



U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

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## Top Reasons to Oppose Republican Budget

**Reduces Jobs and Harms Economic Growth.** Putting Americans back to work is the fastest and most effective way to reduce the short-term deficit – but the Republican budget turns its back on American workers.

- **Hurts Jobs This Year** – The Republican budget does nothing to replace the sequester with a more thoughtful deficit-reduction plan. Consequently, the budget will do nothing to prevent the loss of 750,000 jobs that the Congressional Budget Office estimates will result from allowing this year's sequester to move forward.
- **Hurts Jobs Next Year** – According to estimates by the Economic Policy Institute, the House Republican budget would cost 2 million jobs in 2014.

### **Gives Windfall Tax Breaks to the Wealthy.**

- **Tax Breaks for the Wealthy, Tax Increases for Everyone Else** – The budget aims to lower the top individual and corporate tax rates to 25 percent, at a cost of nearly \$6 trillion, which Republicans say they will pay for by closing unspecified loopholes. Republicans would use all savings from closing tax loopholes to lower tax rates, particularly for businesses and higher-income individuals – at the expense of middle-income taxpayers, who will pay an average of \$3,000 more per family.
- **Not a Dime of Loophole Closures for Deficit Reduction** – The budget fails to reduce the deficit by one dime by closing even one special interest tax break, like those for big oil companies, corporate jets, and overseas tax havens.

**Slashes Critical Investments in Our Future.** The budget's cuts to investments in areas such as education, transportation, research and development, and energy will weaken the middle class and U.S. economic competitiveness. These cuts will force our businesses to work with a less skilled workforce, an outdated transportation network, and reduced technological innovation.

- **Slashes Education Funding** – The Republican budget eliminates the entire mandatory Pell Grant program, a cut of \$98 billion over the next ten years. It also lets student loan rates double in July, from 3.4 percent to 6.8 percent, and cuts student loan funding by more than \$50 billion over ten years.
- **Erodes Transportation Funding** – The budget cuts key transportation investments by more than 20 percent.

- **Eviscerates Broad Array of Important Investments** – Non-defense discretionary spending – the part of the budget that goes to fund the National Institutes of Health, air traffic controllers, food safety inspectors, Head Start, national parks – is cut by more than twice as much as it would be cut if the sequester went into effect and stayed in effect for ten years. In 2014, that means \$55 billion in additional cuts below the sequester level.
- **Neglects R&D and Clean Energy** – The Republican budget cuts investments in research and development and clean energy. It guts investments in clean energy while ignoring the tax breaks big oil companies have benefited from for decades, even as their profits pushed \$1 trillion over the last ten years. Federal funding for research and development strengthens American manufacturing, supports clean energy technologies that lack private sector investment, and bolsters our nation’s international competitiveness.

**Breaks Promises to Seniors and Puts Vulnerable Populations At Risk.** The GOP budget makes major cuts affecting health care and nutrition assistance for seniors, individuals with disabilities, and children and families struggling to get by.

- **Slashes Medicaid** – The budget jeopardizes the health and financial security of the 62 million seniors, disabled individuals, and working families who rely on Medicaid. The budget’s Medicaid “block-grant” plan simply means slashing \$810 billion from federal Medicaid spending over ten years, and by nearly one-third in 2023 alone, and leaving it to states to decide what to do next. Block-granting Medicaid will strain state budgets and lead many states to end care to millions of seniors and disabled individuals, who account for about two-thirds of program spending.
- **Ends the Medicare Guarantee** – Over the long term, this budget ends the Medicare guarantee on which seniors depend and replaces it with a voucher for the purchase of insurance that is not guaranteed to keep pace with health care costs over time, thereby shifting the risk of rising costs onto seniors and disabled individuals. The policy in the budget affects everyone who qualifies for Medicare in 2024 or later.
- **Increases Costs for Today’s Seniors** – The budget eliminates all of the benefits of the Affordable Care Act for seniors: it reopens the Medicare prescription drug coverage gap, or “donut-hole,” and it increases costs to seniors for preventive care services. Reopening the donut hole alone will increase costs for Medicare beneficiaries with high prescription drug costs by an average of over \$13,000 from now through 2022.
- **Drastically Cuts Nutrition Assistance** – The Republican budget drastically reduces the Supplemental Nutrition Assistance Program (SNAP, formerly called “food stamps”). SNAP currently serves 48 million people, nearly three-quarters of whom are in families with children. The only ways to reduce SNAP costs significantly are to throw people off the rolls or reduce the allotment per person, making it virtually impossible for economically struggling families to afford a nutritionally sound diet.
- **Puts Insurance Companies Back in Charge** – The budget again assumes repeal of the Affordable Care Act’s coverage expansions and patient protections. This means 27 million Americans will lose access to affordable health insurance, and insurers can once again do things like deny coverage for pre-existing conditions.