The Forgotten Victims Of A Capitol Hill Budget Fight

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Tens of thousands of stories about cancelled White House tours. Endless cable news handwringing about travel delays. Hashtag campaigns to blame the whole thing on Obama. Last year, sequestration made constant headlines. Congress allowed the across the board budget cuts to defense and non-defense programs alike to go into effect, even though they were originally meant to coerce them into a grand bargain budget agreement. It sliced $85 billion from government programs, reducing spending from more than $1 trillion to $986 billion. A number of different programs had to grapple with sharply reduced funding.

Before another round of cuts fully took effect for this year, however, lawmakers reached a budget agreement that partially repealed them for the fiscal years 2014 and 2015. Discretionary spending would have been capped at $967 billion, but instead is set at $1.012 trillion this year and $1.014 trillion the next, including $63 billion of sequestration relief split evenly between defense and non-defense programs.

The impact of sequestration cuts then left the headlines, but that doesn’t mean the pain is over. For some programs, the extra funding meant the bleeding was staunched but the wounds weren’t healed; for others the pain continued at about the same pace.

Meals for the elderly

Last year, the budget cuts devastated Meals on Wheels programs. Many cut back on the meals they handed out, the days they delivered them, and on-site services they offered to give the elderly a place to connect with others during the day. Other organizations that serve the elderly also had to
cut back: half reduced transportation services to help the elderly get to the doctor or grocery store, while nearly 40 percent reduced support for family members and caregivers. Sequestration never stopped. The headlines stopped, but for us this never really went away. Other than Meals on Wheels and nutrition programs, no other programs serving the elderly got restored. “This is really painful for us,” said Amy E. Gotwals, chief of public policy and external affairs at the National Association of Area Agencies on Aging. “Sequestration never stopped. The headlines stopped, but for us this never really went away.” Meals on Wheels is among the lucky ones to get sequestration’s cuts reversed this year. “We were one of the fortunate programs that did see a restoration of funds in fiscal year 14,” said Erika Kelly, chief advocacy officer at the Meals On Wheels Association of America. “But the pain of sequestration still exists,” she warned. Programs still have long waiting lists, some of which were created to cope with sequestration last year, and some programs are now operating for fewer days. Last year, more than 70 percent of programs reduced the number of meals they served, more than 70 percent created or added to a waiting list, and one in six had to close a program or meal site. “I just spoke with one of our programs in Maine and learned they are no longer delivering meals on Wednesdays,” she noted. Those changes are still being felt by the seniors who are served. But a wide variety of other programs are still struggling: “Everything else people might need to live independently, especially if they’re homebound,” Gotwals explained. “Someone to come in to help with chores, transportation to the doctor’s office, legal help.” These programs are not just below pre-sequestration levels, but below what they got in 2010. “It’s particularly acute for seniors programs because the numbers of old and aging are doing nothing but going uphill.” That means programs are creating waiting lists and some smaller programs are even struggling to stay open.

Housing for the poor
When sequestration hit, some low-income people who had finally just emerged from sometimes years-long waiting lists for Section 8 housing vouchers to help them afford rent had them rescinded, and after that many agencies stopped handing out new vouchers when families left the rolls. That meant by the end of last year, about 65,000 fewer people were getting vouchers compared to the year before. “These reductions have deepened in the first half of this year,” Douglas Rice, senior policy analyst at the Center on Budget and Policy Priorities, said. By March the figure had risen to 90,000 people. Today, just one in four eligible households gets rental assistance, while a record number of families can’t afford their rents and prices climb. “As far as we can tell, the effect of sequestration cuts on rental assistance is still pretty severe,” he said. While agencies got money this year that should allow them to stop reducing the voucher rolls,
it’s only about enough to restore half of them in the second half of the year. “We’d still be down 50 or 60 thousand units at the end of this year,” he said. And that’s assuming agencies “act very aggressively to use that money to issue vouchers and increase the number of families they’re assisting,” he added.

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The current budget climate is making many agencies feel nervous about expending any funds. “I think a lot of them have really cold feet about this because they spent all their funding reserves last year,” he said. “There’s a lot of uncertainty about the budget for next year. So some of them are just sitting on their hands right now and waiting to see what happens with the 2015 budget before they start reissuing some vouchers.”

People living in public housing units have also suffered. Agencies have been getting less than half of what they need to make repairs and keep them inhabitable, so we’ve lost about 10,000 to 15,000 units every year for the last 15 years, Rice said. Sequestration reduced those funds even more and “put housing agencies into a much deeper hole in the short-term, which is making it more difficult to maintain their properties,” he explained. If there isn’t additional funding, the number of units lost each year will soon accelerate.

Safeguards for public health

Last year, Americans were at a higher risk of foodborne illnesses, mentally ill people’s health services were jeopardized, and fewer Americans were screened for HIV. This year, most public health agencies had their funding restored in the year-end bill, according to Emily Holubowich of NDD United, an organization that advocates for non-defense discretionary programs, including the Centers for Disease Control and Prevention (CDC), the Federal Drug Administration, the Substance Abuse and Mental Health Services Administration, and the Indian Health Service.

But the restored funding doesn’t ensure that all of these vital programs were spared. “When you get down to the programs and centers and individual institutes, even down to the grant and contract level, the stories are very different,” she said. “The increase isn’t applied uniformly. Some programs were still eliminated.”

Take domestic violence prevention, which gets some of its money through health agencies like the CDC. CDC funding for rape prevention and education is still below pre-sequestration levels, as is funding from the Violence Against Women Act for domestic violence victims’ legal assistance and transitional housing. The rest of the programs that domestic violence services organizations rely on were restored.
Yet these organizations are struggling to keep up with need. Nearly 1,700 staff positions were eliminated at domestic violence support programs last year. “We’re assuming most of the staff haven’t come back because federal funding for domestic violence is not keeping up with inflation,” said Monica McLaughlin, senior public policy specialist at the National Network to End Domestic Violence. The administrative staff made up the first round of these layoffs, but now those who do direct services like answering hotlines and accompanying victims to court are losing their jobs. Meanwhile, sequestration, on top of other funding reductions, meant many programs struggled to keep their doors open. “Programs had to take out lines of credit,” she pointed out. “We can assume they’re still digging themselves out of that hole... If you got a loan or line of credit with interest, you’ll have to pay that back.” Last year, domestic violence programs warned that budget cuts were putting women’s lives in harm’s way and could lead to more murders.

Research into new cures
Last year, nearly half of surveyed scientists had laid people off or were about to. Seventy percent had less grant money as compared to 2010. One in five was considering a career in another country. That’s hard to bounce back from. “I think we saw during sequestration last year that 1,000 fewer scientists were in the system applying for grants, we lost 1,000 researchers,” said Benjamin Corb, public affairs director at the American Society for Biochemistry and Molecular Biology. “Maybe we’ll recover some of them, but even if we recover half of them, who knows what cure or disease treatment would have come out of the other half not coming back?”

The National Institutes of Health is one of just two agencies in public health services that weren’t fully restored from sequestration levels. “Each got about a 3.5 percent increase, which didn’t make up for the about 5 percent cut from sequestration,” Holubowich said. And the impact of funding cuts is still being felt in the scientific community.

“Sequestration didn’t go away,” Corb said. “We got this one year reprieve to catch our breath and start to recover a little bit of what we lost from sequestration, but it’s still on the books for the next eight years.” That’s a difficult model in scientific research, where projects have funding needs far into the future. “It’s hard for scientists to know where their next paycheck is coming from,” he said. “There are people who are just going to leave. Why stick around to have the sword of Damocles hanging over your head? You can go somewhere else.”

Perhaps if we didn’t have sequestration cuts we would have [a vaccine] by now. The loss of knowledge due to people fleeing the industry could be tragic – but we’ll never really know. Take, for example, a universal flu vaccine, Corb said. We don’t know for sure if sequestration is to blame, but, “Perhaps if we didn’t have sequestration cuts we would have it by now.”
Education for preschoolers

Education programs were mostly restored, but that doesn’t mean things are back to normal in the country’s schools. “In aggregate, the U.S. Department of Education had about two-thirds of sequestration cuts restored,” said Joel Packer, executive director of the committee for education funding. But “funding in the current fiscal year in 2014 is less than what it was in fiscal year 2008, so it’s still six years sort of backward from where we should have been even prior to sequestration cuts,” he said.

As a result, there are 276,700 fewer teachers at work than when the recession ended in June 2009, even as public schools grapple with rising enrollment. That’s 377,000 fewer teachers than schools need. Not all of that can be chalked up to federal spending, since states and local taxes make up a large portion of public school budgets, but the cutbacks haven’t helped and have meant “narrowing of curriculum, increasing class sizes, reducing transportation for kids, eliminating after school programs, a whole variety of things,” Packer said.

Head Start, which absorbed sequestration cuts immediately because the programs rely almost entirely on federal funding, got its cuts restored with a “small increase to provide a small inflation adjustment,” Packer said. But the programs are still struggling. Last year, the cuts meant 57,000 preschoolers lost their spots, and “not every child could immediately re-access their Head Start programs,” said Sally Aman, a spokeswoman for the National Head Start Association. Some programs were closed and staff laid off, and “it was not a quick turnaround to reestablish the classrooms or rehire teachers,” she added. “Funding restoration did not mean critical infrastructure and staffing were still in place.”

Schools that rely on federal Impact Aid, mostly because they are on or near military bases and Native American reservations and so don’t have the same tax base as other schools, were also hit by sequestration cuts right away. They fared relatively well in last year’s omnibus budget bill, getting nearly all of the cuts restored minus a couple million dollars. “But the program has been relatively flat-funded for several years,” Packer said, which has led to “unmet needs while there are increased costs and increased enrollment.”

While Impact Aid superintendents all said at a recent conference that they had come back from the extreme measures they took last year, not everything was how it was before, noted John Forkenbrock, executive director of the National Association of Federally Impacted Schools. Some schools were able to plug the hole last year with reserve money and have now used the restored funding to pay back what they borrowed, although they are now behind where they would have been without that move. Some schools, however, didn’t have reserves to dip into and had to lay off
staff and take other actions. “I don’t necessarily think they rehired people to fill those slots,” he said. Extracurriculars like arts and music programs that had been cut are also by and large not back yet. “Impact Aid schools are always in caution, yellow lights always blinking,” he added. And even so, Head Start and Impact Aid are in some ways lucky. “A lot of programs are not fully restored” from sequestration’s cuts, Packer said. Title 1 funding that goes mainly to low-income schools and spending for the Individuals with Disabilities Education Act didn’t get restored in the omnibus bill so are still not back at pre-sequestration levels.

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Things could get worse next year. No one really knows, because Congress hasn’t passed a budget. Sequestration is in theory still on the books and could come back into effect unless lawmakers act to shield programs from the cuts. That uncertainty only adds to the difficulties these starved programs have struggled with, making many wary to put any restored funding back where it needs to be: helping the people they serve.