

President Obama's Budget: The Path to Rebuild and Renew America Now

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March 5, 2009

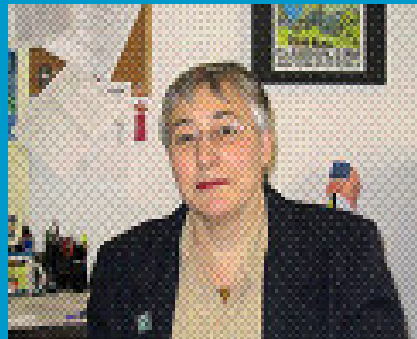


COALITION ON HUMAN NEEDS

Meet Your Presenters:



Don Mathis
MODERTOR
President and CEO
Community Action
Partnership



Deborah Weinstein
Executive Director
Coalition on Human
Needs



Ivan Frishberg
Political Director
Environment America



Alan Charney
Program Director
US Action

Human Needs Choices in President Obama's Budget

Deborah Weinstein
Coalition on Human Needs
March 5, 2009



COALITION ON HUMAN NEEDS

What if the President proposed a budget...

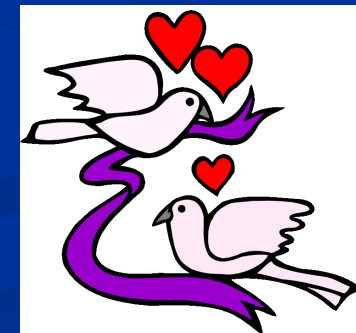
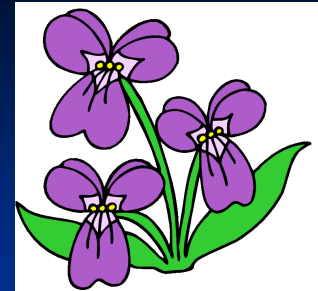
that

- Dramatically expanded and improved health care
- Invested in education
- Improved child nutrition
- Began to address climate change
- Created jobs



- Started to rebuild the supply of affordable housing
- Invested in early childhood programs
- Helped poor families to make ends meet
- Funded innovative programs to rebuild poor communities
- Protected the unemployed,

by...



- Getting rid of corporate tax loopholes
- Collecting more of taxes owed
- Reducing tax breaks for the wealthy
- Responsibly reducing military spending
- Making savings responsibly in other areas
- ...while reducing the deficit's share of the economy over time



Naaaaah

But what if the answer could be

Yes

this time?

President Obama's Budget

- *“A New Era of Responsibility
Renewing America's Promise”*
www.budget.gov
- An outline:
 - Spells out mandatory priorities pretty well
 - Shows agency totals for annually appropriated programs – not program detail
 - Shows where the money comes from

A little Federal Budget 101

- **Mandatory programs:** they don't need annual appropriations. *Examples:* Medicaid, Medicare, SNAP (food stamps), UI.
- **Discretionary programs:** they do. *Examples:* Defense, K-12 education, WIC, housing.
- **Congress' Budget Resolution** will leave room for mandatory program changes, and will set total for discretionary programs.



Investments

■ Transforming and modernizing America's health care system

- Reserve fund of \$634 billion over 10 years
- Paid for by
 - \$318b from reducing value of deductions for upper brackets
 - \$316b from health care savings: Medicare Advantage (\$177b), other Medicare changes, etc.
- Full costs of health care reform probably upwards of \$1 trillion – not all paid for yet

Details of Health Reform Not Spelled Out

Instead, 8 principles to guide Congress:

- Protect families' financial health
- Make health coverage affordable
- Aim for universality (clear path to cover all Americans)
- Portability
- Guarantee choice of health plans
- Invest in prevention and wellness
- Improve patient safety and quality care
- Maintain long-term fiscal sustainability

Helping low-income families

■ *Builds on the Recovery plan*

- Refundable tax credits made permanent (Making Work Pay credit paid for by \$65b from auctioning of emission permits)
- Unemployment Insurance expansion made permanent
- Fully funds WIC; increases Child Nutrition funding by \$1 billion a year
- National Housing Trust Fund capitalized with \$1b (first ever funding); protects rental voucher units

More help for low-income people

■ *Strategies to improve education:*

- new Innovation Fund
- Promise Neighborhoods
- Doubles budget for charter schools
- Early childhood education funding
- Pell grants increased (\$5,550 max award in 2010-11, then indexed to CPI plus 1%) and made mandatory
- \$2.5b Access and Completion Incentive Fund, over 5 years (for low-income college students)
- Cheaper student loans

Still more help

- Includes child care and Head Start increases from Recovery plan
- New Nurse Home Visitation Program for first-time moms
- Makes part of home energy assistance mandatory (LIHEAP - \$3.2b discretionary funding plus ?? automatically triggered when energy prices spike)

Discretionary Spending

(in billions)

FY 2009

FY 2010

FY 2014

Dept of Defense (includes war costs)

\$654.7

\$663.7

624.5

DOD, Homeland Security, State (includes war, other costs)

758.3

\$778.9

\$734.7

Domestic Discretionary

\$469.4

\$483.9

\$563.5

How to Pay for Investments

- Reduce value of deductions for upper brackets to pay for health coverage (\$318b):
 - Households with incomes over \$250,000
 - Deductions limited to 28 cents on the dollar (down from 35 cents now)
 - Does not affect households paying the Alternate Minimum Tax (they are already limited to 28 cents)

More Revenues

- Business tax loophole closers, other tax changes (over 10 years) = \$353.5b
 - Tax hedge fund mgrs at ordinary income rates, \$24b
 - Implement international enforcement, reform deferral, and other tax reform policies, \$210b
- Upper-income increases = \$637b over 10 years
- Climate revenues = \$646b over 10 years
- Farm support changes = \$16b over 10 years

Deficit Reduction

- Projected to fall from \$1.75 trillion this year to low of \$533 billion in FY 2013; then will start to rise gradually to \$712 billion in FY 2019.
- Deficit = 12.3% of GDP in FY 2009; down to 3.1% in FY 2019.

Much is built on the progress made in the Recovery Act

- Child care, Head Start, food stamps, WIC, aid to states for education, Medicaid, and more, low-income tax credits, weatherization, job training, unemployment insurance, child support, TANF, etc.
- **We need you to tell us how these funds are helping your people, communities, and states – contact Debbie at dweinstein@chn.org**
- *Thanks!*



We all worked together to support a budget in the public interest...

President Obama's Budget

Energy and Environment Overview
Ivan Frishberg, Environment America

“These urgent dangers to our national and economic security are compounded by the long-term threat of climate change, which if left unchecked could result in violent conflict, terrible storms, shrinking coastlines and irreversible catastrophe...”

“So I ask this Congress to send me legislation that places a market-based cap on carbon pollution drives the production of more renewable energy in America. ”

- President Barack Obama



Step 1: American Recovery and Reinvestment Act

\$80 billion in clean energy, energy efficiency, and green transportation

- 68 million tons of global warming pollution annually
- reduce oil consumption by 15 million barrels per year
- create more than 1.5 million jobs

(Source: Environment
America analysis)

Step 2: The Budget

- **Energy and Global Warming**
 - Assumes at least \$646b in revenue from a cap on carbon pollution, over ten years, 100% Auctions.
 - Invest \$15b per year in the clean energy economy
 - Balance goes to makes permanent the Make Work Pay Tax Credit & low income energy programs.
 - Mandatory Funding for LIHEAP

Step 2: The Budget

- **Clean Water**
 - \$3.9b for clean water infrastructure
- **Toxic Waste Cleanup**
 - Restores the Superfund fees on polluters
 - Invests \$1b in clean up of toxic waste sites

Rebuild and Renew America Now

A large, stylized puzzle piece is centered on a blue gradient background. The puzzle piece is light blue and features a dark green world map. The map shows the continents of North and South America, Europe, and Africa. The puzzle piece has a 3D effect with a shadow underneath.

Alan Charney
USAction Program Director

GOALS

- Promote and pass the Administration's budget.
- Push a progressive vision of change.
- Beat back opposition attacks and marginalize right-wing.
- Build a broad campaign for future goals.



PRINCIPLES

- Public Investments
 - Energy, Education, Health care
- Priorities
 - Invest in human needs
 - Reduce wasteful spending
- Tax Fairness
- Responsibility, Honesty, Accountability

STRATEGY

- Battle of Ideas
- Organizational Allies
- Organizational Opponents
- Congressional Allies
- Congressional Opponents



STRATEGY (cont'd)

A nighttime photograph of the United States Capitol building in Washington, D.C. The central dome is brightly lit with a warm yellow light, and the surrounding building is also illuminated. The sky is dark, and some blurred lights from the foreground suggest a street scene.

- **Congressional Targets**
- **Blue Dogs**
- **Obama Administration**

TACTICS

- Focus On Targets
- Coordinate Coalition Activities
- Strong Grassroots Presence
- Neutralize Right-wing Efforts



Campaign Timeline - March

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
1	2	3	4	5	6	7	
	PRE COMMITTEE MARKUPS						
8	9	10	11	12	13	14	
							
15	16	17	18	19	20	21	
	COMMITTEE MARKUPS						
22	23	24	25	26	27	28	
	FLOOR VOTES						
29	30	31					

Campaign Timeline - April

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			FLOOR VOTES 1	2	3	4
★ 5	6	7	8	9	10	11
★ 12	13	14	15	16	17	18
		CONFERENCE REPORT				
19	20	21	22	23	24	25
		FINAL VOTE				
26	27	28	29	30		

CAMPAIGN STRUCTURE

- **Lobby/Policy**
- **Outreach**
- **Communications**
- **Field**
- **Online Teams**

Rebuild & Renew America Now

A statement to support and build upon President Obama's budget priorities

President Obama's Fiscal Year 2010 budget provides a visionary blueprint that turns away from the failed economic policies of the past and seeks to invest in our future by expanding opportunities for all. His budget commits major investments in health care reform, education, and clean energy, while restoring fairness to our tax system and reducing military expenditures over time in a responsible manner. It builds upon the American Recovery and Reinvestment Act to protect Americans from the damaging impact of the recession and sows seeds of a sustainable prosperity.

We, the undersigned organizations, have joined in a campaign to *Rebuild and Renew America Now* to support and build upon the President's budget priorities. We strongly urge Congress to follow the priorities set forth in the President's blueprint: "A New Era of Responsibility – Renewing America's Promise" in developing its own Budget Resolution.

It is our firm belief that if these priorities are enacted, we will turn back the harsh trend of rising poverty, unemployment, hunger and homelessness. We can extend opportunity and security for families in all walks of life by expanding health care coverage, making college more affordable, supporting the financial and nutritional needs of low income families, expanding affordable housing, investing in a far-reaching policy that will develop clean sources of energy and protect the planet by reducing global warming pollution, and generate good jobs to rebuild our middle class.

These steps will set the federal budget on a responsible path – meeting the needs of families and making long-term investments in our nation's future while gradually reducing the deficit. We call upon Congress to follow and build upon the President's lead in crafting its Budget Resolution, recognizing that there is no time to waste in meeting the nation's long-deferred needs.

ACORN
AFL-CIO
AFSCME

American Progressive Caucus Policy
Americans for Democratic Action
Americans United for Change
Association of Farmworker Opportunity
Campaign for America's Future
Campaign for College Affordability
Campaign for Fresh Air Clean Politics
Center for American Progress Action F
Citizens for Tax Justice
Coalition on Human Needs
Community Action Partnership
Corporation for Enterprise
Development

Environment America
Every Child Matters Education Fund
Food Research and Action Center
Health Care for America Now
League of Conservation Voters
MoveOn.org Political Action
National Gay and Lesbian Task Force
National Low Income Housing Coalition
National Partnership for Women &
Families
National Policy and Advocacy Council
on Homelessness
National Priorities Project
National Women's Law Center
NEA
NETWORK

People For the American Way
Public Education Network
RESULTS
Roosevelt Institution
SEIU
Sierra Club
The Arc of the United States
TrueMajority.org
United Cerebral Palsy
United States Student Association
USAction
US Public Interest Research Group
Wider Opportunities for Women
Women's Action for New Directions
Women's Voices Women Vote
YWCA USA

MESSAGE

This Budget is the Blueprint for a Better America

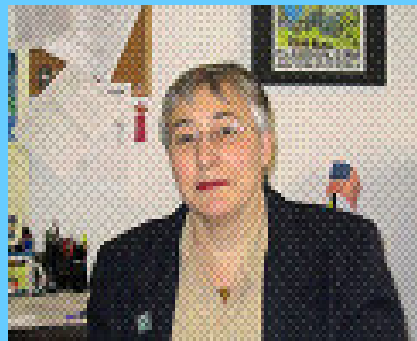
“Pass the Obama Budget Now!”



QUESTIONS ?



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