

# TAX & BUDGET

## The Ryan House Budget FY 2014: Once Again, Gutting Vital Programs for Women and Families, Giving Trillions in Tax Cuts to Millionaires and Corporations

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*The budget for Fiscal Year 2014 introduced by Rep. Paul Ryan (R-WI), like his Fiscal Year 2013 budget, proposes deep funding cuts that would devastate programs especially important to women and their families: Medicaid, Medicare, child care, education, SNAP, and much more. At least two-thirds of the cuts proposed in the Ryan budget come from programs for individuals and families with low or moderate incomes<sup>1</sup> – and that means women and children bear the brunt of the cuts.<sup>2</sup> At the same time, the budget proposes trillions of dollars in new tax cuts for the wealthiest Americans and large corporations.*

### Chairman Ryan's plan balances the budget on the backs of women and their families.

The Ryan budget:

- **Slashes and dismantles Medicaid.** The Ryan budget cuts Medicaid by over \$750 billion over 10 years and converts the program into a block grant,<sup>3</sup> forcing states to restrict eligibility, eliminate benefits, shift costs to beneficiaries, and/or cut provider payments. Medicaid cuts would especially hurt women, who make up nearly 70 percent of adult Medicaid beneficiaries. And they would cost women jobs, since 80 percent of Medicaid-supported jobs are held by women.<sup>4</sup>

- **Repeals the Affordable Care Act (ACA),** which would prevent up to 15 million women from gaining access to affordable health coverage<sup>5</sup> through expanded Medicaid coverage or private plans offered through health insurance exchanges. Repealing the ACA would also:

- increase the cost of prescription drugs for Medicare beneficiaries
- increase the cost of preventive care services (including contraceptive services)
- allow insurance companies to continue to charge women higher premiums than men, deny coverage

to women and men due to preexisting conditions (including domestic violence), and refuse to cover maternity care.

- **Replaces the Medicare guarantee** with a premium support voucher for people currently under 55. The voucher would likely be inadequate to purchase traditional Medicare coverage, so costs would be pushed onto beneficiaries – a majority of whom are women, who already struggle to pay higher out-of-pocket health care costs out of lower incomes.<sup>6</sup>
- **Cuts non-defense discretionary programs by \$1.1 trillion over 10 years.** This portion of the federal budget funds vital programs including **child care, Head Start, education, job training, Pell Grants, housing and energy assistance, food safety, environmental protection** and more – many of which women disproportionately rely on.<sup>7</sup>
  - These cuts would come on top of cuts occurring due to funding caps established by the Budget Control Act of 2011 (BCA) – which by themselves would bring non-defense discretionary spending to its lowest levels in over 50 years as a share of the economy. The Ryan budget reduces non-defense discretionary funding by \$1.1 trillion below the BCA caps over 10 years – that's \$700 billion below post-sequestration levels.<sup>8</sup> Such deep cuts could not be implemented without serious harm to women and their families.

- On the defense side of the discretionary budget, however, the Ryan plan would cancel the sequestration cuts for all years starting in 2014 and fund defense programs at the BCA cap levels.<sup>9</sup>
- **Cuts mandatory income security programs by \$800 billion over 10 years.** Seventy percent of this part of the federal budget funds programs for lower-income Americans, including many that are especially important for women.<sup>10</sup>
  - For example, the Ryan budget cuts the **Supplemental Nutrition Assistance Program (SNAP/Food Stamps)** by nearly 18 percent over 10 years – the equivalent of cutting 12 to 13 million people.<sup>11</sup> About two-thirds of adult SNAP recipients are women. It also adds time limits and work requirements to SNAP benefits and converts the program into a block grant that would not respond to increased need during recessions.
  - In addition, the Ryan budget freezes the maximum amount for **Pell Grants** in the face of rising tuition costs and restricts eligibility for this assistance, which helps low-income students pay for college. Two-thirds of Pell Grant recipients are women.<sup>12</sup>
  - Other cuts in this area are not specified, but this part of the budget also includes **Supplemental Security Income (SSI)**, which provides income support for low-income individuals who are elderly or living with disabilities, and **Temporary Assistance for Needy Families (TANF)**, which

funds cash assistance, work supports, and other services for low-income children and parents. Cuts to these programs would disproportionately hurt women, who represent over two-thirds of elderly SSI beneficiaries and 86 percent of adult TANF beneficiaries.<sup>13</sup>

## The Ryan budget gives massive new tax breaks to the very wealthy and corporations.

It:

- **Cuts the top personal and corporate income tax rates to 25 percent.** The Tax Policy Center estimates that all the new tax cuts called for by the Ryan budget would cost \$5.7 trillion over the next 10 years.<sup>14</sup>
  - The richest one-tenth of one percent (households with income above \$3.3 million) would receive an average tax cut of \$1.2 million.<sup>15</sup>
  - The Ryan budget claims that these enormous tax cuts would be paid for by cutting tax expenditures – but does not identify a single loophole that should be closed. Analysis of a smaller tax cut proposal by Governor Romney in his presidential campaign showed that it could not be paid for without raising taxes on the middle class and working poor Americans, making even deeper cuts in services for middle- and low-income people than those already in the budget, or adding trillions of dollars to the debt.<sup>16</sup>

1 Richard Kogan & Kelsey Merrick, Ctr. on Budget & Policy Priorities, Chairman Ryan Gets 66 Percent of His Budget Cuts from Programs for People With Low or Moderate Incomes (Mar. 2013), available at <http://www.cbpp.org/files/3-15-13bud.pdf>.

2 See generally NWLC, Cutting Programs for Low-Income People Especially Hurts Women and Their Families (Mar. 2013), available at <http://www.nwlc.org/sites/default/files/pdfs/lowincomefactsheet.pdf> [hereinafter NWLC, Cutting Programs for Low-Income People].

3 NWLC, The Ryan Budget's Catastrophic Health Cuts and their Impact on Women (Mar. 2013), available at [http://www.nwlc.org/sites/default/files/pdfs/the\\_ryan\\_budget\\_factsheet\\_3-13-13.pdf](http://www.nwlc.org/sites/default/files/pdfs/the_ryan_budget_factsheet_3-13-13.pdf).

4 NWLC, Job Loss: The Hidden Cost of Medicaid Cuts to Women (Dec. 2012), available at [http://www.nwlc.org/sites/default/files/pdfs/job\\_loss\\_hidden\\_cost\\_medicaid\\_cuts\\_women\\_data\\_by\\_dg\\_km\\_12-7-12.pdf](http://www.nwlc.org/sites/default/files/pdfs/job_loss_hidden_cost_medicaid_cuts_women_data_by_dg_km_12-7-12.pdf).

5 NWLC, The Ryan Budget's Catastrophic Health Cuts and their Impact on Women, *supra* note 3.

6 *Ibid.*

7 See NWLC, Cutting Programs for Low-Income People, *supra* note 2.

8 Joel Friedman, Ctr. on Budget & Policy Priorities, Ryan Budget Hits Non-Defense Discretionary Funding Far More Than Sequestration Does (Mar. 14, 2013), <http://www.offthechartsblog.org/ryan-budget-hits-non-defense-discretionary-funding-far-more-than-sequestration-does/>.

9 *Ibid.*

10 Robert Greenstein, Ctr. on Budget & Policy Priorities, Statement on Chairman Ryan's Budget Plan, at 2 (Mar. 2013), available at <http://www.cbpp.org/files/3-12-13bud-stmt.pdf>.

11 Stacy Dean, Ctr. on Budget & Policy Priorities, Ryan Budget's SNAP Cuts Even Deeper Than We Thought (Mar. 19, 2013), <http://www.offthechartsblog.org/ryan-budgets-snap-cuts-even-deeper-than-we-thought/>.

12 NWLC, Cutting Programs for Low-Income People, *supra* note 2, at 4.

13 *Ibid.* at 3.

14 Howard Gleckman, Tax Policy Ctr., House GOP Would Need \$5.7 Trillion in Tax Hikes to Offset Ryan Rate Cuts (Mar. 15, 2013), <http://taxvox.taxpolicycenter.org/2013/03/15/house-gop-would-need-5-7-trillion-in-tax-hikes-to-offset-ryan-rate-cuts/>.

15 *Ibid.*

16 Chuck Marr, Chye-Ching Huang, & Nathaniel Frenzt, Ctr. On Budget & Policy Priorities, The Ryan Budget's Tax Cuts: Nearly \$6 Trillion in Cost and No Plausible Way to Pay for It (Mar. 2013), available at <http://www.cbpp.org/files/3-17-13tax.pdf>.