

Impact of Sequestration, FY 2013

Federal Education-Related Discretionary Programs



The failure of the Joint Select Committee on Deficit Reduction to produce a bill identifying budgetary savings of at least \$1.2 trillion over ten years (fiscal years 2012-2021) has triggered an automatic spending reduction process that includes sequestration (the cancellation of budgetary resources) to take effect on January 2, 2013, as stipulated in the Budget Control Act of 2011 (Public Law 112-25). For fiscal year 2013, automatic, across-the-board budget cuts will be applied to most programs, including all discretionary education programs, except Federal Pell Grants.

For subsequent fiscal years (2014-2021), the discretionary spending reductions are achieved through a downward adjustment of statutory limits on discretionary spending divided into two new categories -- defense and nondefense spending. The Congressional Budget Office (CBO) has estimated that nonexempt discretionary programs would be reduced by 7.8 percent in fiscal year 2013. A more detailed analysis conducted by the Center on Budget and Policy Priorities (CBPP) indicates that nonexempt, nondefense discretionary programs would be reduced by 9.1 percent in 2013.

The accompanying chart, as well as those on the following pages, illustrates the impact under both estimates of an across-the-board reduction to nonexempt federal education programs beginning in January 2013. Since appropriations for fiscal year 2013 (which begins on October 1, 2012) will not be determined for many months, the estimates are based on current (FY 2012) funding levels. Assuming sequestration would begin as scheduled, funding for the U.S. Department of Education would be reduced by \$3.5 billion under CBO's estimate; and by \$4.1 billion under CBPP's estimate, affecting millions of students and leading to potentially significant job losses for educators and other school employees.

Applying CBO's Estimate	Applying CBPP's Estimate
Spending Cuts (U.S. Department of Education)	
\$3.5	\$4.1
billion	billion
including Head Start, spending cuts would be \$4.2 billion and \$4.8 billion, respectively	
Students for whom Services or Aid would be Reduced or Eliminated	
6.7	7.5
million	million
including Head Start, affected students would be 6.8 million and 7.6 million, respectively	
Direct Job Losses	
44,000	51,000
including Head Start, job losses would be 77,000 and 89,000, respectively	

Impact of Sequestration, FY 2013

Impact Aid Basic Support Payments (ESEA VIII, section 8003(b))



State	Applying CBO's Estimate			Applying the Center on Budget & Policy Priorities' Estimate		
	Funding Cuts (in millions)	Students Impacted	Job Losses	Funding Cuts (in millions)	Students Impacted	Job Losses
Alabama	\$0.21	1,655	3	\$0.25	1,930	4
Alaska	11.21	1,868	93	13.08	2,179	108
Arizona	13.79	3,085	232	16.08	3,599	270
Arkansas	0.02	183	0	0.03	213	0
California	4.97	4,085	56	5.80	4,766	65
Colorado	1.40	1,243	21	1.63	1,450	24
Connecticut	0.33	428	4	0.39	500	4
Delaware	0.002	28	0	0.002	33	0
District of Columbia	0.07	427	1	0.08	498	1
Florida	0.46	3,412	7	0.54	3,980	8
Georgia	1.69	3,065	27	1.97	3,576	31
Hawaii	3.52	1,578	44	4.11	1,841	52
Idaho	0.44	277	7	0.52	323	9
Illinois	1.46	1,063	18	1.71	1,240	21
Indiana	0.01	211	0	0.01	246	0
Iowa	0.02	24	0	0.03	28	0
Kansas	1.91	672	38	2.23	784	44
Kentucky	0.05	640	1	0.06	747	1
Louisiana	0.65	495	9	0.76	577	11
Maine	0.17	187	3	0.19	218	3
Maryland	0.40	2,830	4	0.46	3,301	5
Massachusetts	0.03	470	0	0.04	548	0
Michigan	0.34	179	4	0.39	209	5
Minnesota	1.48	358	19	1.72	417	22
Mississippi	0.13	502	2	0.15	586	3
Missouri	1.71	495	27	2.00	577	32
Montana	3.42	744	54	3.99	869	63
Nebraska	1.52	410	25	1.78	478	29
Nevada	0.23	824	3	0.27	961	3
New Hampshire	0.001	17	0	0.001	20	0
New Jersey	0.92	430	8	1.07	502	10
New Mexico	7.66	2,171	121	8.93	2,533	141
New York	1.80	5,936	18	2.10	6,926	21
North Carolina	1.11	3,226	20	1.30	3,764	23
North Dakota	2.30	379	37	2.68	442	43
Ohio	0.11	947	2	0.13	1,105	2
Oklahoma	2.76	2,545	49	3.22	2,969	57
Oregon	0.25	100	3	0.29	117	4
Pennsylvania	0.07	1,093	1	0.08	1,275	1
Rhode Island	0.11	186	1	0.13	216	1
South Carolina	0.11	1,145	2	0.13	1,335	2
South Dakota	4.07	686	80	4.75	801	93
Tennessee	0.29	1,390	5	0.34	1,622	6
Texas	7.97	5,216	139	9.30	6,086	162
Utah	0.60	1,082	9	0.70	1,263	11
Vermont	0.001	8	0	0.001	10	0
Virginia	2.78	8,313	41	3.24	9,698	48
Washington	3.30	2,678	37	3.86	3,124	43
West Virginia	0.001	16	0	0.001	18	0
Wisconsin	0.97	351	12	1.14	410	14
Wyoming	1.01	445	15	1.17	519	18
Puerto Rico	0.11	2,435	2	0.13	2,841	3
Outlying Areas	0.01	312	0	0.02	364	0
Undistributed	0.00	-	-	0.00	-	-
National	\$89.98	72,544	1,304	\$104.97	84,635	1,521

Source: NEA calculations from U.S. Department of Education budget data based on analysis from the Congressional Budget Office (CBO) and the Center on Budget and Policy Priorities. For more information, contact Tom Zembran at 202.822.7109 or TZembran@nea.org. As of January 31, 2012.