

GovWin's Take

Shut-Downs Averted, but at What Cost? – While it appears that both parties are deathly afraid of looking like they could be the cause of any potential government shutdown the disruptive effect of ongoing uncertainty still has the negative consequence of putting agencies and their private-sector partners in limbo over whether they should be planning for contingencies of a shut-down or possible budget cut, . . . or waiting this out until the next fiscal year begins. In an atmosphere where agencies are already under a microscope for efficiency and effectiveness these mixed signals and delays by Congress will do nothing to help these matters.

CR as a Strategy to Limit Cuts – Assuming this latest CR passes, this would be the 6th stopgap funding measure enacted for fiscal 2010 and the 2nd passed by the new Congress (not counting HR1, the full-year CR the House passed in February but failed to pass the Senate.) And it is unclear whether it will be the last short-term bill to come as bargaining continues to go on between the House and Senate leadership and Congress and the White House. The volatility of the vote mix indicates that we may be farther from consensus than closer. If the goal of some Members is to limit the size and scope of budget cuts then it would seem to be in their interest to keep the stopgap CR train rolling from one to the next for the rest of FY2011. They're already half-way there.

IT Funding May Dodge the Budget-cut Bullet – Most of the latest program and earmark reductions target areas that appear to have little if any IT implications for agencies. And while at \$10 billion the combined cuts of HJRes44 and 48 are a far cry from the \$100 billion some Republicans are looking to cut going forward it still remains to be seen whether IT will be caught up in the cuts or looked to as a resource to help achieve efficiencies and savings. Historically, the latter has been the case, at least at the macro level. Admittedly, current fiscal challenges may change that. As GovWin continues to watch the current FY2011 budget wrangling as well as what may be in store for FY2012 we are still cautiously optimistic that federal IT budgets may weather the storm better than most.