



NATIONAL SKILLS COALITION
Every worker. Every industry. A strong economy.

June 19, 2012

The Honorable Patty Murray
United States Senate
Washington, DC 20510

Dear Senator Murray:

On behalf of National Skills Coalition—a national network of business leaders, union affiliates, community colleges, community-based organizations, and public workforce agencies working together to help every worker and every industry in this country gain the skills they need to compete and prosper in today’s economy—I am writing in support of your amendment (SA 2455) requiring the Office of Management and Budget to submit a detailed report to Congress on the effects of defense and nondefense budget sequestration for fiscal year 2013.

It is critical that Congress understands the full impact of sequestration on all aspects of the federal budget. Importantly, unlike the amendment (SA 2162) being offered by Senator McCain—which only focuses on the defense sequesters—your amendment would also examine the impacts of the nondefense discretionary (NDD) sequesters scheduled to occur in 2013 under current law.

NDD programs—including federal workforce development programs—represent a small and shrinking share of the federal budget and of our overall economy. The NDD budget represented just 3.4 percent of our country’s Gross Domestic Product (GDP) in 2011, consistent with historical levels. Under the bi-partisan Budget Control Act (BCA), by 2021 NDD funding will decline to just 2.5 percent of GDP, the lowest level in at least 50 years.

NDD programs are not the reason behind our growing debt. In fact, even completely eliminating all NDD programs would still not balance the budget. Yet NDD programs have borne the brunt of deficit reduction efforts.

- Since Fiscal Year (FY) 2010, NDD programs have been cut by 10 percent on average, with many programs cut by as much as 50 percent. By 2021, the remaining discretionary caps (2013-2021) in the bipartisan BCA will reduce NDD programs by an additional 7 percent, relative to 2012 levels. For federal job training programs, these cuts will come on top of more than \$1 billion in cuts since just 2010, and the more than 30 percent decline in federal investment since 2002.

- If sequestration is allowed to take effect, nonexempt NDD programs will be reduced by another 8.4 percent in FY 2013. Nearly 730,000 fewer people will receive job training and employment services under Title I of the Workforce Investment Act (WIA) if these cuts occur.

NDD programs support our economy, drive our global competitiveness, and provide an environment where all Americans may lead healthy, productive lives. We know Congress faces difficult fiscal decisions, but only a balanced approach to deficit reduction can restore fiscal stability. We deeply appreciate your efforts to ensure that Congress has a full understanding of the consequences of the pending sequesters—for both defense and nondefense discretionary programs.

Thank you for your leadership on this important issue. We look forward to continuing to work with you to ensure that Congress adopts a balanced approach to deficit reduction and protects critical nondefense discretionary investments.

Sincerely,

A handwritten signature in black ink, appearing to read "Rachel Gragg". The signature is fluid and cursive, with the first name "Rachel" written in a larger, more prominent script than the last name "Gragg".

Rachel Gragg, Ph.D.
Federal Policy Director