

Competing Visions: Election Edition

National Priorities Project revisits its Competing Visions analysis that shows how lawmakers would break down the federal budget.

What's at Stake in 2014?

NPP's <u>Voter's Guides</u> show you how the federal government spends money in important areas like health care, education, and military and security. There is plenty at stake in 2014 and this election will elect a crop of new legislators who will be responsible for decisions that affect all of us.

Congress recently passed a Continuing Resolution that will fund the federal government until December 11, 2014, which means that shortly after the election, lawmakers will have to find a way to fund the government for the rest of the fiscal year. With the federal budget hanging in the balance, NPP revisits our "<u>Competing Visions</u>" analysis that showed how different groups of lawmakers might choose to fund the government this year and the years to come. Those same questions are relevant again as we consider how different lawmakers want to break down the federal budget and how they propose paying for different areas of spending.

The table below shows how President Obama, the House Budget Committee, and the House Congressional Progressive Caucus would each choose to spend federal funds in several key areas of the federal budget that NPP focuses on.

Issue	President Obama	House Budget Committee	House Congressional Progressive Caucus
Federal Spending	Prevents across-the- board sequestration cuts from hitting military and domestic discretionary programs and provides an additional \$162 billion in domestic discretionary funding above the sequester over the next ten years.	Allows sequestration to cut domestic discretionary programs and then makes additional substantial cuts of \$791 over the next ten years. Prevents sequestration from affecting the military budget.	Prevents sequestration cuts to domestic programs and provides an additional \$1.56 trillion in domestic discretionary funding above the sequester over the next ten years. Reduces military spending by \$255 billion over the next ten years.

Issue	President Obama	House Budget	House Congressional
Debt and Deficit	While proposing increases in federal spending for 2015, President Obama also proposes substantial new tax revenue collection. Projects a deficit of \$561 billion in 2015, or about 3% of the U.S. economy.	Committee Proposes substantial budget cuts over the next ten years, with an emphasis on deficit reduction. Projects a deficit of \$105 billion in 2015.	Progressive Caucus While proposing increases in federal spending for 2015, the House Congressional Progressive Caucus budget also proposes significant new tax revenue collection. Projects a deficit of \$478 billion in 2015.
Education	Provides \$66 billion over ten years to fund a Preschool For All Initiative and introduces a Race to the Top competition.	Freezes the maximum Pell grant award at the same level for the next ten years, provides financial aid to fewer families, and makes substantial cuts to education spending.	Provides \$47 billion over ten years over ten years to invest in teachers and K-12 schools in addition to adding substantial discretionary funding for education programs.
<u>Health Care</u>	Maintains the Affordable Care Act, including the expansion of Medicaid. Raises Medicare premiums for wealthy retirees and reduces Medicare Advantage payments to private insurers, among other Medicare changes to save \$354 billion over ten years.	Repeals the Affordable Care Act. Makes deep cuts to Medicaid and converts the program to a block grant administered at the state level. Raises Medicare premiums for wealthy retirees and reduces Medicare Advantage payments to private insurers. Raises the Medicare eligibility age and, beginning in 2024, gives seniors the option to receive a lump sum to purchase private insurance.	Maintains the Affordable Care Act and increases funding for Medicaid through supplemental grants to states. Negotiates for lower Medicare prescription drug prices to save \$157 billion over ten years.

Issue	President Obama	House Budget Committee	House Congressional Progressive Caucus
Military and Security	Prevents across-the- board budget cuts known as sequestration from affecting the military budget, while adding \$28 billion in new initiatives. In June 2014, President Obama updated his original war spending placeholder of \$79.4 billion, revising his request down to \$58.6 billion for 2015.	Prevents across-the- board budget cuts known as sequestration. Maintains current projected spending levels under the Budget Control Act and proposes growth in military spending after 2021. Leaves a placeholder for war funding of \$79.4 billion (The House Budget Committee has not revisited this figure, though the president has.)	Reduces military spending by \$255 billion over ten years. Ensures war funding has enough to fund withdrawal of troops from Afghanistan in 2015 and eliminates war funding thereafter.
<u>Social Insurance</u>	Prevents individuals from collecting Social Security Disability Insurance and unemployment insurance benefits at the same time. Supports restoring federal emergency unemployment compensation that expired at the end of 2013 and invests in reemployment services for Unemployment Insurance beneficiaries.	Prevents individuals from collecting Social Security Disability Insurance and unemployment insurance benefits at the same time. Requires the president and Congress to submit plans for the long- term financial outlook of Social Security. Takes steps to reduce improper unemployment insurance payments.	No proposed changes but does endorse changes such as eliminating the cap on earnings subject to Social Security tax (currently set at \$117,000) and using a special consumer price index for the elderly for cost-of- living adjustments. Restores federal emergency unemployment compensation that expired at the end of 2013.

Issue	President Obama	House Budget Committee	House Congressional Progressive Caucus
Taxes and Revenue	Projects \$3.34 trillion in tax revenue in 2015, an 11% increase over 2014. Raises significant new revenues by limiting corporate tax avoidance and eliminating special tax breaks for corporations. Places limits on deductions for top income earners and imposes a "Buffett rule" – a minimum tax rate on millionaires.	Reduces the corporate tax rate from 35% to 25%, reduces taxes on offshore profits, reduces tax rates for top earners by replacing current tax brackets with just two brackets of 10% and 25%. Closes tax loopholes in order to simplify the tax code, but does not specify which ones.	Ends Bush-era tax cuts for those earning more than \$250,000 and creates five new tax brackets for millionaires and billionaires. Limits deductions for top earners and loopholes for corporations. Implements a "Wall Street sales tax" on financial transactions.
Poverty	Expands the Earned Income Tax Credit (EITC) for childless workers at a cost of \$60 billion over ten years. Proposal makes no changes to the food stamps program.	Makes deep cuts to food stamps funding and converts the program to a block grant that would be managed at the state level. The House Budget Committee also laid out a <u>plan</u> that would consolidate 11 different federal programs (such as Section 8 housing vouchers and temporary assistance for needy families) into one funding stream for eligible recipients.	Restores food stamp benefits to their higher pre-Recovery Act expiration and pre-Farm Bill levels. It would also invest billions more into child nutrition, affordable housing programs, temporary assistance for needy families, and many other programs for low-income households. It would also expand the EITC for childless workers at a cost of \$60 billion over ten years.

Issue	President Obama	House Budget Committee	House Congressional Progressive Caucus
Job Creation	Invests \$143 billion over ten years on job creation measures such as infrastructure repairs and tax credits for small businesses.	Does not provide any additional funds specifically for job creation.	Invests \$1.3 trillion over ten years on job creation measures such as tax credits, infrastructure investments, and aid to the states.

What Else Should You Know?

Since these budgets were introduced in the spring, a lot has happened, and lawmakers have proposed solutions to problems on a host of other hot topics:

Border crisis. Unaccompanied children have been arriving at the southern U.S. border every day. Both President Obama and the House of Representatives proposed <u>plans</u> to address this crisis:

- President Obama proposed a \$3.7 billion package that would prioritize humanitarian care and include repatriation for deported children in their home countries. It also includes funds for legal representation for children.
- The House of Representatives proposed a \$694 million package that includes funds for technology that would move cases through the system more quickly, and emphasizes border security expenses for the Department of Homeland Security and Department of Defense.

Highway funding. Our nation's <u>Highway Trust Fund</u> – the fund to continue upkeep of infrastructure around the country and provide hundreds of thousands of Americans with jobs – almost ran out of money earlier this year. The fund receives its funding via the gas tax, which hasn't been raised in more than 20 years. President Obama proposed \$302 billion for the fund over four years, to be covered in part by closing corporate tax loopholes. Congressional lawmakers instead passed an \$11 billion plan that provides funds until May 2015, after which a new fix will be needed.

ISIS. The Pentagon has said the cost on operations against ISIS ranges somewhere between \$7.5 million and \$10 million per day. At that rate, the U.S. has now spent more than <u>\$1 billion</u> on these operations, which have included more than 260 air strikes, sending troops to provide assistance and advice, and humanitarian aid. All operations have been done without a vote by Congress.

Ebola outbreak. The <u>recent Ebola outbreak</u> is the largest and deadliest in history. The U.S. has spent about \$311 million on domestic and international efforts through October 10. And last month, when Congress passed a continuing resolution, it approved \$88 million in new funding for Ebola interventions, as requested by the White House. President Obama has recently been in talks with Congressional leaders to request additional funds.