



U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

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## **GOP Budget Rigs the Game for Powerful Special Interests While Cutting Jobs and Dismantling Opportunity for Everyone Else**

The reckless Republican budget casts a dark shadow over the American Dream. It is a direct attack on job creation and condemns America to economic decline, by providing perverse tax incentives to ship American jobs overseas while shortchanging investments in jobs here at home. This budget violates our commitments to seniors, punishes Americans struggling to stay afloat economically, and steepens inequality by protecting wealthy special interests as it takes resources away from everyone else. It raises taxes on middle-class families with children by an average of at least \$2,000 in order to cut tax rates for households with incomes over \$1 million. This budget is the Republican declaration of class warfare. It violates the fundamental promise that every hard-working American should have a fair shot at success. And its claim of reaching “balance” is a sham.

### **UNDERMINES JOB CREATION AND DISMANTLES THE LADDER OF OPPORTUNITY**

- The Republican budget guts the category of federal funding that includes investments critical for economic growth and job creation, including education, workforce training, scientific research, public health, clean energy, advanced manufacturing, and public safety. It does so by cutting non-defense discretionary funding for 2016 through 2024 by \$791 billion below the already-inadequate Budget Control Act post-sequester funding caps, and by \$1 trillion below the President’s budget. These cuts harm America’s global economic competitiveness.
- The budget slashes transportation investment provided for 2015 by \$52 billion, walks away from America’s commitment to scientific research, and puts college out of reach of millions of students.
- Over two million unemployed workers have been left in the lurch already by the GOP’s refusal to extend emergency unemployment benefits. The budget continues this refusal, which will not only hurt affected workers and their families but also cost 200,000 jobs this year.
- The budget rejects one measure that could immediately unleash more economic growth – comprehensive immigration reform. In doing so, the budget squanders \$900 billion in potential deficit reduction that nonpartisan experts estimate comprehensive reform would generate.
- The budget 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. And it supports tax breaks that do nothing but ship jobs overseas. Taken as a whole, the budget pursues misguided austerity policies that limit the recovery and job growth.

### **WORSENS INEQUALITY AND PUNISHES PEOPLE STRUGGLING WITH POVERTY**

- The budget punishes people with the least power in Washington in order to coddle those with the most. It refuses even one penny of deficit reduction from closing special-interest breaks like those for corporate jets, big oil, and overseas tax havens.

- Instead, it makes massive cuts to nutrition, health care, and other critical supports that give low-income children and families a chance at a decent life. Slashing the safety does not create jobs. All it does is put seniors, persons with disabilities, and poor children at greater risk of hardship.

## **BREAKS PROMISES TO SENIORS**

- The budget increases seniors' prescription drug costs by re-opening the Medicare coverage gap, or "donut hole," making seniors with high drug costs pay an average of nearly \$12,000 more over the period 2015-2022. It also makes seniors pay more for crucial preventive health services.
- The budget ends the Medicare guarantee. Based on the most recent specifications, it would increase seniors' costs by 11 percent up front and shift more of the risk of health cost growth to them over time. Seniors wanting to choose traditional Medicare could see their premiums rise by as much as an average of 56 percent. People with Medicare have a median income of \$23,500.
- The GOP budget cuts \$732 billion from Medicaid (in addition to repealing the Affordable Care Act expansion) – the cut is 10 percent in 2016, rising to more than one-quarter in 2024. Two-thirds of Medicaid spending goes to seniors and individuals with disabilities. One in five Medicare beneficiaries also relies on Medicaid.
- It uses \$140 billion in across-the-board cuts to Medicare service providers, instead of replacing these harmful cuts with wiser deficit-reduction policies.

## **USES SHAM ACCOUNTING TO REACH SO-CALLED "BALANCE" BY 2024**

- It is a total fraud for House Republicans to say at the same time that they are both repealing the Affordable Care Act and balancing the budget in ten years. This budget includes all of the law's Medicare savings – \$716 billion worth – and it keeps \$1 trillion in revenues from health reform. It only repeals the parts of the law that provide access to quality, affordable health coverage, strengthen patient rights, and improve Medicare benefits. Republicans have voted 50+ times to repeal or undermine the Affordable Care Act. But if this budget actually reflected full repeal, it would fall short of reaching balance in 2024 by several hundred billion dollars.
- The budget's claimed \$5 billion surplus in 2024 relies on \$74 billion in savings from "dynamic scoring."
- The Budget Control Act sets strict funding caps for defense and non-defense appropriations. Last year's GOP budget reduced non-defense funding below these caps to beef up defense. The House Appropriations Committee chairman last year called the caps "unrealistic and ill-conceived," and the government later shut down because Congress could not pass funding bills that would expose in detail how harmful these funding caps really were. Yet this new budget pretends that gutting funding for important services like Head Start and food safety inspectors won't do serious harm to the country. Republicans are setting America up for another government shutdown in 2016.

This Republican budget illustrates a deeply flawed, pessimistic vision of America's future. There is no rationale for continuing to shovel special-interest tax breaks and other goodies to a very narrow slice of extremely well-off Americans, while leaving millions of average American workers, seniors, and children worse off. This budget walks away from the investments and supports that made this country strong and that are necessary to ensure broad-based economic prosperity now and for future generations. It is a recipe for American decline. We can do so much better than this.