



## Implications of a Date-Change, Full-Year CR

December 7, 2023

### KEY POINTS:

**With the next funding deadlines fast approaching, it's critical Congress works together to avoid a shutdown and pass serious, bipartisan full-year funding bills that move our country forward—not back.**

In order to pass full-year spending bills, both chambers need to agree on topline and no partisan poison pills.

**That means: Speaker Johnson and House Republicans must get back to the full spending deal House Republicans negotiated with the White House as part of the *Fiscal Responsibility Act (FRA)*—and leave behind the extreme, hard-right policies they've tied to their funding bills.**

**But in recent weeks, as Speaker Johnson stalls on moving forward on serious, bipartisan full-year spending bills, he's threatened to simply pass a date-change, full-year CR.**

- He's reportedly *told* colleagues: "If you can't get the final bills finished under this timeline, with good conservative wins, then we're just going to go with the most painful version of a full-year CR."
- In response to Senator Murray's criticisms about the prospect of a date-change, full-year CR, a spokesperson for the Speaker did not back down, *stating*: "we need to be done with FY24 one way or another."
- In a new *Dear Colleague letter* today, Speaker Johnson reiterated the threat, stating: "I do not intend to have the House consider any further short-term extensions."

**What the Speaker is proposing—a date-change, full-year CR with no adjustments (i.e. revisions to FY23 levels to address new or changing economic, technical, and policy circumstances for FY24)—has never been done before and would be devastating** for families in every zip code, for our national security, and for our country's future.

**There are several key reasons why a date-change, full-year CR would be so harmful:**

- **A full-year CR locks us into last year's spending plans and policies**—as if nothing has changed over the last year. That would spell huge problems for our national security and so many essential programs:
  - Across agencies, new initiatives, services, and programs would be put on pause.
  - 330 new programs or production increases would be frozen at the Pentagon.
  - Serious funding holes would plague key programs across government.
  - For the first time ever, WIC, for example, would be forced to turn women and kids away.

- **A full-year CR means a sea of missed opportunities.** All the critical new funding and policies that the Senate Appropriations Committee advanced with overwhelming bipartisan support in its FY24 bills vanish.
  - The new investments in the Indo-Pacific Strategy and Countering PRC Influence Fund, and the new Economic Resilience Initiative disappear.
  - No increase for the Pell Grant—for the first time in over a decade.
  - Historic new funding advanced to combat fentanyl—which would seize nearly 7,000 more pounds of fentanyl—would fall away.
  - Gone are any new investments in cutting-edge biomedical research that saves lives.
  - Hundreds of millions in funding for the Department of Energy’s Office of Science would fall away, in addition to key investments and funding boosts for the implementation of the CHIPS and Science Act and for cutting-edge scientific research.
  
- **And all that is before accounting for the severe, across-the-board (“sequestration”) cuts that would be triggered** in this scenario under the Fiscal Responsibility Act.
  - **For defense**, the Speaker’s pitch would mean \$26.5 billion (3%) to \$36.5 billion (4.1%) less than the topline agreed to earlier this year (depending on the implementation of the sequester by the Office of Management and Budget)—and even more when compared to the bipartisan Senate Appropriations bills.
  - **For domestic programs** (excluding VA medical care), a date-change, full-year CR would mean as much as a 9.4% cut.
  - This amounts to more than \$70 billion in cuts to vital domestic programs—that help families put food on the table, keep our communities safe, and help keep our country running and competitive.

**A date-change, full-year CR** would jeopardize our national security, slash funding for nearly every federal program Americans rely on for so many essential services, and let our competitors like China get ahead of us.

**It would also represent a complete abdication of Congress’ responsibility to fund the government.**

Congress would relinquish the power of the purse, setting a concerning precedent.

- House Republicans have spent the better part of the last year railing against funding our government by omnibus. Now, the Speaker is threatening to effectively do the same thing, just through a long-term CR with devastating outcomes.

## DETAILED IMPLICATIONS FOR DEFENSE PROGRAMS

A date change, full-year CR would mean **tens of billions of dollars less** in defense funding relative to either the Fiscal Responsibility Act topline or the level in the bipartisan Senate Appropriations bills.

- *It would mean \$26.5 billion (3%) to \$36.5 billion (4.1%) less than the topline agreed to earlier this year (depending on the implementation of the sequester by the Office of Management and Budget)—and even more when compared to the bipartisan Senate Appropriations bills.*

Among other things, this full-year CR would:

- Imperil implementation of our national defense strategy and jeopardize our national security.
- Prevent 156 new programs from starting—including contracts to complete ships already under construction.
- Prevent increased production of 180 programs.
- Create a \$5.8 billion shortfall in military personnel funding and exacerbate recruiting and retention challenges.
- Delay nuclear triad modernization.
- Delay or cancel 75 ship modernizations.
- Delay investments in key artificial intelligence capabilities.
- Delay—or cancel altogether—significant periods of training for the Reserves and National Guard.

The Department of Defense has *never* operated under a year-long CR.

As C.Q. Brown, Chairman of the Joint Chiefs of Staff, wrote in a [letter](#) to the Senate Appropriations Committee:

*“In addition to the critical need for Congress to take action to support our allies and partners by passing the President's national security supplemental funding request, **the single greatest thing that Congress can do to enable the Department to execute our strategy is to enact a full-year appropriation.**”*

Beyond funding provided in the Defense appropriations bill, this full-year CR would also:

- Prevent over 100 new military construction projects—National Guard Readiness Centers, training facilities, barracks, schools, child development centers, and over a dozen projects supporting the Pacific Deterrence Initiative—from being started.
- Curtail resources for important counterterrorism and counterproliferation programs at a time of increasing threats around the world.

## **DETAILED IMPLICATIONS FOR NON-DEFENSE PROGRAMS**

A date-change, full-year CR would force as much as a **9.4% across-the-board cut** to non-defense programs. That's over a \$70 billion cut.

Here are some examples of what this would mean, broken down by appropriations bill:

### **Agriculture-FDA**

- Serve at least 2.7 million fewer women and kids every month through WIC.
- Deny food baskets to 175,000 participants in the Commodity Supplemental Food Program's monthly supplemental food program for low-income elderly adults.
- Force 23,000 rental units in rural areas to not be renewed—forcing tenants to face steep hikes or eviction. This program primarily supports Americans with disabilities and single female head of households.
- Furlough 934 full-time inspectors at the Food Safety and Inspection Services—jeopardizing food safety for families and negatively impacting the nation's meat supply, with direct economic effects for the industry and consumers alike.
- Slash funding for FDA, impairing lifesaving research and critical oversight by making FDA absorb serious cuts that would result in program cuts and furloughs. FDA's field programs would be unable to backfill needed positions including investigators, lab analysts, and compliance staff. FDA would have to pause hiring, which would result in a multi-year impact as it takes 2-3 years to fully train a new investigator. FDA's National Center for Toxicological Research portfolio would be reduced by 20-30%. FDA's biologics pathogen reduction contracts would be reduced by approximately 80%.

### **Commerce-Justice-Science**

- Delay—or even cancel—construction of NOAA's next-generation weather satellites, which are critical to accurate weather predictions needed to protect life and property. One-third of U.S. GDP is affected by climate and weather—affecting farmers trying to protect livestock and crops, cities relying on energy from wind turbines and solar panels, and air travelers simply trying to get home safely and on time. So far in 2023, the United States has incurred 25 weather and climate disaster events with losses exceeding \$1 billion—the most on record.
- Delay the Artemis IV Moon mission by at least a year and lay off NASA employees—right as China is on track to land humans on Earth's moon and establish a base by 2030.
- Shutter implementation of the broadband expansion programs created under the Bipartisan Infrastructure Law.
- Impair the National Science Foundation's (NSF) ability to implement President Biden's AI Executive Order, including by establishing the National Artificial Intelligence Research Resource.
- Force NSF to invest in fewer ideas, including across the 10 key technology areas that are vital to our national and economic security. This would also mean that NSF would support fewer students, graduate students, post-docs and early career faculty, leaving critical talent behind.
- Prevent the International Trade Administration from being able to open new export promotion offices domestically or abroad to help U.S. businesses gain a foothold in foreign markets.
- Force a hiring freeze—and furloughs—at the Department of Justice, resulting in the loss of hundreds of agents, intelligence analysts, deputy marshals, correctional officers, and attorneys.
- Force the FBI to freeze equipment purchases, leaving agents and investigations to depend on old and obsolete equipment prone to cybersecurity risks.
- Force the FBI to freeze hiring and not backfill positions—leaving the FBI less equipped to fully respond to the expansion of criminal investigations to help combat violent crime, the fentanyl crisis,

transnational organized crime, violence against women, human trafficking, and child abuse and online exploitation.

- Considerably scale back the ability of DOJ litigation components to work cases relating to civil fraud, prescription opioids, immigration, and privacy. The Civil Division would be unable to timely litigate all claims filed by eligible veterans and provide due process and justice to impacted parties for the Camp Lejeune PACT Act litigation.
- Force the Drug Enforcement Administration to scale back operational priorities to disrupt and dismantle international drug cartels and trafficking networks—such as Operation Overdrive, which supports the reduction of violent crime and drug-related targets and suppliers in communities, because it would have to reduce recruitment and hiring of agents, intelligence analysts, and support personnel.

### **Energy and Water Development**

- Cut off support for up to 5,000 scientists, students, and technical staff working at our national labs and universities.
- Cut hundreds of millions of dollars for clean energy.
- Cut hundreds of millions of dollars in funding going to the Office of Science, endangering implementation of the bipartisan CHIPS and Science Act.
- Reduce work on important nuclear license renewals, decommissioning of nuclear plants, inspections, development of infrastructure for advanced nuclear reactor technologies, development of advanced medical technologies and new fuel, international assistance and cooperation activities, and other routine operations.
- Halt progress and investments in critical projects addressing climate change and increasing resiliency from future droughts, which protect communities from flooding, help to restore ecosystems, maintain ports and harbors, and more.

### **Financial Services and General Government**

- Eliminate grants for approximately 80 communities to prevent youth substance use as the opioid crisis continues to hurt families and ravage communities.
- Force a roughly 4% across-the-board-cut for the High Intensity Drug Trafficking Areas (HIDTA) program. Local communities would have to eliminate task forces which, in turn, would entail a reduction in the number of drug trafficking and money laundering organizations disrupted and dismantled, and fewer drugs seized. Given that HIDTA task forces in 2022 seized more than 13 metric tons of fentanyl, this could have a direct impact on fentanyl-related fatal overdoses.
- Force a hiring freeze and furloughs at Treasury's Office of Terrorism and Financial Intelligence, jeopardizing our national security by impacting Treasury's ability to craft, implement, and enforce sanctions, including the historic sanctions program targeting Russia's illegal war in Ukraine. This would also hinder critical sanctions programs for countries like Iran, the DPRK, and Venezuela.
- Decimate funding for public defenders—necessitating layoffs of nearly a fifth of all staff.
- Create security vulnerabilities throughout the federal court system.
- Significantly reduce resources for Community Development Financial Institutions grants and assistance, harming the economic vitality of America's most economically disadvantaged communities by reducing small business lending, affordable housing, and the provision of consumer products and services.
- Delay the Small Business Administration's (SBA) ability to process Veteran Small Business Certifications, which could negatively impact 35,000 veterans and service-disabled veterans.
- Cause nearly 130,000 fewer small businesses to receive training and business counseling assistance from the SBA.

## **Homeland Security**

- Require Customs and Border Protection to furlough agents, officers, trade analysts, and other staff.
- Quadruple wait times at our nation's ports of entry—snarling supply chains and leading to the loss of roughly 75,000 American jobs.
- Reduced DHS workforce hours also means less detection and seizure of illicit items coming to the U.S. Over 15,000 products posing risk to consumers and U.S. businesses could hit the U.S. market and potentially 100,000 pounds of narcotics would reach communities across the country as interdiction efforts are curtailed—likely increasing overdose deaths, which already eclipse 100,000 per year.
- Freeze hiring for the TSA, greatly impacting wait times and customer service to the public and further eroding U.S. supply chains as cargo carrier flights face delays at understaffed airports.
- Force the Coast Guard to reduce cutter and aviation operations by 40 percent, including Counter Drug and Illegal, Unreported, and Unregulated Fishing missions. Such a reduction would result in nearly 67 metric tons of cocaine reaching U.S. shores, impacting American lives.

## **Interior-Environment**

- Furlough and eliminate roles for 2,500 National Park Service employees. Visitors arriving at parks across the country will face reduced park hours, long lines, overcrowding, limited to no guides, and some closed facilities.
- Cut \$190 million in funding for wildfire preparedness, gutting the Forest Service's and Interior Department's ability to adequately prepare for wildfires with equipment and vehicles, helicopter and airtanker contracts, and firefighter staffing. The 2023 wildfire season was the third costliest ever, at over \$3.16 billion, following the two most expensive seasons in 2021 and 2022 (\$4.49 billion and \$3.76 billion, respectively).
- Slash \$235 million for services provided by Indian Health Service hospitals and clinics—hurting the 2.5 million patients they serve across Indian Country. The result would be cutting outpatient services by up to 2.3 million fewer visits, inpatient services by 6,200 fewer admissions, the number of dental services provided by over 498,000 visits, and mental health services outpatient admissions by over 121,000 visits.
- Gut funding communities rely on for water infrastructure projects, lead pipe replacement, and efforts to reduce pollution.

## **Labor-Health and Human Services-Education**

- Cut off access to primary health care services for millions of Americans, including some of the most vulnerable. Funding for Community Health Centers where 30 million people find diagnosis and treatment, often the only health care option they have, would be cut. One in 11 people in the U.S. relies on a HRSA-funded health center for medical care.
- Gut funding for lifesaving medical research for diseases like cancer, ALS, and opioid addiction. It would also weaken our research in biomedical innovation and make us further reliant on foreign countries for clinical trials and drug development.
- Slash funding for our nation's K-12 schools, including by cutting Title I grants that reach more than 80% of school districts and IDEA special education grants that help support the education of students with disabilities.
- Cut federal early childhood programs like Head Start and the Child Care and Development Block Grant in the midst of a worsening child care crisis—meaning it will become much harder and even impossible in some areas for parents to find quality, affordable child care.
- Worsen services millions of Americans rely on by forcing furloughs and reducing operating hours at the Social Security Administration—meaning longer wait times and less help for seniors trying to access benefits. Seniors would find it nearly impossible to get help with simple requests: from filing for retirement or disability benefits to requesting a new Social Security card to changing a last name.

- Cut funding for apprenticeship and workforce development programs at a time of historic investment in American infrastructure and manufacturing.
- Risk causing longer wait times for the 9-8-8 suicide prevention hotline—or even leaving calls unanswered.
- Cut funding for LIHEAP for families with the tightest budgets to heat and cool their homes by over \$2 billion.
- Leave millions of seniors without nutritious meals by severely cutting funding for the Meals on Wheels program.

### **Legislative Branch**

- Create cyber security vulnerabilities by cutting funding for essential maintenance and upgrades of technology and information systems.
- Reduce training and support for Capitol Police officers.
- Force hiring freezes and furloughs across agencies that support Congress' day-to-day responsibilities.

### **State-Foreign Operations**

- Force layoffs of up to 10% of U.S. locally-employed staff in every region at embassies and U.S. outposts across the globe—threatening our national security and overseas operations.
- Cut funding to strengthen alliances and deterrence in the Indo-Pacific and counter the PRC's economic coercion globally.
- Devastate efforts to counter worsening international trafficking of fentanyl and other synthetic drugs.
- Slash funding to provide humanitarian assistance to civilians fleeing violence worldwide, leading to further global instability.

### **Transportation-HUD**

- Cut federal housing assistance for nearly 700,000 households—pushing many of them toward homelessness.
- Produce nearly 3,000 fewer units of new affordable housing.
- Force the Federal Railroad Administration to furlough more than 100 staff—resulting in over 3,000 fewer rail safety inspection days and nearly 14,000 fewer miles of track inspected annually.
- Furlough air traffic controllers and aviation safety inspectors, stop all new hiring of air traffic controllers, and shut down services at more than 100 towers—causing major flight cancellations and delays across the country.
- Cut the number of hazardous materials inspectors and pipeline safety inspectors, reducing oversight of 3.3 billion tons of hazardous materials shipped annually and 3.4 million miles of pipelines.

###