

TO: SCRA Action Subcommittee

FROM: Suzanna So, Madison Sunnquist, Sarah Callahan, and Leonard Jason

DATE: March 12, 2013

SUBJECT: SCRA opposition to sequester cuts

Overview of Policy Issue

While the fiscal cliff deal was reached on New Year's Eve, the sequester cuts were delayed until March 1st, 2013. By doing so, the expiration of the Bush tax cuts, the payroll tax cut, and the sequester cuts would not happen on the same day. Otherwise, this would have most likely caused an economic contraction and thrown the United States into another recession. Legislators and media outlets have been discussing the sequestration for quite some time, but few know the details of what it entails. Even fewer know exactly how this will impact Americans across the country and its territories.

Originally passed as part of the Budget Control Act in August 2011 in exchange for the debt ceiling to be raised by \$2.1 trillion, this set of automatic spending cuts were intended to serve as an incentive for the Joint Select Committee on Deficit Reduction to arrive at a consensus to cut \$1.5 trillion from the deficit over the next ten years. In order to avert the sequester cuts, the Committee was supposed to come to a better and more logical agreement by the end of 2012. Clearly, this did not occur. Rather, \$1.2 trillion in cuts to be made over the next ten years began on March 1st, 2013. During the following nine months, \$85.3 billion will be cut from the budget.

As the majority of federal spending is exempt from the sequester cuts (including mandatory programs such as Medicaid and Social Security), discretionary spending will be cut much more deeply, reducing the budget for domestic programs by as much as 9%.

Of the \$85.3 billion that will be cut from the budget over the following nine months, \$42.7 billion will be cut from defense spending, \$28.7 billion from domestic discretionary programs, \$9.9 billion from Medicare, and \$4 billion from mandatory programs.

While these large dollar figures may seem abstract and intangible, these cuts will have destructive effects on US citizens, particularly for individuals who depend on government support during this harsh economic climate. Government programs facing budget cuts include, but are not limited to:

- Public housing support (\$1.94 billion)
- The National Institutes of Health (\$1.6 billion)
- Global health programs, such as USAID (\$433 million)
- Head Start (\$406 million, terminating access to the program for 70,000 children)
- The National Science Foundation (\$388 million)
- The Centers for Disease Control (\$323 million)

For up to 750,000 women and children, these cuts will take away their access to the Women, Infants, and Children program that provides them with nutrition and food aid. For individuals

who have been unemployed for more than six months (about 40% of those currently unemployed), benefits will be reduced by 11%, or about \$130 per month on average. Approximately 100,000 families will lose their housing vouchers. In addition, forecasters project that sequestration will cost about 700,000 jobs this year.

The sequester cuts have devastating implications for these individuals, and as community psychologists, we have a responsibility to act. It is important to raise our voices now, along with those of our community partners, to prevent even further substantial cuts in essential programs in the near future.

Relation to SCRA Mission

SCRA's mission statement emphasizes the promotion of health and empowerment to prevent problems in communities, groups, and individuals. The sequester cuts are a direct threat to achieving this mission. To continue the advancement of our goals, we must be leaders in the movement to prevent the foreseeable damage due to these cuts.

Call to Action

The undersigned Community Psychologists and The Society for Community Research and Action propose to:

- Write op-eds, blogs, and editorials immediately:
 - To inform the general public about the implications of these budget cuts
 - To encourage community members to contact their local legislators
- Contact our congressional representatives immediately (see below for an example letter):
 - To encourage reasonable modifications to the sequester cuts
 - To make them aware of the ramifications of the current plan
- Spread awareness of the impact of the sequester cuts through face-to-face discussions immediately:
 - To inform other professionals and personal acquaintances about the implications of these budget cuts
 - To encourage more people to contact their local legislators

Relevant Web Links

- Learn more the sequestration from the APA Federal Budget Blog:
<http://www.apa.org/about/gr/science/news/budget.aspx#20130304000000> (American Psychological Association, 2013)
- Find your local representative: <http://www.house.gov/representatives/find/>
 - Use the following template to write to your representative:
Dear Honorable Elected Official, My name is _____ and I am a resident of _____. I would like to request your support of H.R. 900, the Cancel the Sequester Act of 2013. These sequester cuts jeopardize the programs essential for the health and welfare of many citizens in the most impoverished areas of our communities, whom we have a responsibility to protect. In a fragile economy, we cannot make irresponsible, unfocused budget cuts. As citizens, we trust our elected representatives to act within the best interests of the public; however,

these sequester cuts jeopardize our citizens' well-being. Thank you for your consideration.

- Petition to eliminate the sequester act of 2013: http://pac.signon.org/sign/congress-vote-for-the?source=s.em.mt&r_by=7268510
 - Distribute this petition to friends and colleagues with the following message:
“Dear Friends, I signed a petition to the United States House of Representatives to vote for HR 900 and Cancel the Sequester Act of 2013. To sign this petition, click here: http://pac.signon.org/sign/congress-vote-for-the?source=s.em.mt&r_by=7268510 Thank you.”

Alternative Arguments

Republicans prefer to leave the sequester cuts in place, and provide more discretion for President Obama to determine how to enact the cuts, particularly in the defense cuts. On the other hand, progressive Democrats want to repeal the bill completely. Rep. John Conyers (D-Mich.) told HuffPost in an email that the repeal bill "would give the leaders of both parties the time needed to reach some consensus on budget issues without forcing the average American to pay the price for Washington's dysfunction" (Jamieson, 2013). Other Democrats have suggested a combination of spending cuts and revenue hikes to replace the sequester. However, Republicans in the Senate have continually stated that raising revenues is not an option.

Conclusion

These sequester cuts jeopardize the programs essential for the health and welfare of many citizens in the most impoverished areas of our communities. Ongoing negotiations regarding the federal budget are occurring, and possible modifications to the sequester cuts will be a part of this broader discussion. We understand that different economists, as well as members of our society, have different interpretations of whether budget cuts are even needed to reduce our deficit, particularly with record highs in the stock market and the recovery in housing occurring in many sections of the US. However, our recovery is still fragile, and there are still unacceptably high unemployment rates. Those who are most vulnerable will be the most affected by these austere budget cuts. Certainly, one alternative strategy would involve allowing the fragile economy to recover, and with ensuing increasing revenues, there would be less need for the types of drastic cuts that have been proposed.

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