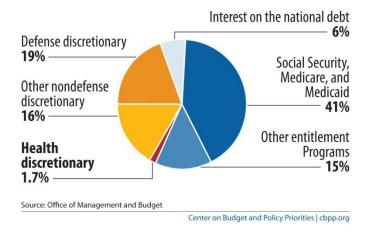
Non-defense Discretionary Programs and Sequester Frequently Asked Questions

Federal Spending, FY 2011



What is non-defense discretionary (NDD)?

Discretionary programs differ from "entitlement" programs that are funded automatically to meet the needs of all who qualify for them (e.g. Medicare, Medicaid). Discretionary programs are those that Congress funds annually through the appropriations process. Congress retains complete discretion, or choice, on whether, and at what level, to fund discretionary programs.

Nondefense discretionary or "NDD" programs are core functions government provides for the benefit of all, including medical and scientific research; education and job training; infrastructure; public safety and law enforcement; public health; weather monitoring and environmental protection; natural and cultural resources; housing and social services; and international relations. Every day these programs support economic growth and strengthen the safety and security of every American in every state and community across the nation.

What is the sequester?

The Budget Control Act of 2011 (P.L. 112-25) established caps on discretionary spending over 10 years, resulting in \$1 trillion in cuts spread across defense and NDD programs. The law also directed a congressional Joint Select Committee on Deficit Reduction to identify an additional \$1.2 trillion in budgetary savings over ten years. The failure of this bi-partisan "super

committee" to come to an agreement on a deficit reduction plan triggered a "sequester" to take effect on January 2, 2013.

To sequester means to set apart or to take something away until a debt has been repaid. In the context of funding federal programs, sequester means imminent, across-the-board cuts to most programs, both defense and nondefense—in addition to the \$1 trillion in cuts already sustained through the Budget Control Act's discretionary caps.

There are a few discretionary programs that are exempt from the sequester in the first year, such as Pell grants in the Department of Education. Some mandatory programs (e.g., Medicaid) are also exempt from the sequester.

How will the sequester impact nondefense discretionary programs?

In 2013, the sequester will mean an automatic 8.4 percent cut to program funding levels in 2013 for most NDD programs. These cuts will truly be across-the-board, with no departmental or agency control on how the sequester impacts individual programs.

Can Congress stop the sequester?

Congress can pass another law that supersedes the sequester laid out in the Budget Control Act. The House of Representatives has already passed a bill this year that exempts defense spending from the sequester. However, it is not clear whether the Senate will follow this course of action.

More information can be found:

Center for Budget and Policy Priorities

Coalition for Health Funding

House Budget Committee Republicans

House Budget Committee Democratic Staff