

BUDGET CONFERENCE REPORT vs. PRESIDENT'S BUDGET: A NEW DIRECTION vs. WRONG PRIORITIES

	Budget Conference Report	President's Budget
<u>FISCAL RESPONSIBILITY</u>	<p>The deficit is lower over the next five years compared to the President's budget, and the budget reaches balance by 2012.</p> <p>Follows the pay-as-you-go rules, which require that spending increases and tax cuts be paid for, and which brought us to budget surpluses in the 1990s.</p> <p>Reinvigorates efforts to eliminate wasteful spending and improve government efficiency – in Social Security, Medicare, as well as the Defense Department.</p>	<p>The President's budget continues policies that have led to the biggest fiscal deterioration in history.</p> <p>Fails to make sure that Defense Department funds are accounted for.</p>
<u>STRENGTHENING THE ECONOMY</u>		
Innovation	Keeps our commitment to the Innovation Agenda and America COMPETES Act, to enhance our competitive edge, including providing an increase of \$3.2 billion over 2008 for Science, Space and Technology programs and increases for math and science education. Keeps us on a path toward doubling funding for NSF.	Eliminates key innovation programs such as the Manufacturing Extension Partnership that invests in innovation in manufacturing and the Technology Innovation Program that sponsors innovative research. Also shortchanges math and science education.
Energy	<p>Provides an increase of \$2.8 billion over 2008 for renewable energy, energy efficiency, and “green collar” jobs – helping to reduce our dependence on foreign oil and creating hundreds of thousands of new, good-paying jobs.</p> <p>Includes deficit-neutral reserve fund to accommodate legislation to promote renewable energy, energy efficiency, and emerging energy and vehicle technologies.</p> <p>Provides the full authorized level of \$3.1 billion for LIHEAP and continues funding for the Weatherization Assistance Program.</p>	<p>Cuts renewable energy and energy efficiency programs at DOE by \$467 million below 2008, including cuts to solar energy.</p> <p>Fails to call for new innovative steps; and fails to fund the Green Jobs program and the Energy Efficiency Block Grant recently enacted in the new energy law.</p> <p>Cuts LIHEAP by 22 percent and eliminates the Weatherization Assistance Program.</p>
Education	<p>Provides an increase of \$8.4 billion or 11 percent over the President's request for education, training and social services – for investments to help our students succeed and to make college more affordable, such as increasing the maximum Pell Grant.</p> <p>Includes deficit-neutral reserve funds – to accommodate a higher education bill to make college more accessible and affordable, and a tax credit for school construction.</p>	<p>Freezes overall funding for education at the 2008 level, resulting in real cuts – including eliminating Vocational Education and cutting after-school programs by 26 percent and Teacher Quality grants by \$100 million.</p> <p>Makes college <u>less</u> affordable by eliminating SEOGs, Perkins Loans, and the LEAP program, all of which help low-income young people attend college.</p>

Infrastructure	Increases federal investment in transportation infrastructure by providing \$41.2 billion for highway programs and \$10.3 billion for transit in 2009 – the levels originally authorized in the latest surface transportation reauthorization. Also provides \$3.9 billion for grants to improve airports, about \$500 million above 2008. Each \$1 billion in federal investment in highways and other transportation infrastructure creates about 35,000 new jobs.	Funds both highway programs and transit <u>below</u> the authorized levels in the latest surface transportation reauthorization. Also provides only \$2.8 billion for grants to improve airports, a cut of \$765 million below the 2008 level.
Housing	Includes a deficit-neutral reserve fund to reverse the decline in affordable housing; calls for immediate action on the home foreclosure crisis; provides significant funding to begin reducing the \$2.8 billion shortfall in project-based rental assistance; and provides funding to help those with Section 8 housing vouchers to keep up with rising housing costs.	No affordable housing fund. Reduces the number of families receiving Section 8 housing, and cuts many housing programs, including a 27 percent cut in seniors’ housing, a 33 percent cut in disabled housing, and a \$720 million cut in Community Development Block Grants (often used for housing).
<u>PUTTING FAMILIES FIRST</u>		
Health Care	<p>Rejects the enormous, damaging cuts in Medicare and Medicaid over the next 10 years that were included in the President’s budget.</p> <p>Includes deficit-neutral reserve fund to provide up to \$50 billion for children’s health insurance. This is enough to insure millions of additional eligible children.</p> <p>Includes deficit-neutral reserve fund to cut costs and improve efficiency by investing in health information technology and research on comparative effectiveness of various treatments.</p>	<p>Slashes Medicare by \$479 billion and slashes Medicaid by \$94 billion over the next 10 years, hurting seniors, children and other vulnerable populations.</p> <p>Underfunds children’s health insurance. Also has put in place a directive that will result in ending coverage for hundreds of thousands of currently insured children.</p> <p>Fails to include new initiatives targeted at improving health care quality and efficiency.</p>
Middle-Class Tax Cuts	<p>Includes a reserve fund to protect millions of middle-income families from a tax increase (the Alternative Minimum Tax) both in 2008 and over the long-term – <u>without increasing the deficit</u>.</p> <p>Specifically endorses middle-income tax relief, including but not limited to the extension of the child tax credit, marriage penalty relief, and 10 percent bracket – done in a deficit-neutral way.</p>	<p>After 2008, fails to do anything about the AMT, which could increase taxes on middle-income families by some \$300 billion over the next five years.</p> <p><u>Fails</u> to call for middle-income tax relief that is paid for – thereby increasing the deficit and national debt, which President Bush has already increased by \$3.7 trillion.</p>
Children	<p>Includes a reserve fund for legislation to reverse a 17 percent cut in federal funding for child support enforcement.</p> <p>Includes a \$5 billion deficit-neutral reserve fund for child care.</p> <p>Rejects the President’s proposals to cut off food stamps for hundreds of thousands of working families, most with children.</p>	<p>Does not address the cut in child support enforcement, estimated to reduce support by \$8 billion over decade.</p> <p>Freezes child care assistance and eliminates the Social Services Block Grant in 2010.</p> <p>Includes proposals to cut off eligibility for food stamps for about 390,000 working families.</p>

<u>MAKING AMERICA SAFER</u>		
Veterans	Provides another historic increase for veterans' programs – an increase of \$3.3 billion over the President's budget and of \$4.9 billion over 2008. This will allow the Department of Veterans Affairs to treat 5.8 million patients in 2009, including an estimated 333,275 Iraq and Afghanistan war veterans.	President's budget for veterans' medical care levies new fees and barely keeps up with medical care inflation -- despite the increasing number of veterans in need. Furthermore, budget cuts funding for veterans' programs after 2009.
Homeland Security	Provides increases over the President's budget for homeland security programs. These additional funds can be used for a number of critical priorities, including implementing H.R. 1, 9/11 Commission Recommendations, and rejecting the President's cuts to first responder programs.	Slashes first responder programs, including cutting State Homeland Security Grants (which fund first responders) by 78 percent, cutting Firefighter Assistance Grants by 46 percent, and completely eliminating the \$190 million SAFER (Staffing for Adequate Fire and Emergency Response) program.
Defense	Provides robust funding for national defense, while calling for a shifting of resources to target our most pressing security needs, including enhancing nonproliferation programs, improving military readiness, and enhanced pay and benefits for our troops and their families.	Fails to adequately prioritize some key national security needs, including WMD nonproliferation, military readiness, and enhanced benefits for our troops and their families.

Office of Speaker Nancy Pelosi, June 4, 2008