

# ISSUE ADVISORY: GOP Budgets Whack Social Programs, Increase DOD Funding, Provide No New Revenues

March 30, 2015

The Republican-led Congress this past week adopted one of the most mean-spirited and irresponsible **Budget Resolutions (H. Con. Res. 27/S. Con. Res. 11)** ever! The budget plan is radically right-wing with deep cuts in human needs programs, increases for the Department of Defense, and protection of favorable tax policies for the wealthy and large corporations. Predictably, there are no provisions that significantly increase revenues to the federal government. Republicans have solid majorities in both the House and Senate, controlling enough votes to defeat Democratic amendments and to pass their Budget Resolutions.

The Budgets Resolutions are blueprints, in effect, for the appropriations committees who then prepare detailed spending bills that are then considered and voted upon. This FY 2016 budget measure also provides an outline for federal spending for 2017 through 2025. In the House, only Republicans voted for their resolution, but 17 Republicans joined 182 Democrats to oppose. The Senate vote was along party-lines, 52-46, with Sen. Ted Cruz (oddly) voting to oppose the budget measure. The Senate Democrats' effort to pass an alternative budget, offered by Sen. Ben Cardin (D-Md.) was turned away (47-51). House Democrats and the Congressional Progressive Caucus also alternatives budgets, both of which were defeated.

The **House Budget Resolution** cuts \$5.5 trillion in federal spending over nine years (2016 – 2024) in order to 'balance the budget'; the **Senate** eliminates as much but takes ten years to do that. No additional revenue is anticipated over that ten year timeline; the cuts are piled on top of the already damaging sequester which has been in place since 2010. The result is a catastrophic impact on a wide range of human needs programs.

The House version takes \$2 trillion from repeal of **health reform coverage expansion**; \$900 billion from **Medicaid**; \$1.1 trillion from other mandatory programs with amounts not specified, \$800 billion from non-defense discretionary funding and \$100 billion from **Medicare** (that's funded by your Payroll Tax , btw). The plan adds \$400 billion to an already bloated **Defense** budget. No new revenues are proposed.

To further underscore how bad the GOP budgets are: there are no plans to trim the more than \$1 trillion a year in **deductions, exclusions, credits and other preferences in the tax code** that primarily benefit the top fifth of households. Even conservative economists like Alan Greenspan and Martin Feldstein call those "wasteful government spending."

Both House and Senate versions repeal the **Affordable Care Act (ACA)** (saw that one coming, didn't we?) which currently provides health insurance coverage for 16.4 million people and changes the **Medicaid** program to a block grant program by, merging (effectively eliminating) it with the **Child Health Insurance Program (CHIP)**, while cutting both by \$400 billion (reducing by a third!) over the next ten years. Medicaid is the largest health care program providing reproductive health care services for millions of low-income women. Block granting programs is a sure path to reduce funding for programs and eventually kill them off. The proposals cap Medicaid funding for pregnant women, parents, children, and those who need long term services and supports, including nursing home care, according to an analysis by Families USA. About \$1 trillion produced by these cuts are proposed to be used to balance the budget (on paper, that is).

Of programs benefitting the lowest income folks, the budget carves out \$660 billion over ten years (Senate), taking money from **SNAP** (food stamps), child nutrition programs, school lunch, **Supplemental Security Income** for the elderly and disabled poor, **the Earned Income Tax Credit** and the low-income part of the EI tax credit and cuts federal funding for (frequently under-funded) **unemployment insurance** programs. **Pell Grants** for low-income college students are targeted for reduction as well.

**Social Security** is targeted, with \$1.1 trillion in cuts (House version) and the Senate proposes a slightly larger cut. The GOP Budget Resolutions include misleading statements about the Social Security program and its relationship to the federal budget, suggesting the benefit cuts are needed to reduce the federal deficit. Social Security, financed out of a separate and dedicated Trust Fund, has nothing to do with the deficit or with the federal budget, in general. Simultaneously, Republican opponents of Social Security and a number of conservative Democrats, like Sen. Mark Warner (Va.), are proposing a mini-**Bowles-Simpson Commission** which would make recommendations on how to trim benefits under this enormously popular and necessary retirement, disability and survivor social insurance program. One can expect that the much discredited idea of converting Social Security **to private individual investment accounts** in the undependable and volatile stock market will be re-introduced. **NOW plans to fight that.**

With a \$5.5 trillion reduction in federal spending for discretionary (non-defense) there will be less of everything – less funding for transportation, basic scientific and medical research, education plus early intervention programs for children, employment and job training, and all other areas of important government investment in keep the public safe, healthy, educated and employed. These severe reductions in government spending will likely stop economic recovery, halt growth, throw people out of work and intensify our already high levels of poverty. A general economic meltdown similar to the one experienced in 2007-2009 could well ensue.

For more detailed analyses, follow this links to the Center on Budget and Policy Priorities, <http://www.cbpp.org/cms/index.cfm?fa=view&id=5289>

**Gutting the Affordable Care Act (ACA)** – Other bills that Republicans are advancing propose to replace the ACA with a series of new policies that will eliminate the ACA’s health insurance exchanges, repeal the employer mandate (you’d be on your own), eliminate the guarantee of comprehensive benefits (many of which help women in particular), decrease and eliminate subsidies and weaken health insurance standards (such as allowing companies to sell across states lines that could result in lower quality plans, reduction of benefit protections and premium rate protections (i.e., increase premium rates). Needless to say, millions of low- and moderate-income people would lose the health insurance coverage that they have just recently been able to afford.

### **Democrats, Progressives Fight Back Against GOP Budget Proposals**

**Sen. Bernie Sanders** (I-Vt.), ranking member of the Senate Budget Committee, said of GOP Budget Resolutions “It is a budget proposal that must be defeated. At a time when so many people are struggling and we have grotesque levels of wealth inequality, this budget cuts nutrition programs for kids, Medicare for seniors and education opportunities for young people.” The budget plans offer huge tax breaks to the rich and large corporations...I will be offering a strong series of amendments in committee and on the Senate floor to change these disastrous proposals.”

During the Senate Budget Committee hearings recently, Democratic members said that they “intend to offer amendments spelling out their priorities, including providing jobs by rebuilding road, bridges and other infrastructure projects, raising the minimum wage, improving overtime pay, addressing pay equity for women workers, preventing cuts to Social Security and Medicare, making college education affordable and reforming the tax system.”

The House also voted down an amendment which contained the Congressional Progressive Caucus alternative to the damaging Republican budget proposal, *The People’s Budget: A Raise for America for America*, <http://cpc.grijalva.house.gov/hot-topics/congressional-progressive-caucus-unveils-the-peoples-budget-a-raise-for-america1/>

**Caucus Co-chair Rep. Raul Grijalva** notes, “*The People’s Budget* creates good paying jobs by addressing our nation’s biggest challenges head-on, from rebuilding crumbling roads to updating antiquated energy infrastructure. It’s a down payment on the continual effort to improve the quality of life for all Americans by raising wages, restoring and enhancing vital programs like SNAP and emergency unemployment compensation, and making bold new investments like debt-free college for all, which will increase our global competitiveness and ensure every student has a fair shot at achieving their dreams.”

### **A Positive Note: Democrats Support Social Security Expansion, Equal Access to Benefits**

An amendment offered by **Sen. Elizabeth Warren** (D-Mass.) offered during the Senate budget debate called for **expanding Social Security**. Even though the amendment was

defeated (42-56), 42 Democrats are now on record supporting that policy; NOW took a leadership role in recent years advocating for better benefits under Social Security, especially for women. Initially, few allies and members of Congress were ready embrace that initiative, but gradually our allied organizations and now nearly all Democratic senators are on board!

Two other Social Security-related amendments were offered: **Sen. Ron Wyden** (D-Ore.) calls for **no cuts** to Social Security (passed with a handful of Republican votes at 51 in support) and **Sen. Bryan Schatz** (D- Hawaii) offered an amendment that asked for **legally-married same sex couples to be provided equal access to benefits** under Social Security. The Schatz amendment passed with even more Republicans in support at 57.

There were other surprises among the votes for more than 100 amendments to the Budget Resolution that came up during what is called the Vote-A-Rama. These include approval (61-39) for a measure offered by **Sen. Patty Murray** (D-Wash.) that establishes a “deficit neutral reserve fund for legislation to allow Americans to **earn paid sick time**. Sen. Deb Fischer (R-Neb.) offered an amendment “to establish a deficit-neutral reserve fund relating to promoting **equal pay**, which may include preventing discrimination on the basis of sex and preventing retaliation against employees for seeking or discussing wage information.” It was agreed to by a vote of 56-43. The Fischer amendment followed a rejection (45-54) of Sen. Mikulski’s amendment to advance what was essentially the **Paycheck Fairness Act**.

This tactic of defeating the Democrats’ equal pay measure and advancing one from the Republicans is part of the pre-2016 presidential campaign messaging that we will continue to see in the coming months. The more than 100 dueling amendments in the budget debate covered everything from climate change, to campaign finance limitations, to tax reform and, more than anything else, served to stake out where parties’ stand.