



OVERVIEW OF THE FY07 RSC BUDGET

- Balances the budget by FY 2011
- Proposes the elimination of over 150 federal programs
- Includes pro-growth tax policy (guards against automatic tax increases)
- Makes no changes to Social Security
- Makes real reductions in discretionary spending
- Proposes \$358 billion in reconciliation savings over five years (the original “Contract with America budget included \$346 billion in reconciliation savings over five years, \$684 over seven years.)
- Proposes \$392 billion in net deficit reduction over five years (this includes \$691 billion in initial savings minus \$299 billion in defense and veterans increases)
- Increases defense spending to the President’s FY 2007 request
- Reduces foreign aid by \$31 billion over five years
- Significantly restructures three cabinet agencies: Commerce, Energy, and Education
- Block grants Medicaid and SCHIP
- Block grants most federal education programs
- Block grants WIA job training programs
- Rescinds highway bill earmarks
- Repeals the federal gas tax in 2012
- Caps Medicare growth at 5.4% annually
- Increases veterans spending
- Allows drilling in ANWR
- Repeals the Davis-Bacon Act
- Reforms agricultural production programs
- Includes budget process reform
- Calls for earmark reform and a constitutional line-item veto
- Calls for a federal sunset commission

EXAMPLES OF PROPOSED TERMINATIONS IN THE RSC FY07 BUDGET:

The items below are presented for illustrative purposes only. The authorizing committees with jurisdiction over these programs would make final determinations about the program changes needed to meet the spending levels indicated in the budget. The proposals below are intended simply to indicate suggestions of one path toward reaching a balanced budget by fiscal year 2011.

- African Elephant Conservation Program
- Rhinoceros and Tiger Conservation Program
- Asian Elephant Conservation
- Great Ape Conservation Program
- U.S. Contributions to the International Development Association, Multilateral Development Banks (Excluding the World Bank), and the Global Environment Facility
- International Export/Investment Agencies
- USAID
- Millennium Challenge Accounts
- NASA's Moon/Mars Exploration Initiative; Retire the Space Shuttle After Completion of the International Space Station
- Education Program at NASA
- Foreign Market Development Plan
- U.S. Travel and Tourism Administration
- Advanced Technology Program
- Federal Support for Intelligent Transportation Systems
- Federal Subsidies for Mass Transit
- Youthbuild
- Denali Commission
- Arts in Education Program
- Exchanges with Historic Whaling and Trading Partners
- Native Hawaiian Vocational Education Program
- Byrd Honors Scholarships
- Stupak Olympic Scholarships
- Corporation for Public Broadcasting
- National Endowment for the Arts
- Title X Family Planning
- Native Hawaiian Healthcare Program
- Legal Services Corporation
- Congressional Printing at GPO
- Funding for the Office of Navajo and Hopi Indian Relocation