Sequester Impacts: July 27 – August 1

Low-Income Communities’ Disproportionate Impact:

**New England:** The Federal Reserve Bank of Boston released its semi-annual New England Community Outlook Survey in July. The Survey questioned 157 direct service providers operating in low-income communities in April 2013. Asked about challenges facing lower-income communities, sequestration and Federal budget cuts came in third (36 percent), after availability of jobs (63 percent) and access to affordable housing (41 percent). Close to half said there were policy challenges preventing them from “fulfilling their mission,” and of those, about two-thirds mentioned the sequester, budget issues, or lack of funding as problems preventing them from carrying out their mission. Nearly half reported a decrease in funding over the previous six months, and a similar proportion expect more cuts in the next six months. At the same time, about two-thirds saw an increased demand for services in the past six months and expect further increases in the next six months. Most of these service providers did not report a reduction in services at the time of the survey (one month after sequestration began to be implemented), but 31.5 percent expected to decrease services over the next six months. Another survey of New England Service providers is planned for October. [From the Federal Reserve Bank of Boston, *New England Community Outlook Survey*, July 2013]

Education/Head Start:

**Massachusetts:** According to Pam Kuechler, the executive director of the Massachusetts Head Start Association, because of sequestration cuts, Massachusetts will lose 1,580 of 13,000 Head Start spots for children. A number of Head Start programs statewide either closed early last year or are opening later this year and 190 staff members will be laid off. For example, the Head Start Center for Springfield, Holyoke, and Chicopee will cut 200 students from its 1,200 student-serving program. The program also closed two weeks early at the end of the school year and is planning to open two weeks late this school year. Further, because of the high poverty rates of the area, 500 students remain on the waiting list. Boston Head Start will reduce the number of young children it serves from 2,500 to 2,250 – 2,300, by keeping more families on the waiting list. [From Masslive.com - July 29, 2013, by Shira Schoenberg]

Housing:

**Pennsylvania:** According to Ben Laudermilch, the Executive Director of the Cumberland County Housing and Redevelopment Authorities, they are making a 6.5 percent budget cut to their housing choice
voucher program as a result of sequestration cuts. As a result, 150 to 200 families with young children, seniors, or people with disabilities will lose housing assistance. The Housing Authority reduced spending on repairs and improvements, and was also forced to eliminate three full-time staff members. [From the Patriot-News - July 26, 2013, by Ben Laudermilch]

**Massachusetts:** Springfield Partners for Community Action lost $100,000 from its previous $1.3 million federal grant for weatherization, which means that 40-50 low-income households will not have their homes weatherized. [From Masslive.com - July 29, 2013, by Shira Schoenberg]

**Services for Seniors:**

**Florida:** As a result of the federal sequester, the Pinellas Meals on Wheels program in Pinellas County lost $200,000 from their annual budget. According to Debra Shade, the president of Neighborly Care Network – a network that oversees the program – 600 people are on the waiting list for Meals on Wheels and Senior Dining, an organization that provides seniors at community centers and churches throughout the county with meals in Pinellas. [From the Tampa Bay Times - July 30, 2013, by Anna M. Phillips]

**Public Defenders for the Poor:**

**Massachusetts:** Miriam Conrad, the head of the federal public defenders office for the districts of Massachusetts, New Hampshire, and Rhode Island, recently spoke on WBUR about the impact of sequestration cuts on public defenders. She explained that her office may have to cut 25 to 35 percent of its staff throughout the next month. In Massachusetts, no one has been laid off yet. However, all 46 staff members have taken 14 furlough days throughout FY2013. Conrad predicts that the office will be forced to lay off staff members as FY2014 begins. Not only would this force the office to take fewer cases, but in the end, no money is saved. An indigent defendant must be given a court-appointed lawyer. If the public defender office cannot take a case with an indigent defendant, a more expensive private lawyer must be appointed. Conrad also said that their offices were forced to withdraw from “reentry courts,” which provide intensive supervision for offenders with a high likelihood of repeat offenses through a team that had included a defense attorney, prosecutor, probation officer, and a judge. [From WBUR 90.9 - July 29, 2013, by Deborah Becker]

**Delaware:** Because of the sequester, public defenders in Delaware have seen furloughs. As a result, hearings are being pushed back and those who are accused of crimes must wait in jail. Federal judges are now even eliminating civil trials. Each day that a criminal defendant waits in jail because of a furloughed lawyer, taxpayers pay $100. [From Delaware Online – editorial, July 23, 2013]

**Clarksburg, West Virginia:** Because of federal sequestration, Federal Public Defender Brian Kornbrath is preparing for a budget cut that will be between 14 and 23 percent. Kornbrath will know the exact percentage by late September. If the cut is as high as 23 percent, he will be forced to close his Wheeling office, laying off an assistant defender and a secretary. From his Martinsburg office, he will have to lay
off an attorney and change one of his two investigators to half time. If the cut is 14 percent, Kornbrath will be able to keep his Wheeling office open and will not have to lay off the assistant defender and secretary. However, he will still have to lay off one attorney and the investigator position will still become half time. The budget cuts are not only hurting West Virginia. The entire circuit – including West Virginia, Maryland, Virginia, North Carolina, and South Carolina – is affected. Within the circuit, the 23 percent budget cut would cut 81 of the 297 full-time positions. If furloughs are not used, 29 percent of staff will be eliminated; alternatively, close to 200 furlough days would be needed. [From The Exponent Telegram - July 31, 2013, by Matt Harvey]

Health Care:

**National:** Eight years ago, nearly 90 percent of cancer treatment services were provided in community cancer clinics. Now, less than 70 percent of services are delivered in these clinics. Instead, more treatment is delivered in expensive hospital settings. Medicare covers approximately 50 percent of cancer care. According to a study conducted by Milliman, a health care market research firm, compared with community cancer clinics, taxpayers pay $6,500 more each year for hospital-based cancer care and seniors pay $650 more in co-pays. The Center for Medicare and Medicaid Services has chosen to direct its sequestration cut to the cost of cancer drugs. As a result, community cancer clinics have two choices: first, they can send Medicare patients to the hospital for treatment, or they can continue to serve patients but take a loss on the drug costs, which according to the director of the North Shore Hematology/Oncology Association could force them out of business. [From Newsday - July 31, 2013, by Jeffrey Vacirca, North Shore Hematology/Oncology Association]

Miscellaneous:

**National:** According to a recent survey conducted by NBC News/Wall Street Journal, twenty-two percent of Americans say they have been “significantly affected” by sequestration cuts, up from 16 percent in April, shortly after the sequester was implemented. Among those surveyed, people earning below $30,000 reported being hit the hardest. Of the respondents at or below this income level, 31 percent say they have been affected by the sequester – up from 24 percent in April. [From CNBC - July 29, 2013, by Michael O'Brien, Elizabeth Chuck, and Grace Lamb-Atkinson]