



U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

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## Top Reasons to Oppose the Republican Budget

**Ends the Medicare Guarantee.** The Republican budget ends the Medicare guarantee, giving seniors a voucher with an artificial price cap to purchase insurance and leaving it up to them to figure out how to keep their costs down as the value of their voucher fails to keep pace with projected growth in health care costs. This plan will raise health care costs for seniors and leave traditional Medicare to “wither on the vine.”

**Reopens the Medicare “Donut Hole” and Increases Costs of Preventive Care Services.** The budget takes away important Medicare improvements for seniors and persons with disabilities by repealing key provisions of the Affordable Care Act. The budget reduces the prescription drug benefit by re-opening the 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 over \$10,000 over the next ten years.

**Abandons American Workers.** Putting Americans back to work is the fastest and most effective way to reduce the short-term deficit – in fact, the Congressional Budget Office estimates that slow growth and under-employment account for over one-third of the projected deficit for 2012. But the Republican budget turns its back on American workers, ignoring the President’s proposals for new jobs for teachers, first responders, construction workers, and veterans involved in building a better infrastructure that will boost our economy now and in the future. Independent analysts have found that the Republican budget could lead to the loss of more than 2 million jobs over two years.

- **Transportation Jobs** – Instead of investing in infrastructure, the Republican budget reduces transportation spending by at least one-quarter over 10 years. Next year, transportation spending would be barely one-half of this year’s level, a steep cut that could delay or stop projects already underway. A failure to invest in transportation will also hurt businesses’ ability to transport goods and supplies in the long run, weakening future economic growth.
- **Tax Breaks for Outsourcing jobs** – The Republican budget boosts tax incentives that encourage multinational companies to ship profits, intellectual property, and thousands of jobs overseas while costing the American economy billions of dollars.

**Makes College More Expensive, Undermining U.S. Competitiveness.** The budget eviscerates funding for higher education, eliminating the \$104 billion that Congress has already enacted to help sustain the maximum Pell grant award and to provide for yearly inflationary increases. It adds an average of \$2,800 in higher loan repayment costs to more than 7 million low- and moderate-income college students by letting the interest rate on subsidized student loans double, from 3.4 percent to 6.8 percent. It also eliminates \$47 billion for lower-cost loans for low-income students as well as repayment plans enacted and paid for by previous Democratic Congresses. It even rejects the President's proposal to extend a \$2,500 tax cut to working families to help cover the costs of college, refusing to extend the American Opportunity Tax Credit beyond December. Overall, mandatory higher education funding is cut by \$166 billion over ten years versus current law levels, and by \$285 billion below the President's request.

**Slashes the Social Safety Net.** The Republican budget shreds the social safety net for seniors, low-income children, persons with disabilities, and families struggling to get by in a challenging economy, all while cutting taxes for the very wealthy.

- ***Slashes Medicaid for Seniors and Low-Income Families*** – The budget slashes Medicaid by \$810 billion and converts it into a block grant to states. “Block-granting” Medicaid is not entitlement reform, it is entitlement destruction. This is simply code for deep, arbitrary cuts in support to the most vulnerable seniors, individuals with disabilities, and low-income children.
- ***Block-grants and Cuts Supplemental Nutrition Assistance (SNAP)*** – The budget slashes SNAP funding by \$133.5 billion over ten years, harming the millions who rely on this aid to feed their families. Nearly three-quarters of people served by SNAP are in families with children, and one-quarter are in households with someone who is elderly or disabled.

**Abandons Fairness.** The budget provides tax breaks for the wealthy and special interests at the expense of everyone else. Republicans' refusal to ask millionaires to pay one more penny in taxes leads them to place the entire burden of reducing deficits and debt on the shoulders of middle-income families and seniors. This budget dismantles the Medicare guarantee, cuts back on nutritional assistance for low-income children and families, and severely underfunds the crucial health care safety net for more than 56 million Americans provided by Medicaid. At the same time, it showers an additional \$4.6 trillion in tax cuts (over and above extending all of the Bush-era tax cuts) that primarily benefit the wealthy. Overall, millionaires can expect an average tax cut of \$394,000 in this budget, which includes \$129,000 just from extending all of the Bush-era tax cuts.