2013 Sequestration

Agencies Reduced Some Services and Investments, While Taking Certain Actions to Mitigate Effects

HIGHLIGHTS FROM GAO-14-244

Across-the-board reductions, known as sequestration, cut federal agencies’ budgets by a total of $80.5 BILLION

DEFENSE

$38.9 Billion

NONDEFENSE

$24.6 Billion

Discretionary reduction

$11.3 Billion

Mandatory other than Medicare

$0.1 Billion

Medicare reduction

The 23 federal agencies GAO reviewed took a range of personnel and non-personnel actions to implement reductions:

**Personnel-related Actions**
- Canceled or limited monetary awards (20 agencies)
- Reduced employee travel (20 agencies)
- Reduced employee training (19 agencies)
- Curtailed external hiring (19 agencies)
- Reduced overtime (15 agencies)
- Curtailed internal hiring (14 agencies)
- Offered voluntary early retirement and voluntary separation incentive pay (buyouts) to employees (9 agencies)
- Furloughed employees (7 agencies)

**Non-personnel Actions**
- Rescoped contracts for:
  - Program management or support services (19 agencies)
  - Information technology (18 agencies)
  - Facilities and building services (15 agencies)
  - Hardware procurement (14 agencies)
- Rescoped or delayed:
  - Other contracts (16 agencies)
  - Planned maintenance or repairs (15 agencies)
  - New grants (13 agencies)
- Core function-related activities (12 agencies)
- Canceled:
  - Grants/other core function-related activities (16 agencies)
  - Contracts related to core functions (4 agencies)

Federal agencies and Congress took action to mitigate the effects:

- Agencies transferred or reprogrammed funds to higher priority activities
- Agencies used prior year unobligated balances to offset reductions
- Congress enacted funding increases after sequestration that helped mitigate its effects for some select programs

These actions affected agency operations and services to the public, for example:

- **Department of Defense**: Furloughed more than 640,500 employees (most civilian employees) for 6 days
- **Department of Labor**: Nearly 11 percent reduction in Emergency Unemployment Compensation benefits for long-term unemployed workers on average for the remainder of fiscal year 2013
- **Department of Housing and Urban Development**: An estimated 42,000 fewer very low-income households received rental assistance vouchers at the end of calendar year 2013 than at the end of calendar year 2012 (a 2.2 percent decline) primarily due to sequestration
- **Department of Justice**: More than 1,600 fewer criminal and civil cases filed by the U.S. Attorneys’ Offices compared to fiscal year 2012 due to staffing reductions (a 1 percent reduction)
- **Environmental Protection Agency**: Conducted an estimated 1,000 fewer annual inspections for compliance with environmental laws (out of about 20,000 historically per year)

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