



THE DEPUTY SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

March 5, 2013

The Honorable Nikki Haley
Governor of South Carolina
Columbia, SC 29211

Dear Governor Haley:

As you are likely aware, due to the failure of Congress to reach a deal on balanced deficit reduction to avoid sequestration, a series of spending cuts called sequestration will cancel approximately \$85 billion in budgetary resources across the federal government for the remainder of the federal fiscal year. This action will result in sizable reductions in the amount of funding for health and human services provided directly to South Carolina and to its various localities and service providers. I am writing to notify you of some of the key investments that will be affected in your state.

In the context of sequestration, an estimated 900 children in your state are expected to lose access to Head Start and Early Head Start services as a result of a reduction of \$5 million in funding. The funding reduction could disrupt services for children and families, as some Head Start centers would need to close their classrooms early this school year or reopen their programs late in the fall. Programs may have to cut services, staff, and classrooms of the current school year in order to operate under the reduced funding level. This impact would be felt by community and faith-based organizations, small businesses, local governments, and school systems forced to lay off teachers, teacher assistants, and other staff.

Most of the programs through which the Department provides direct funding to your state will be reduced by about five percent under sequestration. The following represent a small sample of estimated reductions within your state:

Social Services Block Grant:	\$1.3 million less funding
Senior Nutrition Programs:	\$791,000 less funding
Maternal and Child Health Block Grant:	\$577,000 less funding
Substance Abuse Prevention/Treatment:	\$1 million less funding

While these reductions are unfortunate and will be damaging, the Department is doing everything within our power to protect our mission to the greatest extent possible. Accordingly, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent action that changes the level of these reductions, we are committed to working closely with you to manage those changes. Thank you for your continued partnership and for your cooperation as we work together to manage these unfortunate circumstances.

Sincerely,

William V. Corr