



3/12/13

Federal Update --

Sequestration

Sequestration is a group of cuts to Federal spending that took effect on March 1, 2013. The sequester was originally passed as part of the Budget Control Act of 2011 (BCA), better known as the debt ceiling compromise. It was intended to serve as incentive for the Joint Select Committee on Deficit Reduction (aka the Supercommittee) to come to a deal to cut \$1.5 trillion over 10 years. If the committee had done so, and Congress had passed it, then the sequester would have been averted.

Federal Cuts

The cuts are evenly split between domestic and defense programs, with half affecting defense discretionary spending (weapons purchases, base operations, construction work, etc.) and the rest affecting both mandatory (which generally means regular payouts like Social Security or Medicaid) and discretionary domestic spending. However, only a few mandatory programs, like the unemployment trust fund and, most notably, Medicare (more specifically its provider payments) are affected. The bulk of cuts are borne by discretionary spending for either defense or domestic functions.

Most mandatory programs, like Medicaid and Social Security, and in particular low-income programs like Temporary Assistance for Needy Families (TANF, or welfare) and the Supplemental Nutritional Assistance Program (SNAP, or food stamps) are exempt from the sequester. However some low-income programs, most notably aid for Women, Infants, and Children (WIC) and the Low Income Home Energy Assistance Program (LIHEAP), are subject to cuts.

The 2013 Sequester includes the following cuts: \$42.7 billion in defense cuts (a 7.9 percent cut), \$28.7 billion in domestic discretionary cuts (a 5.3 percent cut), \$9.9 billion in Medicare cuts (a 2 percent cut), \$4 billion in other mandatory cuts (a 5.8 percent cut to nondefense programs, and a 7.8 percent cut to mandatory defense programs).

The sequester will cut \$87 to \$92 billion from the discretionary budget every year, and \$109 billion total:

- Aircraft purchases by the Air Force and Navy are cut by \$3.5 billion.
- Military operations across the services are cut by about \$13.5 billion.
- Military research is cut by \$6.3 billion.
- The National Institutes of Health get cut by \$1.6 billion.
- The Centers for Disease Control and Prevention are cut by about \$323 million.
- Border security is cut by about \$581 million.
- Immigration enforcement is cut by about \$323 million.

- Airport security is cut by about \$323 million.
- Head Start gets cut by \$406 million kicking 70,000 kids out of the program.
- FEMA's disaster relief budget is cut by \$375 million.
- Public housing support is cut by about \$1.94 billion.
- The FDA is cut by \$206 million.
- NASA gets cut by \$970 million.
- Special education is cut by \$840 million.
- The Energy Department's program for securing our nukes is cut by \$650 million.
- The National Science Foundation gets cut by about \$388 million.
- The FBI gets cut by \$480 million.
- The Federal prison system gets cut by \$355 million.
- State Department diplomatic functions are cut by \$650 million.
- Global health programs are cut by \$433 million.
- The Nuclear Regulatory Commission is cut by \$55 million.
- The SEC is cut by \$75.6 million.
- The United States Holocaust Memorial Museum is cut by \$2.6 million.
- The Library of Congress is cut by \$31 million.
- The Patent and Trademark office is cut by \$156 million.

Military Personnel

Military salaries are exempt from the sequester, but benefits like tuition assistance and the TRICARE program (which provides health care to personnel and their families, among others) are not.

Federal Salaries

Federal employees may face furloughs, which amount to unpaid time off, or, basically, a pay cut.

National Parks

The Department of Interior will have to furlough workers and put off summer hiring, resulting in less available services.

Impact on New York – Information coming out of the White House

Teachers and Schools

New York will lose approximately \$42.7 million in funding for primary and secondary education, putting around 590 teacher and aide jobs at risk. In addition about 70,000 fewer students would be served and approximately 120 fewer schools would receive funding.

Education for Children with Disabilities: New York will lose approximately \$36.3 million.

Work-Study Jobs

Around 4,520 fewer low income students in New York would receive aid to help them finance the costs of college and around 4,150 fewer students will get work-study jobs that help them pay for college.

Head Start: Head Start and Early Head Start services would be eliminated for approximately 4,300 children in New York, reducing access to critical early education.

Protections for Clean Air and Clean Water: New York would lose about \$12,869,000 in environmental funding to ensure clean water and air quality, as well as prevent pollution from

pesticides and hazardous waste. In addition, New York could lose another \$1,201,000 in grants for fish and wildlife protection.

Military Readiness: In New York, approximately 12,000 civilian Department of Defense employees would be furloughed, reducing gross pay by around \$60.9 million in total. Army: Base operation funding would be cut by about \$108 million in New York.

Law Enforcement and Public Safety Funds for Crime Prevention and Prosecution: New York will lose about \$780,000 in Justice Assistance Grants that support law enforcement, prosecution and courts, crime prevention and education, corrections and community corrections, drug treatment and enforcement, and crime victim and witness initiatives.

Job Search Assistance to help those in New York find Employment and Training: New York will lose about \$884,000 in funding for job search assistance, referral, and placement, meaning around 46,230 fewer people will get the help and skills they need to find employment.

Child Care: Up to 2,300 disadvantaged and vulnerable children could lose access to child care, which is also essential for working parents to hold down a job.

Vaccines for Children: In New York around 7,170 fewer children will receive vaccines for diseases such as measles, mumps, rubella, tetanus, whooping cough, influenza, and Hepatitis B due to reduced funding for vaccinations of about \$490,000.

Public Health: New York will lose approximately \$1,070,000 in funds to help upgrade its ability to respond to public health threats including infectious diseases, natural disasters, and biological, chemical, nuclear, and radiological events. In addition, New York will lose about \$5,730,000 in grants to help prevent and treat substance abuse, resulting in around 6,100 fewer admissions to substance abuse programs. And New York's health departments will lose about \$2,726,000. New York would lose approximately \$1,447,000 in funds that provide meals for seniors.

STOP Violence Against Women Program: New York could lose up to \$412,000 in funds that provide services to victims of domestic violence, resulting in up to 1,600 fewer victims being served.

These are cuts that stand as of now. On March 27, 2013, Congress is scheduled to pass a Continuing Resolution that will fund the government. The word in DC is that the Continuing Resolution may address these cuts and that legislation may be passed to address the defense budget cuts or give Federal agencies leeway to address these drastic sequestration cuts. The impact on NY State agencies that are funded through the Federal Government may be addressed here and PEF's Legislative Office is working aggressively with the NY State Congressional Delegation, Senators Schumer/Gillibrand and AFT/SEIU to secure funding at current levels for PEF jobs and the vital services they provide to NY State citizens.

For more information, please contact:

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