



## One Step Forward, One Step Back

The next two weeks are perhaps the most critical days in completing the FY2011 Appropriations bills for the remainder of the fiscal year. Conventional wisdom in Washington is that House Republicans and Senate Democrats are so far apart that compromise on a year long CR is going to be difficult, if not impossible. Consequently, the threat of a government shut down looms again.

USAWorks! recently met with senior House Democratic Appropriators, Senate Appropriators and Congressional Leadership. Common themes are emerging, even among House Republicans and Senate Democrats. Everyone we have met with expressed strong desires to get the FY2011 Continuing Resolution (CR) battles behind them. Senate Republicans feel that it really is starting to negatively impact the business of the Senate. Most members think that one more short-term CR is likely but that progress on spending levels and program cuts is also likely during this two-week CR.

Some Republicans on the Education and the Workforce Committee felt blindsided by the WIA cuts in the House passed CR. They will be active in defending WIA funding as final FY2011 spending negotiations reach critical mass. This is one of the better recent developments.

The relationship between Senate Appropriations Chair Inouye and House Appropriations Chair Rogers is perhaps the key to finalizing the FY2011 agreement. They get along personally and are considered great Appropriators. If they reach agreement it will hold major sway among their House and Senate colleagues.

FY2012 Budget and Debt ceiling extensions are projected to be every bit as contentious as the current FY2011 CR battles have been. Senior House Democratic Appropriators were surprised that there wasn't more resistance to cutting WIA funding on the House Floor. Clearly, in any future CR Floor battles WIA funding will have to be more visible.

Please keep encouraging letters from businesses. Letters from Hawaii constituents to Inouye are also critical at this point.

Some spending cuts are very likely, but we remain confident that WIA funding will not be targeted unfairly in the final compromise. USA Works! will continue to provide updates as we learn more.