



Local Impacts of Federal Sequestration

*Presentation to the Budget and Finance
Committee*

March 27, 2013



Agenda

- Sequester Overview
- Projected Impacts
- Uncertainties
- Questions



Overview of Sequestration

- In August 2011, majorities in both the House and Senate voted for the threat of sequestration – automatic across the board cuts – as a mechanism to force Congress to act on federal deficit reduction.
- On January 2, Congress reached a temporary deal that lessened cut rates in the current fiscal year and delayed sequestration to March 1.
- Congress failed to reach a deal by March 1, enacting sequestration effective immediately.
- Actual impacts remain uncertain, and final reduction values are unknown until Congress passes a budget.



Local Sequestration Impact: High Level Summary

Projected Impact of Sequestration	FY 2012-13		FY 2013-14	
Service Area	City	Non-City Agencies	City	Non-City Agencies
Family and Children's Services	\$ 0.1	\$ 0.8	\$ 0.2	\$ 4.9
Adult and Aging Services	\$ 1.1	\$ -	\$ 1.1	\$ -
Housing and Homelessness	\$ -	\$ 12.9	\$ 1.6	\$ 13.1
Public Health	\$ 7.1	\$ -	\$ 9.4	\$ -
Economic Development	\$ -	\$ -	\$ 0.5	\$ -
Public Safety	\$ 0.2	\$ -	\$ 0.5	\$ -
Energy and Environment	\$ -	\$ -	\$ 1.5	\$ -
Transportation	\$ 7.7	\$ -	\$ -	\$ -
National Parks	\$ -	\$ 1.4	\$ -	\$ 2.1
Former Military Bases	\$ -	\$ 4.8	\$ -	\$ 6.2
Total Projected Impact	\$ 16.1	\$ 20.0	\$ 14.9	\$ 26.2

**All figures in \$ millions*

Children, Youth, and Aging and Adult Services

Projected Impact of Federal Sequestration	FY 2012-13		FY 2013-14		Certainty of Cut
	City	Non-City Agencies	City	Non-City Agencies	
H.S.A. Family and Children's Services	90,000	840,000	160,000	1,670,000	●
SFUSD				3,180,000	●
Family and Children Total	90,000	840,000	160,000	4,850,000	
Office on Aging Services	1,050,000	-	1,130,000	-	●
Adult and Aging Services Total	1,050,000	-	1,130,000	-	

- confirmed cut timeline and amount
- strong indication of cut timeline and amount
- estimate of cut based on preliminary information

Housing and Homelessness

Projected Impact of Federal Sequestration	FY 2012-13		FY 2013-14		Certainty of Cut
Program	City	Non-City Agencies	City	Non-City Agencies	
Continuum of Care Grants	-	-	940,000	170,000	●
CDBG, HOPWA, HOME, and ESG Housing	-	-	700,000	-	●
San Francisco Housing Authority	-	12,930,000	-	12,930,000	●
Housing and Homelessness Total	-	12,930,000	1,640,000	13,100,000	



confirmed cut timeline and amount



strong indication of cut timeline and amount



estimate of cut based on preliminary information

Public Health

Projected Impact of Federal Sequestration	FY 2012-13		FY 2013-14		Certainty of Cut
Program	City	Non-City Agencies	City	Non-City Agencies	
Women, Infants, Children (WIC)	3,050,000	-	4,900,000	-	●
Public Health Outreach and Education	500,000	-	788,000	-	●
Substance Abuse and Mental Health	270,000	-	430,000	-	●
HIV/AIDS Services	1,300,000	-	1,300,000	-	●
Medicare	2,000,000	-	2,000,000	-	●
Public Health Total	7,120,000	-	9,418,000	-	



confirmed cut timeline and amount







strong indication of cut timeline and amount





estimate of cut based on preliminary information

Economic and Workforce Development

Projected Impact of Federal Sequestration	FY 2012-13		FY 2013-14		Certainty of Cut
	City	Non-City Agencies	City	Non-City Agencies	
Workforce Investment Act	-	-	530,000	-	
Economic Development Total	-	-	530,000	-	

-  *confirmed cut timeline and amount*
-  *strong indication of cut timeline and amount*
-  *estimate of cut based on preliminary information*

Public Safety

Projected Impact of Federal Sequestration	FY 2012-13		FY 2013-14		Certainty of Cut
	City	Non-City Agencies	City	Non-City Agencies	
Federal DOJ Grants	200,000	-	310,000	-	
Homeland Security & Emergency Management	-	-	200,000	-	
Public Safety Total	200,000	-	510,000	-	



confirmed cut timeline and amount





strong indication of cut timeline and amount



estimate of cut based on preliminary information

Energy, Environment & Transportation

Projected Impact of Federal Sequestration	FY 2012-13		FY 2013-14		Certainty of Cut
	City	Non-City Agencies	City	Non-City Agencies	
SFPUC Build America Bond Subsidies	-	-	1,500,000		
Central Subway FFGA Award	7,650,000	-	-	-	
Energy, Environment & Transportation Total	7,650,000	-	1,500,000	-	



confirmed cut timeline and amount



strong indication of cut timeline and amount



estimate of cut based on preliminary information

National Parks & Former Military Bases

Projected Impact of Federal Sequestration	FY 2012-13		FY 2013-14		Certainty of Cut
	City	Non-City Agencies	City	Non-City Agencies	
Golden Gate National Recreation Area	-	1,400,000	-	2,050,000	●
Hunters Point Shipyard and Treasure Island Clean Up	-	4,840,000	-	6,240,000	●
National Parks and Military Bases Total	-	6,240,000	-	8,290,000	

- *confirmed cut timeline and amount*
- *strong indication of cut timeline and amount*
- *estimate of cut based on preliminary information*



Other Areas of Impact

- FAA and TSA
 - Flight delays of up to 90 minutes
 - Longer wait times at security check points
- Fleet Week
 - \$64 million in estimated economic activity



Uncertainty Remains

- The timing and ultimate impact of the Federal Sequester remain uncertain.
- Potential additional impacts due to State implementation of cuts and decreased availability of federal grants.



Summary

- Current year projected impacts of \$16M to the City and \$20M to the community
- Budget year projected impacts of \$15M to the City and \$26M to the community
- Significant uncertainty remains as to timeline, cut levels, and what is eligible for sequestration



Questions?

Questions?