



Happenings From The Hill

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SPECIAL REPORT - FEDERAL BUDGET UPDATE

With all of the news reports regarding Congress and the federal budget, AIHA wants to keep you informed as to how these discussions impact occupational health and safety. To the best of my knowledge here is what we know:

- Last Saturday, Congress agreed to again extend federal spending by passing a short-term continuing resolution – allowing the federal government to continue operating for one additional week while details were worked out on a federal budget for the remaining six months in the FY11 federal budget.
- On Tuesday, Congress began providing details on the remainder of the FY11 budget – both spending limits and cuts that would take place. Details on those of interest to AIHA:
 - OSHA – The bill provides OSHA with last year's funding level of \$558.6 million. The original proposal would have cut \$99 million or 18 percent from the agency's budget. However, while OSHA was spared from major cuts, the

agency will take a cut of \$1.2 million because of the “across the board” 2 percent cut in federal spending. There has also been word from several OSHA insiders that the 2012 budget will encompass huge cuts, perhaps taking the agency back to 2006 spending levels.

- MSHA – The bill provides MSHA with \$363.8 million, an increase of \$6.5 million over last year, sufficient to continue the mine safety and appeals backlog reduction plan, carryout aggressive enforcement actions and improve MSHA’s emergency response capability. Of course, if MSHA is also hit with the 2% reduction the agency would have approximately \$750,000 less to spend.
- NIOSH – The bill is very vague on what will happen with the NIOSH budget. What we know is that NIOSH will take a \$49 million hit for the remainder of this fiscal year. There was some concern that this \$49 million would come from the ERC and the AFF program funds. However, sources say most of the \$49 million in cuts are World Trade Center related and will not impact ERC or AFF funding. Of course, NIOSH is also expected to face the across the board 2% cut in spending. One cautionary note – while the word is that the NIOSH cuts will be WTC-related, this is not spelled out in the legislation, so it looks like CDC must be watched closely to see that CDC doesn’t simply take the money from other NIOSH sources.
- EPA – The Environmental Protection Agency is facing a cut of \$1.6 billion, or 16 percent. The 2% rescission will be in addition to this.
- Congress was supposed to vote on a final bill today (Wednesday) but the vote has been delayed until Thursday. Word is they are working to make sure they have the votes to pass the bill.

All in all, it looks as though occupational safety and health escaped the budget axe – at least for now.

But all is not safe. The next concern will be the requirement for Congress to raise the federal debt limit. The debt limit will be reached around May 16 and unless Congress votes to raise this limit, the government will be in default and will have to shut down. There are several accounting angles that would allow the government to possibly postpone this date to around July, but the limit has to be raised. Most insiders believe this debate will be even more controversial than the budget debate we just went through.

And once the debt limit is raised, we start all over again with debate on the FY12 federal budget. This budget will impact occupational safety and health in a big way. While the President proposed a small increase for OSHA this will not happen. And NIOSH is facing a huge problem as the President has proposed cutting all funds for the ERCs and the AFF program.

AIHA and others have been working to protect this NIOSH funding. While it will be difficult to save this funding some of these efforts have paid off. Senate and House Democratic leadership with oversight of NIOSH recently contacted the Office of Management and Budget urging continuation of funding for the ERCs and AFF program.

Stay tuned as things are likely to change many times before all is done!

For information on any of the items in this report, please contact Aaron Tripler.