

President Obama's Budget Focuses on Ensuring that Middle-Class Families Share the Benefits of Our Broadening Economic Recovery

On Monday, the President released his budget for Fiscal Year 2016. His budget proposal builds on the strength of our economic recovery to make smart investments that will increase our nation's competitiveness, while ensuring that working families share in the benefits of the recovery.

HELPING MORE WORKING FAMILIES SECURE A PLACE IN THE MIDDLE CLASS

The President's budget provides working Americans with the financial security they need:

- Triples the Child Care Tax Credit to up to \$3,000 per child, benefiting 6.7 million children and expands child care assistance for more than 1.1 million additional children under age four by 2025
- Offers 24 million dual-earner couples a new \$500 "second earner" tax credit and expands the Earned Income Tax Credit (EITC) for childless workers, helping 13.2 million low-income Americans in the workforce
- Encourages state paid-leave initiatives so working Americans don't have to choose between earning a living and caring for their families
- Continues to ensure access to quality, affordable health care coverage through the Affordable Care Act

EXPANDING ACCESS TO EDUCATION AND JOB TRAINING

From preschool to college, the President's budget expands access to quality, affordable education to offer every student the opportunity to succeed in the classroom and attain the education and skills needed to succeed in their career:

- Supports universal preschool and triples grants to states to develop and expand high-quality local preschool programs
- Includes an additional \$1 billion in funding for Head Start
- Proposes making two years of community college free to responsible students, which could help an estimated 9 million students gain the skills employers are looking
- Ensures that Pell Grants keep pace with inflation so that federal support keeps up with rising college costs
- Keeps student loan repayment manageable by capping payments at 10 percent of a borrower's monthly discretionary income
- Cuts taxes for 8.5 million families and students while simplifying taxes for the more than 25 million families and students who receive education tax benefits

The President's budget provides American workers access to the training they need to develop in-demand skills so they have a greater opportunity to find work and support their families:

- Expands technical training programs by requesting \$200 million for a new American Technical Training Fund to create or expand innovative job training programs in high-demand fields that provide an opportunity for more Americans to make it into the middle class
- Proposes more in-person career counseling and employment services, building on the Workforce Innovation and Opportunity Act, which was part of House Democrats' Make It In America jobs plan
- Supports entrepreneurship by funding training programs that help Americans learn how to launch and sustain their own businesses

INVESTING IN AMERICAN COMPETITIVENESS

The President's budget builds on bipartisan ideas to encourage a modernization of the American economy for the 21st Century:

Funds a historic upgrade to our infrastructure, strengthening our ports, bridges, roads, and making broadband more reliable, which will create jobs for construction workers and engineers, strengthen communities, and make it easier to get products made in America to markets around the globe

- Transitions to a modern international tax system that recognizes the realities of global businesses headquartered in the US that make and sell products around the globe, but reflects the need for these businesses to contribute to benefits they receive from our infrastructure, security, skilled workforce, and legal environment
- Expands the network of manufacturing innovation institutes and launches the American Made Scale-Up Fund, which is a public-private investment fund that supports advanced manufacturing start-ups
- Prioritizes innovative research and development through a 6% increase in federal funding for basic research and advanced manufacturing technology, in addition to a permanent extension of the Research and Development Tax Credit
- Advances homegrown clean energy, including a 73% increase over FY2015 enacted for the Office of Energy Efficiency and Renewable Energy, to improve energy security, helps combat climate change, and create jobs

STRENGTHENING NATIONAL SECURITY

The President's budget proposes to reverse the harmful cuts imposed by sequestration and makes necessary investments to keep Americans safe at home and overseas.

- Provides resources to combat ISIL, including funds to address the ongoing humanitarian crisis in the region and to train and equip Iraqi security forces and the moderate Syrian opposition
- Responds to Russian aggression in Ukraine by including proposals to provide support to our NATO allies through political, economic, and military means
- Provides funding to support a long-term, comprehensive strategy for Central America that will promote prosperity, security, and democratic governance
- Provides \$14 billion in funding to increase our nation's cybersecurity to more rapidly detect and respond to threats
- Provides funding to combat deadly diseases and increase preparedness to confront possible future outbreaks
- Continues to invest in ensuring our veterans have the benefits, health care, and jobs they deserve, while working to end homelessness among veterans

BUILDING ON A RECORD OF FISCAL RESPONSIBILITY

Since the President took office, deficits have been cut by two-thirds, and the President's budget will build on that progress while replacing the arbitrary spending cuts imposed by the sequester in a balanced and responsible way:

- Ends sequestration for both domestic and defense funding for FY 2016
- Pays for all new investments and then some to keep budget pressure off critical investments in our domestic priorities

Balances \$1.8 trillion in net new deficit reduction with the need to lay a foundation for broad based economic growth that will help reduce the debt burden in the future

Office of Democratic Whip Steny H. Hoyer, 02/05/15