BIPARTISAN POLICY CENTER

Non-Defense Sequester in FY 2013: What's In, What's Out?[(a)]	Amount of Funds ($B)	% Cut
Non-defense Discretionary Spending		
Size of Cut - The Sequester	**$38.7**	
Non-Defense Discretionary Funds	$489	
Pell Grants + Veterans Affairs, **Exempted** (estimate)	$73	
Indian Health + Health Centers, **2% Limit** (estimate)	$6	2.0%
Size of Cut to Non-exempt Programs	$38.6	
Additional Resources Subject to Sequestration		
Program Integrity + Disaster Funding	$7	
Likely to be Exempted, but Uncertain[(b)]		
War Funding	$8	
Resources Subject to Sequestration w/ War Funding	**$425**	**9.1%**
Resources Subject to Sequestration w/o War Funding	**$417**	**9.3%**
On Jan. 2, 2013[(c)]		
Remaining Sequester Base w/ War Funding	**$319**	**12.1%**
Remaining Sequester Base w/o War Funding	**$313**	**12.3%**
Non-exempt Non-defense Mandatory Spending		
Size of Cut - The Sequester	**$11.2**	
Medicare Provider/MA Plan Payments, **2% Limit**[(d)]	$317	**2.0%**
Other Mandatory Programs	$63	**7.7%**

Sources: Office of Management and Budget, Budget Control Act of 2011, Bipartisan Policy Center Calculations

Note: Numbers may not add due to rounding

a. This table is based off of the following assumptions: that a continuing resolution at FY 2012 levels is enacted for FY 2013, that war funding (Overseas Contingency Operations funds) is provided at the level requested by the president, and that funds are obligated uniformly throughout the duration of the relevant appropriations bill.

b. While war funding appears to be subject to the sequester, there also appears to be enough room for OMB to interpret otherwise. Regardless, we assume that policymakers would pass legislation to exempt war funding from the sequester.

c. The FY 2013 sequester is not implemented until Jan. 2, 2013. Therefore, we assume that roughly one-quarter of the fiscal year's funds already would have been obligated, and thus the percentage cut to the remaining monies would be greater.

d. As highlighted by the Congressional Budget Office, the sequester of Medicare does not begin until February 1, 2013, and therefore the 2 percent cut to providers and MA plans achieves less savings than if it was in effect for the entire fiscal year. Due to a provision in the Statutory Pay-As-You-Go Act of 2010 that the Budget Control Act of 2011 references, however, the amount cut from Medicare over a full 12-month period beginning in February counts toward reaching the $54.7 billion that must be sequestered from non-defense programs in FY 2013. Therefore, the actual cut to non-defense programs in FY 2013 is only $50 billion, since approximately $5 billion of the cuts to Medicare occur after the end of the fiscal year.