



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

April 11, 2018

Dear Representative:

As Co-Chairs of the Fiscal Policy Task Force of the Consortium for Citizens with Disabilities (CCD), we write to urge you to oppose on H.J. Res. 2 which proposes a balanced budget amendment (BBA) to the Constitution of the United States. We believe a BBA would be very harmful to people with disabilities and other vulnerable populations.

The Consortium for Citizens with Disabilities is the nation's largest coalition of national organizations working together to advocate for national public policy that ensures the education, self-determination, independence, empowerment, integration and inclusion of children and adults with disabilities in all aspects of society.

H.J. Res. 2 would prohibit total outlays for a fiscal year from exceeding total receipts for that fiscal year, unless Congress authorizes the excess by a three-fifths roll call vote of each chamber. It also requires a three-fifths roll call vote of each chamber of Congress to increase the public debt limit and a majority roll call vote of each chamber to increase revenue. These requirements could only be waived in cases of war or serious military threat to national security.

Mandatory and Discretionary Programs at Risk

People with disabilities frequently rely on a range for federal programs as they often face multiple barriers to employment, have complex medical needs, and have very low incomes. Both mandatory and discretionary programs help people with disabilities to live in the community and avoid costly and unwanted institutionalization. Among the most critical mandatory programs are Social Security old-age, survivors, and disability insurance; Supplemental Security Income (SSI); Medicaid; and Medicare. These essential programs would be in serious risk were H.J Res 2 to be enacted.

For example, the BBA prohibits spending from exceeding revenues collected in *that year*. But by law, Social Security operates with trust funds that collect and store dedicated payroll contributions. Trust fund reserves can be used to help to pay for projected population needs in future years. Under such an amendment, Social Security's current reserves of \$2.9 trillion would not be available to help pay benefits, since almost all of these funds were collected in prior years. Similarly, Medicare uses two trust funds that allow the Medicare Trustees to build up reserves and plan for and fund future needs under the program.

This proposal also poses a direct threat to the nondefense discretionary (NDD) programs that provide education, housing, transportation, advocacy, public health and other essential services needed for

people with disabilities to live independently. While revenue increases are theoretically possible under H.J. Res 2, they would be nearly impossible to enact in this Congress, resulting in a “cuts only” approach to deficit reduction.

Harm to the Economy

A BBA would likely cause significant harm to the economy, making recessions both deeper and longer. In an economic slowdown, revenues fall while spending for unemployment and other benefits increases. A BBA would force policymakers to cut federal programs, raise taxes, or both when the economy is weak or already in recession, the exact opposite of what good economic policy would advise, according to the Center on Budget and Policy Priorities. A study by the private economic forecasting firm Macroeconomic Advisers found that if a balanced budget requirement had been in effect in 2012, after the official end of the Great Recession that started in 2007, it would have been “catastrophic” for the U.S. economy, with unemployment doubling from 9 to 18 percent and 15 million more people losing their jobs. People with disabilities would be among the hardest hit populations in this scenario as they have among the lowest incomes and greatest need for federal programs.

Misplaced Priorities

The Economic Outlook: 2018 to 2028 published two days ago by the nonpartisan Congressional Budget Office (CBO) shows that the recent tax cuts will add even more significantly to the deficit than originally projected. CBO incorporated the effects of the tax act, taking into account economic feedback, and found that it will increase the total projected deficit over the 2018–2028 period by about \$1.9 trillion. People with disabilities should not be expected to sacrifice essential federal programs in the name of deficit reduction following enactment of these deficit-increasing tax cuts that disproportionately benefits those with the highest incomes and large corporations.

For these reasons, we urge you to oppose a balanced budget amendment and to develop a better approach to dealing with our fiscal challenges.

For more information visit www.c-c-d.org or contact Annie Acosta, 202-783-2229 or acosta@thearc.org; Lisa Ekman, 202-550-9996 or Lisa.Ekman@nosscr.org; Kim Musheno, 301-657-0881 or kmusheno@autism-society.org; Donna Meltzer, 202-506-5813 or dmeltzer@nacdd.org