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Frequently Asked Questions: Sequestration Under the Budget Control Act of 2011

Q1: What is a budget sequester?

A1: A budget sequester occurs when money that would otherwise be spent under current law is held back and is used instead for deficit reduction.

Q2: Why will the sequester go into effect?

A2: The Budget Control Act requires sufficient spending cuts to achieve \$1.2 trillion of deficit reduction over nine years (fiscal years 2013-2021).

Q3: Which Federal programs will be directly or indirectly affected if the automatic sequestration takes place?

A3: All Federal programs administered by the agency, except Child Nutrition, will be affected.

Q4: When does the Budget Control Act's deficit reduction sequestration take effect?

A4: The budget cut does not go into effect until January 2, 2013.

Q5: Will sequestration affect the 2012-2013 school year?

A5: No. The effect of sequestration will begin with funding for the 2013-2014 school year. However, districts that receive funding under the Impact Aid program could have reduced Impact Aid funds for the 2012-2013 school year.

Q6: What programs are exempt from sequestration?

A6: A preliminary list of exempt programs is available at http://www.law.cornell.edu/uscode/html/uscoded02/usc_sec_02_00000905----000-.html

Q7: How do we prepare for the impact of sequestration?

A7: Sequestration will affect funding at both State and local levels of education. Although education appropriations will decrease funding for schools and students across the country, the potential for sequestration should not upset planning and hiring decisions for districts until the FY 2014 school year. Districts and agencies will need to reevaluate their educational budgeting practices during this time and implement a leaner budget plan.

Q8: How much discretion does the President have concerning how sequestration is applied across agency budgets?

A8: The President does not have discretion to vary the size of the cut to agency budgets.

Q9: Is there a waiver for sequestration?

A9: There is no waiver of the deficit reduction sequester. The only option for changing sequestration is to enact legislation to amend the Budget Control Act of 2011.