

A Choice of Two Futures: A Look at How the Republican Budget Ends Medicare, Destroys Jobs, Benefits the Wealthy

Last week, House Republicans introduced a budget for fiscal year 2013 that is a repeat of the budget they put forward last year. It ends the Medicare guarantee while protecting tax cuts for the wealthiest Americans, and according to the [Economic Policy Institute](#), puts four million jobs at risk. Instead of pursuing a budget that creates jobs, strengthens entitlements, reduces the deficit in a balanced way, and asks all Americans to contribute their fair share, the Republican budget makes the wrong choices by:

Ending the Medicare guarantee and raising health care costs for seniors:

- Ends the guarantee of health security and shifts higher costs onto seniors and the disabled over time.
- Increases seniors' health care costs just like last year's budget – which drove up costs by over \$6,000 per year, according to CBO.
- Reopens the prescription drug donut hole, increasing seniors' drug costs by up to \$44 billion through 2020, including \$2.2 billion in 2012 alone, according to HHS.
- Increases seniors' out-of-pocket costs for preventative care and annual checkups by over \$110 million in 2012 alone, according to HHS.
- 54-year-olds would have to save more money just to cover health care costs – an analysis of last year's budget showed they would have to save an additional \$182,000, according to the [Center for Economic and Policy Research](#).

Cutting taxes for the wealthiest Americans at the expense of working families:

- Provides millionaires an average tax cut of \$150,000.
- Reduces revenue by \$4.6 trillion on top of the \$5.4 trillion cost of permanently extending all of the Bush tax cuts and other expiring provisions, according to the [Tax Policy Center](#).
- May force working families to pay higher effective tax rates to cover some of the cost of this \$4.6 trillion tax cut for the wealthy by eliminating deductions.

Turning Medicaid into a block grant that jeopardizes access to affordable health and nursing home care for seniors and the disabled:

- Cuts a total of \$1.7 trillion from Medicaid over the next decade, and according to CBO, is on track to cut the program by 75% by 2050. According to the [Urban Institute](#), block granting the Medicaid program could result in between 14 million and 27 million people losing coverage. An additional 17 million people, who gained Medicaid and CHIP coverage through health care reform according to the CBO, would also lose that coverage as a result of repealing the Affordable Care Act.

Making it harder for Americans to receive Social Security benefits:

- Increases backlogs that delay people from getting benefits that they are due and could leave up to 90,000 people with disabilities waiting for a decision in 2013 and leave

300,000 more people with disabilities waiting for a decision each year over the next decade.

Weakening our ability to out-educate competitors and build a competitive workforce:

- Reduces Pell Grants by more than \$1,000 for 9.6 million students in 2014 and could eliminate Pell Grants for over one million students over the next decade.
- Kicks 60,000 low-income children out of the Head Start program in 2013 and 200,000 low-income children out of the program each year over the next decade.
- Cuts Title I funding, which could result in nearly 11,000 teachers and aides losing their jobs in 2013 and nearly 38,000 teachers and aides losing their jobs each year over the next decade.
- Cuts funding for Individuals with Disabilities Education Act, which could result in 7,800 special education teachers, aides, and other staff serving children with disabilities losing their jobs in 2013, and 27,000 teachers, aides, and staff losing their jobs each year over the next decade.
- Reduces work-study funding, meaning almost 37,000 students could lose access to college work-study opportunities in 2013, and more than 166,000 students could be affected each year over the next decade.

Slashing assistance to low-income families:

- Cuts the WIC program (Special Supplemental Nutrition Assistance Program for Women, Infants, and Children), kicking 700,000 pregnant or postpartum women, infants, and children off the WIC program and leaving another 100,000 without access to critical foods necessary for healthy child development in 2013. Each year over the next decade, the cuts would kick 1.8 million women, infants, and children off the WIC program and leave another 100,000 without access to critical foods.
- Converts SNAP into a block grant beginning in 2016, which could jeopardize access to food assistance for millions of Americans.
- Cuts HUD's rental assistance programs, resulting in over 116,000 fewer low-income families housed through the Housing Choice Voucher program in 2013 and 400,000 fewer low-income families housed through the program each year over the next decade.
- Risks permanent loss of affordable units that serve 1.1 million Americans.

Repealing patient protections and putting insurance companies – not American families – in control of health care:

- Allows insurers to once again be allowed to discriminate against up to 17 million children with pre-existing conditions.
- Subjects 105 million Americans once more to arbitrary lifetime caps on their health insurance.
- Increases 54 million Americans' out-of-pocket costs for preventative care.
- Puts up to 15 million Americans who are sick or injured at risk of being dropped from their private insurance because of a simple mistake on an application.

- Eliminates tax credits for up to four million small businesses, which are already providing more affordable care to two million workers. [*Figures provided by HHS and the Treasury Department*]

Weakening national security:

- Cuts COPS hiring grants, which could result in 75 fewer local police hires and 6,200 fewer bullet proof vests for state and local law enforcement personnel in 2013, and 285 fewer local police hires and 23,000 fewer vests each year over the next decade.
- Cuts Department of Justice (DOJ) funding, resulting in 1,311 fewer federal agents to combat violent crime, pursue financial crimes, secure the border, and ensure national security in 2013, and 4,587 fewer agents each year over the next decade.
- Cuts DOJ funding resulting in 948 fewer prison guards to maintain safe and secure federal prisons in 2013, and 3,319 fewer prison guards each year over the next decade.
- Reduces Department of Homeland Security funding for preparedness efforts of state and local governments, which could mean 100 firefighters and 80 emergency managers not being hired or laid off in 2013, and 400 firefighters and 300 emergency managers not being hired or laid off each year over the next decade.

Undermining American competitiveness by cutting investments in science, medical research, space and technology:

- Cuts funding for biomedical research by NIH, meaning 500 fewer grants NIH could award in a cutting-edge field in 2013 and 1,600 fewer grants each year for the next decade, limiting research that could lead to new cures for diseases.
- Cuts funding for NSF, which could result in NSF making up to 1,100 fewer competitive research and education grants supporting over 13,000 researchers, students, and teachers in 2013 and 4,000 fewer grants supporting almost 48,000 researchers, students, and teachers each year over the next decade.
- Cuts NASA funding and puts jobs at risk by forcing the agency to terminate major programs and potentially close major facilities.

Threatening our clean energy future:

- Cuts investments in the Department of Energy Office of Energy Efficiency and Renewable Energy and its applied research program, known as ARPA-E, that was established specifically to conduct energy research that industry by itself cannot support but where success would provide dramatic benefits for the nation.
- Eliminates jobs by setting back efforts to put a million electric vehicles on the road, retrofit residential homes, and make commercial buildings more efficient.
- Fails to boost all energy sources by eliminating tax support for renewable energy generation and the domestic jobs created by those energy projects.

Unless otherwise noted, all figures from OMB.