



The Consequences of Sequestration and Tight Budget Caps

Sequestration refers to broad cuts to the federal government's budget triggered by the Budget Control Act of 2011. These cuts are on top of already tight spending limits and years of cuts to programs serving poor and vulnerable people. In fiscal year 2016 and beyond, sequestration is not across-the-board. Instead, sequestration simply shrinks the overall size of the federal pie (the total amount the government has to spend), putting many anti-poverty programs at risk. Unless Congress acts, these cuts will continue through 2021.

Despite the potential damage of these cuts, members of Congress have been unable to replace sequestration with more responsible budget legislation. As sequestration continues, it will further erode the effectiveness of some of our most important anti-hunger tools that provide nutrition and help move people out of poverty. These are domestic programs, such as the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); Meals on Wheels; Head Start; as well as International programs such as Feed the Future, the President's Emergency Plan for AIDS Relief, and Food for Peace.

Congress must replace sequestration with a balanced plan that includes both revenues and responsible spending cuts.

Sequestration Basics

- Sequestration is a set of broad budget cuts running through fiscal year 2021.
- Since 2010, Congress has enacted over \$4 trillion in deficit reduction. 77% of that has come from spending cuts, primarily from the appropriations section of the budget hit by sequestration.



Joseph Molieri/Bread for the World

In fiscal year 2016, which begins October 1, non-defense programs will be cut \$37 billion below the spending limits Congress set in 2011. Congressional appropriators will decide how to distribute those cuts.

- The cuts are split evenly between defense and non-defense spending. Congress established this parity, hoping it would pressure all sides to negotiate a deal to replace the sequestration cuts. At the end of 2013, Congress passed legislation providing two years of sequestration relief, referred to as the Ryan-Murray deal. But unless Congress acts, these additional cuts return in fiscal year 2016.

- In fiscal year 2016, which begins October 1, non-defense programs will be cut \$37 billion below the spending limits Congress set in 2011. Congressional appropriators will decide how to distribute those cuts.

- Some programs are exempt, notably the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), School Lunch and Breakfast,

Medicaid, the earned income tax credit (EITC), and the child tax credit.

Cuts Have Consequences

In 2013, sequestration had the following effects on low-income and vulnerable populations:

- 57,000 children were turned away from Head Start. In some places, lotteries were held to determine which children could continue to show up for Head Start.
- More than 100,000 low-income individuals and families lost rental assistance. 67,000 low-income housing vouchers still have not been restored.
- Nearly 70% of Meals on Wheels programs had to drop the number of meals they served to poor seniors.
- Overall, the international affairs budget did not suffer major consequences from sequestration. This was due, in part, to advocacy efforts by Bread for the World. Still, programs like the Millennium Challenge Corporation saw a 5% cut. Moreover, all these programs are threatened by the return of sequestration and a growing movement in Congress to reduce war-time emergency spending, which has protected foreign assistance.

Sequestration Cuts are Unsustainable

Since 2010, low-income appropriated programs have been cut by 15%, while international assistance has been cut by 16%, absent emergency spending. Sequestration will force

more than an additional \$37 billion in cuts each year to non-defense appropriated programs in 2016 and beyond.*

What does \$37 billion look like?

- More than 847 million monthly WIC food packages, enough to cover every child in the U.S. under age 5 for 3 ½ years.
- It would cover vaccines for 5.77 billion people for measles, mumps, rubella, meningitis, rotavirus, BCG to fight tuberculosis, hepatitis B, DTP to fight diphtheria, tetanus, and pertussis, *and* yellow fever. That's 82 percent of the world's population!
- Every house of worship of every faith in the U.S. would have to raise \$105,714 each year to make up the difference.

For more information about the federal budget and hunger, visit www.bread.org/budget.

NOTE: Mandatory spending is spending required by law for programs including, but not limited to, Social Security, Medicare, Medicaid, and veterans' benefits. Discretionary, or appropriated, spending is determined on an annual basis at the discretion of Congress. This spending includes, but is not limited to, defense, education, infrastructure, national parks, scientific research, and numerous programs aiding low-income individuals and families.

* \$37 billion cut compared to the pre-sequestration funding limits established in the Budget Control Act.

THE CONSEQUENCES OF SEQUESTRATION

Sequestration will force more than an additional \$37 billion in cuts each year to non-defense appropriated programs in 2016 and beyond.

WHAT DOES \$37 BILLION LOOK LIKE?



Every house of worship of every faith in the U.S. would have to raise

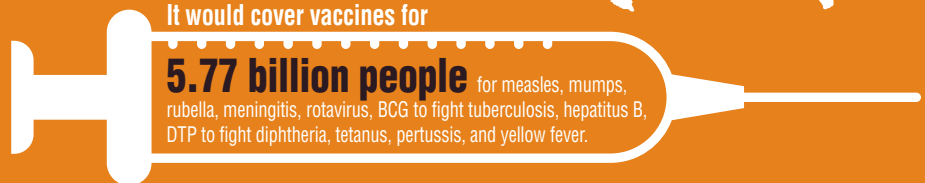
\$105,714

each year to make up the difference.



It would cover vaccines for

5.77 billion people for measles, mumps, rubella, meningitis, rotavirus, BCG to fight tuberculosis, hepatitis B, DTP to fight diphtheria, tetanus, pertussis, and yellow fever.



Call (800/826-3688) or email your members of Congress. Ask them to replace sequestration with a balanced plan that includes both revenues and responsible spending cuts.

