

KIDS LOSE BILLIONS WITH SEQUESTER



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On January 2, 2013, if the across the board cuts known as sequestration, go into effect, federal funding for kids will be cut by an additional \$6.5 billion¹ in Fiscal Year 2013.

Education	\$3.3B
Early Childhood	\$937M
Housing	\$926M
Nutrition	\$557M
Health	\$376M
Child Welfare	\$179M
Military Education ²	\$190M
Safety	\$57M
Total	\$6.5B

Education funding is cut the most, with over \$3.3 billion lost. Early childhood funding and children's housing will both be cut by more than \$900 million. Child nutrition, particularly the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and children's health will also take large cuts.

REAL HARM TO REAL CHILDREN

Education:

Title I – 1.8 million fewer students served nationwide.

IDEA Grants to States – Nearly 500,000 fewer special education students served nationwide.

Early Childhood:

Head Start – 96,000 fewer children served.

Child Care & Development Block Grant – 80,000 fewer children served nationwide.

Nutrition:

WIC³ – Over 752,000 participants would be cut from nutrition assistance nationwide.

Health:

Childhood Immunization Grants – Nearly 212,000 fewer children would be vaccinated nationwide.

Maternal & Child Health Block Grant – 5.67 million fewer children, women, and families would be served nationwide.

WHAT IS SEQUESTRATION?

To sequester means to set apart or to take something away until a debt has been repaid. In the context of the federal budget, sequester or sequestration means imminent, across-the-board cuts to most programs, both defense and nondefense. The failure of the bi-partisan “super committee” to come to an agreement triggered “sequestration” which will take effect on January 2, 2013 as well as even lower spending caps for the next 9 years.

Split evenly between defense spending and non-defense spending, sequestration will result in an approximately 8.4% across the board cut to all non-defense discretionary areas and an 8% cut to mandatory areas. Though kids’ initiatives will be cut by more than \$6.5 billion, many vital areas like Medicaid, the Children’s Health Insurance Program (CHIP), and the Supplemental Nutrition Assistance Program (SNAP) are exempt from sequestration. While we know where cuts will hit in 2013, for the remaining years, the overall “budget pie” shrinks and specific cuts will be determined annually by Congressional appropriators.

WHAT’S NEXT?

In April, the House voted to undo sequestration by eliminating the protection for all children’s investments, while fully shielding defense spending from any cuts. The House plan also left in place the nearly \$1 trillion in long-term discretionary cuts. At this time, the Senate has not put forward a plan to reverse sequestration.

To protect defense spending in FY13, the House approved reconciliation⁴ legislation that makes \$18.4 billion in mandatory spending cuts for next year, and nearly \$313 billion in cuts through 2022. Much of that savings comes from deep cuts to children.

Children’s Initiatives Cut	Cuts FY12 to 22	Cuts to Kids - FY12 to 22
SNAP	\$36 billion	\$16.9 billion
CHIP, Medicaid, & Affordable Care Act	\$113 billion	Data Unavailable
Child Tax Credit & Social Services Block Grant	\$53 billion	\$24.3 billion
Total	\$202 billion	\$?

The cuts to SNAP could take benefits away from 2 million recipients and kick nearly 300,000 kids off school lunch. Nearly 14 million children could lose their health insurance with the proposed changes to CHIP and Medicaid. Eliminating the Social Services Block Grant means 1.7 million children could lose access to protective services and 451,000 children would be denied foster care. Finally, changes to the Child Tax Credit could prevent 5.5 million children and their families from receiving this important credit.

CONCLUSION

At a time when more than one in every five children in America lives in poverty, we should be fully investing in, and not cutting, kids. Already, federal investments in children are less than 8 percent of total government spending – an alarmingly small commitment to 25 percent of the nation’s population. Under sequestration, that share drops even further.

These cuts come on top of already low long-term spending caps from the BCA. The first round of cuts means investments in children may already suffer a substantial reduction in years to come. Investments in children are not the cause of our fiscal imbalance and to ensure a bright future, we need a balanced approach to deficit reduction that does not cut them further. A budget built on the backs of children is a move in the wrong direction.

¹ Using data from the Center on Budget and Policy Priorities (CBPP), an 8.4% cut was applied to non-defense discretionary programs and 8.0% cut was used for non-defense mandatory programs.

² Using data from CBPP, a 9.5% cut was applied to all non-exempt defense programs.

³ Based off data from USDA, these calculations assume that participants will be cut. These numbers would change if states are given guidance to reduce benefits instead.

⁴ Reconciliation is a legislative process that allows Congress to amend existing law to meet revenue and spending targets set in the budget.