



SEQUESTRATION AND FEDERAL AGENCY FUNDING

The Budget Control Act of 2011 imposed caps on federal spending and put in place sequestration, or automatic cuts that have had a crippling effect on the government's ability to deliver services to your constituents. Sequestration has required lengthy federal employee furloughs at many agencies, as well as hiring freezes, training cuts and the inability of many agencies to perform their basic functions. The federal government shed 80,000 jobs in 2013 alone. Tax debt remains uncollected, food safety initiatives have been delayed, and border protection initiatives have been hampered.

Since FY 2010, the IRS budget has been reduced by almost \$1 billion and the agency's front-line service and enforcement personnel have been reduced by almost 10,000. The IRS has announced that during the FY 2014 tax filing season, it will be forced to drastically limit the amount of live assistance taxpayers can receive in person and over the phone, estimating that up to 40 percent of taxpayer calls may go unanswered. In addition, the start of the filing season was delayed by 10 days due to the government shutdown. This, coupled with a lack of resources, may also delay refunds that require any individual review.

Overall enforcement revenue is down by more than \$4 billion since FY 2010 which coincides with a decrease of 3,100 enforcement personnel over that same period. The lack of sufficient funding for the IRS has led a number of tax experts, including the National Taxpayer Advocate, IRS Oversight Board and IRS Advisory Council to call on Congress to provide IRS with additional resources.

Similarly, at Customs and Border Protection (CBP), staffing is critical to ensuring security at our nation's ports of entry and preventing prolonged wait times at the air, sea and land ports of entry. The extent to which wait times affect the local and national economy was recently studied by the National Center for Risk and Economic Analysis of Terrorism Events (CREATE). According to CBP's April 10, 2013 Resource Optimization at Ports of Entry Model, CREATE's findings equate to 33 new American jobs per new Officer added. In the recently passed Omnibus Appropriations, CBP received an additional \$256 million intended to bolster their Officer workforce by 2,000 by the end of FY 2015. However, more investment is needed to increase staffing for officers and the vital CBP trade operations and agriculture specialist missions.

Other agencies face similar problems. The Department of Health and Human Services faces cuts in its work to aid those with mental health and substance abuse problems (SAMHSA), protect the purity of food and drugs (FDA), and administer critical programs for the elderly and children (ACF). At the SEC, the lack of adequate resources is hampering the agency's ability to protect American consumers and investors in an increasingly complex marketplace.

NTEU urges:

- **Adequate agency funding for FY 2015**
- **Support for efforts to cancel the sequester**