

THE IMPACT OF THE 2013 SEQUESTER CUTS ON PROGRAMS AFFECTING WOMEN AND CHILDREN

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I. INTRODUCTION

On October 16, 2013, with the federal government shut down and just hours before the United States was set to default on its debts, a compromise bill (H.R. 2775) was passed by Congress to grant a continuing resolution until January 15, 2014, and raise the debt ceiling until February 7, 2014. In the interim, the Budget Committees from both houses will meet in conference in hopes of hammering out spending compromises for FY2014. One of the biggest issues on the table will be whether or not to continue the sequester which automatically kicks in on January 15 if no changes are made. The following paper will address the impact of sequestration on a number of social programs, disproportionately affecting women and children, during the first year of its implementation.

II. HISTORICAL BACKGROUND

Generating revenue and appropriating funds were long considered the primary function of legislative bodies in the American federal system. In recent decades, however, this authority has been eroded as elected officials have become increasingly reluctant to wean “sacred cows” from the public trough while also refusing to vote for tax increases. In many states, the initiative process has moved fiscal policy into the hands of the electorate. Some initiatives require voter approval for any fee or tax increases; others require procedural maneuvers tying the hands of legislators such as super majorities for the passage of revenue measures. In 1992, for example, Colorado voters passed an amendment to the state constitution entitled the Taxpayer Bill of Rights which required voter approval of any state and local legislation to either tax or spend.¹

At the federal level Congress has similarly given up the power to make important budget decisions. In 1985 Congress passed the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act which virtually gave away its authority to reduce the deficit by imposing automatic cuts to force a balanced budget. The bill was so riddled with problems, gimmicks, and loopholes though that later one of its authors, Senator Ernest Hollings, declared, “I’m filing for divorce on

* The author wishes to acknowledge Dick Cooper for his assistance with the research for this article.

1. Congressional Research Service, *Does Colorado’s Taxpayer Bill of Rights Violate the U.S. Constitution?*, Erika K. Lunder and Kenneth R. Thomas, <http://www.crs.gov/LegalSidebar/details.aspx?ID=658&Source=search>.

grounds of infidelity and irreconcilable differences.”² And in 2011 Congress outlawed earmarks, putting project funding decisions in the hands of unelected agency bureaucrats.³

In 2011, Congress, in another act of desperation, passed what has come to be known as sequestration. Federal budget sequestration is automatic and indifferent, turning a blind eye to the real needs of people and precluding any evaluation of programs to determine what works, is needed, or could be made more efficient. It is an outgrowth of the 2011 Budget Control Act, which was passed by Congress to reduce the federal deficit by \$1.2 trillion over 10 years – \$109.3 billion each year, after reduced debt interest payments are accounted for. The legislation called for a special congressional super committee to identify how cuts would be made in the federal budget to achieve yearly deficit-reduction targets. Under provisions of the Budget Control Act, automatic “sequestration” – across-the-board cuts – would occur if the committee did not act by November 23, 2012.

The draconian measure was to serve as a hammer to force the committee to compromise. As President Obama said, “The whole design of these arbitrary cuts was to make them so unattractive and unappealing that Democrats and Republicans would actually get together and find a good compromise of sensible cuts as well as closing tax loopholes.”⁴ But to everyone’s surprise and dismay, the super committee, stymied by partisan gridlock and political grandstanding, did not act. As a result, all discretionary domestic programs were to be reduced by 5 percent. But the percentage was actually higher because sequestration was postponed and did not take effect until March 1, 2013, forcing the cuts to be made over the last seven months in the federal budget year instead of being spread over twelve. In 2014 and future years, the Budget Control Act further requires Congress to adhere to spending caps and make cuts to defense and non-defense programs through the appropriations process.⁵

Democrats, while complicit in its creation, are opposed to continuing the sequester beyond the 2013 fiscal year while the Republicans support a budget that, as David Price (D-NC), member of the House Appropriations Committee said, “not only incorporates sequester funding levels but also doubles down on it in the domestic bills in order to return some of the cuts in defense.”⁶

The budget passed by the Democratic-controlled Senate in July 2013 did not

2. Jackie Calmes, *New York Times*, “Idea Rebounds: Automatic Cuts to Curb Deficits,” May 15, 2011. <http://www.nytimes.com/2011/05/16/us/politics/16fiscal.html?pagewanted=all>.

3. *Rules of the House of Representatives, 113th Congress*, Rule XXI, Paragraph 9, section (d).

4. The White House Blog, “President Obama: Automatic Budget Cuts Will Hurt Economy, Slow Recovery, and Put People Out of Work,” Feb. 19, 2013; <http://www.whitehouse.gov/blog/2013/02/19/president-obama-automatic-budget-cuts-will-hurt-economy-slow-recovery-and-put-people>.

5. Office of Management and Budget, “OMB Sequestration Preview Report to the President and Congress for Fiscal Year 2014,” May 20, 2013; http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/fy14_preview_and_joint_committee_reductions_reports_05202013.pdf.

6. U.S. Rep. David Price, “Intensified Partisanship in Congress: Institutional Effects,” May 29, 2013; [http://isps.yale.edu/sites/default/files/files/Congressman_Price_Yale%20Remarks\(1\).pdf](http://isps.yale.edu/sites/default/files/files/Congressman_Price_Yale%20Remarks(1).pdf).

incorporate the reduced sequestration figures. Likewise, the party line 221-207 vote on the Ryan Budget in the House shows Republican support for continuing the cuts and solid Democratic opposition. The partisan difference on this issue became even more intense in the debates over the government shutdown and the debt ceiling in October 2013 and are likely to dominate the budget hearings leading up to the next continuing resolution and debt ceiling deadlines in early 2014.

III. EFFECTS ON DOMESTIC PROGRAMS

The effects of sequestration were felt almost immediately. During the first eight months, dramatic cuts to domestic programs have begun to undermine not just the social safety net, but the entire social fabric of the nation. Children from poorer families may be suffering the most from the effects of sequestration – and because their futures are ahead of them, they have the most to lose. Already, 51,000 children aged 3-5 have been cut from the Head Start program, which has been our best tool for getting disadvantaged children ready to learn when they enter kindergarten. The U.S. Department of Health and Human Services reported recently: “You may have seen them today: empty chairs sitting outside Head Start centers. Each chair represents a child whose place at the center has been cut – a child whose future may now be in jeopardy. For many young children in this country, the road to a better life begins when they enter a high quality early learning program like Head Start. When they do, we all benefit because they are better prepared to go to school, start a career, and achieve success.”⁷ The department estimates that another 6,000 children 3-years-old or younger have been eliminated from the Early Head Start program. The salaries of 18,000 Head Start employees – teachers among them – have been terminated or reduced. In some places, young children are being placed in a lottery to determine who can enter Head Start. It is a sad state of affairs indeed when the fate of a child is determined by a lottery.

Cuts to Head Start will be the norm if sequestration continues from 2014 to 2021, putting a generation of children at risk, not only at a cost to them but to the nation as a whole. The Department of Health and Human Services cites research showing that every public dollar spent on high-quality early children education can return \$7 in increased economic productivity and reductions in spending on criminal justice and public assistance programs.⁸

At-risk children who receive a high quality early childhood education are 80 percent more likely to attend college; 23 percent less likely to be unemployed; and once adults earn salaries that are on average 33 percent higher.⁹ The Center for American Progress reports similar consequences for at risk children who do not receive early childhood education. Twenty five percent are more likely to drop out

7. U.S. Department of Health and Human Services, “The Numbers are In: Sequestration Cuts 57,000 Kids from Head Start”; <http://hhs.gov/secretary/about/blogs/head-start-numbers.html>.

8. U.S. Department of Health and Human Services, “The Numbers are In: Sequestration Cuts 57,000 Kids from Head Start”; <http://hhs.gov/secretary/about/blogs/head-start-numbers.html>.

9. Committee for Economic Development, “Trustee Larry Jensen on Importance and Benefits of Early Education,” October 3, 2013, <http://www.ced.org/blog/entry/trustee-larry-jensen-on-importance-and-benefits-of-early-education>.

of school; forty percent are more likely to become a teen parent; fifty percent are more likely to be placed in special education; sixty percent are more likely to never attend college; and seventy percent are more likely to be arrested for a violent crime.¹⁰

Reduced spending on Head Start is just one way sequestration is hurting the educations of disadvantaged children. Once these children enter school, they receive assistance from programs under Title I of the Elementary and Secondary Education Act. Title I is aimed at providing equal education opportunities for lower-income children through extra help inside and outside the classroom. This might be extra reading and language instruction for children with language barriers, or giving teachers of disadvantaged students more training to enable them to reach and teach their students with different instructional materials. The goal of Title I is to make sure all students – regardless of their backgrounds – receive the instruction they need to achieve academic standards and go on to college. But sequestration is taking its toll on Title I, with 17.5 percent cuts or \$725 million in reduced funding this year affecting 2,700 schools nationwide and 1.2 million students.¹¹

Meanwhile, the number of children living in low-income families grew from 40 percent in 2006 to 45 percent in 2011.¹² Title I was intended to even out disparities between richer and poorer school districts, but sequestration is widening that gap. Title I provides funding to school districts with large concentrations of disadvantaged children, like Cleveland, Ohio, where almost half of the school district's 50,000 students live in poverty, or my own state, Nevada, where 13,000 children benefit from Title I. Sequestration means loss of reading and math teachers, tutoring, early literacy intervention programs and expanded learning time.¹³

Likewise, special education, under the Individuals with Disabilities Act (IDEA), is being cut by \$579 million, affecting 6,900 teachers, aides and other key staff, and forcing overburdened state and local education agencies to pick up a larger share of the tab for educating our children with special needs. This will pit two, often overlapping, groups of students, the disabled and the disadvantaged, against one another as they compete for limited resources.¹⁴

As they try to succeed in schools with fewer resources for them, disadvantaged

10. <http://www.americanprogress.org/wp-content/uploads/2013/03/StateMiddleClassPolicies-Ch5.pdf>.

11. Center for American Progress, "Sequestration Threatens to Exacerbate Educational Disparities in America, Feb. 22, 2013;

<http://www.americanprogress.org/issues/education/news/2013/02/22/54249/sequestration-threatens-to-further-exacerbate-educational-disparities-in-america/>.

12. National Center for Children in Poverty, "Basic Facts about Low-income Children," January 2013; http://www.nccp.org/publications/pub_1074.html.

13. Center for American Progress, "Sequestration Threatens to Exacerbate Educational Disparities in America, Feb. 22, 2013;

<http://www.americanprogress.org/issues/education/news/2013/02/22/54249/sequestration-threatens-to-further-exacerbate-educational-disparities-in-america/>.

14. Center for American Progress, "Sequestration Threatens to Exacerbate Educational Disparities in America, Feb. 22, 2013;

<http://www.americanprogress.org/issues/education/news/2013/02/22/54249/sequestration-threatens-to-further-exacerbate-educational-disparities-in-america/>.

children will have to struggle against other effects of sequestration. Just this year, sequestration reduced the budget of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) by \$333 million, resulting in about 600,000 low-income and nutritionally at-risk women and children being cut from the WIC rolls. WIC clinics provide supplemental foods, health care referrals and nutrition education to at-risk mothers with young children. Now, 600,000 women and children are being turned away because of closures and cutbacks to WIC clinics; 6,200 mothers and young children in Nevada alone will be cut from the program.¹⁵

More children will have health issues when they enter school because of cuts to maternal health programs under sequestration. \$50 million is being cut this year from the Title V Maternal and Child Services Block Grant program, which provides access to pre-natal and post-natal care to help lower-income women deliver and care for healthy babies. Five million fewer lower-income families, including 13,900 Nevadans, will have access to these services because of sequestration.¹⁶ Over \$128,500 was cut from the Nevada Section 317 Immunization Program, resulting in 1,800 fewer low-income children getting vaccinated.¹⁷ Less healthy babies and children will be the result.

Substance abuse and mental health services will be cut under sequestration by 16.2 percent, when the need for these services, especially among disadvantaged adults and children, is so great. Currently, more than 67 percent of adults and nearly 80 percent of children with mental health problems do not receive the treatment they need. This is partially due to the \$4 billion in cuts to public mental health funding made by states since the 2008 financial crisis.¹⁸

Sequestration under the 2011 Budget Control Act did exempt certain programs aimed at protecting children and our most vulnerable citizens. Child Nutrition Programs, including the school lunch program, the Children's Health Insurance Program, Medicaid, SNAP or food stamps, and Temporary Assistance for Needy Families are off-limits to sequestration but not to proposed Republican cuts found in the Ryan Budget.

SNAP, for example, remains in jeopardy because of a Republican-led effort in the House of Representatives to cut the program by \$40 billion over the next 10 years. About 46 million Americans receive SNAP benefits. The Department of Agriculture released a study in August this year showing that children in low-

15. National WIC Association, "Impact of Sequestration on WIC," January 2013; http://www.paramountcommunication.com/nwica/Impact_of_Sequestration_2_19_13.pdf; [House Appropriations Committee Democrats, "Report on Sequestration," Feb. 13, 2013; <http://democrats.appropriations.house.gov/images/Sequestration%20full%20report.pdf>.

16. Center for American Progress, "5 Ways Sequestration Harms Women," Feb. 25, 2013; <http://www.americanprogress.org/issues/women/news/2013/02/25/54578/5-ways-sequestration-harms-women/>.

17. American Academy of Pediatrics, "Sequestration's Devastating Cuts to Maternal and Child Health Programs: Nevada"; <http://www.aap.org/en-us/advocacy-and-policy/federal-advocacy/access-to-care/Documents/Nevada.pdf>.

18. Mental Health America, "Your Mental Health Under Sequester . . ."; http://publichealthfunding.org/uploads/MHA_MH_SA_Sequester_Impacts_Detailed.pdf.

income families receive the most benefit from SNAP.¹⁹

The bill passed by the House Republicans in September (H.R. 3102, the Nutrition Reform and Work Opportunity Act) would deny SNAP benefits to some 6 million low-income people, many of them children. The Center on Budget and Policy Priorities estimates that 210,000 children in low-income families would thereby lose automatic eligibility for free school meals under the House Republican bill.²⁰

If this proposal is successful, the effects of sequestration on children will be compounded. Children cannot learn if they come to school hungry.

Children may be affected the most by sequestration – but they are not the only victims. Lower-income women and families, the disabled, and seniors also are in the crosshairs. In 2013 alone, about 4 million fewer meals are being served to lower-income seniors and disabled persons because of reduced funding for Meals on Wheels, which delivers nutritious meals to older and disabled people unable to leave their homes. Overall, the Meals on Wheels Association of America estimates that up to 19 million meals served to seniors in their homes and at senior centers are being lost as a result of sequestration.²¹ To cope with reduced federal funds, some community senior centers are requiring low-income seniors to pay higher fees for their services, chipping away at these seniors' small fixed incomes. Like many of their grandchildren, these seniors are going hungry. One in seven seniors in this country is threatened by hunger; sequestration will make that statistic worse.

For lower-income women, sequestration cuts funding for the Title X family planning program by \$24 million. Community clinics funded by Title X provide critical services for women, including breast and cervical cancer screenings; pap smear tests; prevention and treatment of sexually transmitted infections; HIV testing, prevention, and counseling; infertility services; and health care referrals. Six of 10 women who visit Title X clinics consider them a primary source of health care. Sequestration is resulting in about 25,000 fewer breast and cervical cancer screenings for low-income, high-risk women, and approximately 424,000 fewer HIV tests conducted by local health departments. Some of these women will have conditions that are not diagnosed and treated and some will die as a result.²²

Sequestration is also cutting child care assistance for lower-income working women. The Department of Health and Human Services estimates 30,000 children are losing access to child care as a result of sequestration. Their mothers may have to choose between working and staying at home with them.²³

19. U.S. Department of Agriculture, "Measuring the Effect of Supplemental Nutrition Assistance Program (SNAP) Participation on Food Security," August 2013; <http://www.fns.usda.gov/ora/menu/Published/SNAP/FILES/Participation/Measuring2013Sum.pdf>.

20. Center on Budget and Policy Priorities, "Cuts in House Leadership SNAP Proposal Would Affect Millions of Low-Income Americans," Sept. 17, 2013; <http://www.cbpp.org/cms/?fa=view&id=4009>.

21. Meals on Wheels Association, "Federal Cuts Hurt Our Nation's Most Vulnerable Seniors"; <http://www.mowaa.org/document.doc?id=533>.

22. Center for American Progress, "5 Ways Sequestration Harms Women," Feb. 25, 2013; <http://www.americanprogress.org/issues/women/news/2013/02/25/54578/5-ways-sequestration-harms-women/>.

23. Center for American Progress, "Low-income Victims of Domestic Violence Facing a Political Super

Decent housing is a fundamental necessity of life, but sequestration targets low-income families who depend on federal housing assistance to keep a roof over their heads. Some of these families will end up homeless. In 2013 alone, sequestration is cutting \$922 million from the Housing Choice Voucher Program, which gives families a rent subsidy once they pay up to 30 percent of their income toward rental costs. The program provides rental assistance to 2.2 million low-income households—half of them seniors and disabled people. The Center on Budget and Policy Priorities estimates that sequestration will cut by 140,000 the number of low-income families receiving vouchers by early 2014.²⁴

The average household income of families receiving Housing Choice Vouchers is \$12,500 – but sequestration is requiring these families to pay more for their rents, up to \$200 more per month. In addition, local housing agencies are freezing the issuance of new vouchers. Before sequestration, when a family no longer needed a voucher, because of new employment or income, agencies typically would transfer that voucher to another family on a waiting list. There were already long waiting lists – with only one in four families that qualify for housing assistance being awarded vouchers. With sequestration, some housing agencies are no longer transferring vouchers to families on waiting lists, and the waiting lists are growing. Ed Mayer, executive director of the Butte County Housing Authority in California, said, “We begin to look at the prospect of putting people on the street who have no alternative.” Sequestration, then, may force working mothers with children to move into homeless shelters because there is no room for them in the Housing Choice Voucher Program.”²⁵

While sequestration threatens to put more individuals and families on the streets, there will be less money available for homeless programs. Sequestration is cutting \$96 million from grants that communities use to help homeless people, leaving Emergency Solutions Grants at a level in 2013 that is 34 percent less than in 2012.²⁶ For lower-income families who are able to remain in their homes, sequestration will make it tougher for them to pay their utility bills. Sequestration is cutting the Low-Income Home Energy Assistance Program by \$185 million this year, meaning more seniors and families will have their utilities shut off when they cannot afford the bills.²⁷ They face higher rents because of the loss of housing assistance, with higher utility bills on top of that.

Sequestration has a compounding impact. It has reduced funding for workforce

Storm,” Feb. 27, 2013; <http://www.americanprogress.org/issues/poverty/news/2013/02/27/54953/low-income-victims-of-domestic-violence-facing-a-political-super-storm/>.

24. Center on Budget and Policy Priorities, “Sequestration Could Deny Rental Assistance to 140,000 Low-Income Families,” April 2, 2013; <http://www.cbpp.org/cms/?fa=view&id=3945>.

25. Center for American Progress, “Sequestration Nation: Housing-Assistance Cuts Target the Most Vulnerable,” April 22, 2013; <http://www.americanprogress.org/issues/economy/news/2013/04/22/61074/sequestration-nation-housing-assistance-cuts-target-the-most-vulnerable/>.

26. Center on Budget and Policy Priorities, “Sequestration Could Deny Rental Assistance to 140,000 Low-Income Families,” April 2, 2013; <http://www.cbpp.org/cms/?fa=view&id=3945>.

27. House Appropriations Committee Democrats, “Report on Sequestration,” Feb. 13, 2013; <http://democrats.appropriations.house.gov/images/Sequestration%20full%20report.pdf>.

training programs by \$37 million this year, with 830,000 Americans looking for work unable to receive services enabling them to go back to work.²⁸ They will not have access to one-stop career centers nationwide because those centers will not have the funds to serve them.

IV. ECONOMIC ENVIRONMENT

These cuts come at a time when the gap between the haves and the have-nots is growing and serve to exacerbate the economic divisions in the country. Recent census figures, published in *Bloomberg Businessweek* on September 30, 2013, show that between 14 and 18 million Americans live in households where the income per person is less than \$10 a day and as many as 4 to 6 million live in households where daily income is less than \$2 per person. This means that the bottom 1 percent in the U.S. live on an income that is one six-hundredth of the average for the richest 1 percent of Americans. That is less than the average GDP per capita of such low income countries as Mozambique and Haiti, and below the poverty line of such countries as Ghana and Congo.²⁹

Furthermore, American CEO pay has grown 127 times faster than worker pay over the past 30 years. While CEO pay spiked 876 percent between 1978 and 2011, worker pay rose just 5.4 percent, according to the Economic Policy Institute.³⁰ In 1978, CEOs earned 29 times more than workers but in 2011 that figure had grown to 272.9 times more.³¹

At a time when corporate profits are higher than at any time since the end of World War II and worker productivity is greater than ever, real wages are stagnant. The U.S. Bureau of Labor Statistics reported in September 2013 that real hourly wages had increased just 0.7 percent from August 2012 to August 2013.³²

According to the University of California, Berkley economist Emmanuel Saez, 95 percent of the recovery income gains between 2008 and 2012 have gone to the top one percent—in other words, the top one percent of incomes are now close to full recovery, while the bottom 99 percent of incomes have barely seen any recovery since 2008.³³

28. Center for American Progress, "The Impact of the Sequester on Communities Across America, Feb. 22, 2013; <http://www.americanprogress.org/issues/budget/report/2013/02/22/54244/the-impact-of-the-sequester-on-communities-across-america/>.

29. Bloomberg Businessweek, "Taking Aim at the GOP's War on the Poor," Sept. 30, 2013; <http://www.businessweek.com/articles/2013-09-30/taking-aim-at-the-gops-war-on-the-poor>.

30. Economic and Policy Institute, Lawrence Mishel, "The CEO-Worker Compensation Ratio in 2012 of 273 Was Far Above That of the Late 1990s and 14 Times the Ratio of 20.1 in 1965," Sept. 24, 2013; <http://www.epi.org/publication/the-ceo-to-worker-compensation-ratio-in-2012-of-273/>.

31. Economic Policy Institute, Lawrence Mishel and Natalie Sabidish, "CEO Pay in 2012 was Extraordinarily High Relative to Typical Workers and Other High Earners," June 26, 2013; <http://www.epi.org/publication/ceo-pay-2012-extraordinarily-high/>.

32. U.S. Bureau of Labor Statistics, new release, "Real Earnings – August 2013, Sept. 17, 2013; <http://www.bls.gov/news.release/pdf/realer.pdf>.

33. Emmanuel Saez, "Striking it Richer: The Evolution of Top Incomes in the United States," Sept. 3, 2013; <http://elsa.berkeley.edu/~saez/saez-UStopincomes-2012.pdf>.

V. CHALLENGES FOR 2014

In light of these circumstances, members of Congress will face tough challenges as they look at budget issues for the near term and the future. Pundits, scholars, and politicians alike agree that Congress needs to reduce the deficit because interest on federal debt eventually will consume such a large share of the federal budget that all federal programs – both domestic and defense – will be jeopardized. They also agree that taking a balanced approach to deficit reduction that includes cuts in programs, elimination of waste, fraud, and abuse, and tax reform to generate additional revenues is the best course of action. As Mark Zandi, former advisor to Senator John McCain and chief economist at Moody's Analytics told the Joint Economic Committee on September 18, 2013, "To resolve the current budget impasse policy makers should not add to the significant fiscal austerity already in place. . . [which has] put a substantial drag on economic growth."³⁴

In addition to the cuts made to social programs, in 2014 the sequester will also begin to hit defense and other national security programs. The Department of Defense estimates that the Sequester will result in \$52 billion in cuts through its operations in 2014. Coupled with the \$37 billion in cuts during 2013, the Pentagon has raised significant concerns about the effects of sequestration throughout its various missions. For example, at the end of next year, only 15% of active duty and reserve Army combat teams will be ready for contingency operations.³⁵ Perhaps this, along with indiscriminate funding cuts, will help convince those who are less sympathetic to social programs that sequester does not work and should be replaced with serious consideration of rational budget cuts that are more effective and efficient.

VI. POSTSCRIPT

In December 2013, after this article was prepared for publication, Congress passed and President Obama signed the Bipartisan Budget Act of 2013, which provides a temporary, two-year reprieve from some of the federal budget cuts resulting from automatic sequestration under the Budget Control Act of 2011. The Bipartisan Budget Act of 2013 raised the caps on federal spending by about \$63 billion between 2014 and 2015, with the extra funding evenly split between defense and non-defense programs. However, deep cuts in spending for domestic programs will resume in 2016 unless Congress acts again to mitigate them.

The Congressional Budget Office estimates that spending for domestic programs will be increased by \$22 billion in 2014 and \$9 billion in 2015.³⁶

34. Written Testimony of Mark Zandi, Chief Economist and Co-Founder Moody's Analytics Before the Joint Economic Committee, "*The Economic Cost of Debt-Ceiling Brinkmanship*", September 18, 2013 http://www.jec.senate.gov/public/?a=Files.Serve&File_id=d0ae6682-c82c-4c61-b73a-24533df41fa0.

35. American Forces Press Service, "*Service Chiefs Detail 2014 Sequestration Effects*", September 19, 2013, <http://www.defense.gov/news/newsarticle.aspx?id=120825>.

36. Congressional Budget Office Cost Estimate, Bipartisan Budget Act of 2013, Dec. 11, 2013; <http://www.cbo.gov/sites/default/files/cbofiles/attachments/Bipartisan%20Budget%20Act%20of%202013.pdf>

The Office of Management and Budget had calculated in August 2013 that sequestration would require an additional \$34 billion in cuts to non-defense programs in 2014 beyond the sequestration reductions in 2013.³⁷

The Bipartisan Budget Act of 2013 reduced those projected 2014 cuts by nearly two-thirds, giving congressional appropriators the latitude to soften the effects of sequestration on education, health, nutrition, housing, and other domestic programs.

The budget agreement reached by Congress contains less money to reduce the effects of sequestration in 2015 (\$9 billion) and does not provide any funds to restore cuts from automatic sequestration in budget years beyond 2015. In addition, it extends sequestration for two more years (2022 and 2023). In effect, the Bipartisan Budget Act of 2013 postpones some of the effects of sequestration for two more years, and adds two years of domestic spending reductions. After 2015, the full effects of sequestration on programs affecting women and children will be felt until 2023 unless Congress adopts a new budget agreement before 2016 to reduce or eliminate these cuts.

37. Source: OMB Sequestration Update Report to the President and Congress for Fiscal Year 2014; http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration/sequestration_update_august2013.pdf.