October 29, 2015

Dear Senator:

On behalf of the 1.6 million members of the American Federation of State, County and Municipal Employees (AFSCME), I am writing in support of the Bipartisan Budget Act of 2015, as passed by the House, and urge your support. This agreement, while not perfect, represents a reasonable compromise. Moreover, we hope it marks an end of governing by crisis and chaos, including the reckless threat of government shutdowns or default, which needlessly harm the economy and all Americans.

The bipartisan budget agreement importantly partially lifts the punitive “sequester” budget caps for two years and allows needed investments in many domestic programs that benefit working families nationwide. The agreement also wisely protects the full faith and credit of the United States, extends the solvency of Social Security Disability Insurance, and addresses a dramatic increase in Medicare Part B premiums and deductibles for seniors.

We are disappointed that the agreement fails to include significant new revenues from closing tax loopholes for big corporations and the rich. If spending offsets are necessary, new revenue of this type should be included. Yet, this agreement fails to raise significant new revenues and misses the opportunity to ensure greater tax fairness.

The budget deal does eliminate 75 percent of the next two fiscal years of sequester budget cuts, providing an additional $80 billion in fiscal years (FY) 2016-2017. Funding is front-loaded, eliminating 90 percent of the sequester in FY 2016 and 60 percent in FY 2017 for non-defense discretionary (NDD) spending. The deal continues the Murray-Ryan principle of parity for increases in both NDD and defense spending. While the end result is an increase of $33 billion for NDD in FY 2016, the agreement calls for $23 billion in FY 2017. We hope this can be revisited to reflect the need for much greater investments in education, child care, infrastructure and other job-creating national needs.

AFSCME strongly supports extended solvency of Social Security Disability Insurance (SSDI). This agreement would extend the DI fund for seven years, primarily through Trust Fund reallocation, extending the trust fund’s solvency to 2022. Without action the trust fund would be depleted in late 2016 and would result in a 20 percent cut to SSDI benefits. The budget also increases funding for disability program integrity efforts by approximately $484 million, despite the agency having
few incidents of fraud. Lastly, the budget reinstates the Social Security Administration’s demonstration authority through December 31, 2021 and requires all projects using the authority to terminate on December 31, 2022.

Keeping Medicare affordable for all retirees is also an AFSCME priority. While we would have preferred no increase in Medicare Part B premiums or deductibles, this agreement will help seniors and provide state budget relief. The bill provides relief for Medicare beneficiaries not otherwise protected, including those who do not participate in Social Security, from a large unanticipated spike in Medicare Part B premiums next year. Likewise, the bill would prevent large increases in Medicare deductibles that would affect all beneficiaries. At the same time, continued Medicare “sequester” provider cuts included in the agreement threaten an already strained and costly health care delivery system.

On balance, while not all we would have liked to have seen in a budget deal, AFSCME encourages support for it and asks for continued work to better meet future needs and priorities of the country.

Sincerely,

Scott Frey
Director of Federal Government Affairs

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