



## AFSCME'S FEDERAL BUDGET PRIORITIES For FY 2016

Even with the October 2015 budget deal that was reached, Congress still faces another fiscal crisis of its own making. The 2016 Fiscal Year (FY) started on October 1<sup>st</sup> and once again Congress has yet to agree to any of the 12 annual spending bills. A federal debt ceiling extension was recently passed as part of the preliminary budget deal that lifted tight spending caps, called the “sequester,” but there is still the threat of another government shutdown without action on the year-long spending bills.

With the bipartisan budget deal, Congress dodged a catastrophic potential default on the financial obligations of the government when they agreed to a new debt ceiling. Congress now must agree to a year-long spending plan. Operating under a series of temporary funding extensions, called Continuing Resolutions (CR), is unacceptable and is damaging to the economy and all Americans. AFSCME strongly opposes partisan efforts to shut down the government or political threats of default on the debt limit.

AFSCME supports a clean Omnibus spending bill for FY 2016 without harmful ideological policy riders, and we support a budget that includes new investments in public services and job creating programs like infrastructure, child care and education. Ideally Congress should fund those investments with significant new revenues from closing tax loopholes for corporations and the wealthy.

- **Pass a Clean Year-Long FY 2016 Omnibus Spending Bill**

Congress must pass a clean Omnibus spending bill that has no harmful, ideological policy riders that would weaken protections for consumers and workers or prevent the government from keeping workplaces safe and holding big corporations accountable for wrongdoing. AFSCME joined with hundreds of other organizations in opposing harmful riders that would prevent enforcement of a proposed Labor Department regulation to mandate investment advisers to operate in their clients’ best interest, block an Occupational Safety and Health Administration rule on toxic silica dust in the workplace, halt the Securities and Exchange Commission from completing rules requiring publicly traded companies to disclose political spending, and change hundreds of other rules, regulations, and funding priorities.

- **Pass a Budget that Makes Needed Investments in Vital Programs and Services**

The two-year preliminary budget deal that lifts the tight “sequester” spending caps can help create new jobs and stimulate the economy with the right allocations to important programs.

More investment is essential to reverse the harm from mindless austerity that has reduced federal investments to their lowest levels on record as a percentage of the Gross Domestic Product (GDP) since 1962. Congress should raise significant new revenues by requiring the wealthy and large profitable corporations to pay their fair share of taxes, including closing unfair, revenue-draining tax loopholes to pay for needed investments. Conservative demands for spending offsets must come from new revenues, not domestic spending cuts and not from cuts in the Affordable Care Act, Social Security, Medicare, Medicaid or SNAP. Increased revenues should be used to preserve and strengthen education, job training, health care, public safety, student loans, infrastructure, nutrition assistance and other vital public programs and services.

### **New Budget Priorities Needed to Strengthen the Economy for Working Families**

Our nation's budget priorities should strengthen the economy for working families, help create good jobs, provide critical public services that benefit all Americans and especially vulnerable Americans. Instead, the federal budget has failed working families and many struggling Americans. Manufactured budget crises have weakened the economy and reduced federal investments that shrink income and increase wealth inequality. AFSCME supports a budget that creates better economic opportunities, increases access to affordable health care, provides excellent public schools, fully-funded public safety, repaired roads and bridges and reduces student loan debt.

States receive roughly one-third of their revenue from the federal government to pay for vital public services. Continuing deep federal spending cuts will cripple local economies and worsen unemployment and underemployment. In the public sector workforce alone, there is a shortfall of 1.8 million jobs since the start of the recession in 2007. Lifting the sequester caps and increasing federal investments is a common-sense jobs plan.

Over the last 35 years, with the short-lived exception in the late 1990s, the hourly wages of the vast majority of American workers have lagged far behind economy-wide productivity. At the same time, the wealth of upper-income families has skyrocketed. The twin problems of flat incomes and wealth inequality continue to worsen. Stagnant wages also cause additional economic problems and tension in communities all across America.

Congress must take swift, responsible action on an Omnibus funding bill. The bill should reflect the real values of working Americans by strengthening the economy, helping to create good jobs, raising wages, and reducing income inequality. AFSCME urges Congress to stop playing politics with the budget.

*Department of Federal Government Affairs  
November 2015*