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U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

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## Key Features of the Chairman's Mark: Fiscal Year 2010 Budget Resolution

The 2010 budget resolution incorporates the four key priorities of the President's budget. It makes strategic investments in education, health care reform, and energy independence that are necessary to restore our crumbling economy and put the country in a position to remain globally competitive. It also takes the needed steps to restore fiscal sustainability by cutting the federal budget deficit in half by 2013. The budget provides the fiscal blueprint that will allow Congress to debate and adopt legislation that will reach these goals, but by its nature the budget resolution does not dictate the specifics of the legislation.

### Investments for the Future

**Health Care Reform** — Rising health care costs impose a real burden on families and businesses. The budget supports the President's goals for health care reform to address the related goals of reducing costs, improving quality, and expanding coverage to help the 46 million Americans who now lack health insurance. Like the President's plan, the budget assumes health care reform will be paid for. The budget leaves it to the relevant committees to determine the best way to accomplish that.

**Education** — Congress made significant investments in education earlier this year through the American Recovery and Reinvestment Act, which provided about \$100 billion for the Department of Education, additional funding for Head Start, and a new tax credit to help cover college costs. The budget builds upon those investments with further support for early childhood education, high standards and the tools to achieve them for elementary and secondary school students, and efforts to help more Americans obtain a college degree. The budget accommodates the President's proposals for new initiatives in early childhood education, effective approaches to making sure all children learn and achieve in school, and continuing to raise the maximum Pell grant award.

**Energy Independence** — One of the four clear principles in the President's budget is to increase America's energy independence and energy security. Our budget embraces that goal. It builds on significant funding and tax incentives in the Recovery Act by increasing our investments in renewable energy and energy efficiency. It also allows for responsible legislation that will promote energy independence over the long term.

## **Reversing the Republican Budget and Economic Legacy**

**Inheriting Deep Deficits and Economic Decline** — The previous Administration left behind a legacy of record budget deficits, soaring debt, and an economy deep in recession. President Obama and the 111<sup>th</sup> Congress took the first steps needed to restore the country's economic health by enacting the Recovery Act. The budget takes the second step by establishing the blueprint for future economic strength.

**Turning the Budget Around** — In 2001, the previous Administration inherited record budget surpluses – \$5.6 trillion projected over ten years – but squandered it all and more, leaving a record deficit of over \$1 trillion for 2009 alone. In contrast, our resolution cuts the deficit in half over four years, so that as the economy recovers the budget can get back on the road to recovery, as well.

### **Restoring Fiscal Sustainability**

**Cuts the Deficit in Half** — The President set a firm goal of cutting the budget deficit in half over four years, and this budget does just that. It takes the record deficit that President Obama and the 111<sup>th</sup> Congress inherited in 2009, and cuts it to \$586 billion in 2013. The budget accomplishes this goal by restraining spending, requiring new initiatives to be paid for, and including investments in oversight and enforcement activities that yield valuable savings and ensure taxpayer dollars are spent wisely.

**More Realistic Deficit Estimates** — Like the President's plan, the budget includes some likely foreseeable costs that have been omitted from past budgets.

- **Overseas military operations** — the budget includes the President's request for 2010 and his placeholder estimates of \$50 billion per year thereafter, marking the first time the budget includes both a full-year estimate for overseas operations for the budget year and estimates for future costs, thus providing a more realistic look at the likely costs and their effect on the deficit.
- **Emergency funding** — while we cannot know what emergency needs will occur, we can know that we are likely to face some emergency costs. The budget includes placeholder funding in case of emergencies that is not allocated for spending but is reflected in the budget totals.