

FACT SHEET: The Senate Republican Budget Would Harm Students, Workers, Our Nation's Health, and the Economy in North Carolina

Some Republicans in Congress want to reduce investments in our communities at any cost. In 2016, Congressional Republicans are proposing the lowest discretionary funding levels in a decade, adjusted for inflation, and they are committed to locking in hundreds of billions of dollars in cuts to defense and non-defense investments over the next six years.

These funding cuts, known as "sequestration," were never intended to take effect: instead, they were supposed to threaten such drastic consequences that policymakers would be motivated to come to the table and reduce the deficit through smart, balanced reforms. The President's Budget does just that, reversing sequestration going forward so as to make investments important to families, the economy, and our national security, while replacing the savings with commonsense spending and tax reforms.

Unfortunately, the Republican budgets take a very different approach, cutting pro-growth investments in areas ranging from research to education to infrastructure, as well as national security priorities from homeland security to peacekeeping to the base defense budget. Congressional Republicans are also hijacking the appropriations process to advance partisan, ideologically-motivated policy riders that would undermine health coverage, financial reform, environmental protection, and basic health and safety protections.

Under the Senate Republican budget:

Quality, Affordable Health Care

- ❖ **Funding for the operation of health programs depended upon by tens of millions of Americans would be drastically reduced.** The Senate Republican budget cuts funding for the Centers for Medicare and Medicaid Services (CMS), the main agency charged with maintaining operations for Medicare, Medicaid, health care Marketplaces, and the Children's Health Insurance Program (CHIP), as well as with implementing the Affordable Care Act, by \$1.2 billion, or 29 percent, below the President's Budget. Adjusted for inflation, the Republican budget would provide CMS with its lowest level of funding since 2001, despite the fact that since that time over 15 million more beneficiaries are covered through Medicare, over 10 million people are now receiving health coverage due to the Marketplaces, and over 30 million more people receive Medicaid and CHIP health coverage. In addition, the Republican budget cuts funding for the Agency for Healthcare Research and Quality (AHRQ), which helps to find the best ways to translate clinical science into better care delivery and reduce health care costs while improving quality system-wide, by more than a third.
- ❖ **Medical care services for veterans would be slashed.** Nationwide, funding for Department of Veterans Affairs (VA) medical care would be cut by nearly half a billion dollars, negatively impacting veterans' care. In 2014, 215,000 North Carolina veterans relied on the VA for care.

Education and Training

- ❖ **Young children would lose access to high-quality early education.** Motivated by evidence that students who spend more time in high-quality early learning programs learn more, the President's Budget provides a \$1.5 billion increase for Head Start so that all children in the program have access to a full school day and full year of high-quality instruction and to increase enrollment. By contrast, under the funding provided by the Senate Republican budget, either more than 570,000 children in Head Start would not receive the full-day, full-year services they need to succeed (including roughly 11,600 fewer children in North Carolina), the program would serve some 144,000 fewer children as compared to the President's Budget, or some combination of both.

The Republican budget also blocks major efforts to expand high-quality public preschool to more four-year-olds by eliminating Preschool Development Grant funding for the eighteen states that are creating or expanding high-quality preschool programs for low- and moderate-income children. Pulling these funds away from communities jeopardizes their plans to provide high-quality early learning for more than 100,000 children, including nearly 60,000 children who would lose access to public preschool entirely and thousands more who would lose out on key quality improvements to existing preschool programs. By contrast, in addition to the 18 states currently receiving Preschool Development Grant funding, the President's Budget would expand the program to an additional 25 to 33 states, allowing nearly every state with a high-quality application to undertake this important work.

- ❖ **K-12 students will be shortchanged.** The Senate Republican budget provides \$770 million dollars less than current year funding and nearly \$4 billion less than the 2016 President's Budget for our nation's schools. It would eliminate six programs that serve PreK-12 students and underfund core programs, including Title I, which supports educational improvements for our most vulnerable students, programs for educators who are doing the important work of preparing America's students for the future, and critical resources used to turn around low-performing schools. Compared to the President's Budget, North Carolina would receive \$25.6 million less in Title I funding for disadvantaged students, an amount that is enough to fund about 80 schools, 350 teacher and aide positions, and 37,800 students.
- ❖ **Colleges would become less accountable for providing a quality and affordable education.** Even as students across the country are reeling from the actions of failed and fraudulent career colleges, the Republican budget includes a series of ideologically-motivated provisions that roll-back important efforts to hold schools accountable to both students and taxpayers. Recent school closures and evidence of fraud at certain for-profit institutions make it clearer than ever that we need more – not less – oversight, transparency, and accountability in higher education. Yet the Senate Republican budget would roll-back a set of important accountability initiatives, including the “Gainful Employment” regulation, which is designed to bar poor performing career college programs from accessing student aid. The Republican budget also would halt the

Administration's efforts to provide students and families with clear information about how students who attend different colleges fare.

- ❖ **Fewer workers would get job training or help finding a job.** Under the Senate Republican budget, 2.7 million fewer Americans, including an estimated 80,000 fewer workers in North Carolina, would have access to services to help them find jobs and gain skills. At a time when workers need new skills to succeed in today's economy and businesses are struggling to find skilled workers, the Republican budget provides roughly \$650 million less for employment and training programs than the President's Budget. The Republican budget also drastically cuts job training programs to help individuals with disabilities and ex-offenders enter and advance in the labor market, reduces funding for grants to areas facing mass layoffs or natural disasters, denies needed support for implementation of the bipartisan Workforce Innovation and Opportunity Act, and provides none of the requested funds to expand apprenticeships so more workers and employers can benefit from this proven learn-and-earn model.

Research and Development

- ❖ **Research essential to U.S. innovation and economic competitiveness would be inhibited.** Nationwide, compared to the President's Budget, the Senate Republican budget would lead to roughly 400 fewer research grants at the National Science Foundation (NSF) and cuts to clean energy research and development of nearly 30 percent, adversely affecting research essential to the future health, innovation, and economic competitiveness of the Nation. In 2014, North Carolina received competitive NSF research awards that supported an estimated 2,290 researchers and scientists, including graduate and undergraduate students.

Public Health, Safety, and Other Core Functions of Government

- ❖ **Hundreds of thousands of low-income individuals would not receive needed preventative and reproductive health services.** The Senate Republican budget would cut funding for Title X Family Planning, which provides needed preventative and reproductive health services to over four million low-income people each year, by 14 percent below the President's Budget. As a result of this cut, Title X would serve 17,400 fewer individuals in North Carolina in 2016. Title X services help avert approximately one million unintended pregnancies annually. Additionally, the Republican budget dramatically decreases funding for the evidence-based Teen Pregnancy Prevention (TPP) program that has made strides in teenage pregnancy prevention across the Nation. U.S. teen birthrates have fallen to record lows and the reduction of TPP funding could hamper significant progress made in this health care area.
- ❖ **Our Nation would have fewer resources to effectively respond to and recover from public health emergencies and catastrophes, such as a hurricane, anthrax outbreak, or disease pandemic.** The Republican budget underfunds our ability to ensure safe and effective medical countermeasures are available through the Biomedical Advanced Research and Development Authority (BARDA) to protect Americans and does not support increased funding to procure new medical countermeasures through Project

BioShield that are needed to protect against potential chemical, biological, radiological, and nuclear attacks. Further, the Republican budget fails to provide the \$110 million requested in the President's Budget to more effectively respond to urgent public health crises, like an infectious disease outbreak, that require immediate or sustained responses.

- ❖ **Enforcement of workers' rights, benefits, and safety protections would be weakened.** The Republican budget includes deep cuts and ideologically-motivated provisions that would hamstring the agencies charged with protecting the safety, health, wages, benefits, retirement security, and collective bargaining rights of the nation's workers. It underfunds the enforcement of minimum wage, child labor, family leave, and workplace safety laws and blocks regulations that would help protect workers' retirement savings. In 2014, the Department of Labor recovered \$7.3 million in back wages for workers in North Carolina. Under the Senate Republican budget, almost \$80 million less in back wages would be recovered across the nation – money that would make a real difference for workers and their families.
- ❖ **Internal Revenue Service (IRS) taxpayer services would continue deteriorating below already unacceptable levels, and efforts to investigate fraud and reclaim taxpayer dollars would be further hampered.** The Senate Republican budget cuts the IRS by more than \$2.5 billion, or 20 percent, compared to the President's Budget, and by \$470 million, or nearly 4 percent, compared to the FY 2015 enacted level. These cuts would come on top of the drastic cuts already enacted since 2010, despite the fact that, between 2010 and 2014, the number of individual tax returns filed in North Carolina increased by 205,300. In real terms, the Senate Republican funding level is less than the IRS's FY 1992 budget – 24 years ago, when there were 36 million fewer individual taxpayers and a far less complicated tax code. Funding cuts made to date have already had severe consequences: IRS customer service levels have dropped to unacceptable levels, with more than 8 million taxpayer calls being disconnected due to overloaded IRS phone systems. The IRS has lost 5,000 key enforcement personnel since 2010, costing the Federal government \$7 billion to \$8 billion in tax revenue each year from corporations and individuals who get away with not paying the taxes they owe.
- ❖ **Social Security beneficiaries and applicants would see poorer service from the Social Security Administration.** The Senate Republican budget provides roughly \$900 million less for the operation of the Social Security Administration (SSA) – the agency charged with making sure retirees, people with disabilities, survivors and dependents of workers get the Social Security benefits their families have earned. This cut in funding, compared to the President's Budget, could lead to reduced hours of service and longer in-office wait times at North Carolina's 35 SSA field offices, as well as longer phone service delays and more busy signals for those who call SSA for help.

Housing Assistance, Homelessness, and Supportive Services

- ❖ **Access to affordable housing would be reduced.** Compared to the President's Budget, the Senate Republican budget would fund 117,000 fewer Housing Choice Vouchers, reducing opportunities for low-income households to find decent, safe housing in the

private market. Not only does the Senate Republican budget fail to restore the 67,000 vouchers lost due to the 2013 sequestration, it is also insufficient to renew more than 50,000 existing vouchers. As a result, approximately 950 fewer North Carolina families would receive Housing Choice Vouchers in 2016, compared to the previous year, and even more would lose out relative to the President's Budget. These cuts are even more problematic in light of new research released this year that found large positive effects of housing vouchers on long-term educational and earnings outcomes for young children.

- ❖ **Efforts to end homelessness would be set back.** Compared to the President's Budget, the Senate Republican budget reduces funding for Homeless Assistance Grants, supporting 15,000 fewer homeless or at-risk families with rapid rehousing and 25,500 fewer units of permanent supportive housing targeted to the chronically homeless. In January 2014, there were 11,500 homeless individuals in North Carolina - including roughly 2,600 who were unsheltered - but only 5,600 permanent supportive housing beds. Senate Republican cuts would further strain states and communities, and set us back in meeting the President's ambitious goals for ending chronic and family homelessness.

Infrastructure

- ❖ **Construction and repair & rehabilitation projects at national parks would be prevented or delayed.** Construction and repair & rehabilitation projects would be prevented or delayed at the following five national parks in North Carolina: Appalachian National Scenic Trail; Cape Hatteras National Seashore; Carl Sandburg Home National Historic Site; Moores Creek National Battlefield; and Guilford Courthouse National Military Park.

National Service Programs

- ❖ **The number of national service members working in communities across the country would be sharply reduced.** The Senate Republican budget provides almost \$340 million, or 29 percent, less than the President's Budget for national service programs. The Republican budget would fund approximately 58,000 AmeriCorps members, meaning that 32,000 fewer members than under the President's plan would be able to serve their communities while earning money to cover college costs or repay student loans. In the 2014-2015 program year, an estimated 1,410 AmeriCorps members are serving in North Carolina. AmeriCorps members serve in more than 25,000 locations across the country--including thousands of public schools, communities hit by disaster, organizations helping veterans, tribal nations, and faith-based groups. Under the Republican budget, AmeriCorps would have to drop many of these service areas and projects.