

Sequester cuts begin

Housing, head start, economic development and air shows

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Sequestration or “the sequester” are the terms used to describe the automatic across-the-board federal budget cuts that went into effect earlier this year as a result of U.S. congressional action. Just one month after it officially began, cuts are already being reported across the state. Here we gather just a few early examples. As many as 365 research, operational and student jobs will be lost as the sequester cuts research and development funding for universities and the NASA Glenn space center. In northwest Ohio, companies awarded federal tax credits will get smaller checks. Cancellation of the Cleveland air show means the loss of some \$7 million in tourism dollars. In southwest Ohio, 200 kids lost their enrollment in Head Start and 20 teachers were furloughed. Chillicothe could cut housing aid for 47 families.

As the General Assembly considers the state budget, ways in which the state can help stem the growing damage from federal budget cuts should be included in the debate.

Research, economic development

Nations compete in the global economy on the basis of technological advancement and commercialization of new products and processes. The United States lags China,

Germany and others in investment in both R&D and commercialization. The sequester is hitting Ohio’s R&D institutions and companies implementing advanced technology:

- U.S. Rep. Marcy Kaptur’s office reported that the National Aeronautics and Space Administration officials will close the cryogenic propulsion research headquartered at the NASA Glenn Research Center near Cleveland, cutting 10 to 15 jobs. A separate \$14.5 million sequester-related cut in Glenn's operational budget will cost another 150 support staff jobs.¹
- The sequester will cut by 5 percent a U.S. Treasury Department program that awards funding for a portion of a business’s renewable energy installation, from wind to geothermal heat, biomass fuel and, especially, and solar electricity. The *Marion Star Journal* reported that hundreds of Ohio businesses, large and small, received these funds in recent years, including Ashland Solar 01 (\$185,605 in 2010), Shelby Road Wind in Ontario (\$148,125 in 2011) and Crawford County’s Hord Livestock Co. (\$27,082 in 2011 for a solar project).²

Ohio sequester fallout

More than 150 jobs
on the chopping block at
NASA Glen

\$7.1 million local impact
lost from Cleveland air show
cancellation

\$35 million
gone for public housing in Ohio

Up to \$133 million
cut for research at universities

200 children
turned away from Cincinnati
Head Start

\$104,000
cut from Cuyahoga County
Help Me Grow

¹ Sabrina Eaton, Plain Dealer, March 16, 2013 at <http://bit.ly/Zvq0Qo>.

² Todd Hill, “Sequester to Impact Energy Projects,” Marion Star Journal, March 2, 2013 at <http://ohne.ws/10MetiK>.

Housing

Federal officials have sent letters to governors, informing them of cuts to smaller grants. Shaun Donovan, the secretary of housing and urban development, wrote to Gov. John Kasich, “You can expect reductions totaling approximately \$35 million.”³

- The Chillicothe Metropolitan Housing Authority expects a 5 percent cut in federal funding, which may lead to a loss of 47 vouchers from its Section 8 housing voucher program.⁴

Higher education

Sequester cuts are reducing the budgets of individual universities, particularly in research and development. The Ohio State University reports:⁵

- A 20 percent decrease in funding and grants from the National Science Foundation;
- Loss in research funding ranging from \$27 million to \$133 million dollars;
- A loss of 140 graduate and 50 postdoctoral student positions;
- A loss of \$330,000 dollars in Federal Work Study funding and \$64,433 dollars in Supplemental Opportunity Education Grant (SEOG), affecting 258 of the neediest students.

The environment

- The Ohio Division of Wildlife is receiving almost \$1 million less from the federal government this year as the sequester three weeks ago cut U.S. Fish and Wildlife Service payments to the states by 5.1 percent, or about \$39.2 million;⁶
- As the summer tourism season begins, Cuyahoga Valley National Park will close 10 public restrooms to save the cost of a seasonal employee to clean them.⁷

Travel, tourism and ceremony

- The Cleveland National Air Show will be cancelled. This event has been one of northeast Ohio’s largest annual events and a Labor Day weekend tradition since 1964, attracting up to 100,000 visitors. The Air Show has an annual economic impact of \$7.1 million in Cleveland.⁸
- The automatic cuts may eliminate military jet fly-overs of Ohio Stadium during celebrations.⁹

Funding for children

- The Cincinnati-Hamilton County Community Action Agency plans to handle some \$1 million in sequestration cuts by dropping about 200 kids from Head Start, which could eliminate up to 20 teacher positions and affect 10 classrooms. Transportation services will also be reduced.¹⁰
- Automatic cuts mean the Cuyahoga County Help Me Grow program will lose at least \$104,000 for fiscal year 2013.¹¹

³ <http://nyti.ms/ZV01Yv>.

⁴ Kent, Matthew, “Sequester could impact public housing aid,” Chillicothe Gazette, 3/25/13 at <http://ohne.ws/151aYcD>.

⁵ Office of Government Affairs: The Ohio State University *Impact of Federal Budget Sequestration*, <http://govrelations.osu.edu/index.php?id=213> (February 2013).

⁶ Egan, D’arcy, “Ohio Sea Grant campaigns for state funding for Lake Erie research, programs,” *Outdoor Notes*, http://www.cleveland.com/outdoors/index.ssf/2013/03/ohio_sea_grant_campaigns_for_s.html (March 21, 2013).

⁷ “Sequestered in the Park,” Akron Beacon Journal (Ohio.com) at

⁸ Kaufmann, Tina, “2013 Cleveland Air Show canceled due to federal sequestration budget cuts,” NewsNet5.com, March 27, 2013, <http://bit.ly/11DtByV>.

⁹ <http://www.thelantern.com/campus/sequester-could-ground-flyovers-at-football-games-1.3011898#.UV3qab99vdk>

¹⁰ <http://www.chn.org/wp-content/uploads/2013/04/march-27-apr-3-final.pdf>

¹¹ <http://bit.ly/12NjSdC>.