

THE PEOPLES' BUDGET A RAISE FOR AMERICA

8.4 million good paying jobs by 2018

\$1.9 trillion investment in America's future

\$820 billion infrastructure and transportation improvements

EXECUTIVE SUMMARY

The People's Budget fixes an economy that, for too long, has failed to provide the opportunities American families need to get ahead. Despite their skills and work ethic, most American workers and families are so financially strapped from increasing income inequality that their paychecks barely cover basic necessities. They earn less and less as corporations and the wealthy continue amassing record profits. It has become clear to American workers that the system is rigged.

The People's Budget levels the playing field and creates economic opportunity by increasing the pay of middle- and low-income Americans. More customers and higher consumer spending advance American businesses, not tax cuts and relaxed regulations. *The People's Budget* drives a full economic recovery by creating high-quality jobs and reducing family expenses, restoring the buying power of working Americans.

The People's Budget closes tax loopholes that companies use to ship jobs overseas. It creates fair tax rates for millionaires and provides needed relief to low- and middle-income families. It invests in debt-free college, workforce training and small businesses within our communities, helping return our economy to full employment and giving a raise to Americans who need it most. Investments in *The People's Budget* boost employment and wages by addressing some of the biggest challenges of our time: repairing America's rapidly aging roads and bridges, upgrading our energy systems to address climate change, keeping our communities safe, and preparing our young people to thrive as citizens and workers.

A fair wage is more than the size of a paycheck. It's having enough hours, paid overtime, sick and parental leave, and affordable health and childcare. It's being able to afford a good education for your kids and never living in fear that your job will be sent overseas. It's knowing you can make ends meet at the end of the month. *The People's Budget* helps achieve that with a raise for American workers, a raise for struggling families and a boost to America's long-term global competitiveness.

A RAISE FOR AMERICA

- Creates more than 8 million good jobs by 2018.
- Increases functionality of Worker Protection Agencies.
- Includes a four percent raise for federal workers.
- Provides Paid Leave Initiative and Child Care.
- Supports a minimum wage increase and Collective Bargaining.

AUSTERITY TO PROSPERITY

- Repeals sequester and all *Budget Control Act* spending caps.
- Increases discretionary funding to invest in working families.
- Reverses harmful cuts and enhances social safety net.
- Invests in veterans, women, communities of color and their families.

FAIR INDIVIDUAL TAXES

- Equalizes tax rates for investment income and income from work.
- Returns to Clinton-era tax rates for households making over \$250,000 and implements new brackets for those making over \$1 million.
- Expands the Earned Income Tax Credit and the Child Care Credit.

FAIR CORPORATE TAXES

- Eliminates the ability of U.S. corporations to defer taxes on offshore profits.
- Ends corporate inversions that allow U.S. companies to merge offshore to avoid taxes.
- Enacts a Financial Transaction Tax on various financial market transactions.
- Ends unlimited executive pay tax write-offs.

EDUCATIONAL OPPORTUNITIES FOR EVERY STUDENT

- Provides debt-free college to every student.
- Allows refinancing of student loans.
- Invests in K-12 and provides free pre-school.

AFFORDABLE HEALTH CARE

- Repeals excise tax on high-priced workers plans and replaces with public option.
- Implements drug price negotiation for Medicare.
- Reauthorizes Children's Health Insurance Program.
- Allows states to transition to single-payer health care systems.

PROTECTING OUR ENVIRONMENT

- Closes tax loopholes and ends subsidies provided to oil, gas and coal companies.
- Enacts a price on carbon pollution without hurting low-income families.
- Invests in clean and renewable energy and green manufacturing.

SUSTAINABLE DEFENSE

- Modernizes our defense posture to create sustainable baseline defense spending.
- Ends emergency funding for Overseas Contingency Operations.
- Increases funding for diplomacy and invests in job transition programs.

COMPREHENSIVE IMMIGRATION REFORM

- Implements comprehensive immigration reform, including a pathway to citizenship.

ACCESS TO HOUSING

- Fully funds programs to make housing affordable and accessible for all Americans.

PUBLIC FINANCING OF CAMPAIGNS

- Funds public financing of campaigns to curb special interest influence in politics.

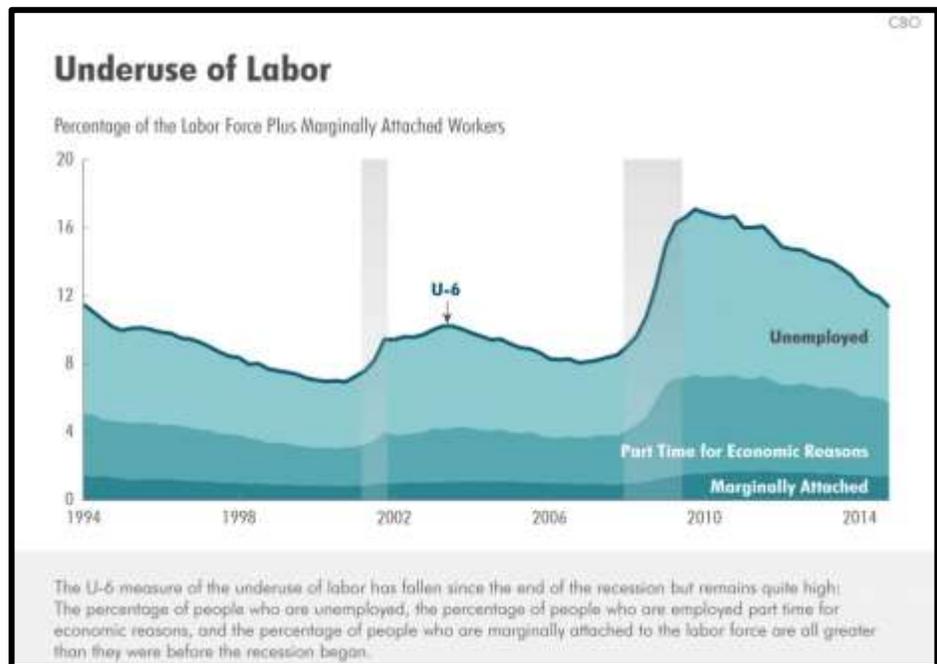
A RAISE FOR AMERICA

CREATING HIGH QUALITY JOBS AND BOOSTING WAGES

With more than 20 million Americans either unemployed, underemployed, or unwillingly out of the labor force, we are still far from full employment. While the reported unemployment rate is now under 6 percent, the real jobless rate is closer to 13 percent when we take into account those who are too discouraged to continue looking for work and people unable to find full-time work. In some urban and rural regions, unemployment still stands at more than 25 percent. *The People's Budget* invests in working Americans to help our economy reach its full potential.

Rebuilding Our Infrastructure and Transportation – makes a down payment of \$820 billion to help close the nation's infrastructure deficit while protecting against climate change and creating millions of living wage jobs. The budget also helps boost private financing for critical state and local projects by creating a public-private infrastructure bank. The American Society of Civil Engineers (ASCE) estimates that the United States will need to invest upwards of \$1 trillion above current levels over the next decade just to make required repairs to roads, bridges, water, and energy systems. The budget adopts Rep. Blumenauer's (D-OR) *UPDATE Act*, which enacts a 15 cent increase in the gas fee, phased in over 3 years and indexed to inflation, to replenish the growing deficit in the Highway Trust Fund. With gas prices falling dramatically, Republicans and Democrats have indicated openness to raising the gas tax to fund vital transportation programs in their communities.

Helping the Long-Term Unemployed –dramatically expands the training, employer matching, child care, and transportation services offered at workforce development centers under the *Workforce Investment Act* in order to return people to jobs that pay a living wage.



Restoring Manufacturing Leadership – makes strong investments in research, development, and application of advanced manufacturing and clean energy technologies through the National Science Foundation, Department of Energy's Advanced Manufacturing Office, and the Small Business Administration's Scale-Up Manufacturing Investment Fund. *The People's Budget* also includes funding to expand apprenticeships that enable Americans to earn a paycheck while receiving hands-on training and classroom instruction for careers in manufacturing.

Currency Manipulation – ends job-destroying currency manipulation by adopting the *Currency Reform for Fair Trade Act*, which would allow the U.S. Department of Commerce to treat undervalued currency as a prohibited government subsidy when imposing countervailing tariffs.

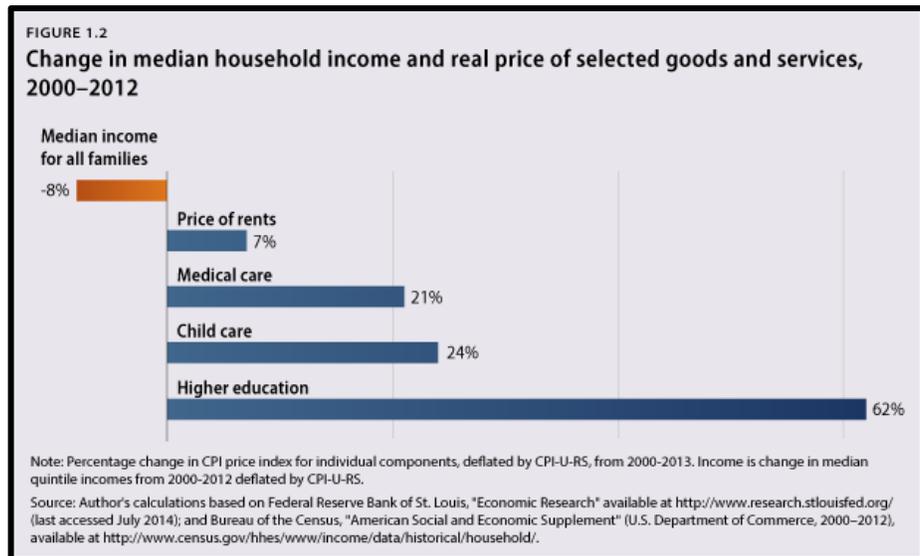
21st Century Public Works –establishes a direct hiring program to restore parks and public lands, expand access to early childhood development programs, modernize education facilities and ensure adequate staffing in schools, upgrade infrastructure to boost efficiency and resilience, and achieve other important national goals. It also sets high standards for employers across the country by guaranteeing a living wage and prioritizing the hiring of veterans and the long-term unemployed.

Aid to States - includes \$95 billion in investments to help states and municipalities rehire police, firefighters, healthcare workers, teachers, librarians, and other public employees as well as to maintain investments in affordable higher education and local safety net programs. While federal deficits have fallen to their lowest levels since the Great Recession, many states and localities are still struggling.

Help Small-Business Succeed - includes full funding for loan programs to help small businesses operate and grow as well as direct microloans to help the smallest enterprises launch and expand. While the nation's wealthiest 1% captured 95% of the economic gains in the years following the Great Recession, many of America's small businesses are fighting to stay afloat. By investing in job-creation and protecting the safety net, *The People's Budget* ensures working Americans have the income they need to buy goods and services, enabling small businesses to invest and hire more people.

INCREASE FOR WORKER PROTECTION AGENCIES

Worker Protection Agencies – increases funding for worker protection agencies by more than 40% over FY2015 levels to \$2.4 billion. This funding increase will support agencies that enforce workplace safety, protect workers' retirement savings and stop wage-theft violators. According to the Economic Policy Institute, survey evidence suggests that wage theft alone costs workers billions of dollars a year. This budget priority builds on Progressive Caucus wage-theft initiatives last year that culminated in President Obama signing an executive order to protect the employees of federal contractors from wage theft.



FEDERAL WORKER PAY

4 Percent Federal Pay Increase – increases agencies budgets within discretionary funding to provide a 4 percent pay increase to dedicated civil servants who work on behalf of the American people every single day. Years of austerity through furloughs and pay freezes have made the federal government a less attractive place to work and federal wage growth continues to lag behind the private sector. *The People's Budget* ensures that the federal government will be able to compete for the best and the brightest candidates.

PAID LEAVE AND CHILD CARE INITIATIVES

Paid Leave – encourages the adoption of paid leave in states. *The People's Budget* provides states with funding and technical assistance necessary to establish successful paid leave programs to create a healthy workforce. It also includes Rep. Carolyn Maloney's (D-NY) *Federal Employees Paid Parental Leave Act* to provide six weeks of paid parental leave for federal employees within the budget's discretionary funding increases. As the nation's largest employer, the federal government should be a leader in family friendly policies.

Child Care and Development Fund – adopts President Obama's initiative to expand child care to all eligible low-income families with children 3 or under. This effective investment helps meet the needs to modern working families and is essential child development and workplace success.

COST OF LIVING INCREASE FOR RETIREES

COLA for Retirees – uses the Experimental Price Index for the Elderly (CPI-E) to calculate Cost of Living Adjustments (COLA) for federal retirement programs other than Social Security. Affected programs include civil service retirement, military retirement, Supplemental Security Income, veteran's pensions and compensations. CPI-E is the most sensible and accurate measure of the real costs that seniors face in retirement, current underpricing of costs amount to cutting benefits for those on fixed incomes.

HIGHER MINIMUM WAGE, COLLECTIVE BARGAINING AND PAID LEAVE

Raising Wages by Empowering Workers – calls for congressional action to improve America's labor and workplace laws, so workers can bargain together for better pay, benefits, and a meaningful voice in the workplace. By raising the minimum wage, passing the *Employee Free Choice Act*, ending state-based right-to-work, and updating overtime regulations to raise the income threshold to \$69,000, we can help workers help themselves. Additionally, workers should also be able to care for loved ones and themselves when family crises arise. *The People's Budget* endorses Rep. Rosa DeLauro's (D-CT) *Healthy Families Act* to provide workers with up to 7 days of paid sick leave, which would help prevent the nearly \$160 billion in lost productivity suffered by American business every year due to the spread of sickness in the workplace. The budget also endorses executive action that would give preference for federal contracts to those companies that do more than just the legal minimum by providing living wages, paid leave, and covering health care for their workers. It would also require contractors to respect their employees' right to collectively bargain.

AUSTERITY TO PROSPERITY

A staggering 46.5 million Americans are living in poverty, including one in five children. Those statistics are even more tragic in the African American community where that number is one in three. The Great Recession and drastic budget cuts have made things harder for struggling families. It is past time we make commitments to confront poverty head-on, create pathways out of poverty, and provide opportunities for all, including through a national strategy to reduce poverty in half in ten years. *The People's Budget* expands proven anti-poverty programs and initiatives and restores vital programs to our nation to provide prosperity for all.

REPEALS SEQUESTER AND ALL BUDGET CONTROL ACT SPENDING CAPS

Budget Control Act and Sequester – repeals the *Budget Control Act*, which includes the misguided and irresponsible across-the-board cuts known as "sequestration". According to the Congressional Budget Office, repealing sequestration would increase the level of real GDP by \$113 billion and create up to 900,000 jobs per year, while at the same time providing funds to valuable domestic priorities like pre-K and research at the National Institutes of Health.

OVERALL INCREASE TO VITAL AMERICAN PROGRAMS

A \$1.9 Trillion Investment in America's Future - rejects the idea that we can adequately invest in our communities with non-military spending of 3.1 percent of GDP - the lowest levels in 50 years. With new investments totaling more than \$1.9 trillion in non-military discretionary spending, we can meet our present needs for public health, safety, and wellness, while also investing in the scientific research and long-term infrastructure we need to compete in a global economy.

REVERSES HARMFUL CUTS AND ENHANCES SOCIAL SAFETY NET

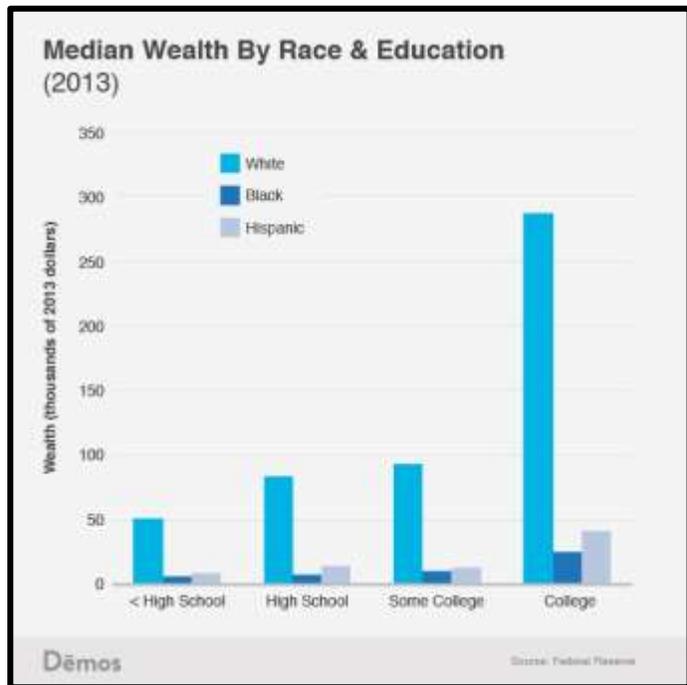
Restore SNAP – restores cuts made to the Supplemental Nutrition Assistance Program (SNAP) and permanently adopts the enhanced levels established in the *American Recovery and Reinvestment Act*. The vast majority of SNAP recipients are households with children, seniors and individuals with disabilities, but recent cuts lowered average benefits by \$216 in 2014. Providing families with basic food security through SNAP is one of the most effective ways the federal government can stimulate the economy.

Increase Child Nutrition Funding – provides an additional \$10 billion for child nutrition programs including program expansion and improvements for summer meals; essential improvements and expansion funding for preschool nutrition including increases in meal reimbursements to fulfill the new meal pattern, an additional meal or snack for children in long-term care, and expanded program eligibility; and investments in school meals and school kitchens.

Emergency Unemployment Compensation – allows those who have lost a job through no fault of their own to claim up to 99 weeks of unemployment benefits in high-unemployment states for up to two years. According to the Economic Policy Institute, this would boost real GDP growth by 0.4 percentage points and increase employment by 539,000 jobs in 2015. *The People's Budget* also adopts President Obama's reforms to improve system solvencies and incentivize job training.

INVESTS IN VETERANS, WOMEN AND COMMUNITIES OF COLOR

Support for Women and Communities of Color - expands programs that close the growing wealth gap. Women and communities of color have been disproportionately impacted by recent budget cuts. Our Budget provides desperately needed funds to programs such as Head Start, Women, Infants, and Children program, Temporary Assistance for Needy Families, and the Child Care and Development Block Grant, among many others. It does not subscribe to discriminatory funding restrictions on reproductive health that harm low income women.



Standing with Veterans – increases overall funding to meet levels recommended by the Independent Budget authored by AMVETS, Disabled American Veterans (DAV), Paralyzed Veterans of America (Paralyzed Veterans), and Veterans of Foreign Wars (VFW). *The People's Budget* provides stability to veterans through advanced funding for discretionary VA programs to make sure benefits and health care get to our veterans even when Congress can't reach agreement on funding.

FAIR INDIVIDUAL TAXATION

While millions of Americans are working harder than ever, our tax system continues to allow corporations and the wealthiest among us to dodge paying their fair share. Current tax policies have helped wealth inequality rise to levels not seen since before the Great Depression. The *People's Budget* works to reverse this trend by closing loopholes and tax expenditures that only help the wealthy, while providing and low- and middle-income individuals the relief they need. Our budget generates enough revenue and savings to invest in building new ladders of opportunity all over the country.

Tax Rates – maintains current tax rates for the vast majority of American households for the next 10 years. For the richest 2 percent who make more than \$250,000 annually, rates will return to Clinton-era levels. The Budget adopts a more progressive tax system by adopting Rep. Jan Schakowsky's (D-IL) Millionaire and Billionaire Tax rate plan, which asks those with income over \$1 million to contribute a little more to America's economic growth. The highest of the new tax rates is still lower than the top bracket in place during most of the Reagan administration:

\$1-10 million: 45 percent
\$10-20 million: 46 percent
\$20-100 million: 47 percent
\$100 million-1 billion: 48 percent
\$1 billion and over: 49 percent

Hard Work Tax Credit – implements a new tax credit to reward Americans for their hard work. This policy would provide a refundable tax credit for two years for up to \$800 for working individuals earning less than \$95,000 and up to \$1200 for households earning less than \$190,000. Modeled off the Making Work Pay tax credit, this targeted tax credit would immediately raise disposable income for low and middle-income families.

Expand Family Tax Credits – adopts President Obama's Earned Income Tax Credit (EITC) to expand eligibility, including for childless workers. Continues enhanced credits originally implemented under the American Recovery and Reinvestment Act to target those most in need. This includes extending the Child and Dependent Care Credit and the American Opportunity Tax Credit through 2024. *The People's Budget* includes the President's proposal to boost the Child Tax Credit maximum deduction to \$3,000. It makes key expansions permanent to protect 50 million Americans who would otherwise be at jeopardy for losing part or all of their EITC or CTC.

Tax Capital Gains as Ordinary Income & Eliminate Step Up Basis – eliminates preferential treatment on long-term capital gains and qualified dividends as well as the step-up basis with the carryover standard. The current system stagnates capital and does little to build the middle class, which earns most of its income from labor rather than investment gains. Income earned on investments should not get preferential tax treatment over income earned through daily labor.

Progressive & Sensible Estate Tax – implements estate tax reform that sets a \$2.5 million exemption for individuals (\$5 million for couples) while taxing the remainder at 55 percent to 65 percent, as outlined in Senator Bernie Sanders' Progressive Estate Tax Act. The budget also adopts other reforms and loophole closures as proposed by President Obama and as seen in Rep. Jim McDermott's *Sensible Estate Tax Act*. Today, the first \$5.34 million in inheritance can be passed to heirs tax free, with the remainder taxed at 40 percent.

Cap the Benefit of Itemized Deductions at 28 percent – caps itemized deductions benefits at 28 percent. Currently, only 30 percent of taxpayers itemize their deductions, and those deductions are based on the tax rate of the filer, which makes them very regressive. For example, itemized deductions totaling \$10,000 reduce taxes for a person in the 15 percent

bracket by \$1,500 (15 percent of \$10,000) and those in the 35 percent bracket by \$3,500 (35 percent of \$10,000). While "itemizers" fall in every income level, our proposal protects working families and only affects those currently in the top two income tax brackets.

Eliminate the Mortgage Interest Deduction for Vacation Homes and Yachts – maintains the mortgage interest deduction for all Americans, regardless of wealth, but eliminates the mortgage interest deduction for vacation homes and yachts.

FAIR CORPORATE TAXATION

Corporations are not paying a fair share of the tax burden. The effective corporate tax rate for the majority of the 300 most profitable corporations in America is less than 20 percent. Some of America's biggest corporations pay no taxes at all. America's richest corporations should not be able to dodge fair taxes to pay lower rates than middle class families. *The People's Budget* raises revenue by closing corporate tax loopholes and cracking down on offshore tax abuses that encourage corporations to move jobs and profits overseas.

End Bias Toward Overseas Investment – tax "deferral" allows companies to avoid paying U.S. taxes on overseas profits as long as they keep those profits offshore. Corporations can – and do – form subsidiaries in the countries where they do business, allowing them to avoid paying taxes on foreign income held by a subsidiary until the profits are returned to the United States. This system also encourages American corporations to set up shady tax havens in places like the Cayman Islands to avoid paying their fair share. *The People's Budget* requires American companies to pay taxes on earnings, wherever they occur.

End Corporate Tax Inversions – there has been a significant uptick in U.S. companies purchasing smaller foreign entities and relocating to those foreign jurisdictions to avoid paying U.S. taxes. Forty of these "tax inversions" have occurred over the past decade. Current law prohibits an inversion if the foreign company makes up 20 percent or less of the new combined corporation. The CPC Budget would incorporate the Levin-Doggett *Stop Corporate Inversions Act*, increasing the foreign ownership threshold to 50 percent, preventing future inversions and raising \$34 billion.

Financial Transaction Tax – more than 30 countries around the world have some form of tax on financial transactions, as did the United States until 1966. These tax provisions raise needed revenue and reduce reckless speculation that adds uncertainty while driving up prices of key commodities. The CPC proposal would tax trading as follows: stocks at 0.25 percent, bonds at 0.004 percent, option premiums at 0.25 percent per year to maturity, foreign exchange transactions at 0.004 percent, and futures and swaps at 0.01 percent.

President Obama's Financial Crisis Responsibility Fee – The President's proposal would charge a fee of 7 basis points (.07 percent) on assets exceeding \$50 billion. The fee is designed to raise needed revenue while discouraging excessive borrowing from major financial institutions, including those that contributed to the 2008 financial collapse – Citigroup, J.P. Morgan Chase, Bank of America, Goldman Sachs, Morgan Stanley, Wells Fargo, and American International Group, to name just a few.

Stop Subsidizing Multimillion Dollar Corporate Bonuses Act – closes a major loophole in current corporate tax law by putting an end to unlimited tax write-offs on executive pay. CEOs of the nation's largest companies now earn more than 330 times that of the average worker. Closing this loophole would save taxpayers \$50 billion.

Close Corporate Jet Loophole – ends the tax advantage provided to owners of private jets, removing the more generous five-year depreciation available to jet owners and replacing it with the seven years provided to commercial airlines.

EDUCATIONAL OPPORTUNITIES FOR EVERY STUDENT

An economy that works for everyone needs an education system that serves every student. But broken federal education policies send funds away from the students, teachers and schools that need investment the most. *The People's Budget* invests in all students by providing access to universal pre-k, effective public schools and debt-free college.

Universal Pre-K – provides universal access to quality pre-k programs, which will expand social mobility by helping low-income and at-risk students read and write at the same rates as their peers.

IDEA Full Funding - fulfills the original promise of *Individuals with Disabilities Education Act* (IDEA) by ensuring that children with disabilities have access to a free, high-quality public education.

Robust Title I Funding - upholds our nation's commitment to public education by fully funding Title I of the Elementary and Secondary Education Act. Title I is the most powerful mechanism available for driving improvements in educational outcomes for poor children.

Support For Our Teachers – provides professional development, resources, and support for all school personnel. These investments will promote best-practices and allow educators to effectively serve diverse learners, as well as foster and sustain an environment that allows all students to learn successfully.

Debt Free College – creates a federal matching program that supports state efforts to expand investments in higher education, bring down costs for students, and increase aid to students to help them cover the total cost of college attendance without taking on debt. The program would encourage innovation by states and colleges to improve efficiency and enable speedy and less-costly degree completion. By treating higher education as a public good worth investing in, we can once again make higher education accessible to all.

Student Loan Refinancing – allows students refinance their student loans at low rates and allows private borrowers to shift to more affordable government loans. Allowing student borrowers to reduce the value of their debt will free up income for purchases and will create a job-creating ripple effect throughout the entire economy.

AFFORDABLE HEALTH CARE

An aging population and rising health care costs represent one of the greatest challenges to the federal budget in the coming years. To meet this challenge, *The People's Budget* lowers health care costs while protecting consumers. We build on the positive reforms in the *Affordable Care Act* that are known to bend the health care cost curve over time. *The People's Budget* protects Medicare's integrity and creates savings to improve long-term solvency. It protects children and low-income Americans and provides states the freedom to improve on the *Affordable Care Act* by transitioning to a single payer system of care.

Medicare Part D Prescription Drug Negotiation – permits the Secretary of Health and Human Services (HHS) to negotiate prescription drug prices with pharmaceutical manufacturers. Giving HHS the ability to negotiate prices, as the Department of Veterans Affairs currently does, will save Medicare \$157 billion and will reduce costs for seniors.

Sustained Growth Rate - includes funding to replace SGR with a payment system that focuses on equity for primary care and protections for low-income beneficiaries. The budget pays for the reform through added overall revenues, which does not require cost to be passed to Medicare beneficiaries in any form.

Payment Improvements – builds on solutions in the *Affordable Care Act* by accelerating the use of bundled payments as an alternative to fee-for-service. Paying for quality of care instead of quantity leads to better outcomes and cost savings.

Repeal Excise Tax on High-Price Health Plans and Replace with a Public Option – improves the *Affordable Care Act* by repealing the excise tax on high-priced health plans. Proponents of the provision hoped that this tax would slow the rate of growth of health costs, while raising revenue. However, in an effort to avoid the tax, employers who traditionally offer excellent benefits have started offering less generous plans. This is an ineffective tool to bend the cost curve. Since the tax is attached to premiums instead of coverage it has the potential to hit plans it wasn't intended to impact.

The People's Budget replaces the 40 percent excise tax with a public option to allow the Secretary of Health and Human Services to offer a public insurance option within the health insurance marketplaces. This ensures choice, competition, and stability in coverage. The Congressional Budget Office (CBO) estimates the premium costs for Americans under the public option will be 7 to 8 percent lower than costs in private exchange plans. The repeal of the excise tax costs \$87 billion while savings from the public option are \$218 billion.

Extending the Children's Health Insurance Program (CHIP) - continues funding for the entire CHIP program until 2019. *The People's Budget* protects States programs by fully retaining maintenance of effort requirements and eliminating any States ability to arbitrarily implement enrollment caps. Without action, federal funding for CHIP will expire jeopardizing the health care coverage of more than 10 million children and pregnant women.

Mental Health – includes robust mental health funding to better support the Substance Abuse and Mental Health Services Administration (SAMHSA), increase access to psychiatric care for Medicare beneficiaries, and support for veteran mental health care and suicide prevention. The budget provides increased funding for initiatives such as the *Clay Hunt Veteran's Suicide Prevent Act*, reducing limits on inpatient access to psychiatric care and ensuring a greater number of American's can receive addiction treatment.

Cigarette Tax – raises the federal excise tax on cigarettes by 50 cents per pack. Recent research shows that every 10 percent increase in the real price of cigarettes reduces overall cigarette consumption by approximately three to five percent.

Junk Food and Fast Food Marketing – ends tax breaks for advertising and marketing junk food and fast food to children. One out of every three children is overweight or obese, disproportionately affecting communities of color and low-income children.

Closing the Medicare Tax Loophole (NEWT Act) – adopts Rep. Charles Rangel's (D-NY) *Narrowing Exceptions for Withholding Taxes (NEWT) Act*, which would clarify that individuals are unable to avoid employment taxes by routing their earnings through a limited liability corporation or a limited partnership. Newt Gingrich used this loophole to avoid paying Medicare taxes.

Generic Prescription Drug Development and Release – prohibits “pay for delay” agreements that brand name manufacturers use to reduce competition and prevent lower cost alternatives from entering the market.

State Waivers – until we guarantee universal access to quality care, our work is not complete. *The People's Budget* endorses providing states with the ability to set up and administer more efficient state-level single payer health programs. It allows necessary waivers and protects existing federal funding for states to establish a single payer program.

PROTECTING OUR ENVIRONMENT

Climate change is no longer a problem for a future generation—it is here today. American citizens are already paying the real costs of climate change, and over the coming decades we will continue to face the growing costs of more dangerous storms, community-devastating droughts, fires, and floods, rising sea levels, and increased deaths and illness due to stronger heatwaves, poorer air quality, and the enhanced spread of water and food-borne diseases. We cannot afford to wait to act on climate change any longer, and the American people certainly can't afford to continue providing massive subsidies to hugely profitable fossil fuel corporations while they emit more climate warming pollution. *The People's Budget* requires polluters to pay for their impact on our health and the global climate while eliminating tax breaks that subsidize fossil fuel energy over cleaner energy. It supports funding for a national energy policy focused on renewables. It also provides funding for communities to adapt to climate change and strives to protect those most at risk from environmental degradation.

Impose a Price on Carbon Pollution – imposes a \$25 per ton price on carbon dioxide emitted by polluters (increasing at 5.6 percent a year) and rebates 25 percent of all revenues to protect low income families from any rising costs via refundable credits. Revenue from this carbon price will also be used to fund renewable energy technology development and deployment. The Energy Information Administration found that a similar proposal would result in carbon emissions reductions of 26 percent below 2005 levels by 2020. This would go a long way toward setting the United States on a path to minimize the dangers of climate change, particularly when combined with air pollution control measures and increased energy efficiency and renewable energy deployment.

Eliminate Corporate Welfare for Oil, Gas, and Coal Companies – repeals \$118 billion in fossil fuel subsidies over 10 years. The fossil fuel industry enjoys dozens of permanent subsidies thanks to decades of successful lobbying. Just one of these loopholes, the “percentage depletion allowance,” will cost taxpayers \$13 billion over the next decade. Fossil fuel companies are subsidized at nearly 6 times the rate of renewable energy producers, and these companies are perhaps the ones that need it least – in 2013, the Big Five oil companies alone earned \$93 billion in profit.

Helping Communities Adapt – increases funding for EPA climate adaptation programs and FEMA climate resiliency initiatives. The budget also incorporates the job training and economic development funding outlined in the President's POWER plus plan to assist displaced fossil fuel workers and communities impacted by changing energy policies.

Reinstate Superfund Taxes – reinstates the Superfund excise taxes that expired in 1995. The Environmental Protection Agency's Superfund program, once largely funded by dedicated taxes, is now funded primarily by general revenue. Having a stable source of funding, rather than relying on year-to-year appropriations, would result in more cleanup of hazardous chemical waste that would allow impacted businesses and neighborhoods to flourish again.

Crop Insurance Subsidies – reduces the federal government's subsidy to from 60 percent to 40 percent premiums, on average. Insurance policies purchased through the program are sold and serviced by private insurance companies, which are reimbursed by the federal government. The Congressional Budget Office says crop insurance will cost taxpayers about \$90 billion over the next decade.

SUSTAINABLE DEFENSE

Pentagon spending has doubled over the last decade at the expense of investments in working families. But as the war in Afghanistan draws to a close, we need a leaner, more agile force to combat realistic twenty-first century threats. *The People's Budget* responsibly ends operations in Afghanistan, brings our troops home, focuses Pentagon spending on modern security threats instead of Cold War-era weapons and contracts, and invests in a massive job creation program that will help workers transition into civilian jobs. The Congressional Progressive Caucus does not support Pentagon cuts mandated by sequestration and believes there are more responsible savings achievable that will not harm service members and veterans.

End Emergency War Funding Beginning in FY2017 – limits Overseas Contingency Operations (OCO) funding to redeployment out of Afghanistan in FY2016 and zeroes out OCO thereafter, saving \$761 billion compared to current law. It is time to swiftly and safely end the war in Afghanistan. An expedited withdrawal from Afghanistan would save billions. Further, the use of emergency funding via the OCO account masks the true impact of war spending and should be discontinued.

Reduce Base Pentagon Spending – reduces baseline military spending to ensure Pentagon spending does not continue to contribute significantly to our current fiscal burden, and establishes a responsible, targeted approach towards a sustainable defense budget. *The People's Budget* would repeal the damaging across-the-board cuts and caps proposed by the *Budget Control Act*, while providing significant savings through the enactment of reforms, endorsed in bipartisan fiscal reform proposals. *The People's Budget* redirects funding to priorities such as caring for our veterans, Congressionally Directed Medical Research Programs (CDMRP), smart diplomacy, and environmental cleanup and climate change mitigation programs within the DOD Strategic Sustainability Performance Plan.

Adjusting to Pentagon Downsizing and Investing in Non-Defense Manufacturing – increases investments in DOD's Office of Economic Adjustment to assist state and local governments to respond to major defense program shifts by helping communities adjust to defense contract losses. Fully funding initiatives like the DOT's Federal Ship Financing Program and significantly increasing federal agency procurement of sustainable technology from communities impacted by Pentagon cuts will help provide a just transition for defense manufacturing workers and ensure that the U.S. manufacturing base remains vibrant.

Modernizing our Defense Posture – achieves a smaller force structure with fewer personnel through attrition. A modern defense strategy must focus our armed forces on their strengths of crisis response, smart security, and deterrence. Our military needs to adapt to current threats and challenges, particularly cyberwarfare, nuclear proliferation, and non-state actors. No savings are obtained by reducing military personnel wages or benefits, including TRICARE and pensions. The proportion of private contractor personnel would be significantly reduced and their work transitioned to civilian personnel, curbing needless "outsourcing" that creates excessive cost overruns. Additional reforms include the decommissioning our Cold War-era nuclear weapons infrastructure, as outlined by the Smarter Approach to Nuclear Expenditures (SANE) Act, and reducing procurement and research, development, test, and evaluation (RDT&E) spending by making smarter procurement choices.

Audit the Pentagon – As the only federal agency that cannot be audited, the Pentagon loses tens of billions of dollars annually to waste, fraud, and abuse. It is past time to check the wasteful practices with little oversight that weaken our financial outlook and ultimately, our national security.

Diplomacy and Development – increases investment in diplomacy and development to stabilize key regions of the world through smart security, provides vital development and humanitarian assistance, and increases tools to combat the horrors of drug and human trafficking and nuclear proliferation. Our plan rebalances goals and risks to achieve a more effective mix of defense, diplomacy, and development aid. By adopting this new global security posture, investing in domestic priorities and creating a cost-effective military aligned with 21st century threats, the U.S. can achieve significant deficit reduction goals while simultaneously enhancing global security.

COMPREHENSIVE IMMIGRATION REFORM

Our country needs an immigration system that honors our values of inclusion, diversity and equality. Today's outdated immigration laws have failed workers, families, businesses and increasingly, our nation's immigrants. Employers are unable to hire the workers they need. Immigrant workers are exploited. Families trying to reunite legally are separated for many years, and millions of individuals are forced to live in the shadows. Our budget adopts comprehensive immigration reform which will generate substantial economic benefits. It's the humane and fiscally responsible solution.

The *People's Budget* helps immigrants integrate into American society and participate in the economy by becoming entrepreneurs, small business owners, innovators and future job creators. A report by the non-partisan Congressional Budget Office (CBO) found that comprehensive immigration reform would reduce the federal budget deficit by \$197 billion over the next decade and \$700 billion over the next 20 years. Comprehensive immigration reform will build a stronger society and economy. The time for reform is now.

ACCESS TO HOUSING

We have an affordable housing crisis: Only one in four families eligible for housing assistance receives any. There is shortage of seven million apartments that are affordable to extremely low-income households. The self-inflicted sequester took housing assistance from 70,000 families – our budget moves us from trying to preserve existing affordable housing to making significant investment in new production. The budget preserves existing affordable housing by rebuilding public housing and restores and expands vouchers to house some of the millions of families who have been on waiting lists for years. We provide resources for new developments through successful HUD and USDA housing programs such as the Community Development Block Grant, HOME and programs for the elderly and people with disabilities. The *People's Budget* gives families and communities devastated by foreclosure the resources to renovate and resell homes and maintain overall property values.

PUBLIC FINANCING OF CAMPAIGNS

In order to establish a representative democracy that truly reflects the diversity and values of our nation the *Better Off Budget* provides funding for the public financing of campaigns. This gives a voice to small donors that have been drowned out by dark money. Public financing keeps politicians accountable to the voters that elect them instead of to special interest money. In the era of the devastating *Citizens United* decision, big money has taken the reins of our election process. It is now more important than ever to provide candidates with effective alternatives to finance their campaigns.

MORATORIUM ON MAIL PROCESSING CONSOLIDATION

The People's Budget endorses a moratorium on the consolidation of mail processing centers across America. Consolidations will likely eliminate overnight First Class mail and will slow down overall delivery of the nation's mail, which will be especially harmful to rural and small town America. Last year, the USPS processed 158 billion pieces of mail, handled 40 percent of the world's mail volume, and employed over 104,000 veterans. There is no reason that the USPS cannot delay its consolidation process to provide time for a feasibility study and for community comments.

EXPANDING SOCIAL SECURITY

The Congressional Progressive Caucus does not include changes to Social Security in the *People's Budget*, but endorses Social Security improvements separate from the federal budget process. We support increasing Social Security's modest benefits, separate and apart from budget discussions. Social Security is a solution to a looming retirement income crisis, the disappearing middle class, and growing income inequality. It is the most secure, universal, fair and efficient insurance against the loss of wages in the event of disability, death, or old age, but its vitally important benefits are modest by virtually any measure. They average is just around \$15,936 a year for retired workers. Moreover, Social Security's current cost of living measure, which is intended to keep those modest benefits from eroding over time, under-measures the inflation experienced by seniors and people with disabilities. It also does not take into account the disparity experienced by those who take time away from the workforce to care for children or aging family members and face a significant reduction in their Social Security benefit. The CPC calls for the computation of the Social Security benefits that give an annual caregiver credit for each year of caregiving.

The CPC also endorses expanding Social Security's benefits and employing a more accurate measure of inflation as called for by the *Strengthening Social Security Act*. These benefits, as well as improvements to Social Security's projected deficit that is modest in size and still two decades away, can be funded by gradually phasing out the cap on Social Security contributions. All working Americans and their employers would pay contributions at the same rate on all their earnings, just as they have been doing for Medicare since 1994. Additionally, the CPC calls for the reallocation of funds from the Social Security Old Age and Survivors Insurance Trust Fund to the Disability Insurance Trust Fund in order to continue to pay full Disability Insurance benefits. By addressing long-term solvency for the entire Social Security Trust Fund and benefit adequacy, this plan will increase Social Security's revenue by a net amount (i.e., once all benefits have been paid) of \$1.2 trillion over the next ten years and by \$4.7 trillion over the next seventy-five years.

FY 16 People's Budget: A Raise for America

Functional budget increases relative to current law: FY2016 – FY2025

<p>Function: 050 National Defense</p>	<ul style="list-style-type: none"> ▪ Office of Economic Adjustment ▪ Congressionally Directed Medical Research Programs ▪ Strategic Sustainability Performance Plan
<p>Function: 150 International Affairs</p> <p>Increase of \$58B</p>	<ul style="list-style-type: none"> ▪ Reconstruction assistance ▪ SMART Security ▪ U.S. Institute of Peace ▪ McGovern-Dole International Food for Education and Child Nutrition Program ▪ Bilateral Global HIV\AIDS Programs (PEPFAR) ▪ Global Fund to Fight AIDS, Tuberculosis, and Malaria (The Global Fund) ▪ USAID ▪ Microfinance ▪ Child Survival and Health Programs ▪ Peace Corps
<p>Function 250: General Science, Space and Technology</p> <p>Increase of \$80B</p>	<ul style="list-style-type: none"> ▪ National Science Foundation ▪ National Aeronautics and Space Administration (NASA) ▪ Science, Aeronautics and Technology ▪ Advanced Manufacturing Research ▪ Clean Energy Technologies Research ▪ STEM Education Research
<p>Function 270: Energy</p> <p>Increase of \$161B</p>	<ul style="list-style-type: none"> ▪ Renewable energy technology and deployment ▪ Energy Innovation Fund ▪ Geothermal Technology ▪ Weatherization and Intergovernmental Activities ▪ Smart Grid Research and Development
<p>Function 300: Natural Resources and Environment</p> <p>Increase of \$80B</p>	<ul style="list-style-type: none"> ▪ Indian Affairs ▪ Reestablishment of the Civilian Conservation Corps ▪ Natural Resources Conservation Service ▪ Wetlands Reserve Program ▪ Conservation Stewardship Program ▪ Land and Water Conservation Fund ▪ Multinational Species Conservation ▪ Harbor Maintenance Trust Fund ▪ Secure Rural Schools and Community Self-Determination Act ▪ Supporting Climate Resilience in Indian Country ▪ Payment in Lieu of Taxes (PILT)
<p>Function 350: Agriculture</p>	<ul style="list-style-type: none"> ▪ Rural broadband deployment ▪ Community Connect Grant Program

<p>Function 370: Commerce and Housing Credit</p> <p>Increase of \$80B</p>	<ul style="list-style-type: none"> ▪ National Network for Manufacturing Innovation ▪ Homeless Assistance Grants ▪ Choice Neighborhoods Initiative ▪ SBA 7(a) and 504 business loan programs ▪ National Veterans Entrepreneurship Training (VET) Program ▪ Securities and Exchange Commission
<p>Function 400: Transportation</p> <p>\$744B included in job stimulus</p>	<ul style="list-style-type: none"> ▪ Highways and bridges ▪ Mass transit ▪ Aviation ▪ Transportation Investment Generating Economic Recovery (TIGER)
<p>Function 450: Community and Regional Development</p> <p>Increase of \$80B</p>	<ul style="list-style-type: none"> ▪ Community Development Block Grant (CDBG) ▪ Community Development Fund ▪ Community Development Financial Institutions ▪ HOME Investment Partnerships ▪ Power Plus
<p>Function 500: Education, Training, and Social Services</p> <p>Increase of \$300B in addition to increase in job stimulus, college affordability, pre- school and loan refinancing.</p>	<ul style="list-style-type: none"> ▪ Wage and Hour Division ▪ ESEA ▪ IDEA ▪ Drop-out prevention ▪ Head Start ▪ Youth Summer Jobs ▪ Pell Grants, including interest rate protection ▪ Apprenticeship Training Fund ▪ Senior Community Service Employment Program ▪ Green Jobs Innovation Fund ▪ National Endowment for the Humanities ▪ Adult Employment and Training Activities ▪ TRIO ▪ National Endowment for the Arts Home and Community-based Supportive Services ▪ Social Services Block Grants (SSBG) ▪ On-the-Job Training ▪ Early Learning Challenge Fund ▪ Dislocated Workers Program ▪ Public Telecommunications Facilities Program ▪ Library Services and Technology ▪ Workforce Investment Act (WIA)
<p>Function 550: Health</p> <p>Increase of \$264B</p>	<ul style="list-style-type: none"> ▪ National Institutes of Health (NIH) ▪ National Institute of Aging ▪ Domestic HIV/AIDS ▪ Maternal Health ▪ Enhanced Federal Medical Assistance Percentages (FMAP) ▪ Community Services Block Grant (CSBG) ▪ Mentoring of Children of Prisoners ▪ Community Health Centers ▪ National Health Service Corps ▪ Center for Disease Control and Prevention ▪ Title VII programs ▪ Title X programs ▪ National Diabetes Prevention Budget for All ▪ Nursing Workforce Development Programs ▪ National Institutes of Health (NIH) ▪ Division of Viral Hepatitis ▪ Community Health Centers ▪ National Health Service Corps ▪ Teaching Health Center GME ▪ Minority AIDS Initiative

<p>Function 600: Income Security</p> <p>Increase of \$546B</p>	<ul style="list-style-type: none"> ▪ Extend and Safeguard Unemployment Insurance ▪ Child Nutrition ▪ Supplemental Nutritional Assistance Program (SNAP) ▪ Food and Nutrition Service (including WIC) ▪ Section 8 Housing Vouchers (Housing Choice) ▪ Project Based Rental Assistance ▪ Choice Neighborhoods ▪ Public Housing Capital Fund ▪ Federal-State Unemployment Insurance System ▪ Home Investment Partnership Program ▪ Temporary Assistance for Needy Families (TANF) ▪ Homeless Assistance Grants ▪ Public Housing Operating Fund ▪ Affordable Housing Trust Fund ▪ Low Income Housing Energy Assistance Program (LIHEAP) ▪ Project-Based Rental Assistance (PBRA) Program ▪ Section 202 (Housing for the Elderly) ▪ Section 811 (Housing for Persons with Disabilities) ▪ Foster and Adoption Assistance for States
<p>Function 700: Veterans Benefits and Services</p> <p>Increase of \$161B</p>	<ul style="list-style-type: none"> ▪ Veterans & Military Families ▪ Wounded Warriors K-9 Corps ▪ VA Medical and Prosthetic Research ▪ Veterans Employment and Training ▪ Veterans Housing Benefit Program
<p>Function 750: Administration of Justice</p> <p>Increase of \$80B</p>	<ul style="list-style-type: none"> ▪ State and Local Law Enforcement Assistance ▪ Juvenile Justice ▪ DOJ Administrative Review and Appeals ▪ Violent crime reduction programs ▪ Juvenile Justice Programs ▪ Violence against Women Prevention and Prosecution Programs ▪ Byrne Justice Assistance Grants ▪ Legal Services Corporation ▪ Missing Alzheimer's Disease Patient Alert Program ▪ End funding for family detention centers and eliminate bed mandates
<p>Function 800: General Government</p> <p>Increase of \$11B</p>	<ul style="list-style-type: none"> ▪ Office of Technology Assessment

FIGURE 1: Deficit as share of GDP

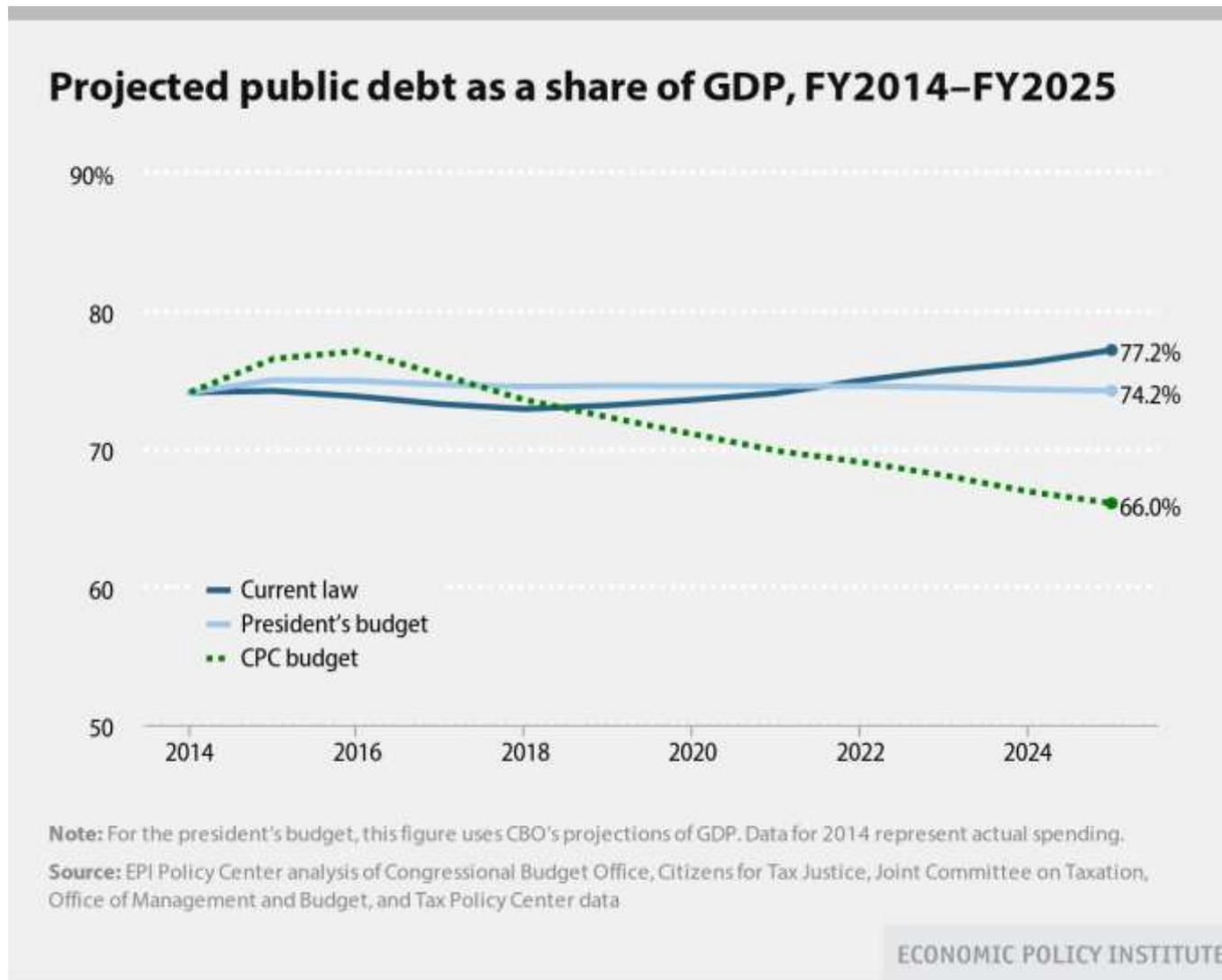


FIGURE 2: Deficit as share of GDP

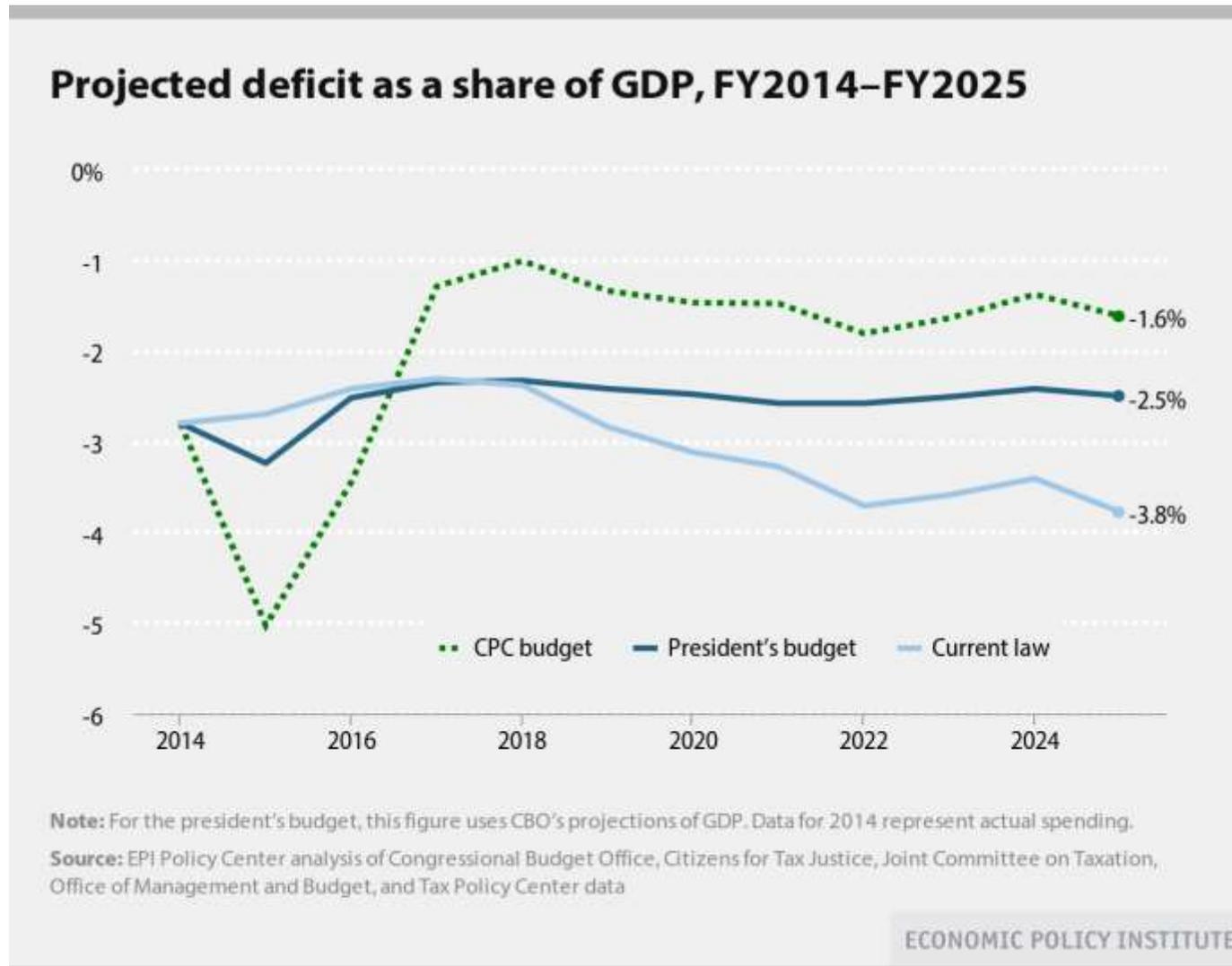


FIGURE 3: Nondefense discretionary funding as share of GDP

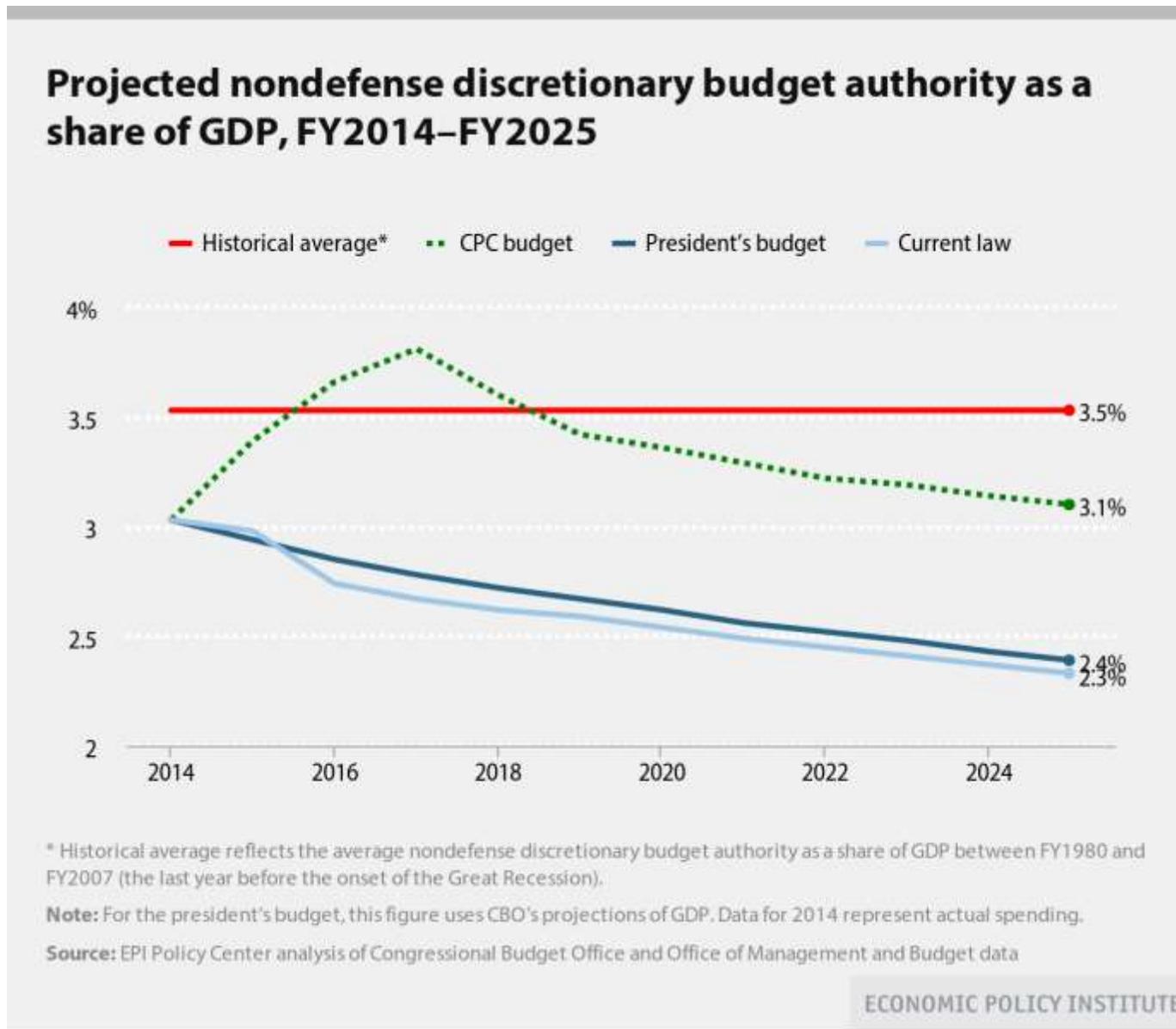


TABLE 1

Policy modifications for CPC FY2016 budget alternative (billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total		
												2016-2020	2016-2025	2015-2025
<i>Total deficit under CBO March 2015 current law baseline</i>	-486	-455	-455	-489	-607	-696	-763	-900	-907	-899	-1,038	-2,701	-7,209	-7,695
Additional revenue policy adjustments (impact on primary budget deficit, billions of dollars)														
Immediately revert to 36% and 39.6% rates for those above \$250k/\$200k. Leave in place other Bush tax cuts permanently. Enact Fairness in Taxation Act, equalization and Obama policy refundable tax credits		50	127	133	140	146	154	161	169	177	186	596	1,443	1,443
Repeal the step-up basis for capital gains at death		21	30	31	33	35	36	38	40	42	44	150	352	352
Cap the value of item. deductions at 28%		28	45	49	53	56	60	63	67	71	74	231	566	566
End exclusion of foreign-earned income		5	7	7	7	8	8	8	9	9	10	33	77	77
Deny the home mortgage interest deduction for yachts and vacation homes		1	1	1	1	1	1	2	2	2	2	6	14	14
Close S corporation loophole		4	6	7	7	7	8	8	9	9	9	32	75	75
End deferral and reform foreign tax credit		36	69	67	65	63	61	60	58	56	59	300	595	595
Anti-inversion provisions		1	2	2	3	3	4	4	5	5	5	11	34	34
Curb corporate deductions for stock options		2	2	2	3	3	3	3	3	3	3	12	26	26
Limit deductibility of executive bonus pay	4	6	6	6	6	5	5	5	4	4	4	29	51	54
Eliminate corporate jet provisions		0	0	0	0	1	1	0	0	0	0	2	3	3
Reduce the deductibility of corporate meals and entertainment (25%)		5	7	7	7	7	7	7	8	8	8	32	70	70
End direct advertising of certain foods		1	1	1	2	2	2	2	2	2	2	7	15	15
Increase the excise tax on cigarettes by 50 cents per pack	0	4	4	4	4	4	4	4	4	4	4	19	38	38
Eliminate fossil fuel preferences (EPWA)		13	14	11	10	10	10	10	10	11	11	57	110	110
Price carbon at \$25 (refunding 25%)	0	75	105	110	116	122	129	135	143	150	156	529	1,242	1,242
Reinstate superfund taxes		2	2	2	2	2	2	2	2	2	2	10	21	21
Unemployment Insurance Solvency Act	0	0	4	4	3	4	4	6	6	7	7	14	45	45
Financial transactions tax		61	84	87	89	92	95	98	101	104	108	414	921	921
Excise tax on systemically important financial institutions		6	11	11	11	11	12	12	12	13	13	50	112	112
Progressive estate tax reform		7	12	14	15	17	19	21	23	25	27	65	178	178
Repeal excise tax on high-premium insurance plans				-3	-6	-7	-9	-11	-14	-17	-21	-16	-88	-88
Eliminate Highway Fund shortfall with 15 cent fuel charge		14	20	20	21	21	21	21	22	22	23	96	206	206
Comprehensive immigration reform (total budgetary effect)	-5	-1	17	18	19	21	25	30	33	39	41	73	241	237
Additional spending policy adjustments (impact on primary budget deficit, billions of dollars)														
Repeal BCA mandatory and discretionary cuts (both phases)	-11	-34	-50	-56	-62	-69	-74	-81	-88	-92	-75	-271	-683	-694
Infrastructure investments	-75	-115	-85	-85	-75	-70	-60	-61	-63	-64	-66	-430	-745	-820

TABLE 1 (CONTINUED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total		
												2016-2020	2016-2025	2015-2025
Additional job creation credits and provisions	-278	-233	-121	-60	-74	-74	-78	-80	-84	-88	-92	-563	-984	-1,261
Investments (NDD increases over removing BCA)	-41	-103	-160	-171	-159	-153	-151	-149	-152	-158	-165	-746	-1,521	-1,562
Preschool for all	0	0	-1	-3	-5	-7	-9	-10	-11	-10	-9	-17	-66	-66
Affordable College and Refinancing Student Loans	0	-92	-30	-31	-32	-32	-33	-34	-35	-36	-37	-217	-392	-392
Restore SNAP benefit levels and child nutrition	-5	-3	-2	-2	-2	-2	-2	-2	-2	-2	-2	-11	-21	-25
OCO windowdown (both 050 and 150)	0	57	66	72	75	77	79	81	83	84	86	347	761	761
Base DOD adjustments (to remain at current law funding levels)	0	6	7	9	11	13	15	16	18	19	21	46	134	134
Repeal Medicare SGR	-8	-13	-11	-10	-10	-11	-12	-14	-15	-16	-16	-54	-127	-135
Negotiate Rx payments for Medicare	0	3	8	9	11	12	14	16	19	23	24	43	139	139
Public option	0	2	12	18	21	23	24	27	28	30	32	75	218	218
Reform rules for Rx development/release	0	1	1	1	1	2	2	2	2	2	2	6	16	16
Reduce fraud, waste, and abuse in Medicaid	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Payment and administrative cost improvements	0	0	0	1	3	5	8	9	10	10	11	10	58	58
Replace growth rate of civilian and veteran retirement programs with CPI-E	0	0	-1	-1	-1	-1	-2	-2	-3	-4	-4	-4	-18	-18
Reduce agriculture subsidies	0	1	1	2	2	2	2	2	2	2	2	7	16	16
Public financing of campaigns	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-11	-12
Net policy adjustments (primary)	-419	-187	209	284	313	348	383	411	425	447	487	968	3,121	2,701
Debt service impact of policy adjustments	-1	-8	-9	-4	7	19	34	50	68	88	106	6	351	706
<i>Net impact of policy adjustments</i>	-421	-195	201	281	320	367	417	461	493	535	593	973	3,472	3,051
<i>CPC FY16 deficit</i>	-906	-650	-254	-208	-287	-329	-345	-440	-415	-365	-446	-1,728	-3,738	-4,644

Note: Numbers may not add up due to rounding.

Public investment and job creation measures in CPC FY2016 budget alternative, relative to CBO current law baseline (billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total		
												2016–2020	2016–2025	2015–2025
Job creation measures														
Sustained infrastructure program	75	115	85	85	75	70	60	61	63	64	66	430	745	820
Restore EUC to 99 weeks (CY2014–2016)	19	26	26	7	0	0	0	0	0	0	0	59	59	78
Hard Work Tax Credit (CY2013–2015)	113	102	25	0	0	0	0	0	0	0	0	128	128	241
Public works jobs program and aid to distressed communities	65	42	9	0	0	0	0	0	0	0	0	51	51	116
Invest in teachers and K–12 schools	52	31	12	4	0	0	0	0	0	0	0	47	47	99
Block grants to states (first responders, Medicaid, safety net, etc.)	42	42	11	0	0	0	0	0	0	0	0	53	53	95
Job creation credits (R&E, green manufacturing)	0	7	10	11	12	12	13	14	15	16	17	52	126	126
Expand EITC for childless workers	0	0	6	6	6	7	7	7	7	7	7	26	61	61
Subtotal, job creation measures	366	365	186	113	93	89	80	82	85	87	90	845	1,269	1,635
Additional non-defense discretionary (NDD) public investments														
Repeal BCA NDD cuts, both phases	0	15	23	27	29	33	37	41	44	46	48	126	342	342
Investments (NDD increases over removing BCA)	41	103	160	171	159	153	151	149	152	158	165	746	1,521	1,562
Subtotal, additional NDD increases relative to current law	41	118	183	197	188	186	188	190	196	204	213	873	1,864	1,905
Total, job creation measures and public investments	407	483	368	310	281	275	267	272	281	292	303	1,718	3,132	3,539

Note: Numbers may not add due to rounding.

CPC FY2016 budget totals (in billions of dollars)

	2014 (actual)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	
													2016–2020	2016–2025
Revenues														
Individual income taxes	1,395	1,475	1,745	1,992	2,102	2,198	2,315	2,443	2,577	2,716	2,865	3,011	10,351	23,963
Payroll taxes	1,023	1,057	1,102	1,161	1,207	1,257	1,313	1,372	1,434	1,495	1,559	1,625	6,039	13,523
Corporate income taxes	321	327	477	517	528	519	512	514	519	529	543	562	2,553	5,221
Other	283	302	487	542	532	557	581	604	626	651	676	701	2,700	5,956
Total	3,021	3,162	3,810	4,213	4,368	4,531	4,721	4,933	5,156	5,390	5,642	5,899	21,643	48,663
On-budget	2,286	2,398	3,012	3,364	3,484	3,611	3,764	3,937	4,113	4,305	4,511	4,723	17,235	38,825
Off-budget	736	764	799	849	884	919	957	997	1,042	1,085	1,131	1,175	4,408	9,839
Outlays														
Mandatory	2,099	2,680	2,988	2,876	2,897	3,069	3,228	3,391	3,635	3,778	3,914	4,176	15,059	33,952
Discretionary	1,179	1,157	1,187	1,251	1,270	1,284	1,304	1,331	1,364	1,391	1,422	1,466	6,296	13,270
Net interest	229	230	284	340	409	466	517	556	597	637	671	702	2,016	5,179
Total	3,506	4,068	4,460	4,467	4,576	4,818	5,050	5,278	5,596	5,805	6,007	6,345	23,371	52,401
On-budget	2,800	3,327	3,678	3,637	3,691	3,873	4,040	4,200	4,444	4,574	4,692	4,941	18,919	41,770
Off-budget	706	741	782	829	886	945	1,010	1,079	1,152	1,231	1,315	1,403	4,451	10,631
Deficit (-) or surplus														
On-budget	-514	-929	-666	-274	-207	-262	-276	-263	-330	-269	-181	-218	-1,684	-2,945
Off-budget	30	23	17	20	-2	-25	-53	-82	-110	-146	-184	-228	-43	-792
Debt held by the public														
	12,780	13,786	14,506	14,825	15,085	15,425	15,800	16,188	16,668	17,121	17,523	18,008	n.a.	n.a.
Memorandum														
Gross domestic product	17,251	18,016	18,832	19,701	20,558	21,404	22,315	23,271	24,261	25,287	26,352	27,456	102,810	229,438

CPC FY2016 budget totals (as percentage of GDP)

	2014 (actual)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	
													2016–2020	2016–2025
Revenues														
Individual income taxes	8.1%	8.2%	9.3%	10.1%	10.2%	10.3%	10.4%	10.5%	10.6%	10.7%	10.9%	11.0%	10.1%	10.4%
Payroll taxes	5.9%	5.9%	5.8%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
Corporate income taxes	1.9%	1.8%	2.5%	2.6%	2.6%	2.4%	2.3%	2.2%	2.1%	2.1%	2.1%	2.0%	2.5%	2.3%
Other	1.6%	1.7%	2.6%	2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Total	17.5%	17.5%	20.2%	21.4%	21.2%	21.2%	21.2%	21.2%	21.3%	21.3%	21.4%	21.5%	21.1%	21.2%
On-budget	13.3%	13.3%	16.0%	17.1%	16.9%	16.9%	16.9%	16.9%	17.0%	17.0%	17.1%	17.2%	16.8%	16.9%
Off-budget	4.3%	4.2%	4.2%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Outlays														
Mandatory	12.2%	14.9%	15.9%	14.6%	14.1%	14.3%	14.5%	14.6%	15.0%	14.9%	14.9%	15.2%	14.6%	14.8%
Discretionary	6.8%	6.4%	6.3%	6.3%	6.2%	6.0%	5.8%	5.7%	5.6%	5.5%	5.4%	5.3%	6.1%	5.8%
Net interest	1.3%	1.3%	1.5%	1.7%	2.0%	2.2%	2.3%	2.4%	2.5%	2.5%	2.5%	2.6%	2.0%	2.3%
Total	20.3%	22.6%	23.7%	22.7%	22.3%	22.5%	22.6%	22.7%	23.1%	23.0%	22.8%	23.1%	22.7%	22.8%
On-budget	16.2%	18.5%	19.5%	18.5%	18.0%	18.1%	18.1%	18.0%	18.3%	18.1%	17.8%	18.0%	18.4%	18.2%
Off-budget	4.1%	4.1%	4.2%	4.2%	4.3%	4.4%	4.5%	4.6%	4.7%	4.9%	5.0%	5.1%	4.3%	4.6%
Deficit (-) or surplus														
On-budget	-3.0%	-5.2%	-3.5%	-1.4%	-1.0%	-1.2%	-1.2%	-1.1%	-1.4%	-1.1%	-0.7%	-0.8%	-1.6%	-1.3%
Off-budget	0.2%	0.1%	0.1%	0.1%	0.0%	-0.1%	-0.2%	-0.4%	-0.5%	-0.6%	-0.7%	-0.8%	0.0%	-0.3%
Debt held by the public														
	74.1%	76.5%	77.0%	75.2%	73.4%	72.1%	70.8%	69.6%	68.7%	67.7%	66.5%	65.6%	n.a.	n.a.

CPC FY2016 budget versus current law (in billions of dollars)

	2014 (actual)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	
													2016–2020	2016–2025
Revenues														
Individual income taxes	0	-30	93	235	259	269	288	310	333	354	380	396	1,144	2,917
Payroll taxes	0	1	5	23	25	27	29	33	40	44	49	51	110	326
Corporate income taxes	0	0	48	81	74	69	66	63	60	57	55	56	338	630
Other	0	0	195	272	281	291	304	316	327	340	353	365	1,343	3,043
Total	0	-30	340	611	640	656	687	722	761	795	836	869	2,934	6,917
On-budget	0	-30	335	588	614	629	657	689	721	751	787	817	2,824	6,590
Off-budget	0	1	5	23	25	27	29	33	40	44	49	51	110	326
Outlays														
Mandatory	0	407	518	335	280	282	283	284	297	315	329	316	1,698	3,238
Discretionary	0	-17	9	66	76	62	56	55	53	55	61	66	268	558
Net interest	0	1	8	9	4	-7	-19	-34	-50	-68	-88	-106	-6	-351
Total	0	391	535	410	359	337	320	305	300	302	302	276	1,961	3,445
On-budget	0	391	535	410	359	336	319	304	300	301	300	275	1,960	3,440
Off-budget	0	0	0	0	0	0	0	0	1	1	1	1	1	5
Deficit (-) or surplus														
On-budget	0	-421	-200	178	255	293	338	385	420	449	486	541	864	3,145
Off-budget	0	1	5	23	25	27	29	33	40	44	49	51	110	326
Debt held by the public														
	0	421	609	397	103	-229	-608	-1,038	-1,511	-2,017	-2,566	-3,174	n.a.	n.a.

CPC FY2016 budget versus current law (as percentage of GDP)

	2014 (actual)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	
													2016–2020	2016–2025
Revenues														
Individual income taxes	0	-0.17%	0.49%	1.19%	1.26%	1.26%	1.29%	1.33%	1.37%	1.40%	1.44%	1.44%	1.11%	1.27%
Payroll taxes	0	0.00%	0.03%	0.12%	0.12%	0.13%	0.13%	0.14%	0.17%	0.17%	0.19%	0.19%	0.11%	0.14%
Corporate income taxes	0	0.00%	0.25%	0.41%	0.36%	0.32%	0.30%	0.27%	0.25%	0.23%	0.21%	0.20%	0.33%	0.27%
Other	0	0.00%	1.03%	1.38%	1.37%	1.36%	1.36%	1.36%	1.35%	1.34%	1.34%	1.33%	1.31%	1.33%
Total	0	-0.17%	1.81%	3.10%	3.11%	3.07%	3.08%	3.10%	3.14%	3.14%	3.17%	3.16%	2.85%	3.01%
On-budget	0	-0.17%	1.78%	2.99%	2.99%	2.94%	2.95%	2.96%	2.97%	2.97%	2.99%	2.98%	2.75%	2.87%
Off-budget	0	0.00%	0.03%	0.12%	0.12%	0.13%	0.13%	0.14%	0.17%	0.17%	0.19%	0.19%	0.11%	0.14%
Outlays														
Mandatory	0	2.26%	2.75%	1.70%	1.36%	1.32%	1.27%	1.22%	1.23%	1.25%	1.25%	1.15%	1.65%	1.41%
Discretionary	0	-0.10%	0.05%	0.34%	0.37%	0.29%	0.25%	0.23%	0.22%	0.22%	0.23%	0.24%	0.26%	0.24%
Net interest	0	0.01%	0.04%	0.04%	0.02%	-0.03%	-0.09%	-0.15%	-0.21%	-0.27%	-0.33%	-0.38%	-0.01%	-0.15%
Total	0	2.17%	2.84%	2.08%	1.75%	1.57%	1.43%	1.31%	1.24%	1.19%	1.14%	1.01%	1.91%	1.50%
On-budget	0	2.17%	2.84%	2.08%	1.75%	1.57%	1.43%	1.31%	1.24%	1.19%	1.14%	1.01%	1.91%	1.50%
Off-budget	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Deficit (-) or surplus														
	0	-2.33%	-1.03%	1.02%	1.36%	1.49%	1.64%	1.79%	1.90%	1.95%	2.03%	2.16%	0.95%	1.51%
On-budget	0	-2.34%	-1.06%	0.90%	1.24%	1.37%	1.51%	1.65%	1.73%	1.78%	1.84%	1.97%	0.84%	1.37%
Off-budget	0	0.00%	0.03%	0.12%	0.12%	0.13%	0.13%	0.14%	0.17%	0.17%	0.19%	0.19%	0.11%	0.14%
Debt held by the public														
	0	2.33%	3.23%	2.01%	0.50%	-1.07%	-2.73%	-4.46%	-6.23%	-7.98%	-9.74%	-11.56%	n.a.	n.a.
Memorandum														
CPC	74.08%	76.52%	77.06%	75.34%	73.53%	72.27%	71.06%	69.85%	69.03%	68.07%	66.90%	66.04%	n.a.	n.a.
Current law	74.08%	74.19%	73.79%	73.23%	72.88%	73.14%	73.53%	74.02%	74.93%	75.68%	76.23%	77.15%	n.a.	n.a.



The policies contained in the FY16 People's Budget are developed by Congressional Progressive Caucus. The Economic Policy Institute has scored the policies and assessed the macroeconomic impact of the budget in total.