

Sequestration 101: Impact on Family Planning

On March 1, 2013, the first installment of sequestration -- across-the-board spending cuts totaling an estimated \$85.3 billion -- is set to take effect. These cuts, originally scheduled for January 1, 2013, were delayed for two months by Congress so lawmakers could continue to debate a long-term solution. This document describes the potential impact of sequestration on the publicly funded family planning network.

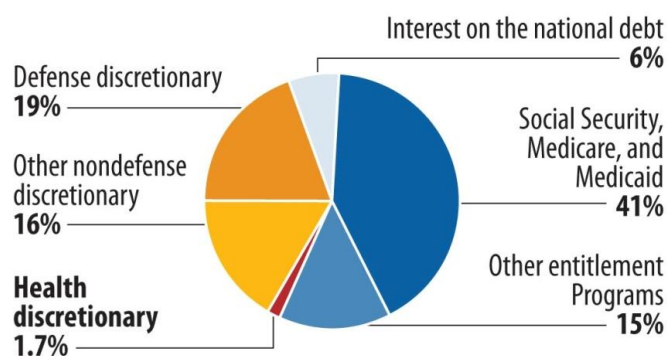
Sequestration, the American Taxpayer Relief Act of 2012, and Title X

In 2011, Congress passed the Budget Control Act (BCA) which put into place a set of spending caps on defense and non-defense discretionary programs, and created a Joint Select Committee on Deficit Reduction (referred to as the “Super Committee”) charged with producing a plan to reduce the federal deficit by \$1.2 trillion over the next ten years.¹ The BCA also contained a provision that would trigger across-the-board spending cuts, known as “sequestration,” in the event the Super Committee failed to reach an agreement – which it did. These program cuts would be spread out evenly over a nine-year period (2013–2021), and split between defense and non-defense discretionary spending.²

In an effort to delay these looming cuts, in January 2013, Congress passed H.R. 8, the American Taxpayer Relief Act of 2012 (ATRA), delaying the scheduled sequestration deadline to March 1, 2013. To pay for the delay, ATRA required a reduction in the BCA spending caps of \$12 billion in fiscal year (FY) 2013 and FY 2014, divided evenly between security and non-security programs. Specifically, the caps for non-security discretionary spending – funding for safety-net programs like the Title X family planning program and the Women Infants and Children (WIC) program – was reduced by \$2 billion for FY 2013 and \$4 billion for FY 2014. According to the Congressional Budget Office, reducing the non-security cap may not result in spending cuts in FY 2013. Thus, it is not clear whether these cuts will impact current Title X funding levels.

Non-Defense Discretionary Spending

Discretionary spending is the federal spending lawmakers control through annual appropriations bills, including the Labor, Health and Human Services, Education, and Related Agencies Appropriations bill, which determines the funding level for Title X.



Source: Office of Management and Budget

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¹ National Women's Law Center, *A Roadmap to the Upcoming Federal Budget Debates, September 2012*, accessed November 2012, <http://www.nwlc.org/sites/default/files/pdfs/federalbudgetroadmap.pdf>.

² Office of Management and Budget, *OMB Report Pursuant to the Sequestration Transparency Act of 2012 P.L. 112-155*, accessed November 2012, http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/stareport.pdf.

Non-defense discretionary (NDD) spending contains the core functions of government including education and job training, law enforcement, public health, housing, and social services. Funding for family planning, including Title X and the Title V Maternal and Child Health Block Grant, are included in NDD. These programs help support economic growth and strengthen the safety and security of every individual in every state and community across the country. Congress funds discretionary spending programs annually through the appropriations process. Congress retains complete control over whether and at what level to fund discretionary spending programs. Conversely, mandatory spending programs, like Medicare and Medicaid, are funded automatically to meet the needs of all who qualify for participation.

Programs Exempt from Sequestration

There are several federal programs supporting low-income individuals that are exempt from sequestration, including Medicaid, the Children's Health Insurance Program (CHIP), Temporary Assistance for Needy Families (TANF), and the Supplemental Nutrition Assistance Program (SNAP) [formerly known as the food stamp program].³

Fiscal Cliff Deal Reduces Automatic Budget Cuts for 2013

	Due January 2, 2013, under prior law		Due March 1, 2013, under amended law	
	In Billions	Percent	In Billions	Percent
Total	\$109.3		\$85.3	
Defense	\$54.7		\$42.7	
Defense discretionary	\$54.6	9.4%	\$42.5	7.3%
Defense mandatory	\$0.1	10.0%	\$0.1	7.8%
Non-defense	\$54.7		\$42.7	
Non-defense discretionary	\$38.0	8.2%	\$26.4	5.1%
Medicare	\$11.1	2.0%	\$11.2	2.0%
Other non-defense mandatory	\$5.5	7.6%	\$5.0	5.3%

Figures do not add to totals due to rounding. Percentages apply only to amounts that are not exempt from sequestration. Discretionary funding is that provided by annual appropriations laws such as the "continuing resolution" currently in effect; mandatory funding is for entitlement programs, whose levels are not controlled by appropriations bills (although most mandatory programs are exempt from sequestration).

Source: CBPP calculations from Office of Management and Budget and Congressional Budget Office data.

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NDD and the Publicly Funded Family Planning Network: Sequestration Cuts Could Be Devastating

In 2011, NDD spending represented less than one-fifth of the federal budget and 3.4% of our country's Gross Domestic Product (GDP).⁴ However, deficit reduction efforts, particularly since the passage of the BCA, have resulted in nearly 100% of the spending cuts coming from NDD programs, some as much as 50% since FY 2010.⁵ These cuts have been significant for Title X – \$23.6 million over two fiscal years.

Originally, programs faced an 8.2% reduction in funding – under the new sequestration deadline of March 1, Title X and other safety-net programs now face at least a 5.1% cut.⁶ These cuts would be devastating. Public health programs have already borne more than their fair share of the responsibility for deficit reduction. These programs are not the root cause of our fiscal crisis and cutting them further will not bring the budget into balance. Congress should work to find a balanced approach to deficit reduction that does not include further cuts to Title X and other critical programs.

³ Spar, Karen, Coordinator, Specialist in Domestic Policy and Division Research Coordinator. "Budget 'Sequestration' and Select Program Exemptions and Special Rules." accessed November 2013 <http://www.fas.org/sgp/crs/misc/R42050.pdf>

⁴ Coalition for Health Funding. "Do the Math: Avert Sequestration with Balanced Approach." accessed November 2012, <http://publichealthfunding.org/uploads/NDD-flyer.Final.pdf>.

⁵ Ibid.

⁶ Kogan, Richard. "Here's How the March 1 Sequester Would Work." Accessed February 2013. <http://www.offthechartsblog.org/heres-how-the-march-1-sequester-would-work/>