



April 8, 2014

Top Reasons to Oppose the House Republican Budget

1. Undermines Job Creation and Dismantles the Ladder of Opportunity

- **Budget leads to job loss** – The spending cuts assumed in the budget would shrink the economy and cost jobs in the early years of the resolution, according to estimates from the Congressional Budget Office.
- **Guts critical investments** – The Republican budget undermines America’s global economic competitiveness and harms job creation by gutting the category of federal funding that includes investments in education, infrastructure, scientific research, public health, advanced manufacturing, and public safety. The budget cuts non-defense discretionary funding for 2016 by more than 15 percent below the level the President has called, but the cut deepens over time: over 2016-2024, it cuts \$1.3 trillion, or 24 percent, below the amount needed to maintain 2014 funding levels adjusted for inflation. The cut in the year 2024 is a full 30 percent. As a share of the economy, this budget reduces spending on these investments to a level almost 40 percent lower than at any time in the last 50 years.
 - **Scientific Research and Development** – The Republican budget's 15-percent cut to 2016 non-defense funding, if applied on a proportional basis today, would mean:
 - **The National Institutes of Health** could be forced to reduce the number of new grants awarded by about 1,400, slowing research that could lead to new treatments for diseases like Alzheimer's disease and diabetes.
 - **The National Science Foundation** could be forced to issue thousands fewer research awards, affecting tens of thousands of researchers, students, and technicians.
 - **Slashes education** – If the 24 percent cut to non-defense discretionary funding over the decade was applied proportionally to all programs, it would cut K-12 education by \$89 billion and would contribute to a cut of over \$260 billion to higher education current policy – including \$48 billion cut from mandatory student loans – making college much less affordable.
- **Cuts transportation** – Cuts \$52 billion in transportation investments in 2015.
- **Rejects jobs and economic benefits of bipartisan immigration reform** – which would boost the economy and reduce the deficit by \$900 billion over the next two decades.
- **Rejects extending Emergency Unemployment Compensation** – costing 200,000 jobs this year.
- **Fails to increase the minimum wage** – even as inflation continues to reduce its value to the millions of Americans who rely on minimum-wage jobs to feed their families.
- **Fails veterans** — The budget excludes extending advance appropriations to all discretionary programs administered by VA leaving, critical veterans’ programs vulnerable to a government shutdown. It cuts veterans funding for 2016 by \$1.7 billion below the President’s requested level, and rejects the President’s Veterans Job Corps proposal to help unemployed veterans.

(continued on reverse)

2. **Worsens Inequality and Punishes People Struggling with Poverty**

- **Increases hunger** – Cuts food assistance by \$137 billion over ten years.
- **Decimates Medicaid** – The Republican block-grant plan slashes \$732 billion from the base Medicaid program over the next decade (in addition to repealing the Affordable Care Act expansion) – amounting to a cut of 10 percent in 2016, rising to more than one-quarter in 2024. Up to a third of Medicaid enrollees could lose coverage under this plan.
- **Raises middle-class taxes to cut tax rates for the wealthy** – The Republican budget raises taxes on middle-class families with children by an average of at least \$2,000 in order to cut tax rates by one-third for households with incomes over \$1 million.
- **Rejects oversight of large financial institutions** – The budget cuts funding for mission-critical work at the Securities and Exchange Commission, the Commodity Futures Trading Commission, and wants to dismantle the Consumer Financial Protection Bureau. It would also repeal provisions allowing regulators to intervene earlier in a large troubled financial institution, making future bailouts of such banks more likely.

3. **Breaks Promises to Seniors**

- **Increases seniors' costs for prescription drugs and preventive care** – By repealing the Affordable Care Act, the budget increases seniors' prescription drug costs by re-opening the Medicare Part D coverage gap. It also means seniors will pay more for crucial preventive health services that they can now get with no cost-sharing.
- **Ends Medicare as we know it, converting it to a voucher system** – Everyone entering Medicare in 2024 or later will get a voucher to help pay premiums for either a private health plan or traditional Medicare. Under this plan, average premiums charged for traditional Medicare will be 50 percent higher than current law, and skyrocketing costs will destabilize the program. The budget also assumes that per-beneficiary spending grows at a capped rate below the expected growth rate in health care costs, breaking the guarantee that a senior's Medicare benefit will keep pace with costs over time.
- **Raises Medicare eligibility age to 67** – The budget gradually increases the Medicare eligibility age starting in 2024, but repeals the Affordable Care Act, so that there would be no affordable coverage options for seniors without employer-sponsored coverage.
- **Puts seniors who rely on Medicaid at risk** – One in five Medicare beneficiaries gets help from Medicaid for out-of-pocket expenses or long-term care costs. Senior citizens and persons with disabilities would be at particular risk under the block-granting plan because they account for two-thirds of the spending in the base Medicaid program.

4. **Throws Americans Back On the Mercy of Insurance Companies** – By repealing the Affordable Care Act, the budget kicks millions of Americans off their health insurance plans and reverts to a time when insurers could kick sick people out of plans, make huge profits off of healthy customers, and charge women more than men for the same coverage.

5. **Uses Sham Accounting to Claim “Balance” by 2024** – If Republicans repeal all of the Affordable Care Act, their budget does not balance, because it includes all of the roughly \$2 trillion worth of the law's Medicare savings and its revenues. If this budget truly reflected full repeal, it would fall **several hundred billion dollars short of reaching balance in 2024.**