



U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON THE BUDGET

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Top Reasons to Oppose the House Republican “Work Harder, Get Less” Budget Makes Life Harder for Americans Today

- **Hurts families by green-lighting tax increases for the middle class to pay for tax cuts for millionaires and billionaires** – Greenlights passage of the Romney-Ryan tax plan that would slash taxes for the wealthiest taxpayers on the backs of the middle class, increasing taxes on a typical working family by \$2,000.
- **Raises taxes on American workers and families** – Rejects improvements to the Earned Income Tax Credit (EITC) and the Child Tax Credit, while refusing to take the broadly bipartisan step of increasing the EITC for working adults without children.
- **Hurts students by cutting college aid** – Puts college out of reach for millions by slashing student grant aid -- freezing the maximum Pell grant and eliminating Pell grant increases -- in addition to cutting student loan benefits and letting the American Opportunity Tax Credit expire. It cuts current policy support for higher education by more than \$220 billion.
- **Takes away health insurance from more than 16 million people** – Repeals the Affordable Care Act (ACA) without laying out a coherent alternative, despite abundant evidence that the ACA is working to expand access to quality, affordable health care and dramatically slow down growth in health costs.
- **Hurts veterans by cutting funding below President’s request** – Cuts veterans’ funding below the President’s request by \$1.9 billion for 2016 and by \$19 billion over ten years, making it more difficult for the Department of Veterans Affairs to provide timely access to quality health care and other benefits and services.
- **Hurts current retirees** – Increases costs to current seniors by repealing Medicare benefit improvements in the ACA. Since the ACA was enacted, 9.4 million seniors have saved more than \$15 billion on prescription drugs, thanks to a provision in that law that closes the Part D coverage gap, or “donut hole”.
- **Hurts future retirees by ending the Medicare guarantee** – Everyone entering Medicare in 2024 or later will get a voucher to help pay premiums for either a private health plan or traditional Medicare. If a plan along these lines were in effect in 2020, the average Part B premium for traditional Medicare would be 50 percent higher than it would be under current law. Private plans in Medicare already employ strategies to “cherry pick” the healthiest enrollees. Such tendencies would get worse under premium support, putting sick and frail seniors in traditional Medicare at risk of skyrocketing costs and less access to care. The budget claims this plan will “save” Medicare’s finances, but it does not say how. Past analyses of such plans show that using a Medicare voucher program to dramatically reduce long-term federal spending inevitably means shifting the risk and burden of growing health costs onto senior citizens and persons with disabilities who rely on Medicare.
- **Block-grants nutrition assistance and Medicaid while imposing destructive cuts in both** – Cuts \$125 billion from SNAP over ten years, merges CHIP into Medicaid and slashes funding by roughly \$900 billion over the next ten years. The cut to the base Medicaid program is 14 percent in 2017, rising to one-third in 2025.

(continued on reverse)

Slashing the safety net does not create jobs. All it does is put seniors, persons with disabilities, and poor children at great risk of hardship.

Disinvests in the Future

- **Guts strategic investments** – For 2016, the budget keeps non-defense discretionary funding at the very austere post-sequester cap level, but starting in 2017, the story gets worse; in total, the Republican budget cuts non-defense funding by \$759 billion below the already inadequate, post-sequester caps. By 2025, the budget cuts funding for these programs by 25 percent below the amount needed to maintain purchasing power at this year's level. As a share of the economy, funding for these strategic national investments in 2025 will fall almost 40 percent below the lowest level seen in the last 50 years. These cuts will lead to severe underinvestment in things like education, workforce training, scientific research, public health, clean energy, advanced manufacturing, and public safety – risking America's standing as a powerhouse for innovation and technological prowess.
- **Abandons the nation's crumbling infrastructure** – Cuts \$187 billion, or more than 19 percent, from transportation funding over the coming decade.
- **Rejects immigration reform** – Lacks comprehensive immigration reform and squanders an opportunity to reduce deficits by an estimated \$900 billion over the next two decades, boost the economy by 5.4 percent, and extend the solvency of Social Security.

Includes Fast-Track Procedures to Push Through Harmful Policies

- **Reconciliation** – Includes procedures that expedite consideration of legislation to repeal the ACA, as well as make it easier to enact tax breaks for the wealthy and to cut spending in many areas.
- **Social Security** – Calls for a fast-track process for Congress to pass Social Security reform. This process could be used by Republicans to force passage of Social Security privatization or other benefit cuts.

Builds Phony Claim of “Balance” on Huge Gimmicks

- **Counts Affordable Care Act (ACA) savings that the budget claims to repeal** – Claims to repeal ACA in its entirety, but includes all of the more than \$2 trillion worth of Medicare savings and revenues. If the budget actually reflected full repeal, it would fall short of reaching balance by several hundred billion dollars.
- **Cooks the books using dynamic scoring** – Republicans cannot reduce the top income tax rate to 25 percent without raising taxes on the middle class or increasing the deficit, so they cook the books with “dynamic scoring” to provide massive tax cuts to millionaires and billionaires while raising taxes on the middle class and those working their way into the middle class.
- **Uses dishonest accounting of expiring tax provisions** – Relies on \$900 billion of revenues that come in because some provisions of the tax code are set to expire, but also makes it official policy that extending these provisions does not require finding offsetting revenue.
- **Abuses the Overseas Contingency Operations (OCO) Budget** – Makes a mockery of the budget process by providing \$36 billion of unrequested OCO funding – in essence extra defense funding – so Republicans can avoid a budget deal to lift sequester caps for both defense and nondefense programs. House Republicans highlighted in their budget last year that using the OCO budget as a way to get around discretionary funding caps “undermines the integrity of the budget process” and that the Budget Committee should provide greater oversight to prevent its abuse. Republicans have now abandoned these principles.