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On March 1st, the Office of Management and Budget (OMB) will sequester \$85 billion in FY 2013 spending as mandated by the Budget Control Act, unless Congress acts. This across-the-board cut will slow economic growth and job creation while cutting critical services and investments.

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Economic Damage

- Sequestration comes on top of \$1.5 trillion in discretionary cuts already enacted, the single largest cause of the economic contraction in the 4th quarter of 2012.
- CBO projects sequestration would cut economic growth in 2013 by one-third.
- A study from George Mason University projects a loss of 2.14 million jobs, nearly half of which would come from small businesses.

Furloughs of Critical Personnel

- Air Traffic Control: 10 percent of FAA's workforce of 40,000 would be furloughed on any given day resulting in reduced air traffic control, longer delays, and economic losses for air transportation, tourism and the economy as a whole.
- Food Safety: USDA would furlough federal meat and poultry inspectors for weeks. Since plants cannot operate without inspectors, thousands of establishments would be forced to shut down or operate fewer hours—costing the industry, grocery stores, restaurants, billions of dollars.

- Food and Medical Product Safety: Furloughs could result in FDA conducting 2,100 fewer food and medical product inspections at domestic and foreign facilities.

Maritime and Border Security, Law Enforcement, and First Responders

- U.S. Coast Guard: Air and surface operations would be curtailed by nearly 25%, jeopardizing maritime safety, drug interdiction, migrant interdiction, navigation, and safe flow of commerce along U.S. waterways.

- U.S. Customs and Border Protection: Border Patrol agents and CBP officers would be furloughed for up to 2 weeks. In addition, CBP may also need to reduce more than 7,000 officers and agents, increasing wait times at our nation's busiest airports by 3 hours or more and jeopardizing security between points of entry.

- Federal Law Enforcement: DOJ would be forced to issue furloughs equivalent to the loss of thousands of positions, including approximately 1,000 federal agents and 1,300 Bureau of Prisons correctional officers, potentially compromising prison security.

- State and Local Law Enforcement: FEMA's state and local homeland security grants would be reduced by more than \$120 million and DOJ's state and local law enforcement activities grants would be cut by more than \$100 million, potentially leading to layoffs of first responders.

Reduction in Education Aid, Head Start, Child Care, and Maternal and Child Health

- K-12 Education: Title I grants to school districts, serving more than 2,500 schools and 1 million disadvantaged students, would see a cut of more than \$750 million, which could eliminate more than 10,500 jobs of teachers and aides.

- Special Education: IDEA grants, serving 6.6 million students with special needs, would be reduced by more than \$600 million, which could force layoffs of approximately 7,400 special education teachers and aides.

- Head Start and Early Head Start: Up to 70,000 children would lose access and up to

30,000 working parents would lose child care services.

- Supplemental Nutrition Program for Women, Infants and Children: WIC would be cut by \$353 million, resulting in over 600,000 low-income, women, infants, and children being dropped from the rolls.

Water Infrastructure and Recreation Areas

- The Corps of Engineers would face sequestration cuts totaling \$255 million, leading to defunding of 65 ongoing construction projects and 43 dredging projects and closure of 57 recreation areas and 186 recreation sites.

- The permit approval process for state and local governments would lengthen, increasing the time it takes to plan and complete projects.

Reduction in Research, Health, and Preparedness

- National Institutes of Health: More than \$1.6 billion would be cut from medical research, meaning fewer and smaller research projects aimed at finding treatments and cures for diseases like cancer, diabetes and Alzheimer's. Medical research jobs would likely be cut.

- National Science Foundation: A \$375 million cut to NSF would result in nearly 1,000 fewer research grants and termination of \$35 million in facilities contracts and agreements, increasing future year costs.

- Centers for Disease Control and Prevention: Sequestration would mean purchase of about 540,000 fewer doses of vaccine against diseases like hepatitis, flu, measles, and whooping cough for children and adults.

- Community Health Centers: 900,000 fewer patients would be served as a result of cuts of \$120 million for Community Health Centers.

Reduction in Disaster Relief

- FEMA's Disaster Relief Fund: More than \$1 billion in cuts would reduce aid needed by families, businesses, and communities to recover and rebuild after hurricanes, tornadoes, snowstorms, floods, and other natural disasters.
- Sandy Assistance: Recently enacted aid, including funds for transportation, housing and mitigation efforts, would be cut by an additional \$1.896 billion.

Military Operations and Readiness

- Operating Budgets: To protect troops in the field from sequestration, the Pentagon will reduce operating budgets by more than 20 percent.
- Readiness Crisis: The Joint Chiefs of Staff reported to Congress that U.S. troops are already on the brink of a readiness crisis, and sequestration would worsen the situation through delays and cancellations of training exercises and deployments, a reduction in aviator flying hours, and delayed equipment maintenance and upgrades.
- Defense Health Program: Cuts of \$3 billion would exhaust all health program funding by August. The Defense Department would also have to defer payment to TRICARE providers.
- Civilian Employees: The Army, Air Force, Navy, and Marine Corps would be forced to furlough hundreds of thousands of civilian employees for up to 22 days.

International Affairs

- Embassy security: \$168 million in cuts would limit physical protection for diplomatic personnel and facilities overseas and risk Americans' ability to travel and work overseas in safety.
- Diplomacy and Development: Cuts of \$780 million to State Department and USAID basic operations would reduce staffing at embassies and missions, compromising ability to open new markets for U.S. businesses, protect intellectual property rights, assist Americans traveling abroad, and ensure accountability and transparency of foreign assistance.

