

The New Congress and Federal Funding for Needed Services: *What You Need to Know*

January 22, 2015



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Thank You



Federal Budget Outlook for 2015: Implications for Low-Income Priorities

January 22, 2015

Ellen Nissenbaum and Joel Friedman

Center on Budget and Policy Priorities



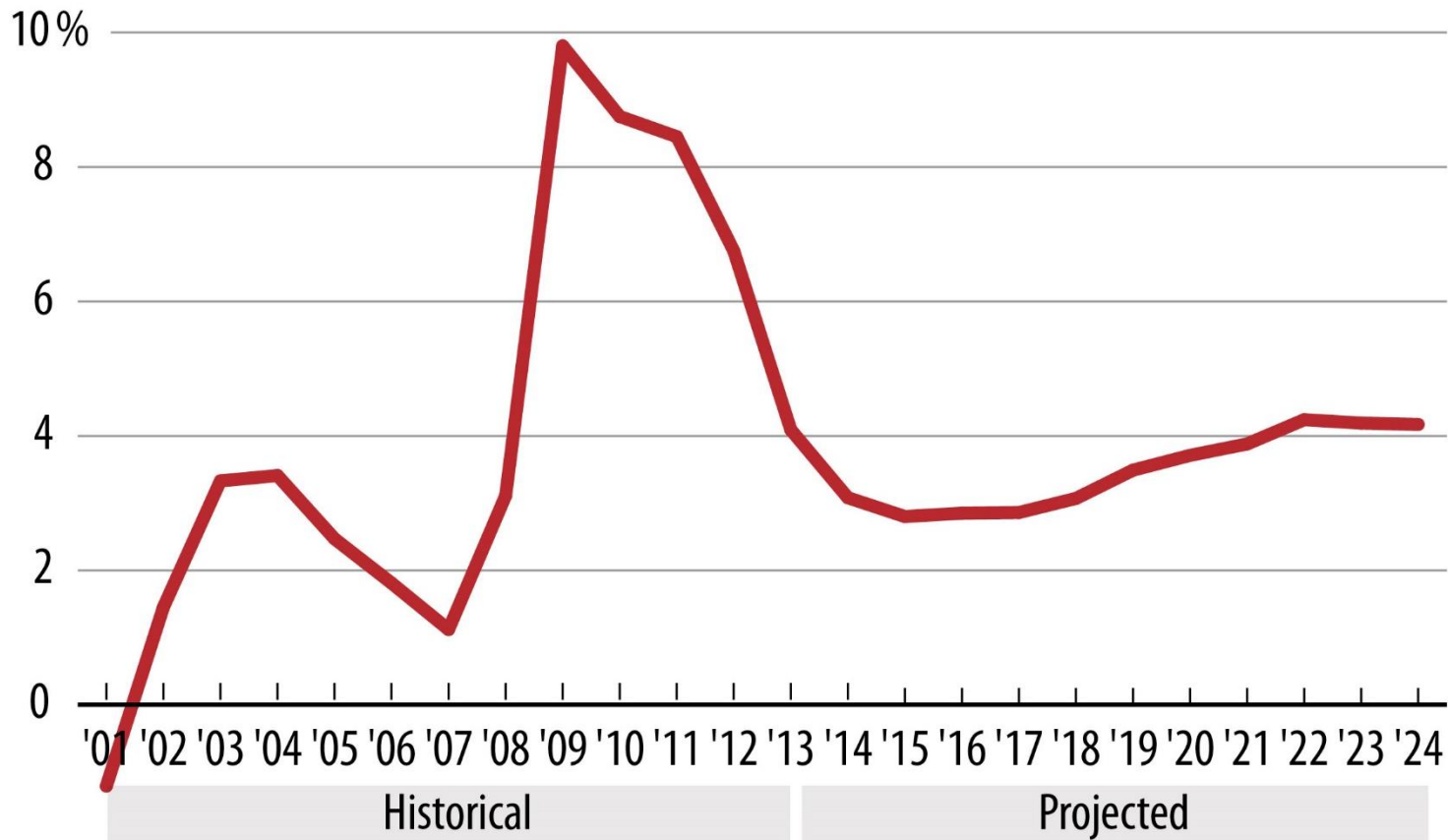
Overview

- Budget Outlook
- Congressional Timetable
- Threats to Low-Income Programs
- Major Negotiations Likely Coming



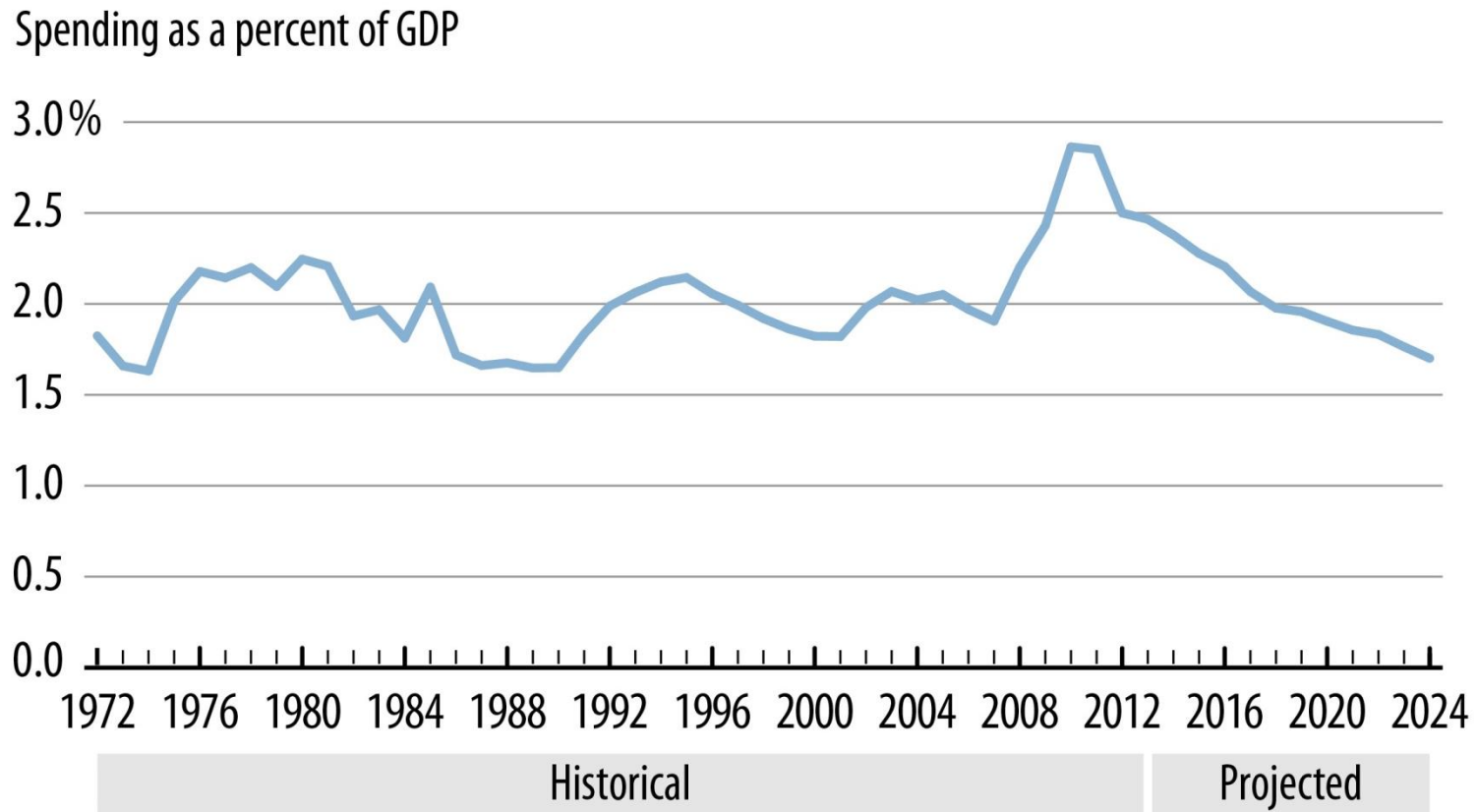
Deficits Have Fallen Sharply Since Recession

Annual deficit including sequestration, as a percent of GDP





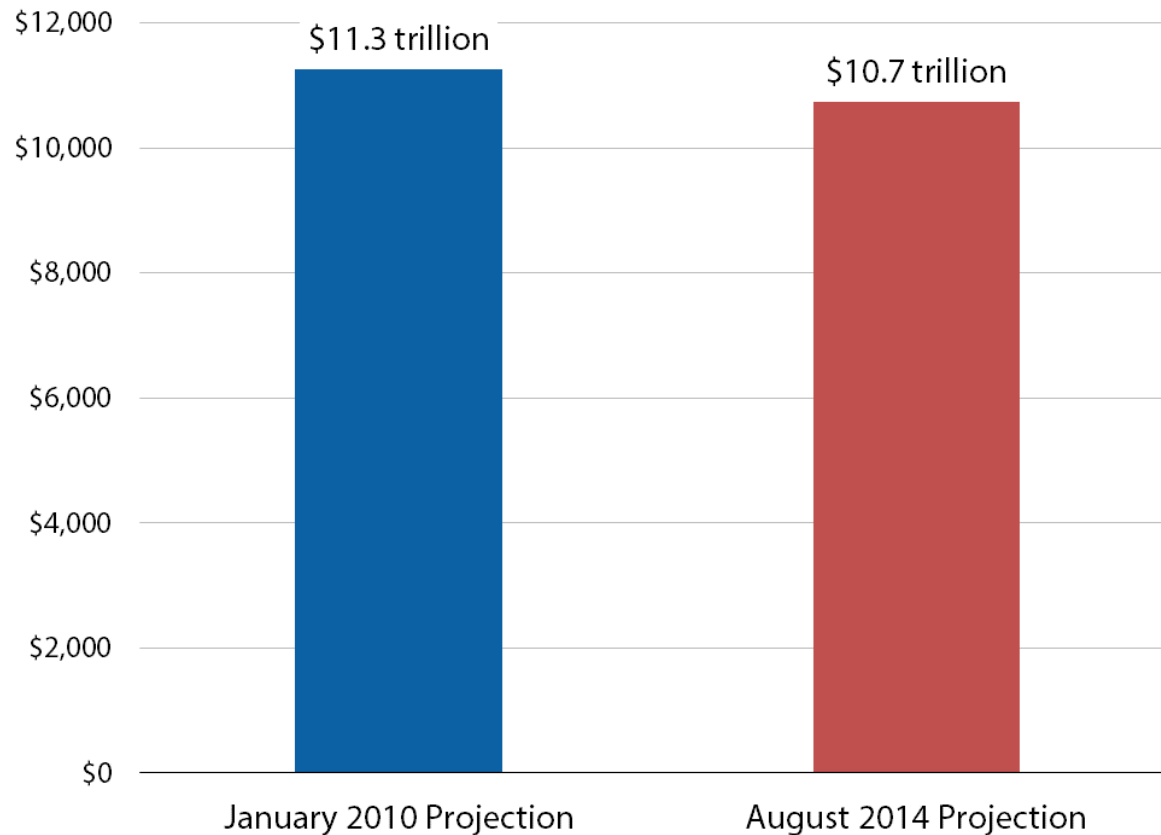
Low-Income Expenditures Outside Healthcare Set to Fall Below Average of Last 40 Years



Source: OMB through 2013; CBPP analysis of CBO data thereafter.



January 2010 CBO Projections of Health Entitlement Costs *without* the ACA Higher Than Current Projections *including* the ACA (Health Entitlement Spending FY 2011-2020)



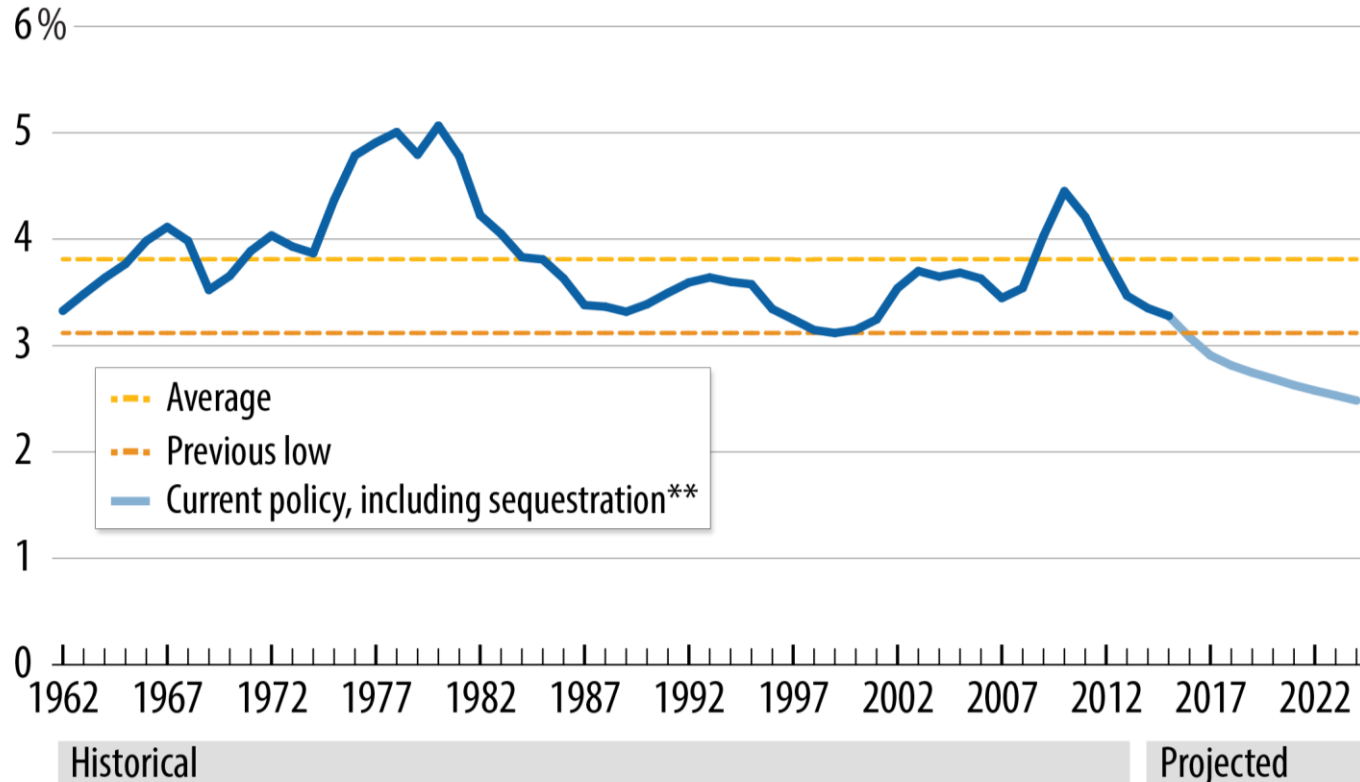
Note: Billions of dollars. FY = fiscal year. Congressional Budget Office baseline projections of Medicare, Medicaid, health insurance subsidies, and Children's Health Insurance Program. August 2014 projections include actual spending for FY 2011-13. Ten-year projection is for FY 2011-20

Source: CBPP analysis based on Congressional Budget Office estimates.



Non-Defense Discretionary Spending Falling to Historic Lows

Spending as percent of gross domestic product*



* Data available only back to 1962

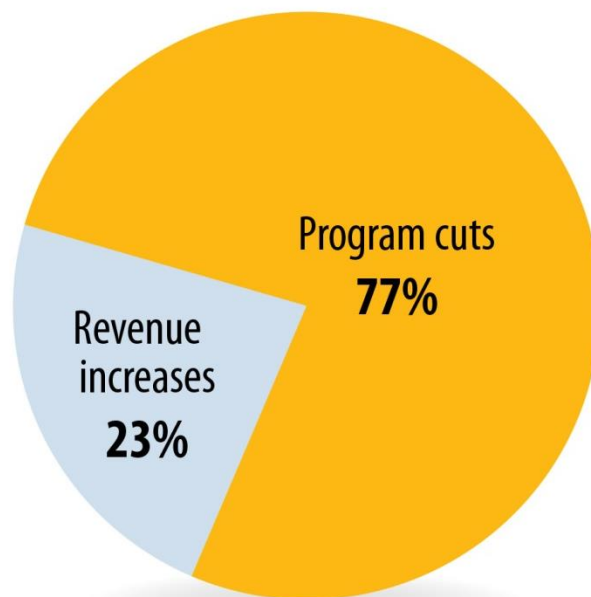
** Sequestration budget cuts required under the 2011 Budget Control Act

Source: Center on Budget and Policy Priorities based on Office of Management and Budget and Congressional Budget Office data.



Recent Policy Savings to Reduce Deficits Largely Come from Program Cuts

Total policy savings 2015-2024



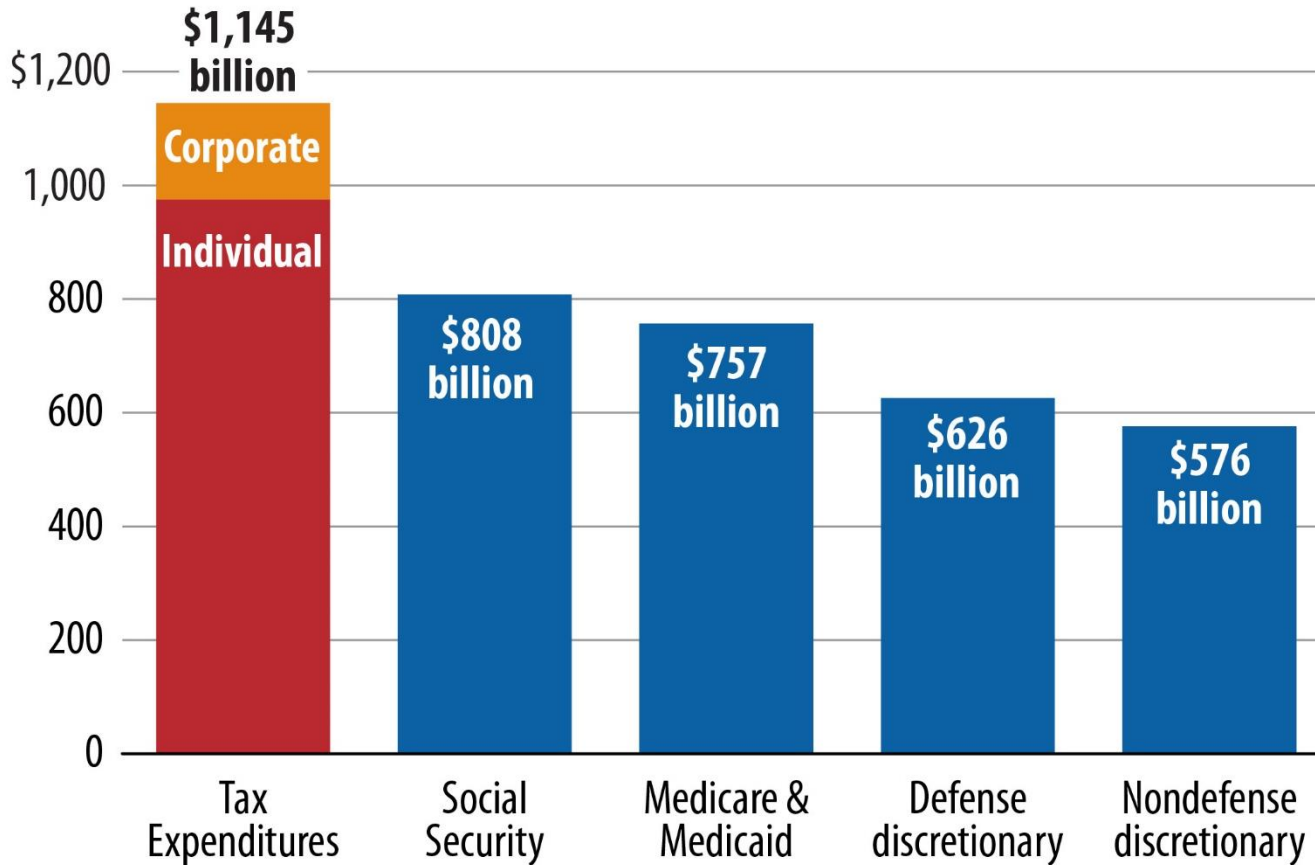
Note: Revenue increases and cuts were enacted in the 2012 American Taxpayer Relief Act and the 2013 Bipartisan Budget Act; program cuts were also enacted in the 2011 Budget Control Act and the 2014 farm bill.

Source: CBPP based on Congressional Budget Office and Joint Committee on Taxation data.



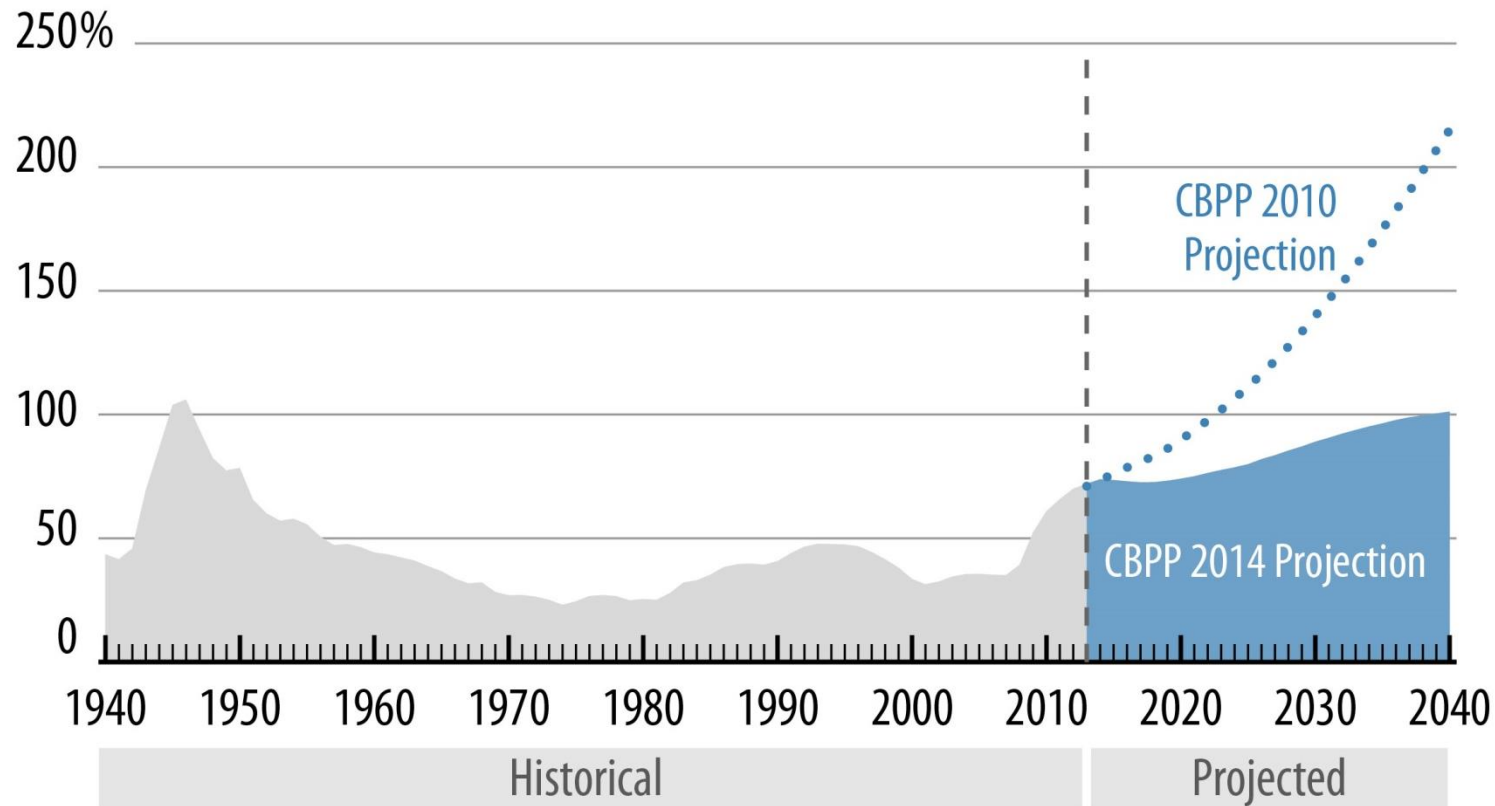
Tax Expenditures Are Very Costly

Tax expenditures and outlays for other major spending categories in 2013, in billions



Long-Term Outlook Has Improved Substantially Since 2010

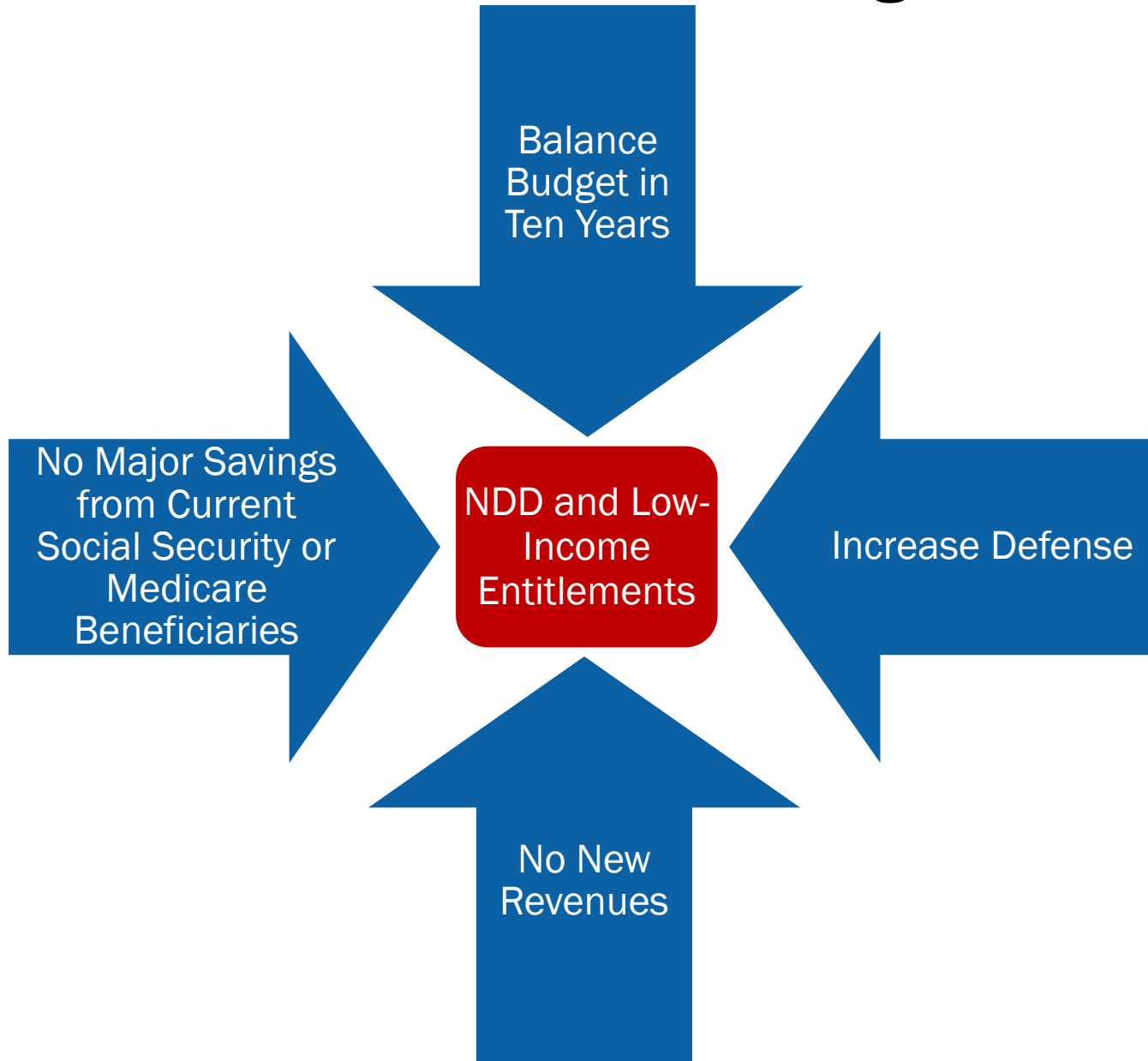
Debt held by the public as a percent of GDP, 1940-2040



Source: Historical data from the Office of Management and Budget; projections from CBPP based on Congressional Budget Office, Joint Committee on Taxation, and Social Security and Medicare Trustees data



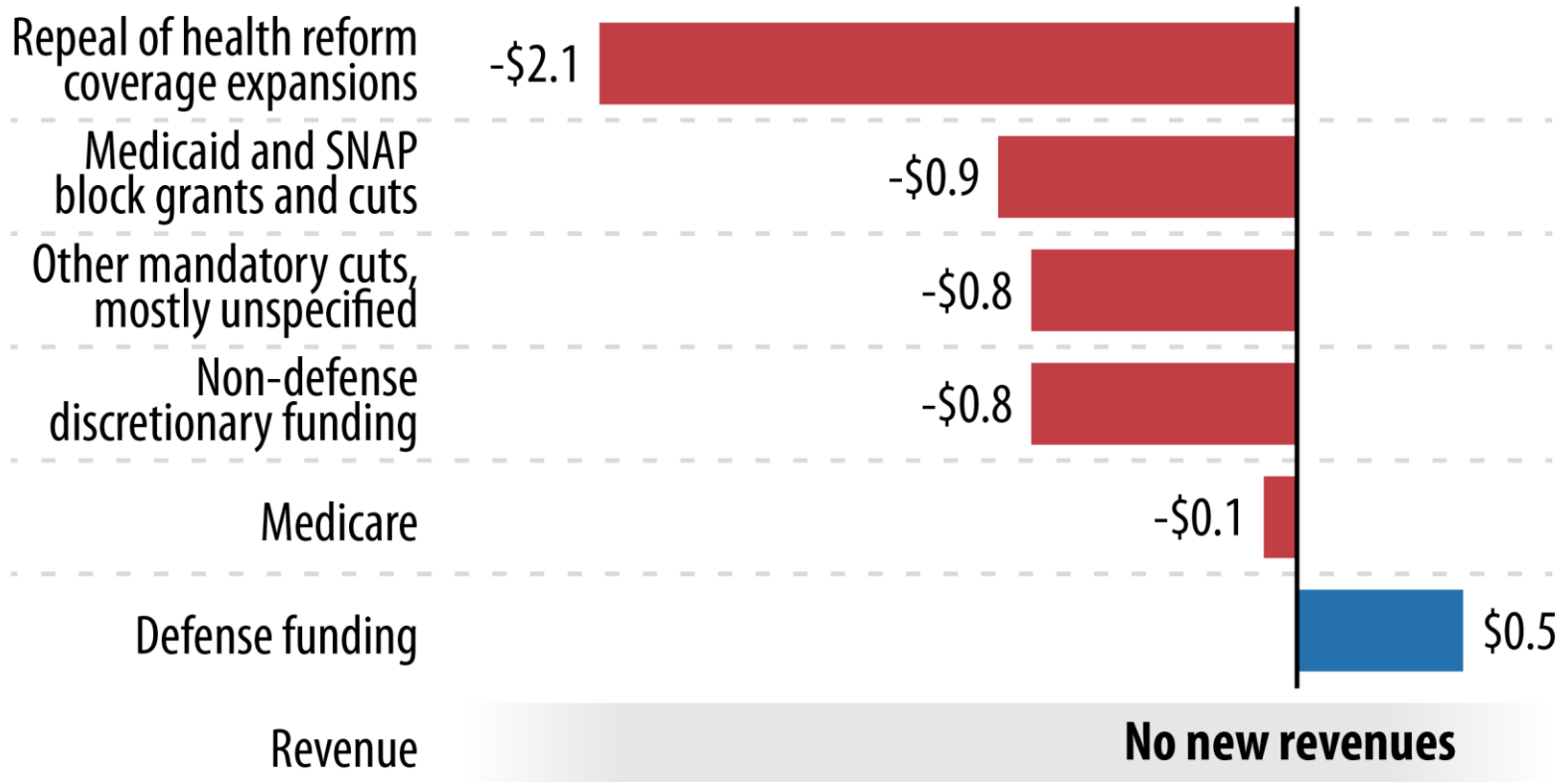
Architecture of GOP Budgets





Ryan FY 2015 Budget Priorities

Cuts or increases, fiscal years 2015-2024 (in trillions of dollars)*



*Reflects outlays for mandatory programs and budget authority for discretionary programs

Source: Ryan budget, CBPP estimates

This Year's Budget Debate

- **February**: President releases 2016 Budget
- **March/April**: Congress likely to pass a budget resolution
- **Summer/Fall**: House/Senate will try to pass a reconciliation bill; FY 2016 appropriations process



Health Care Threats

- Medicaid
- ACA
- CHIP

Threats to Low-Income Households

- Cuts to entitlements
- Cap or restructure entitlements
- Social Security Disability Insurance
- Appropriations cuts
- CHIP reauthorization
- Expiring improvements in the EITC and CTC



Working-Family Tax Credits Help At Every Stage of Life



Improved infant and maternal health



Better school performance



Greater college enrollment



Increased work and earnings in the next generation



Social Security retirement

Note: For further details on the research, see Chuck Marr, Chye-Ching Huang, and Arloc Sherman, “Earned Income Tax Credit Promotes Work, Encourages Children’s Success at School, Research Finds,” CBPP

Budget Negotiations

- ACA
- Discretionary funding/sequestration relief
- Entitlement cuts and/or damaging changes
- Taxes
- Debt ceiling
- Social Security Disability Insurance funding



Four Principles for Budget Debate

1. Any budget agreement must include significant revenues.

Four Principles for Budget Debate

2. Cuts or programmatic changes that increase poverty or reduce access to health care should be rejected.

Four Principles for Budget Debate

3. Sequestration relief for Non-Defense Discretionary (NDD) is needed, but not at any price.
 - Harmful entitlement cuts should be rejected as offsets
 - Any relief should be split evenly between NDD and defense



Four Principles for Budget Debate

4. The most important expiring tax provisions to make permanent are key provisions of the EITC and CTC.



Grave Budget Threat Coming

- ALEC-driven campaign to force a constitutional convention (34 states)
- “Convention of the states”: limit government; Balanced Budget Amendment
- “Runaway” convention
- Timing (*NOW!*)
- Contact at CBPP: Robb Gray, Paris Walker
(gray@cbpp.org, pwalker@cbpp.org)

AND...

- Likely vote in the House and **Senate**



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How to fight for what you and your community need.



Deborah Weinstein

The Groundhog Day Budget:

Feb. 2

- Will the Congressional leadership meet the President's budget with open-minded bipartisanship?
- Or will there be at least six more weeks of political winter?



51

Needed to pass
reconciliation bill in
Senate.

60

Needed to overcome
filibuster in
Senate.

67/ 290

Needed to override
veto in
Senate/House.

114th Congress

House of Representatives

Republicans:	246
Democrats:	188
Vacancy:	1

Senate

Republicans:	54
Democrats:	44
Independents:	2

Getting to yes...or at least, to *no*



Strengthening America's Values and Economy for All

Principles:

- Protect low-income people
- Incorporate job creation
- Increase revenues from fair sources
- Seek savings from reducing waste in Pentagon and elsewhere

How

Message

- Show the value of services or benefits – how people in your community/state are helped
- Show the impact of cuts and unmet need – now and/or anticipated

Messengers

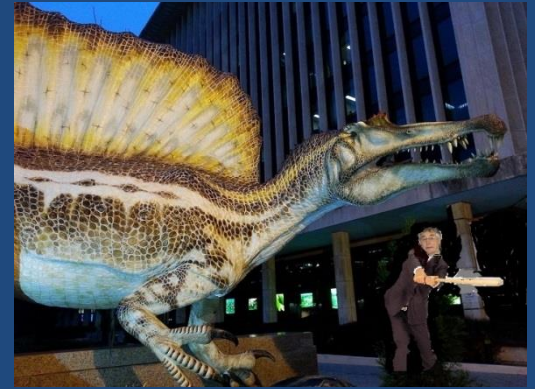
- You
- Service providers
- People using services
- Editorial/opinion writers
- Faith leaders
- Local business people
- Community/state advocates
- Academics/researchers
- Labor

Ways to Deliver the Message

The logo for 'SAVE for All' is a purple square with the words 'SAVE' and 'for All' in white, stacked vertically.

- ✓ **Group letter:** signed by local, state, national orgs
- ✓ Participate in meetings with Congress by phone
- ✓ Social media: Twitterstorms, Facebook
- ✓ Send individual emails to your Rep/Senators; sign petitions
- ✓ Comment on blogs; copy to Rep or Senators:
Voices for Human Needs blog
- ✓ **Our American Story** – tell your story, or help us find others
- ✓ Write op-ed or letter to the editor
- ✓ Meet with editorial boards
- ✓ Invite Rep to program site or forum

Thanks!



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