



Summary of Fiscal Cliff Deal and Impact on Public Health

In the wee hours of the morning on Jan. 1, 2013, the U.S. Senate passed a bill that averts the “fiscal cliff” by a [vote of 89-8](#). The U.S. House of Representatives passed an identical bill late that evening by a [vote of 257-167](#). The bill, “[The American Taxpayer Relief Act of 2012](#),” has now been sent to the president’s desk for his expected signature. Linked is the [White House summary](#), as well as the [Congressional Budget Office scoring summary](#).

The vast majority of the bill addresses federal tax law and policy. Most important for public health programs, the bill delays federal sequestration until March 1, 2013 (with implementation to potentially begin March 27, 2013) and lowers the nonsecurity discretionary budget funding caps put forward in the Budget Control Act by \$2 billion in fiscal year (FY) 2013 and \$4 billion in FY 2014. *[Note: “security” spending is equally reduced.]* Other provisions that may be of interest to public health include an extension of unemployment insurance for one year; a one-year fix to the Medicare sustainable growth rate, also known as the “doc fix,” without any Affordable Care Act offsets; and a one-year extension of the Farm Bill.

Lowering the budget caps for FY 2013 and 2014 will mean federal discretionary funding cuts over the next two years. How these reductions will be applied to public health cannot be known at this time.

The federal government is operating under a continuing resolution through March 27, 2013; this deal does not change that. The final FY 2013 appropriations bills are not completed, and it is uncertain, given this agreement, if Congress will be moving forward with an omnibus appropriations package for the year or extending funding through a full-year continuing resolution.

And finally, delaying the sequester until March does give Congress and the White House more time to come to an agreement on overall federal spending reductions, but still poses a significant risk to all funding, including for public health programs.

ASTHO Federal Government Relations staff will continue to analyze the legislation to better understand its impact on federal public health programs. How the bill will be implemented by the legislative and executive branches of government is unclear at this point in time. If you need additional information or have any questions please do not hesitate to contact [Nicole Kunko](#) or [Chris Gould](#).