



U.S. HOUSE OF REPRESENTATIVES

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Stop the Sequester Job Loss for 2014 Act

KEY POINTS: The Congressional Budget Office (CBO) estimates that the economic drag from the sequester will cost us hundreds of thousands of American jobs by this time next year. Democrats are offering a balanced approach of spending cuts and revenue increases to replace the sequester for fiscal year 2014. House Republicans have refused to take up Democratic alternatives seven times this year while failing to put forth their own plan.

Sequestration will cost hundreds of thousands of jobs by the end of FY 2014 and harm the economy.

- The sequester will cost hundreds of thousands of jobs and reduce economic growth by up to 1.2 percentage points (or by more than half) by this time next year, according to the nonpartisan CBO.
- In its last three policy statements, the Federal Reserve stated that “fiscal policy is restraining economic growth,” a strong hint to lawmakers to repeal and replace the sequester, among other changes.
- The 2011 Budget Control Act (BCA) already reduces spending by \$1 trillion over ten years, bringing non-security discretionary spending to its lowest share of GDP since the Eisenhower Administration. Sequestration on top of the BCA caps was recognized to be so irresponsible as to force Congress to come up with an alternative. Unfortunately, many Republicans are now cheering for the sequester.

“Stop the Sequester Job Loss for 2014 Act” replaces the sequester.

- The Van Hollen/Democratic Alternative eliminates the sequester’s immediate, excessive, and irresponsible cuts to vital investments and replaces these with a roughly 50/50 combination of targeted spending cuts and limits on tax breaks to reduce the deficit in a balanced way. Moreover, the proposal achieves over \$75 billion more in deficit reduction than the sequester would have achieved.

Every bipartisan group considering our fiscal challenges has recommended a balanced approach to deficit reduction.

- The majority of Americans support the conclusion of every bipartisan commission that we should take a balanced, bipartisan approach to reducing the deficit that increases revenue and decreases spending.
- However, Republicans insist that we cannot eliminate a single special interest tax break to help reduce the deficit – not one penny of increased revenue.
- Instead, they have pushed for a lopsided approach that increases the tax burden on working, middle-class Americans to finance a deep tax rate cut for the wealthy, and shreds the social safety net for seniors, persons with disabilities, and children born into poverty.

Republicans block votes on proposals to overturn sequestration.

- Not only have House Republicans refused seven times this year to allow a vote on Democratic proposals to replace the sequester, this year they have not even put forward any proposals to stop the sequester.

The Van Hollen/Democratic Alternative replaces the sequester for 2014 with a balance of spending cuts and revenue.

This bill contains specific policy choices – a mixture of about half spending cuts and half revenue increases – to replace the sequester for fiscal year 2014. The savings include the following:

- **Targeted spending cuts** – refocuses farm subsidies and makes targeted reductions to out-year defense spending consistent with both the President’s budget request and the House Democratic budget.
- **Limiting tax breaks** – eliminates subsidies for big oil companies and reduces tax breaks for millionaires.
- **Additional deficit reduction** – reduces deficits by over \$75 billion more than the sequester amount.