

THE WHITE HOUSE

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**FACT SHEET: House Republicans Shortchange Critical
Domestic Priorities in North Carolina**

This week, House appropriators will consider the Transportation, Housing and Urban Development, and Related Agencies Appropriations bill, one of the first to be considered under the Congressional Republican budget framework. With several appropriations bills, as well as funding allocations for the remaining bills, now available, it is becoming increasingly clear how House Republicans plan to budget at discretionary funding levels that are the lowest in a decade, adjusted for inflation. Their appropriations bills and funding targets would shortchange programs that support the middle class and weaken ladders of opportunity for those seeking to reach the middle class. While some Republicans have started talking the talk about issues like inequality and poverty, their budget shows they are not walking the walk.

Overall, according to the Subcommittee, the Transportation, Housing and Urban Development, and Related Agencies Appropriations bill reduces funding by about \$9.7 billion, or 15 percent, below the President's Budget, which both reverses sequestration and proposes a long-term, fully-paid for surface transportation reauthorization proposal. The bill would:

Reduce Access to Affordable Housing: Compared to the President's Budget, the House bill funds 100,000 fewer Housing Choice Vouchers, reducing opportunities for low-income households to find decent, safe housing in the private market. Not only does the Subcommittee bill fail to restore the 67,000 vouchers lost due to the 2013 sequestration, it is also insufficient to renew 28,000 existing vouchers. As a result, approximately 530 fewer North Carolina families would receive Housing Choice Vouchers in 2016, compared to the previous year, and even more would lose out relative to the President's Budget. These cuts are even more problematic in light of new research released just last week that found large positive effects of housing vouchers on long-term educational and earnings outcomes for young children.

Set Back Efforts to End Homelessness: Compared to the President's Budget, the Subcommittee bill reduces funding for Homeless Assistance Grants, supporting 15,000 fewer homeless or at-risk families with rapid rehousing and 25,500 fewer units of permanent supportive housing targeted to the chronically homeless. In January 2014,

there were 11,500 homeless individuals in North Carolina – including roughly 2,600 who were unsheltered – but only 5,600 permanent supportive housing beds. House Republican cuts would further strain states and communities and would set us back in meeting the President’s ambitious goals for ending chronic, family, and youth homelessness, while jeopardizing the progress we have already made in ending homelessness for veterans.

Cut critical transportation programs: The highly successful, competitive TIGER grant program allows the Federal government to invest in transit projects that can have a transformative impact on a region or a metropolitan area. Over the past three years, North Carolina received \$61.8 million for these projects, which spur innovation and propel economic mobility by helping connect people to jobs in communities across the United States. The House mark would slash TIGER grant funding to nearly 80 percent below its lowest level ever, despite the fact that the program is vastly oversubscribed. The House bill also cuts locally planned transit capital investments by more than 40 percent and shrinks funding for Federal Aviation Administration (FAA) facilities to the lowest level in fifteen years, worsening traffic delays and hampering FAA’s ability to keep our airspace safe.

Beyond their inadequate support for transportation and housing, House Republicans have indicated that they would return our economy to the same top-down economics that has failed us before: cutting taxes for millionaires and billionaires, while slashing investments in the middle class that we need to grow the economy, like education, job training, and manufacturing. While House Republicans have not yet released most of their other appropriations bills, they have provided Subcommittee allocations that show where and how they will need to cut under a return to sequestration levels. **Compared to the President’s Budget, the House Republican budget framework would have the following impacts on North Carolina¹:**

Head Start: More than 1,020 fewer children in North Carolina would have access to Head Start services, representing a permanently missed opportunity to help these children enter elementary school ready to succeed.

Teachers and Schools: North Carolina would receive \$40.7 million less funding for disadvantaged students, an amount that is enough to fund about 120 schools, 560 teacher and aide positions, and 60,100 students.

Education for Children with Disabilities: North Carolina would receive \$12.8 million less in funding to provide educational opportunities for students with disabilities, representing an approximately four percent cut and shifting the burden for meeting these children's needs to North Carolina and its local communities.

Scientific and Medical Research: Support for path-breaking research and discovery in North Carolina would be put in jeopardy. Nationwide, the Republican budget framework would lead to 1,400 fewer new research grants at the National Institutes of Health (NIH) and roughly 350 fewer research grants at the National Science Foundation (NSF), adversely affecting research essential to the future health, innovation, and economic competitiveness of the Nation. In 2014, North Carolina received \$1.1 billion in competitive NIH awards, as well as NSF competitive research awards that supported 2,290 researchers and scientists, including graduate and undergraduate students.

Veterans: Nationwide, funding for VA medical care would be cut by more than half a billion dollars, negatively impacting veterans' care. In 2014, 215,000 North Carolina veterans relied on the VA for care.

Job Training and Employment Services: 70,200 fewer North Carolina residents would receive job training and employment services, including help finding jobs and skills training.

National Parks: Construction and renovation projects would be prevented or delayed at the following six national parks in North Carolina: Blue Ridge Parkway; Carl Sandburg Home National Historic Site; Moores Creek National Battlefield; Appalachian National Scenic Trail; Cape Hatteras National Seashore; and Guilford Courthouse National Military Park.

IRS Customer Service and Preventing Tax Fraud: IRS taxpayer services in North Carolina would continue deteriorating below already unacceptable levels, and efforts to investigate fraud and reclaim taxpayer dollars would be further hampered. Since 2010, the Internal Revenue Service (IRS) budget has already been cut by roughly 17 percent, adjusted for inflation, despite the fact that, between 2010 and 2014, the number of individual tax returns filed in North Carolina increased by 205,300. Meanwhile, the IRS estimates that the reductions in enforcement staff as a result of budget cuts that have already occurred will lead to a loss of \$7 billion to \$8 billion in lost revenue in 2015 alone. The House Republicans' budget could lead to the lowest level of IRS funding in decades.

Services for HIV-Positive Individuals: North Carolina would receive roughly \$525,000 less in base funding from the AIDS Drug Assistance Program (ADAP) for providing critical antiretroviral treatments through the Ryan White HIV/AIDS Program. In 2015, North Carolina received \$21.9 million from ADAP to help patients receive the drugs and treatment they need.

The President has been clear that he is not willing to lock in sequestration going forward, nor will he accept fixes to defense without also fixing non-defense. The President's Budget reverses sequestration, replacing it with commonsense spending and tax reforms. It brings middle-class economics into the 21st Century and makes the critical investments needed to support our national security and accelerate and sustain economic growth.

The choice could not be more clear or the consequences more stark. Thanks to President Obama and the resilience of the American people, the economy is growing again. The President's Budget builds on the progress we've made and shows what we can do if we invest in America's future and commit to an economy that rewards hard work, generates rising incomes, and allows everyone to share in the prosperity of a growing America. House Republicans would put that growth at risk and limit opportunity for the middle-class and those seeking to join it.

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^{1/} Where available, comparisons are between the President's 2016 Budget request and proposed levels in the House's FY 2016 appropriation bills. Where proposed levels are not yet known, comparisons are based on House 302(b) allocations and assume that cuts or increases from FY 2015 are distributed equally within bills. Actual cuts relative to the President's Budget could be larger or smaller depending on how the appropriations Subcommittees distribute their funding allocations, but smaller cuts to some programs would require larger cuts to others.