



## **RSC Budget: “Contract With America Renewed”**

*RSC Budget Revives Reform Spirit that Swept Republicans into the Majority*

### **The Republican Study Committee Budget (2006):**

- ✓ Balances the budget by FY 2011
- ✓ Includes pro-growth tax policy
- ✓ Makes real reductions in discretionary spending
- ✓ Proposes \$358 billion in reconciliation savings
- ✓ Increases defense spending to the President’s FY07 request
- ✓ Reduces foreign aid by \$31 billion over five years, while ensuring continued support for Israel
- ✓ Significantly restructures Commerce, Energy, and Education
- ✓ Proposes elimination of over 150 federal programs
- ✓ Includes budget process reforms (earmark reform, Constitutional line-item veto, and a federal sunset Commission)
- ✓ Proposes \$392 billion in net deficit reduction
- ✓ Makes no changes to Social Security
- ✓ Block grants Medicaid
- ✓ Block grants most federal education programs
- ✓ Block grants WIA job training programs
- ✓ Rescinds highway bill earmarks
- ✓ Caps Medicare growth at 5.4% annually
- ✓ Allows drilling in ANWR
- ✓ Repeals the Davis-Bacon Act
- ✓ Reforms agricultural production programs

### **Contract With America Budget (1995):**

- Balanced the budget within the budget window
- Included pro-growth tax policy
- Made real reductions in discretionary spending
- Included reconciliation/entitlement reform
- Increased defense spending
- Decreased foreign aid
- Significantly restructured Commerce, Energy, and Education
- Eliminated federal programs
- Included budget process reform
- Proposed significant deficit reduction
- Made no changes to Social Security
- Blocked grant Medicaid
- Blocked grant most federal education programs
- Blocked grant WIA job training programs
- Rescinded highway bill earmarks
- Capped Medicare growth at 5.4%
- Allowed drilling in ANWR
- Repealed the Davis-Bacon Act
- Reformed agricultural production programs