



Fiscal Policy

FACT SHEET

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Background

Recently enacted deficit reduction has disproportionately been achieved through program cuts. In the \$2.5 trillion in deficit reduction enacted to take place over the next decade, \$2.50 has been cut from spending for every dollar raised in revenue.

People with disabilities, their families, and advocates are extremely concerned about the outlook for federal programs as Congressional leaders and the Administration debate strategies for further reducing federal deficits. While entitlement programs (such as Medicaid, Medicare, Social Security, and Supplemental Security Income) have so far largely been protected from deficit reduction efforts, there are growing calls to cut eligibility and benefits for these essential programs. The discretionary programs that people with disabilities rely on to live in the community (employment, education, housing, and more) have already begun to experience unprecedented cuts in Fiscal Year 2013 and they face real threats to be cut further. The FY 2013 funding levels for discretionary programs are approximately 15% below where they would have been prior to the recent deficit reduction legislation.

Key Message to Congress

New budget plans must include increased revenues and preserve Medicaid, Medicare, Social Security, SSI, and other vital programs for people with disabilities.

Key Issues

The Congressional FY 2014 Budgets

In an unusual sequencing of events, the House and Senate released their Budget Resolutions before the President's Budget which was delayed until April. In mid-March, House Budget Committee Chairman Paul Ryan (R-WI) and Senate Budget Committee Chairperson Patty Murray (D-WA) released their respective FY 2014 Budget Resolutions, which lay out proposed federal spending blueprints for the next decade. The House and Senate Budgets present starkly different spending and revenue priorities. Similar to last year's House Budget Resolution, this year's plan contains many proposals that would decimate critical disability-related programs, including block granting the Medicaid program and slashing spending for discretionary programs. The Senate Budget, on the other hand, preserves the vital entitlement programs and includes equal amounts of increased revenue and other spending cuts.

Budget Negotiations: Federal Spending and Tax Policy

Further deficit reduction negotiations depend largely on Congress' ability to negotiate a compromise between the House and Senate Budget Resolutions. Presently, they are very far apart on the fundamental issue of the role and size of the federal government. This is reflected in the great divide on the two key issues of entitlement programs (Medicaid, Medicare, Social Security, and SSI) and revenue (personal, corporate, and social insurance tax).

Any plan negotiated to further reduce our deficits will have a tremendous impact on the future of all federal programs that are critical to the health and wellbeing of people with disabilities in the FY 2014 appropriations and beyond. Some current proposals threaten to destroy the social insurance, safety net, and other vital programs that have taken decades to create.

Plans to cut entitlement programs and to further cut discretionary programs are short-sighted. They would threaten the fragile economic recovery and reduce the number of jobs available by pulling the rug out from under the still-recovering economy. Most discretionary disability-related programs have largely been level funded in the last five years, including the Councils on Developmental Disabilities, University Centers for Excellence in Developmental Disabilities, and Protection and Advocacy Systems. The Family Support program funded under the DD Act was ended due to budget cuts. Further, when accounting for inflation, many have experienced significant reductions.

Housing, education, employment, developmental disability programs, and other health funding critical to ensuring that people can be fully included in the community have also suffered. People with disabilities still have many unmet needs that could be addressed by these vital programs. Rebuilding our investment in these domestic programs will boost the economy and reduce the deficit through prevention of costly chronic diseases, increased earnings, and reduced expenditures for unemployment and other social service programs

A Balanced Approach to Deficit Reduction

We share in our nation's goal of reducing the deficit and returning to a path of fiscal sustainability. However, this cannot be done through spending cuts alone. Revenues must be part of the equation.

Recommendations

- Congress should raise sufficient revenues to reduce the deficit and finance the federal government's role in providing essential supports, services, and benefits for people with disabilities and their families.
- Congress should protect critical disability programs from more cuts.
- Congress should oppose cuts and structural changes to Medicaid and Medicare and eligibility and benefit cuts to Social Security and SSI.

Relevant Committees

House and Senate Budget Committees

House and Senate Appropriations Committees

House and Senate Appropriations Subcommittees on Labor, Health and Human Services, Education and Related Agencies

For more information, please contact The Arc at (202) 783-2229, United Cerebral Palsy at (202)776-0406, Association of University Centers on Disability at (301) 588-8252, American Association on Intellectual and Developmental Disabilities at (202) 387-1968, National Association of Councils on Developmental Disabilities at (202) 506-5813, or Self-Advocates Becoming Empowered at SABEnation@gmail.com