

Federal Sequester Impact on Washtenaw County Departments as of March 20, 2013

The information below provides a summary of the impact that sequestration will have on Washtenaw County departments and programs based on what is known at this time. Please note that any pass through federal funds from the State of Michigan will take additional time to be known as the State is currently in the process of reviewing the reductions as well.

Current Sequestration Reduction Schedule

If Sequestration continues as enacted, the planned annual cuts to federal funding levels are as follows:

Calendar Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
% Reduction, Compounding	5.1%	7.5%	7.2%	6.9%	6.7%	6.4%	6.1%	5.7%	5.4%

Head Start

The current Head Start grant (funded from 8/1/12 through 7/31/13) will be cut by 5%. Given the number of vacancies in the grant as it transitions away from Washtenaw County, the program should be able to absorb this decrease without requesting any GF assistance.

Sheriff

The Sheriff's Office is still waiting to find out what impact there will be from the Federal Sequester. However, sequestration will not affect current grant agreements or ones awarded in previous fiscal years. However, future grants may face funding reductions and application delays.

Emergency Management has received information from credible sources that there is a potential reduction of 5%, but there has been no official communication from the State Administrative Agency.

Prosecuting Attorney

The Prosecuting Attorney is waiting for official communication on the impact of the Federal sequester. The Domestic Violence grant is facing large cuts, but this notice was released prior to the sequester being implemented.

County MSU Extension

Current assumption has two parts:

- \$600,000 reduction in MSUE general federal funding.
 - Attempting to manage this by holding vacant positions to create cost savings.
 - Currently no positions in Washtenaw that this will impact.
- Along with the sequestered funds there was a federal shift of \$110 Million from the Farm Bill funding to other government programs.

- This shift created a reduction in funding from the Supplemental Nutrition Assistance Program (SNAP-Ed). This program provides nutrition education to low income families who receive food assistance. The result in this shift is a 28% reduction in funding for this program. Again, holding positions vacant and shifting the education model slightly should help to absorb these reductions with little or no impact on existing staff.
 - Currently one position in Washtenaw (not a Washtenaw employee) that will remain vacant until they know more. (Currently have 1.5 FTEs of program staff in Washtenaw for this program instead of 2.5 FTEs.)

Water Resources/ Public Works

Department does not know what, if any, impact this might have on future SRF loans, though none is expected against current loan commitments. These are loans received from the state for drain/lake improvement projects so any federal sequestration might limit ability to do larger projects but will not have a direct impact on general fund budget requirements.

CSTS/WCHO

Have not yet received any formal notification that they will experience mental health cuts. The areas that could potentially affect the people they serve and therefore CSTS, are:

- SSA cuts to oversight (could delay the only source of income for those served by CSTS)
- HUD rental assistance
- Cuts to state block grants and the PATH program
- Job search assistance

Public/ Environmental Health

Michigan Department of Community Health (MDCH) programs have been requested to submit a budget reflecting a 5.6% reduction. This document is due on 3/20. On 3/25, department will hear more of what this means at the local level. The following was tentatively shared at 3/14 meeting:

- WIC – the entire reduction is anticipated to be absorbed at the State level
- Emergency Preparedness – 5% reduction for our funding period 7/1 – 9/30
- Imms VFC – this is an entitlement program and will not be impacted
- Imms Action Plan – TBD
- Imms Vaccine Quality Assurance – TBD
- HIV / AIDS – TBD

Office of Community and Economic Development

The Office of Community and Economic Development has taken an extensive look into the impact of federal sequestration. Only two of OCED's formula grants are explicitly sequester-exempt: JET/PATH (~\$927K annual budget); Food Assistance Employment & Training (~\$84K annual budget). The attached Sequestration Schedule of Reductions and line graph display the anticipated impact. Taking into account the fact that the \$3 million Community Challenge Planning Grant is due to end in 2014, OCED stands to face a total reduction of an average of 6.3% of its budget annually from 2013 through 2021, and a total loss of revenue of \$7,159,332.82 in that timeframe.