



AMERICA'S
CONGRESSIONAL BLACK CAUCUS

ESTABLISHED 1971

CONGRESSIONAL BLACK CAUCUS

ALTERNATIVE BUDGET

FISCAL YEAR 2015

EXECUTIVE SUMMARY

Fifty years ago, President Lyndon B. Johnson declared a War on Poverty. Today, we are still fighting to eradicate poverty in the United States. Since 2011, the House of Representatives has lost its focus on helping our most vulnerable communities. Instead of working together to grow our economy, create jobs, and eliminate poverty in America, the House Republican Majority has focused on draconian budget cuts to vital government services, tax cuts that only benefit the wealthiest Americans, and more than 50 failed attempts to repeal the Affordable Care Act. At the same time, initiatives that would immediately help millions of Americans, such as extending emergency Unemployment Insurance and raising the Federal Minimum Wage, have been denied an up or down vote in the House of Representatives.

A nation's Budget is a document that reflects its priorities. The Republican budget proposals continue to highlight priorities that are not reflective of what the majority of Americans need or deserve. The Majority's Budget for FY 2015 proposes deep cuts to vital programs like Medicare, Medicaid, education, job training, and transportation to pay for tax cuts that primarily benefit the wealthy. The most

vulnerable in our nation have been hit hardest by the Great Recession and spending cuts implemented by the 2013 sequester. The House Republican Budget does little to address these problems.

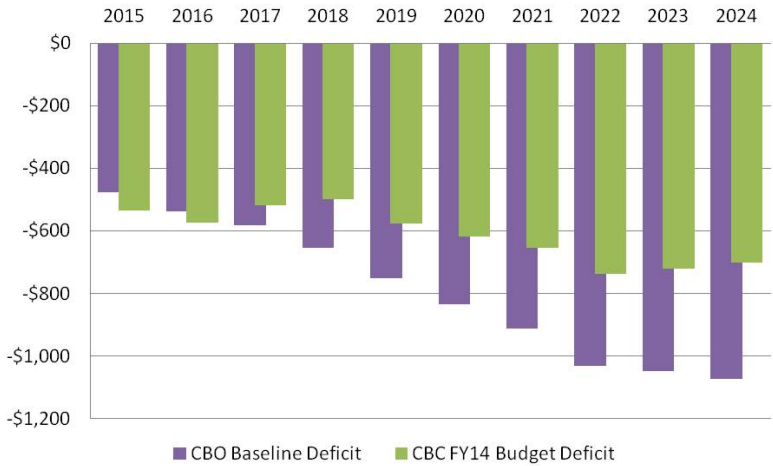
The Congressional Black Caucus (CBC) has a long history of submitting fiscally sound and morally responsible alternatives to budgets proposed by both Republican and Democratic presidents and House majorities. The CBC Alternative Budget for Fiscal Year 2015 continues this tradition by proposing a plan that reduces the deficit and alleviates the harm inflicted by austerity measures in a responsible and fiscally sound manner. Furthermore, the CBC FY 2015 Budget alternative emphasizes the CBC's commitment to eradicating poverty in America by increasing economic opportunities through robust investments in education, infrastructure, affordable housing, domestic manufacturing, small businesses, and job training. In addition, the CBC Budget protects and enhances the social safety net that continues to save millions from the ravages of poverty. The CBC Budget proposes significant investments in these functions to further accelerate our economic recovery and to ensure no community in America is left behind.

BASELINE

The CBC budget uses the Congressional Budget Office's current law baseline, as adjusted in February 2014, which includes the Budget Control Act of 2011 and the Bipartisan Budget Act of 2013.

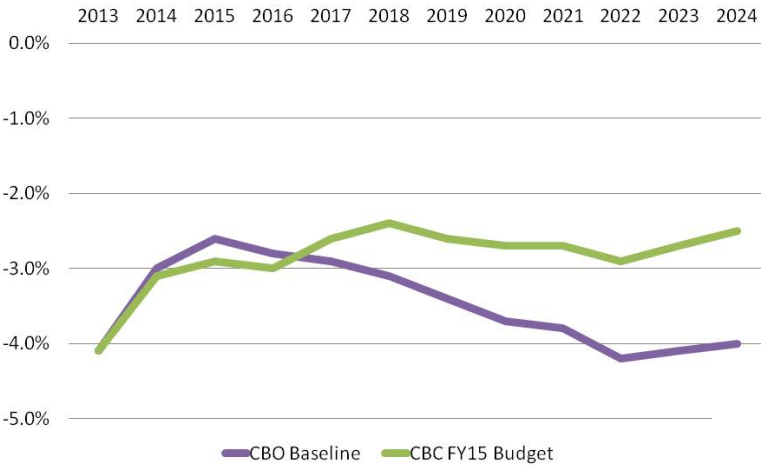
Over the next decade, CBO projects the deficit to dip to \$478 billion in Fiscal Year 2015, but steadily climb to \$1,074 billion in Fiscal Year 2024.

CBC Budget Saves \$1.775 Trillion on the Deficit Over 10 years Compared to CBO's Baseline



CBC Budget Puts Nation on Sustainable Fiscal Path

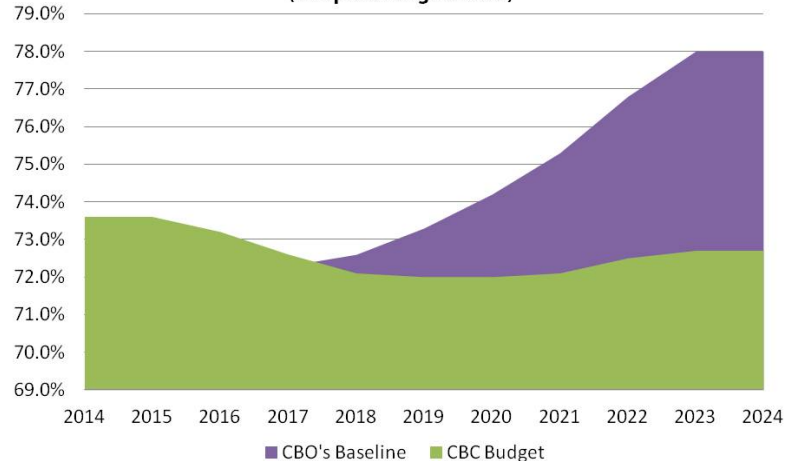
(Annual Deficit as a Percent of GDP as compared to CBO's February 2011 Baseline)



Compared to CBO's current law baseline, the CBC budget reduces the deficit by approximately \$1.8 trillion over the next decade. As a percentage of GDP, the deficit in FY 2024 under the CBC Budget will be 2.5%. The total debt held by the public will fall to 72.7% of GDP by FY 2024.

Debt Held By the Public Falls Under CBC Budget

(as a percentage of GDP)



These savings are derived from the additional revenue called for in the CBC budget, as well as other deficit reducing policies, such as adding a Public Option to the Affordable Care Act marketplaces, passing Comprehensive Immigration Reform, and ending perpetual spending in the Overseas Contingency Operations account.

Table 1. CBC FY 2015 Budget

CBC Budget (in billions of doll	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY15-24
CBO Baseline Deficit	-478	-539	-581	-655	-752	-836	-912	-1031	-1047	-1074	-7905
Levels											
Revenues	3469	3663	3841	4004	4180	4365	4567	4789	5025	5269	43172
Outlays	4003	4238	4358	4503	4756	4981	5220	5526	5745	5971	49301
Deficit	-534	-574	-517	-499	-576	-617	-653	-737	-720	-702	-6129
Savings Over CBO Baseline	-56	-35	64	156	176	219	259	294	327	372	1776
As Percent of GDP											
Revenues	19.1%	19.1%	19.0%	18.9%	18.9%	18.8%	20.1%	18.9%	18.9%	19.0%	
Outlays	22.1%	22.1%	21.6%	21.3%	21.5%	21.5%	21.5%	21.8%	21.6%	21.5%	
Deficit	-2.9%	-3.0%	-2.6%	-2.4%	-2.6%	-2.7%	-2.7%	-2.9%	-2.7%	-2.5%	
Gross Domestic Product (CBO Baselin	18126	19083	20052	20954	21867	22799	23755	24746	25774	26830	
Debt Held by the Public	13338	13973	14554	15109	15744	16421	17137	17944	18732	19505	
Debt Held by the Public (as a % of GD	73.6%	73.2%	72.6%	72.1%	72.0%	72.0%	72.1%	72.5%	72.7%	72.7%	

MAKING THE TAX CODE FAIRER TO MEET THE NEEDS OF THE NATION

Even with the small revenue enhancements enacted through the American Taxpayer Relief Act of 2013, revenues as a percentage of the nation's gross domestic product will still fall far short of the demands of the nation over the coming decade.

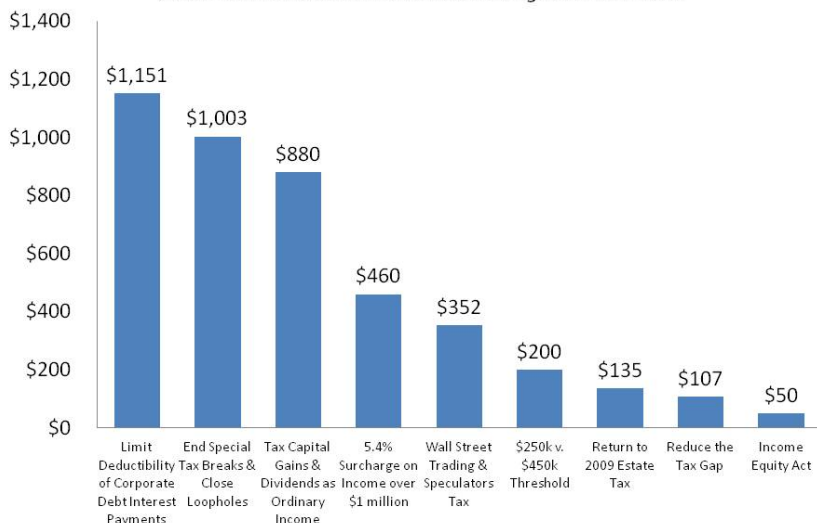
The CBC Budget proposes several options to make our tax code fairer and more able to meet the needs of the nation. All together, these options total

approximately \$4.3 trillion in revenue enhancements over the next decade. However, the CBC Budget only directs the House Committee on Ways and Means and the Senate Committee on Finance to find \$2 trillion in revenue enhancements.

Below is an explanation of \$4.3 trillion revenue enhancement options Congress *could* use to reach the CBC Budget's \$2 trillion revenue enhancement goal.

Revenue Options

\$4.3 Trillion in Additional Revenue & Savings Over Ten Years



Limit Deductibility of Corporate Debt Interest Payments: \$1.151 Trillion over 10-years

Under current law, corporations can take advantage of a tax preference that encourages debt-financed projects over projects financed by other means, such as equity financing. Interest payments on this debt are counted as a business expense and are paid from pre-tax income thus reducing a corporation's taxable income. According to the Economic Policy Institute, corporate financing achieved through debt becomes tax deductible whereas corporate financing through equity is not. There is no rational basis for this difference. This proposal does not eliminate corporate interest deductions. It only limits the use of debt financing by one-third to 25%, down from 35%, and making the preference an after-tax credit of 25% rather than a pre-tax expense. It should be noted that if this tax preference for corporate debt is completely eliminated, it would raise at least three times as much revenue than just limiting it to a 25% after-tax credit. Ultimately, limiting this tax preferences would decrease systemic financial risk and free up additional capital for more productive, less speculative investment.

End Special Tax Breaks and Close Tax Loopholes: \$1 Trillion over 10-years

In a report released last year, the Center for American Progress identified numerous special tax breaks and tax loopholes that could save \$1 trillion over the next decade.

Some of the special tax breaks and loopholes indentified include: limiting extra deductions enjoyed by the wealthiest Americans (\$520 billion); closing international tax loopholes and other incentives that move American jobs overseas (\$168 billion); ending special tax breaks for inventory (\$67 billion); closing loopholes in estate and gift taxes (\$24 billion); closing the "carried interest" loophole for hedge funds and private equity fund managers (\$21 billion); eliminating the "S-Corporation" loophole (\$11 billion); denying the mortgage deduction for vacation homes and yachts (\$10 billion); closing the tax loophole for derivatives traders (\$3 billion); and eliminating the corporate jet loophole (\$3 billion).

Ending these tax breaks alone would be enough to cancel the economically devastating sequester and save the jobs of millions of hard-working Americans.

Tax Capital Gains and Dividends as Ordinary Income: \$880 Billion over 10-years

The tax code has long favored investment income over the money you get in your paycheck, but this hasn't always been the case. In the 1960s,

when the top tax rate for earned income was 50%, capital gains and dividends were taxed at a top rate of 70%. However, today when a shareholder of a stock is paid a dividend, the most they are taxed is 20%. When that shareholder decides to sell the stock and cash out, they still only pay 20% on their profits — the capital gains. A recent study conducted by Thomas Hungerford of the Congressional Research Service states that "[t]he single greatest driver of income inequality over a recent 15 year period was runaway income from capital gains and dividends." Wall Street investment bankers and hedge fund managers should pay the same tax rates on their income as the soldier fighting in Afghanistan or a public school teacher in Ohio pay on their income. The CBC Budget proposes ending this tax disparity to make the tax code fairer while also including safeguards that will still encourage average Americans to invest and save for their retirement.

5.4% Surcharge on Top Earners: \$460 Billion over 10-years

The wealthiest Americans disproportionately benefited the most from the Bush-era tax cuts and the federal government's 2008 bailout of some of the largest banks, investment firms, and corporations on Wall Street. According to the Congressional Budget Office, multi-millionaires have seen their average income rise much faster than the rest of the population. The average after-tax income of the top 1% of income earners has skyrocketed 275% between 1979 and 2007, while the average after-tax income for the middle class grew just under 40% during the same period. A family earning \$451,000 pays the same tax rate as a family earning \$10 million annually. That doesn't seem right or fair.

Enacting a surcharge of 5.4% of joint filers' adjusted gross income for that portion of their income exceeding \$1 million, similar to one included in the House-passed version of the America's Affordable Health Choices Act (H.R. 3962) in the 111th Congress, would generate approximately \$460 billion in additional revenue over the next decade.

Financial Speculation Tax: \$352 Billion over 10-years

Rampant and aggressive speculation on Wall Street helped create the Great Recession and is partially responsible for the significant increases in gas prices American families are facing today. While this small 0.25% financial speculation tax will not eliminate speculation or stave off a future financial crisis, it will, however, be an important disincentive to reel in short-term speculating and help build a more resilient financial sector. For example, on a \$10,000 stock transaction, the tax would only cost the investor an additional \$25 for the transaction. This modest tax would help our nation recoup from the devastating fiscal ramifications of the 2008 financial crisis by enhancing revenue that can be used to invest in our

economy, accelerate our recovery and reduce our federal budget deficit.

The CBC Budget projects that a modest financial speculation tax of 0.25% on stock transactions would raise at least \$352 billion over the next decade.

\$250K v. \$450K Threshold: \$200 Billion over 10-years

A compromise in the American Taxpayer Relief Act retained the Bush-era tax cuts for that portion of a household's income greater than \$250,000 and up to \$450,000. Most Americans and the CBC Budget believe that the \$250,000 threshold is the more responsible cap for the Bush-era tax cuts. Lowering this threshold would enhance revenues by approximately \$200 billion over the next decade.

Return to 2009 Estate Tax: \$135 Billion over 10-years

The American Taxpayer Relief Act permanently fixed the federal estate tax at a 40% rate with an exemption of \$5 million per individual estate (\$10 million for joint estates). The exemption was also indexed to inflation saving multi-million dollar estates more and more each year. Many in Congress advocated for returning to the 2009 estate tax of 45 percent with an exemption, not indexed to inflation, of \$3.5 million per individual estate (\$7 million for joint estates). Returning to the 2009 estate tax will enhance revenues by approximately \$135 billion over the next decade.

Pass the Income Equity Act: \$50 Billion Over 10-years

There is a growing consensus that steeply rising income inequality is bad for our economy, bad for the workers who fail to share in the benefit of their increasing productivity and bad for the very social fabric that binds our nation together. While the American middle class hangs on by a thread through a "jobless recovery," corporations and investment banks are making record profits and again paying out record bonuses even while the pay of their workers is actually falling. What is worse is that those ordinary taxpayers are actually subsidizing this rising income inequality because of the nearly unlimited deductibility of executive pay packages. And some of those executives at these very corporations are actually leading the push for increased austerity in the budget debate, according to a [new report](#) by the Institute for Policy Studies. The Income Equity Act limits the tax deductibility of executive compensation packages and is estimated to raise approximately \$50 billion over the next decade.

Reduce the "tax gap" through better enforcement: \$107 Billion over 10-years

In 2005, the U.S. Department of the Treasury estimated that the gross tax gap – the difference between taxes owed and taxes paid – totaled nearly \$345 billion, of which only \$55 billion was expected to be collected as late payments or from tax enforcement. The National Treasury Employees Union estimated that \$31 in lost tax revenue can be collected for every \$1 invested in the IRS enforcement and collections apparatus. The CBC budget would invest \$325 million in the IRS enforcement and collections account annually with a net return to the Federal treasury of \$10.7 billion annually and \$107 billion over the next decade.

END THE THREAT OF SEQUESTRATION

The Republican House Majority's refusal to govern responsibly by raising the nation's debt ceiling in 2011 led to the enactment of the Budget Control Act of 2011. In order to force Congress to act on a long-term deficit reduction package, and to hopefully encourage Republicans to stop protecting tax breaks for corporations and millionaires, the Budget Control Act included a trigger of automatic across-the-board spending cuts through a process known as "sequestration." Despite strong opposition to the sequester, the House Republican Majority refused to take sequestration off the table and it was allowed to take effect for 2013.

In FY 2013, sequestration was devastating to programs that grow our economy and support our most vulnerable communities. Head Start programs had to scale back summer sessions, reduce class sizes, layoff instructors, and add more children to already lengthy waiting lists. Meals on Wheels programs across the nation had to cut back services, putting many low income seniors at risk of food insecurity. Child care assistance was slashed, forcing too many families out of quality child care programs. Federal funding for education, including science, technology, engineering, and mathematics, or STEM, at both the K-12 and university levels were slashed, further widening the achievement gap and putting American students further behind students in other developed nations. Cuts in funding for advanced Research and Development programs will have long term impacts on the nation's ability to innovate and compete globally.

The Bipartisan Budget Act of 2013 alleviated sequestration for FY 2014 and FY 2015, but it largely achieved this by adding two years to the mandatory sequester in the out years. The CBC believes that sequestration should be totally taken off the table. Of the \$2 trillion in revenue enhancements called for by the CBC Budget, \$1 trillion should be used to cancel sequestration and increase

funding for non-Defense discretionary programs that were cuts due to sequestration in 2013.

While the CBC Budget cancels sequestration, it does not propose that National Defense (Function 050) spending return to pre-Budget Control Act levels.

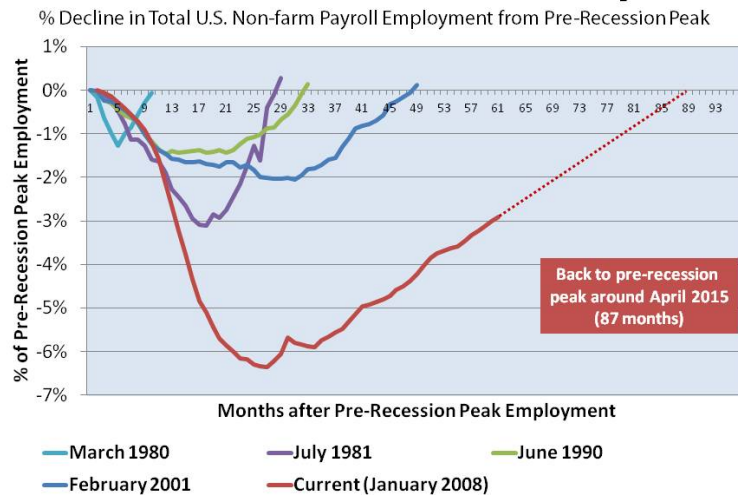
A JOBS BILL THAT WILL ACCELERATE OUR ECONOMIC RECOVERY

Our nation is still reeling from the effects of the worst economic recession since the Great Depression. The American Recovery and Reinvestment Act of 2009 was critical in turning our economy around. In the last 49 months, more than 8.8 million jobs in the private sector have been created and the national unemployment has slowly come down.

Now, Congressional gridlock is threatening to reverse our modest economic gains. Further complicating our economic outlook, the recovery is not reaching every community at the same levels. The unemployment rate in the African American community remains incredibly high at 12.4% – nearly twice that of whites. Even in times of economic growth, Blacks and Hispanics are more likely to be unemployed than the overall population across all levels of educational attainment. In the face of this, there are those in Congress who are relentlessly driving an austerity agenda that is holding back our recovery and hurting communities across America. Their actions will lead us back into full recession unless action is taken to avert the sequester.

The CBC Budget proposes a comprehensive jobs program totaling \$500 billion over three years that will accelerate our economic recovery and ensure that it reaches every community in America, while also investing in what we know will guarantee America's long-term economic competitiveness.

The 2007-2009 Recession in Perspective



National Direct Job Creation Program (\$100 billion)

The CBC Budget also calls for a \$100 billion investment in a national direct job creation program administered by the Department of Labor. As proposed in Representative Conyers' "Humphrey-Hawkins 21st Century Full Employment and Training Act," this program would put Americans to work restoring our communities through projects like painting and repairing schools and community centers, renovating parks and playgrounds, improving the energy efficiency of our homes and businesses, tutoring children, and expanding access to high-speed Internet services.

Funds will be distributed by formula through the Department of Labor to larger cities, and to states to be passed through to smaller localities and rural areas. Local elected officials, who are closest to our communities and needs on the ground, would work with community groups and labor leaders to identify critical projects and connect workers to projects right away. This \$100 billion investment would directly create 2 million jobs and also indirectly create over 800,000 private sector jobs.

School Modernization (\$50 billion)

Many of our nation's public schools were built decades ago and are in desperate need of repair and modernization. Many school districts, especially in poorer rural and urban areas simply have not been able to afford to make these improvements, especially considering ongoing budget cuts that states and localities are still being forced to make. The CBC Budget sets aside \$50 billion targeted at our nation's poorest school district to help repair and modernizes tens of thousands of schools. Funds could be used for a range of emergency repair and renovation projects, greening and energy efficiency upgrades, asbestos abatement and removal, and modernization efforts to build new science and computer labs and to upgrade technology in our schools.

Preserving Teacher, Law Enforcement & First Responder Jobs (\$50 billion)

While the private sector has produced more than 8.8 million jobs in the last 48 months, budget cuts at the state and local government have been a persistent fiscal drag on our economy. The CBC Budget sets aside \$50 billion to help state and local government prevent any additional layoffs of teachers and first responders. These funds can also be used to allow localities to hire additional teachers and first responders. Teachers are critical to educating the next generation of American leaders in government, science, medicine and technology. The federal government should do everything in its power to ensure that students are afforded the individual attention and small classroom sizes that help foster strong educational outcomes. Additionally, local law enforcement and

first responders keep our communities safe and preventing any additional layoffs must be a top priority of the federal government.

Immediate Investments in our Nation's Infrastructure (\$230 billion)

The American Society of Civil Engineers has given our nation's infrastructure a D in their most recent report card. The recent Surface Transportation Act reauthorization was dramatically underfunded when it comes to addressing our nation's infrastructure needs. Increasing infrastructure spending to help modernize our nation's roads, bridges, and tunnels, as well as to build new and improve existing commuter/ public transportation systems will help put back to work hundreds of thousands of American construction workers.

Also, the American Recovery Act included a significant down payment on an American high speed rail network. Unfortunately, investments in high speed rail have tapered off and the paltry level of funding that has been made available pushes off the availability of a true American high speed rail network for decades. Another large investment in high speed rail will help create jobs and make these networks available sooner and foster economic development along these high speed rail corridors.

Rebuilding America's Neighborhoods (\$50 billion)

The housing foreclosure crisis continues to decimate neighborhoods across the nation. The CBC Budget includes significant funding to help these communities rebuild and to help families facing foreclosure stay in their homes.

Job Training Programs (\$13 billion)

The long-term unemployment rate remains relatively high compared to previous recessions. Ensuring that these Americans have access to technical training, career services, graduate and certificate programs, and other job training programs so that they can be competitive in the workforce again is critical to solving the long-term unemployment problem. The CBC Budget proposes an additional \$13 billion towards these job training programs.

Summer Jobs Program (\$7 billion)

Temporary summer jobs have been a proven method of bringing down unemployment and infusing the economy with additional economic activity. Many of these jobs will be filled by young people who will immediately put the money back into the economy through consumer spending. This will also have the added benefit that these young people are staying out of trouble and contributing to their communities.

ERADICATING POVERTY & PROTECTING THE SOCIAL SAFETY NET

During an economic downturn, the importance of having a “Social Safety Net” net cannot be overstated. For communities of color, these programs prevent a recession from being an economic disaster. While many associate the social safety net programs with Social Security, Medicaid and Medicare there are quite a few other programs that are just as essential. The Supplemental Nutrition Assistance Program (SNAP), Child Health Insurance Program (CHIP), Temporary Assistance to Needy Families (TANF) and Head Start are among the other federally funded programs that are critical to struggling communities and addressing poverty. The CBC supports the goal of developing a national strategy to eliminate poverty, with the initial goal of cutting poverty in half in ten years, and extending equitable access to economic opportunity to all Americans.

The 113th Congress has already made massive cuts to critical domestic programs that millions of American families rely on. The Republican Budget proposes even more cuts on the backs of our most vulnerable. This is not how we should reduce our deficits, and these cuts will not help create new jobs, or grow our economy. Rather, priority must be given to creating a national poverty strategy to maximize effective coordination and oversight across agencies and achieve a true unity of programs focused on reducing and eliminating poverty in America. Improving coordination and streamlining benefit and service delivery can improve and extend the reach of every federal dollar to fight poverty. We must remove obstacles that prevent the most vulnerable Americans from taking advantage of economic and educational opportunities that can assist them in moving up the economic ladder of opportunity to join the middle class and reach the American Dream.

The CBC Budget protects these critical domestic programs from any additional spending cuts and invests more on these programs above the spending caps enacted by the Budget Control Act.

The CBC Budget highlights the following programs and initiatives that will have a significant impact on reducing and eliminating poverty in America:

Affordable & Quality Child Care for Working Families

Too many low-income families lack access to any child care program, much less a high-quality and affordable one. Even when low-income families do have access, it's often unaffordable, forcing some of them to choose between paying for food, clothes, heat, or child care. According to the U.S. Census Bureau, families living in poverty spend an average of 30% of their income on child care, compared with 18% for families earning

between 100% and 150% of the Federal Poverty Level (FPL).¹ The CBC Budget adapts a multi-pronged, multi-generational approach to improving child care access and childhood education, by strengthening and making added investments to both the Child Care Development Block Grant (CCDBG) and Head Start. The goals are twofold – ensuring that parents have access to quality child care while they work and provide for their families while simultaneously also ensuring that children receive high quality early education to put them on a path to success. Research compiled by the National Institute of Health shows that children in care with good quality standards have better cognitive development than those in lower-quality care, including fewer behavioral problems, increased school readiness and improved language use and comprehension.² Enhanced funding for child care program improvements will increase equality of care provided in the child care setting and increase access to quality programs. The CBC Budget also recommends allowing eligibility determinations for CCDBG to be set at 12 month intervals, thus improving the continuity of the program and syncing the eligibility determination time frame to those used in Head Start and preschool programs which deem typically children eligible for the entire school year. Not to mention that the improvements that the CBC Budget makes in the child care system are popular. A recent report released by Center for American Progress showed that over 85% of Americans – including 77% of Republicans – support expanding access to child care programs.

Reviving the TANF Emergency Fund

Passed during the Great Recession, the American Recovery and Reinvestment Act (ARRA) included funding for the Temporary Assistance to Needy Families (TANF) Emergency Fund (EF) in order to help states cover the costs of creating new or expanding existing subsidized employment programs. Thirty-nine states as well as the District of Columbia used over \$1 billion to place more than 260,000 low-income adults and youth in temporary jobs. These subsidized jobs programs, which placed individuals in positions in both the public and private sectors, bridged the gap during a time when the workforce could not accommodate all the jobseekers. The Economic Mobility Corporation recently conducted a retrospective study on these subsidized job opportunities and found the programs to be very successful in both creating jobs that would have not existed otherwise and increasing earnings for workers. These programs were shown to be particularly

¹ <http://www.census.gov/prod/2013pubs/p70-135.pdf>

² https://www.nichd.nih.gov/publications/pubs/documents/seccyd_06.pdf

valuable in targeting the long-term unemployed and teaching new skills to those who had struggled to find work in their fields.³

The problem of long-term unemployment has not gone away. There are still 3.8 million Americans that have been jobless for 27 weeks or longer and lack of employment opportunities can and often does relegate a family to poverty. While some states have continued funding subsidized jobs programs in the same vein as what was done with the ARRA funds, refunding the TANF Contingency Fund as a flexible and innovative employment fund that states could use to continue to provide subsidized jobs or otherwise invest in evidence-based employment programs that significantly increase the job prospects of people receiving or eligible for TANF would help create jobs for those whom our recovery has left behind.

Raise the Federal Minimum Wage

The federal minimum wage has remained stagnant for far too long while the cost of living continues to rise. The federal minimum wage of \$7.25 an hour equates to a mere \$15,080 per year for a full-time worker. This is not enough to provide economic security for a worker, especially as health costs, rents, and other prices continue to rise, and it certainly does not give an individual a fair shot at lifting oneself out of poverty. An increase in the federal minimum wage will provide America's lowest-paid workers with an urgently needed boost. Low earnings is one of the biggest contributors to income inequality and those who are working hard day in and day out at minimum wage jobs should be earning enough to take care of themselves and their families. Increasing the federal minimum wage will ensure that companies are paying their workers a living wage especially as the largest low-wage employers, like big name fast food chains are enjoying strong profit margins.

Additionally, increases in the federal minimum wage will put money directly into the economy since the money will be immediately spent on basic needs. Research conducted by the Economic Policy Institute has shown that raising the federal minimum wage to \$10.10 per hour would generate more than \$22 billion in new economic activity.⁴ This is an important first step towards establishing a living wage, and a win-win for both the American family and the American economy.

³ <http://economicmobilitycorp.org/uploads/stimulating-opportunity-full-report.pdf>

⁴ <http://www.epi.org/publication/raising-federal-minimum-wage-to-1010/>

Protecting and Strengthening SNAP

The CBC strongly supports protecting and strengthening SNAP and opposes any proposals to cap or reduce funding, restrict eligibility or reduce benefits. For four decades, SNAP has received strong bipartisan support and is the nation's first line of defense against hunger and alleviating poverty, helping to ensure that vulnerable families in our nation have a stable source of food. SNAP is an important cornerstone of the nation's nutrition safety net. It reaches key vulnerable populations – in an average month in FY 2011, 76 percent of SNAP households included a child, an elderly person, or a disabled person, and those households received 83 percent of the benefits. Research has long shown and lines at food pantries have long demonstrated that benefit levels for SNAP are too low. A recent report by the prestigious Institute of Medicine (IOM) reaffirmed that point. Rather than weaken this proven-successful program, the CBC supports ensuring that benefit levels are sufficient for qualifying households to purchase a nutritionally adequate diet.

Due to the comprehensive approach taken by the CBC Budget to reduce poverty and increase economic opportunity, it is estimated that upfront SNAP costs will actually be offset with a corresponding increase in the federal minimum wage. A recent Center for American Progress study found that a 10 percent increase in the minimum wage reduces SNAP enrollment by between 2.4 percent and 3.2 percent and reduces program expenditures by an estimated 1.9 percent.⁵ These savings could then be reinvested into the SNAP program to improve outreach, streamline enrollment, and make other improvements.

Improving Retirement Security

Social Security currently replaces only 40 percent of pre-retirement earnings for a low earner retiring at age 62 and over half of workers have less than \$32,000 in retirement savings. Additionally, most employers have shifted from defined benefit pensions to 401(k) type savings accounts that do not guarantee a benefit. Moreover, many low wage workers can barely afford to make ends meet, let alone start thinking about their retirement. This has led to extreme retirement insecurity, particularly in low-income communities. The CBC Budget supports strong protections for workers' retirement funds while broadening access to financial literacy programs so that families understand the importance of investing and understand how to invest in their future. Mostly importantly, the CBC Budget preserves the guaranteed Social Security benefit that many low-income families rely on in their older years.

⁵ <http://www.americanprogress.org/wp-content/uploads/2014/03/MinWage-report.pdf>

Protecting and Strengthening Social Security and Medicare

Social Security and Medicare are two of the nation's most important and essential programs giving millions of senior citizens piece of mind in their retirement. Before Social Security was signed into law by President Franklin D. Roosevelt in 1935, over half of America's seniors lacked sufficient income to be self-supporting. And before Medicare was signed into law by President Lyndon B. Johnson in 1965, only 50 percent of seniors had health insurance and 35 percent lived in poverty. These programs combined have improved the lives of America's seniors and have kept millions out of poverty.

The CBC opposes any changes to these programs that would end these guaranteed benefits or dramatically alter their commitment to America's seniors. The CBC strongly believes any savings derived from changes to these programs should be used to extend their solvency – not to reduce the deficit or pay for tax cuts for millionaires and billionaires. The CBC strongly believes that the focus should not be on how can we cut Social Security and Medicare, but how can we improve these programs.

For example, calculating Social Security cost-of-living-adjustments (COLA) using the Consumer Price Index for the Elderly (CPI-E) would be a significant improvement to Social Security. CPI-E would be a more accurate assessment of the changing costs of products and services utilized more by senior citizen consumers. Under the current CPI-W formula, the purchasing power of a senior's Social Security check is essentially chipped away each year since it doesn't keep pace with medical costs, prescription drug costs, or energy costs. According to the Bureau of Labor Statistics, from December 1982 through December 2011, CPI-E rose at an annual average rate of 3.1 percent, compared with increases of 2.9 percent for CPI-W. This could potentially be paid for by reforming how Social Security is financed. Approximately 82% of income (the first \$113,700 of earned income) is currently taxed for the purposes of financing Social Security, down from 90% in 1982. Reforming Social Security financing to capture more income could both offset the cost of improving benefits and extend the solvency of the Social Security Trust Fund.

There are clearly ways we can protect seniors, improve benefits and also extend the solvency of these vital programs.

The CBC sees the importance of supporting the “Social Safety Net” programs more than ever. One of the most important parts of the CBC Budget is that it protects all the safety net programs from the hysteria of debt reduction. By eliminating the sequester and widening the tax base,

reforms can be done in a sensible and targeted way that does not devastate the programs or greatly decrease benefits. The other effective and efficient safety net programs are simply protected from the harsh cuts that follow the calls for austerity. The CBC Budget continues to prove that the dilemma between economic security assistance and our nation's fiscal health is a false choice.

Targeting Resources Through the 10-20-30 Formula

To be more efficient in the use of our federal resources, the Congressional Black Caucus advocates for the use of the 10-20-30 policy for federal spending. This language requires that at least 10 percent of the federal funds in certain accounts be directed to certain areas that have had a poverty rate of 20 percent for the last 30 years. This non-partisan proposal will ensure that federal resources are actually reaching communities most in need to improve the economic and social conditions in these distressed communities that have long struggled with persistent poverty.

ADDRESSING HEALTH DISPARITIES

Despite ongoing efforts to reduce health disparities in the United States, racial and ethnic disparities in both health and health care persist. Even when income, health insurance and access to care are accounted for, disparities remain. Low performance on a range of health indicators—such as infant mortality, life expectancy, prevalence of chronic disease, and insurance coverage—reveal differences between racial and ethnic minority populations and their white counterparts. The Affordable Care Act attempts reduce these health disparities by increasing access to care, investing in prevention and wellness, and giving patients more control over their own care. To assist the ACA in addressing these disparities, the CBC budget fully funds the ACA to ensure that individual programs are not set up for failure and that the overall system functions as it was intended. Additionally, the CBC Budget continues to strongly support the National Institutes of Health and their critical research on debilitating diseases such as sickle cell and diabetes.

The CBC Budget also proposes the creation of a public health insurance option in the Affordable Care Act health insurance exchanges, which has consistently scored as a savings for the American taxpayer. The original House version of the Affordable Care Act included a public option that would be based on Medicare's current reimbursement rates plus 5%. The Congressional Budget Office (CBO) estimates that the public option's premiums would be 5-7% lower, on average, than the premiums of private plans offered in the exchanges. Those differences in premiums would reflect the net impact of differences in administrative costs as well as the rates paid to providers. CBO estimates that roughly one-third of the estimated 38 million people that would obtain

coverage through the exchanges would enroll in the public option. CBO estimates a public insurance option would save nearly \$150 billion over the next decade.

INCREASING ACCESS TO EDUCATION

Improving educational resources for High school completion is a priority for the Congressional Black Caucus. African American, Latino and some Asian American and Pacific Islander students are grossly overrepresented among our nation's dropouts. In addition, students of color are far more likely to attend schools with highly concentrated poverty where high school graduation is not always the norm. To counter these issues, the CBC budget provides robust funding for programs such as TRIO, High School Graduation Initiative and teacher training programs

The CBC also is invested in increasing access to higher education. The cost of attending college has tripled since the 1980s, according to the Pew Center. Too many students are forced to either forgo a college education or take on enormous sums of debt. The benefits of a college education cannot be overstated. According to the Bureau of Labor Statistics, the median weekly income for an individual with a bachelor's degree was \$1,038 in 2010 whereas the median weekly income for an individual with only a high school diploma was \$626 a week. No American child should be denied the opportunity to go to college and the Federal Pell Grant is the single largest source of federal grant aid supporting students in college. To ensure the Pell Grant can assist more students and cover more of the cost burden placed on students and their families, the CBC Budget continues to increase the maximum Pell Grant award from \$5,730 to \$6,500 per student. The CBC budget projects that this will cost approximately \$6 billion above the proposed discretionary base for the Pell Grant program in FY 2015. The CBC Budget also increases funding for strengthening Historically Black Colleges and Universities (HBCUs) and their graduate programs.

AGGREGATE FUNCTION INCREASES FOR FY 2015

All numbers are plus-ups for non-Defense discretionary from pre-sequester Budget Control Act spending caps. The CBC Budget assumes that sequestration will be cancelled and directs that the pre-sequester Budget Control Act caps be adjusted to account for these increases to avoid a discretionary sequester of these programs. See Table 2 for on-budget function totals, and Table 3 for year-by-year aggregate function increases.

Function 050: National Defense

The CBC Budget matches the Democratic Budget Alternative with regard to spending for National Defense and Overseas Contingency Operations.

The United States faces serious challenges at home and abroad – but Americans know that we have the courage, ingenuity, and resolve to overcome them. The CBC envisions a 21st-Century in which the United States plays a critical role in helping to create a peaceful and prosperous world.

In the 13 years after the 9/11 attacks, spending on defense and security increased 96% and totaled almost \$8 trillion. The wars in Iraq and Afghanistan have cost \$1.43 trillion, and have taken the lives of over 6,600 brave American men and women in uniform while leaving over 40,000 thirty thousand wounded.

The CBC does not support all the cuts mandated by sequestration. However, the CBC Budget recognizes that significant savings can be achieved by adopting a modern global security strategy that would allow the United States to reduce the federal budget deficit and also invests in our underlying economic strength – the true foundation of our security. As the former Chairman of the Joint Chiefs of Staff Adm. Mike Mullen has pointed out, "The single greatest threat to national security is from the national debt."

There are multiple reforms proposed that would save hundreds of billions of dollars over the next decade. For example, the Simpson-Bowles commission outlined \$750 billion in suggested defense savings over the next decade. President Reagan's former Assistant Secretary of Defense Lawrence Korb has proposed \$1 trillion in savings at the Pentagon over the next decade as well.

As our involvement in Afghanistan winds down, bringing our defense spending in line with our legitimate security needs must be considered along with other measures to regain our economic footing. Whatever savings can be achieved, a substantial portion should be directed to increasing support for Veteran's health,

access to mental health services, increased support for research and treatment for Traumatic Brain Injury, significantly increased support for the HUD-Department of Veterans Affairs Supportive Housing (HUD-VASH), Vocational Rehabilitation and Employment (VR&E) Program and the Post-9/11 GI Bill and the Survivors & Dependents Assistance (DEA) to increase employment, educational attainment, and to help our nation's veterans navigate the health care, physical and mental therapy services, job training and other programs that exist but are not fully utilized by eligible beneficiaries. Savings should also be directed towards the Office of Economic Adjustment, which assists state and local governments respond to major defense program shifts by helping communities adjust to defense contract losses with planning grants and technical assistance.

AUDIT THE PENTAGON

With more than a decade of war coming to a close, every dollar spent at the Pentagon must be reviewed with scrutiny. As the only federal agency not subject to an audit, the Pentagon loses tens of billions of dollars annually to waste, fraud, and abuse, as highlighted by several GAO reports. Auditing the Pentagon and encouraging DoD to implement remaining GAO recommendations would likely lead to tens of billions in cost savings by bringing a culture of financial accountability to the Pentagon.

As in previous CBC Budgets, the CBC invests savings from cuts to the Ballistic Missile Defense program to be used by the Defense Department to implement the remaining GAO recommendations to save the American taxpayer billions of dollars.

**Function 150:
International
Affairs**

+\$5,000,000,000

The CBC supports additional funding for this function in order to increase funding for the Global Fund to Fight AIDS, Tuberculosis and Malaria; the U.S. President's Emergency Plan For AIDS Relief (PEPFAR); the McGovern-Dole Global Food Aid program; the U.S. Institute of Peace (Gandhi-King Scholarly Exchange Initiative Act); Global Health and Child Survival Programs at USAID for family planning, malaria, tuberculosis, HIV/AIDs, and maternal health efforts; Iraqi and Afghanistan humanitarian assistance; migration and refugee assistance; peacekeeping efforts in Darfur; education, healthcare and cultural exchange programs; child survival and health programs; development assistance; USAID Donald Payne Fellowship Program; Office of Civil Rights and Diversity, USAID; Racial and Ethnic and Equality Empowerment Office, USAID; The Donald Payne Commission; The Charles B. Rangel International Affairs Program; Office of Civil Rights, U.S. State Department; Western Hemisphere - Race, Ethnicity, and Social Include Unit;

Race and Ethnicity Experts and Programming for Europe and Eurasia (EUR), Democracy, Rights, and Labor (DRL), and Populations, Refugees, and Migrants (PRM) Bureaus; Western Hemisphere -100,000 Strong in the Americas; International Organizations - United Nations Slave Memorial; and Racial and Ethnic Equality and Empowerment Office in the Civilian Security, Democracy, and Human Rights Bureau. Programs in the 150 Account provide vital development and humanitarian assistance, commercial diplomacy and tools to combat the horrors of drug and human trafficking and nuclear proliferation. In the area of global development, the United States has made strong commitments as part of a global effort to achieve an AIDS-Free Generation, the Millennium Development Goals (MDGs) and other poverty reduction targets.

**Function 250:
General Science,
Space and
Technology**

+\$8,000,000,000

The CBC Budget proposes that the additional funding provide for in this function apply towards NASA; Noyce Scholarships; the National Science Foundation; the America COMPETES Act (Summer Institutes and Outreach and Experiential-based Programs for Minority Students); the ADVANCE Women's program; Graduate Research Fellowships; and other research related programs. The CBC believes these additional investments in Science, Space and Technology will create new jobs, lead to the development of new technologies, and help ensure that America retains its global competitiveness.

**Function 270:
Energy**

+\$4,000,000,000

Building on the significant investments made by the American Recovery and Reinvestment Act, the CBC Budget invests additional funding for this function to apply towards the Advanced Research Projects Agency at the Department of Energy; the Weatherization Assistance Program; Energy Efficiency and Renewable Energy Programs; State and Tribal Assistance Grants; and investments in clean energy technologies.

**Function 300:
Natural Resources
and Environment**

+\$8,000,000,000

The CBC Budget invests additional funding for this function to apply towards increased funding for the Clean Water State Revolving Fund; the Great Lakes Restoration Initiative; Chesapeake Bay Restoration; the Environmental Protection Agency; the HBCU Historic Preservation Program; the National Park Service Underground Railroad Network to Freedom; Army Corps of Engineers; the National Oceanic Atmospheric Administration; and Environmental Justice related programs.

The CBC Budget also includes additional funding for water

infrastructure projects under the Water Resources Development Act.

**Function 350:
Agriculture**

+\$2,000,000,000

The CBC Budget invests additional funding for this function to apply towards the Black/Minority Farmer Initiative, 1890 Land-Grant HBCUs, and other programs that support America's family-owned farms.

**Function 400:
Transportation**

+\$138,000,000,000

The CBC Budget provides additional funding for this function to apply towards NASA Aeronautics Research; the Grants-in-Aid for Airports program; the National Infrastructure Bank; Bus and Rail State of Good Repair; Urbanized Area Transit Formula Grants, Amtrak; Public Transit, Highways, Aviation, Ports, Railroads, Bridges and other infrastructure investments. The CBC Budget also invests a significant portion of this increase towards the President's goal of a nationwide high speed rail network. Increased and sustained investments in transportation and infrastructure projects will create jobs and accelerate our economic recovery.

The CBC Budget also proposes a robust jobs bill that includes \$230 billion in infrastructure investments over a three year period.

**Function 450:
Community &
Regional
Development**

+\$30,000,000,000

The CBC Budget restores harmful cuts and fully funds the Community Development Block Grant, which provides for affordable housing development, infrastructure improvements and other community development needs.

The CBC Budget provides additional funding to this function for Empowerment Zones, Homeless Assistance Grants, HOME Funds, Section 108 Loans, Brownfield Redevelopment, Lead Hazard Reduction, Rural Housing and Economic Development, Fair Housing Initiatives Program, and funding for Elderly Housing, the Neighborhood Stabilization Program, and the Community Development Financial Institutions Fund (CDFIs).

**Function 500:
Education,
Training,
Employment &
Social Services**

+\$122,000,000,000

The CBC Budget proposes that the additional funding provided in for this function be invested towards continued and sustained increases in education funding, especially for Title I and IDEA. Even though Congress has not finalized a reauthorization of the Elementary and Secondary Education Act, this additional funding should help address the huge shortfalls in this program over the last eight years. The American Recovery and Reinvestment Act made substantial increases in education and job training programs, but

the CBC Budget sustains many of these new investments.

This additional allocation should also be applied towards increases in funding for: Head Start; GEAR UP; TRIO; Youth Build; Science, Technology, Engineering, and Mathematics (STEM) education programs; Teacher Quality Grants; Arts in Education; Impact AID; Thurgood Marshall Legal Fund; Education for Homeless Children and Youth; Promise Neighborhoods; Reading is Fundamental; Graduate Science, Technology, Engineering, and Mathematics Fellows in the K-12 program within National Science Foundation (NSF); Children's Hospital Graduate Medical Education Payment; the National Underground Railroad Network to Freedom; the Early Learning Challenge Fund; the Workforce Investment Act Adult Program; Employment and Training Services; Dislocated Workers Program; Youth Activities; Transitional Jobs; Job Corps; Reintegration of Ex-Offenders; at-risk youth and juvenile crime and gang prevention programs and services; Children and Families Services' Job Demonstration Program; Legal Assistance Loan Repayment; the Senior Community Service Employment Program; expanding the Work Share Program; Trade Adjustment Assistance; vocational education programs and Green Jobs programs. The CBC Budget also increases the maximum Pell Grant award from \$5,730 to \$6500.

The CBC Budget also accounts for funding many of the historic increases in funding for Historically Black Colleges and Universities and Minority Serving Institutions as authorized in the Higher Education Opportunity Act of 2008.

**Function 550:
Health**

+\$10,000,000,000

The CBC Budget includes additional funding to enhance and expand vital health care programs. The CBC Budget accounts for increased funding for AIDS Drug Assistance Programs; the Racial and Ethnic Approaches to Community Health (REACH) Program; the Office of Minority Health; Preventative Health and Health Services Block Grant; Title X; Healthy Communities; the Minority AIDS Initiative; the Ryan White CARE Act; implementation of the National HIV/AIDS Strategy; CDC Prevention activities for HIV, STDs, TB and Viral Hepatitis; Housing for people living with HIV/AIDS; comprehensive sex education programs; Healthcare Facilities and Construction; the Adolescent Family Life Program; Mentoring Children of Prisoners; Alternative Dental Demonstration Projects; Oral Health; Community Health Centers; the National Institute on Minority Health and Health Disparities; Physician Scientist Training Program; NMAETC; Center for Disease Control (Buildings and Facilities); National Family Caregiver Support Services; the Health Equity Fund; Nursing Programs; Substance Abuse and Mental

Health Services; Rural Health; Universal Newborn Screening Program; Maternal and Child Health Block Grants; Maternal and Child Health Special Projects, the National Cord Blood Stem Cell Bank; Public Health Training Program; and additional investments in Health Information Technology. Additionally, the CBC Budget maintains language that allows the use of local funds for syringe exchange programs in the District of Columbia.

CREATION OF A PUBLIC HEALTH INSURANCE OPTION IN THE STATE HEALTH INSURANCE EXCHANGES

The CBC Budget also proposes the creation of a Public Insurance Option to be made available in the state health insurance exchanges. The public health insurance option has consistently scored as a savings for the American taxpayer. The original House version of the Affordable Care Act included a public option that would be based on Medicare's current reimbursement rates plus 5%. The Congressional Budget Office (CBO) estimates that the public option's premiums would be 5-7% lower, on average, than the premiums of private plans offered in the exchanges. Those differences in premiums would reflect the net impact of differences in administrative costs as well as the rates paid to providers. CBO estimates that roughly one-third of the estimated 38 million people that would obtain coverage through the exchanges would enroll in the public option. CBO estimates a public option would reduce the deficit by more than \$150 billion over the next decade.

**Function 600:
Income Security**
+\$16,000,000,000

As the economy continues to recover from the worst recession in generations, the CBC understands the increased need for income security programs such as SNAP, Unemployment Insurance, Medicaid, and COBRA. The CBC Budget rejects the harmful cuts to Medicaid and SNAP included in the proposed Republican Budget and restores the cuts to SNAP benefits in the 2013 Farm Bill. The CBC Budget also restores full funding to LIHEAP and invests additional funding for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to continue to improve at-risk children's health, growth and development and to reduce the impact of harmful cuts to the program due to sequestration which could result in the loss of benefits for 600,000 women and children currently participating in the program.

The American Recovery and Reinvestment Act (ARRA) made substantial investments in ensuring that more Americans have access to these programs during times of economic hardship. The CBC supports restoring the ARRA Temporary Assistance to Needy Families (TANF) Emergency Contingency Fund (ECF), which states have used to provide subsidized jobs, mostly in the private sector,

for nearly 250,000 otherwise unemployed parents and youth. The CBC Budget includes \$2.5 billion for TANF-ECF.

The CBC Budget also supports the restoration of emergency unemployment benefits for all Americans. Millions of Americans have exhausted their unemployment benefits. Restoring critical unemployment benefits will provide these families with a vital lifeline while job growth continues to improve. Furthermore, this is a direct investment into the economy; these families will reinvest these dollars immediately back into the economy to take care of their most basic needs.

The CBC Budget invests the additional funding for this function towards: Child Support Enforcement; the Low Income Home Energy Assistance Program; Public Housing (Operating and Capital Funds); HOPE VI; Homeless Assistance; Supportive Housing programs for the Disabled and Elderly; the Child Care and Development Block Grant; the Community Supplemental Food Program; the Social Services Block Grant; Child Welfare Services; Adoption Opportunities; Independent Living and Training Vouchers; Women, Infants and Children Program (WIC); Child Nutrition programs; the Supplemental Nutrition Assistance Program; Section 8; Rural Housing Programs; and the HOME Investment Partnerships Program.

**Function 700:
Veterans Benefits
and Services**

+\$6,375,860,000

The CBC believes it is vitally important to provide for the care and benefits that our Veterans rightly earned and deserve. The CBC Budget matches the Independent Budget for the Department of Veterans Affairs as recommended by a coalition of veterans groups. This additional funding for this function is directed towards important V.A. programs, including: Mental Health and PTSD initiatives; local clinic initiatives for non-urban areas; TBI/Polytrauma; Traumatic Brain Injury; V.A. Mental Health Services; Vet Center expansion and improvements; V.A. Substance Abuse Treatment Programs; Medical and Prosthetic Programs; V.A. Workload Increases; Homeless Veterans Programs; Priority 8; Veterans' Employment and Training Services; Construction of States Extended Care Facilities; and V.A. construction projects (major upgrades and modernizations). This additional funding provided for in the CBC Budget should also be directed towards eliminating the claims backlog.

The CBC also supports Advanced Appropriations for the entire V.A. budget, which would fundamentally change the way the V.A. forecasts its resource requirements and receives its annual funding. Advanced Appropriations would require Congress to fund the VA's

discretionary budget a year ahead of schedule, just like veterans' medical care is currently funded, ensuring that all VA services will have the resources they need when they need them.

**Function 750:
Administration of
Justice**

+\$4,000,000,000

The CBC Budget invests the additional funding for this function towards the Justice Assistance Grant Program; Juvenile Justice Programs; Community Oriented Policing Services (COPS); Legal Services Corporation; the Equal Opportunity Commission; Civil Rights Enforcement; Office of Justice Programs/Regional Information Sharing System; Office of Violence Against Women; Byrne Grants; State and Local Law Enforcement Assistance Grants; the Residential Substance Abuse Treatment Program; Boys and Girls Clubs; the Prisoner Reentry Program; Youth Gang Intervention and Prevention Programs; and fully funding the Second Chance Act and the Emmett Till Unsolved Civil Rights Crime Act. The CBC Budget also assumes passage of the Youth PROMISE Act and includes funding for this new program. The funding in this function also includes money to protect law enforcement and first responder jobs. The CBC Budget also assumes the deficit reducing and other savings from the enactment of Comprehensive Immigration Reform.

PROTECTING THE RIGHT TO VOTE

In the wake of the 2010 elections, an explosion of states considered or passed election laws that disproportionately disenfranchise minorities, seniors, students, and low-income individuals. In 2013, the Supreme Court struck down a critical provision of the Voting Rights Act. It is of paramount importance that the Department of Justice retains sufficient resources to ensure that they are able to pursue cases utilizing their Section 2 authority under the Voting Rights Act to ensure voter rights are still protected. The CBC is committed to updating the Voting Rights Act in the wake of *Shelby Co. v. Holder*. The CBC Budget ensures that the Department has the resources to protect the primary right in a democracy: the right to vote.

**Function 800:
General
Government**

+\$3,425,000,000

The CBC Budget provides additional funding for this function for the Internal Revenue Service's Enforcement and Collections division. This investment will yield \$10.7 billion in recovered tax revenue each fiscal year. The CBC Budget also rolls back the harmful cuts to Federal employees and provides necessary funding for a long overdue pay increase. The CBC also supports the continuance of six day delivery by the United States Postal Service as they recognize and affirmatively pursue savings through other measures. The CBC Budget supports the USPS pursuing plans that will maintain

the efficiency and effectiveness of current service standards.

THANKING AMERICA'S FEDERAL WORKFORCE

Federal employees have shown their commitment to our country through their everyday work and through the more than \$100 billion they have already contributed towards deficit reduction. While some on the right unfairly target them in their efforts to reduce the size of the government, the CBC budget is committed to supporting our nation's federal workforce.

The CBC budget ensures that federal employees will be compensated fairly after years of living under a pay freezes. The CBC Budget sets aside approximately \$6 billion over ten years to repeal the pension contribution changes enacted by the Bipartisan Budget Agreement. The CBC Budget also supports a fair cost-of-living adjustment for America's Federal workforce. Additionally, the CBC Budget includes resources for the federal workforce to be properly trained and for them to do their job effectively. Many Americans know little about the contributions of our dedicated civil servants in keeping our nation safe, healthy and moving forward. The Congressional Black Caucus is well aware and the CBC budget reflects our gratitude.

**Function 970:
Overseas
Contingency
Operations**

The use of emergency funding via the Overseas Contingency Operations (OCO) account masks the true impact of war spending and should be discontinued beyond FY 2016.

Table 2: CBC Budget On-Budget Function Totals

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Budget Authority	3443.426	3400.616	3473.245	3601.639	3809.035	4000.203	4166.166	4397.911	4555.131	4711.021
Outlays	3257.765	3448.528	3518.207	3610.258	3806.896	3968.446	4139.595	4372.838	4516.239	4657.148
Revenue	2697.300	2852.943	2984.977	3104.418	3240.103	3385.490	3547.681	3725.978	3915.253	4112.238
Surplus (+)/Deficit (-)	-560.465	-595.585	-533.230	-505.840	-566.793	-582.956	-591.914	-646.860	-600.986	-544.910
Debt Held by the Public	13338	13973	14554	15109	15744	16421	17137	17944	18732	19505
Debt Subject to Limit	18429	19181	19926	20661	21438	22222	23007	23827	24633	25419
Revenue Delta	163.459	176.904	195.554	214.111	225.418	236.853	253.030	269.631	288.735	304.785
Function 050: National Defense										
Budget Authority	529.658	569.522	577.616	586.874	595.151	604.440	613.753	624.066	639.335	656.669
Outlays	567.234	570.714	570.915	573.937	586.488	595.519	604.662	619.436	627.590	637.835
Function 150: International Affairs										
Budget Authority	50.508	47.680	48.736	49.838	50.917	52.065	52.734	54.172	55.361	56.602
Outlays	46.984	46.034	46.276	46.793	47.826	48.328	49.044	50.255	51.339	52.465
Function 250: General Sciences										
Budget Authority	37.883	32.476	32.138	32.836	33.535	34.272	35.014	35.782	36.556	37.360
Outlays	33.551	33.333	32.622	32.627	33.294	33.693	34.286	35.036	35.797	36.582
Function 270: Energy										
Budget Authority	11.560	7.636	6.012	5.816	5.902	5.994	6.111	6.226	6.445	6.982
Outlays	9.834	7.312	5.137	4.870	5.285	5.407	5.656	5.841	6.048	6.270
Function 300: Natural Resources and Environment										
Budget Authority	45.712	43.251	41.598	42.276	43.392	44.969	44.848	46.092	47.264	48.610
Outlays	45.218	45.709	43.697	43.266	43.648	44.622	44.846	45.734	46.919	47.617
Function 350: Agriculture										
Budget Authority	18.881	23.171	22.822	22.707	21.743	21.887	22.392	22.590	23.081	23.457
Outlays	17.632	22.772	22.023	21.904	21.344	21.443	21.851	22.080	22.533	22.932
Function 370: Commerce and Housing Credit										
Budget Authority	12.072	13.392	11.227	11.747	11.383	13.715	13.025	14.142	14.326	14.798
Outlays	0.150	-0.832	-4.423	-5.165	-10.430	-8.647	-4.179	-4.528	-5.476	-6.172
Function 400: Transportation										
Budget Authority	224.774	156.720	111.700	101.705	100.697	101.764	102.870	104.030	105.210	106.439
Outlays	162.667	167.973	140.956	120.192	115.763	110.317	109.213	110.557	112.416	114.299
Function 450: Community and Regional Development										
Budget Authority	49.327	28.387	18.337	14.462	14.408	14.275	14.498	14.532	14.775	15.068
Outlays	40.739	39.053	32.410	23.759	21.822	19.720	16.953	14.787	14.580	14.704
Function 500: Education, Training, Employment and Social Services										
Budget Authority	216.018	158.111	125.492	118.800	115.816	117.265	118.614	120.472	122.325	124.279
Outlays	162.097	167.376	143.292	129.483	125.274	120.183	119.104	119.992	121.611	123.548
Function 550: Health										
Budget Authority	507.449	556.738	614.352	634.932	666.537	710.614	737.724	776.912	816.381	858.300
Outlays	497.501	561.299	613.019	635.653	666.783	700.055	736.844	775.495	815.137	857.258
Function 570: Medicare										
Budget Authority	523.538	570.723	585.270	610.478	672.921	720.722	771.048	854.586	883.245	913.236
Outlays	523.428	570.644	585.194	610.392	672.827	720.624	770.949	854.479	883.135	913.119
Function 600: Income Security										
Budget Authority	548.028	552.594	555.223	552.717	572.561	585.693	599.700	618.433	627.486	635.068
Outlays	537.560	551.208	551.226	547.180	569.575	581.811	595.008	617.739	621.800	624.020
Function 650: Social Security										
Budget Authority	31.442	34.245	37.133	40.138	43.383	46.747	50.255	53.941	57.800	58.441
Outlays	31.517	34.283	37.133	40.138	43.383	46.747	50.255	53.941	57.800	58.441
Function 700: Veterans										
Budget Authority	158.993	170.961	168.858	167.388	179.305	184.269	188.571	200.680	197.458	194.292
Outlays	155.978	169.517	168.150	166.463	178.471	183.317	187.569	199.612	196.384	193.155
Function 750: Administration of Justice										
Budget Authority	71.342	62.293	61.045	61.594	63.343	65.273	67.423	70.160	72.257	77.968
Outlays	57.338	62.627	66.242	66.704	64.367	64.951	66.906	69.530	71.603	77.291
Function 800: General Government										
Budget Authority	27.402	27.946	28.521	29.309	30.142	30.952	31.842	32.741	33.585	34.498
Outlays	25.605	26.804	27.925	28.836	29.612	30.430	31.326	32.227	33.079	33.979
Function 900: Net Interest										
Budget Authority	367.414	426.582	506.101	595.624	670.430	733.465	786.127	837.776	889.086	934.712
Outlays	367.414	426.582	506.101	595.624	670.430	733.465	786.127	837.776	889.086	934.712
Function 920: Non-Security Allowances										
Budget Authority	4.600	1.566	4.696	6.354	7.843	3.704	5.183	8.793	14.517	21.340
Outlays	4.600	3.873	7.440	9.333	10.606	7.629	8.706	11.037	16.193	22.164
Function 950: Undistributed Offsetting Receipts										
Budget Authority	-78.532	-83.378	-83.632	-83.956	-90.374	-91.882	-95.566	-98.215	-101.362	-107.098
Outlays	-78.532	-83.378	-83.632	-83.956	-90.374	-91.882	-95.566	-98.215	-101.362	-107.098
Function 970: Overseas Contingency Operations										
Budget Authority	85.357	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Outlays	49.250	25.625	6.504	2.225	0.902	0.714	0.035	0.027	0.027	0.027

Table 3: Aggregate Function-By-Function Spending Adjustments Above Pre-Sequester Baseline, FY15-FY24

Function	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY15-24
050: National Defense	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget
150: International Affairs	\$5,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$14,000,000,000
250: General Sciences	\$8,000,000,000	\$2,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$18,000,000,000
270: Energy	\$4,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$13,000,000,000
300: Natural Resources	\$8,000,000,000	\$5,000,000,000	\$2,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$500,000,000	\$500,000,000	\$500,000,000	\$500,000,000	\$20,000,000,000
350: Agriculture	\$2,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$500,000,000	\$500,000,000	\$500,000,000	\$500,000,000	\$500,000,000	\$500,000,000	\$8,000,000,000
370: Commerce and Housing Credit	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change
400: Transportation	\$138,000,000,000	\$69,000,000,000	\$23,000,000,000	\$12,000,000,000	\$10,000,000,000	\$10,000,000,000	\$10,000,000,000	\$10,000,000,000	\$10,000,000,000	\$10,000,000,000	\$302,000,000,000
450: Community and Regional Development	\$30,000,000,000	\$15,000,000,000	\$5,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$57,000,000,000
500: Education, Job Training & Social Services	\$122,000,000,000	\$60,000,000,000	\$20,000,000,000	\$10,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$242,000,000,000
550: Health	\$10,000,000,000	\$2,500,000,000	\$2,500,000,000	\$2,500,000,000	\$2,500,000,000	\$2,500,000,000	\$2,500,000,000	\$2,500,000,000	\$2,500,000,000	\$2,500,000,000	\$32,500,000,000
570: Medicare	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change
600: Income Security	\$16,000,000,000	\$14,000,000,000	\$12,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$77,000,000,000
650: Social Security	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change
700: Veterans Benefits and Services	\$6,375,860,000	\$6,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$5,000,000,000	\$52,375,860,000
750: Administration of Justice	\$4,000,000,000	\$3,000,000,000	\$2,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$16,000,000,000
800: General Government	\$3,425,000,000	\$3,425,000,000	\$3,425,000,000	\$3,425,000,000	\$3,425,000,000	\$3,425,000,000	\$3,425,000,000	\$3,425,000,000	\$3,425,000,000	\$3,425,000,000	\$34,250,000,000
920: Allowances	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change
970: Overseas Deployment and Related	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget	Match Dem Budget
TOTAL ADDITIONAL INVESTMENT	\$356,800,860,000	\$182,925,000,000	\$78,925,000,000	\$44,925,000,000	\$37,425,000,000	\$37,425,000,000	\$36,925,000,000	\$36,925,000,000	\$36,925,000,000	\$36,925,000,000	\$886,125,860,000
Total Additional Revenue (including Public Option Rev)	\$161,849,401,302	\$170,394,578,233	\$182,046,904,717	\$197,100,979,526	\$209,253,274,758	\$219,575,223,451	\$230,111,471,253	\$239,960,238,586	\$251,139,383,711	\$260,568,544,463	\$2,122,000,000,000