



Presentation to the House Interim Committee on Texas Response to Federal Sequestration

Potential Impact of Sequestration on the Texas Health and Human Services System

December 11, 2012

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HHS System Overview

Potential Impact to HHS Agencies *Based on Hypothetical 8% Reduction*

| Agency | Difference FY13 vs. FY12 | |
|--|---|--|
| | Estimated Fed Funds (\$ in millions) | Potential Change in Clients |
| Department of State Health Services (33 grants) | (\$86.4) | (279,519) |
| Department of Aging and Disability Services (9 grants) | (\$16.8) | (28,104) |
| Department of Assistive and Rehabilitative Services (4 grants) | (\$22.4) | (2,464) |
| Department of Family and Protective Services (10 grants) | (\$12.6) | (11,465) |
| Health and Human Services Commission (3 grants) | (\$3.5) | (6,364) |
| Total | (\$141.7) | (327,915) |

HHS System Overview

❖ **Potential programs subject to sequester include:**

- Approximate number of programs affected: 59
- Estimated decrease in fiscal year 2013 funding: \$142 million
- Potential number of clients impacted: 327,000

❖ **Programs *not* subject to sequester include:**

- Medicaid
- Children's Health Insurance Program (CHIP)
- Supplemental Nutrition Assistance Program (SNAP or food stamps)
- Temporary Assistance for Needy Families (TANF)
- Title IV-E Foster Care and Adoption Assistance

Key Considerations

Sequester is scheduled to occur on January 2, 2013.

- ❖ Final reduction percentages will not be calculated until January and depend on funding levels in place at that time.
- ❖ Currently, 2013 funding levels are allocated in the Continuing Resolution, which expires March 27, 2013.
- ❖ OMB has authority to apply exemptions and special rules.
- ❖ Federal agencies:
 - Have no discretion on what areas to cut - law requires the sequester percentage be applied to each program within each covered account.
 - May choose to absorb less of the program reduction and increase the reduction downstream to recipients like states.
 - May have discretion on the timing of the cut in grant awards.

HHS System Overview

Potentially Impacted Key Programs

Department of State Health Services

- ❖ Special Supplemental Nutrition Program (WIC)
- ❖ Substance Abuse and Mental Health Block Grants
- ❖ Public Health Emergency Preparedness
- ❖ HIV/AIDS Prevention and Services Programs

Department of Aging and Disability Services

- ❖ Special Programs for the Aging Title III Nutrition and Support Services
- ❖ Title XX Social Services Block Grant-Guardianship Services and Community Care Services
- ❖ Title XVIII State Survey and Certification

Department of Assistive and Rehabilitative Services

- ❖ Rehabilitation Services-Vocational Rehabilitation
- ❖ Special Education-Grants for Infants and Families-Early Childhood Intervention

Department of Family and Protective Services

- ❖ Title IV-B Parts 1 and 2-Child Welfare Services/Safe and Stable Families
- ❖ Child Care and Development Block Grant
- ❖ Title XX Social Services Block Grant-Adult Protective Services

Health and Human Services Commission

- ❖ Family Violence Prevention & Services