Spotlight on the Ryan/Romney Budget Plans

President Obama wants every American to pay their fair share. The President’s FY13 Budget includes the expiration of high-end tax cuts. The Budget’s top focus is on job growth, including $30 billion to modernize at least 35,000 schools, and $30 billion to help states hire and retain educators. President Obama believes a strong economy includes restoring the middle class by providing education and skills for American workers. The President’s budget also includes $300 million in resources to improve child care quality. It sustains maximum Pell grant awards, prevents student loan rates from doubling this summer, and includes other resources to make college more affordable. President Obama is also working to reduce health care costs without cutting Medicare benefits. The Affordable Care Act will reduce the federal deficit, saving over $200 billion over 10 years, and more than $1 trillion over the second decade.

Mitt Romney praises new Ryan Budget, continues to promote cuts to “entitlements” and tax reductions for the wealthy. “I’m very supportive of the Ryan budget plan,” said Romney after the new plan was released. Ryan’s new budget, says the New York Times, outlines a vision of America that “could hardly be more bleak.” It’s a plan “where the rich pay less in taxes than the unfairly low rates they pay now, while programs for the poor — including Medicaid and food stamps — are slashed and thrown to the whims of individual states.” Romney is now boasting of the parallels his own economic plan has with Ryan’s document, starting with extensive tax cuts. A full 60% percent of Romney’s promised cuts would go to the top 1 percent of earners (who in 2011 made more than $380,354 per year). Both Romney and Ryan would eliminate the Estate Tax as well (which could allow Romney’s heirs to inherit an extra $80 million). Ryan’s plan would slash upper-income tax rates as well. Ryan’s plan is primarily paid for by “reducing spending on federal benefit programs such as Medicare and Medicaid” by $770 billion (roughly a third) for Medicaid and another $200 billion for Medicare. Romney’s plan would also cut these programs. These cuts would be compounded by the loss of benefits to some 32 million Americans from Romney’s promised repeal of the Affordable Care Act.

Rick Santorum thinks Ryan doesn’t go far enough. “We need to cut government spending faster,” Santorum told Glenn Beck about Ryan’s plan. The Ryan plan proposes $5.3 trillion in cuts over ten years; Santorum’s plan would cut $5 trillion over just five years. As part of this, Santorum says that the changes to Medicare should be implemented immediately instead of only being applied to future retirees. “Republicans don’t really want to shut down the FDA, the FBI, and the national parks, not to mention patrolling the border and farm programs and roads. And yet that’s the implication of this document,” wrote Jonathan Bernstein in the Washington Post after the Ryan plan was released. However, even “Ryan’s new plan would basically zero out everything in government a few decades from now, save for Social Security, Medicare and defense,” writes Matt Miller in the Post, also noting that the remaining programs – notably Medicare – would be drastically reduced.

NEA Believes

The increasing erosion of the corporate tax base has contributed to the country’s economic position. As many as two out of three US corporations paid zero in federal income taxes over much of the previous decade, according to the GAO. It is unconscionable to expect children, the elderly, the poor, and the disabled to suffer while wealthy corporations and greedy CEOs continue to prosper. The Ryan budget cuts Title I by $2.7 billion; as many as 38,000 educators could lose their jobs; IDEA cuts would be over $2.2 billion; 30,000 special education teachers, paraprofessionals, and other ESPs could be cut; and 100,000 children could lose access to Head Start. According to the Center on Budget and Policy Priorities, the Ryan budget “would likely produce the largest redistribution of income from the bottom to the top in modern U.S. history and likely increase poverty and inequality more than any other budget in recent times.”

2 Ibid.
3 Ibid.
4 Ibid.
5 The Note, ABC, 3/20/2012.
12 Ibid.