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U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

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## House Budget Plan

**Overview** – The resolution introduced in the House of Representatives provides a discretionary spending limit for the 2011 appropriations process, sets the goal of returning the budget to primary balance by 2015, and reinforces the House’s commitment to pay-as-you-go (PAYGO) principles. Together with the statutory PAYGO bill signed into law this year, this resolution provides a budget plan for the near term while Congress awaits recommendations from the President’s fiscal commission for options to address the long-term budget situation.

**Discretionary Spending Level for 2011** – The resolution allocates \$1.121 trillion to the House Appropriations Committee for discretionary programs for 2011, a level that is below the comparable amount requested by the President. Establishing a discretionary total – the 302(a) allocation – will allow the 2011 appropriations process to move forward with enforceable limits. The Appropriations Committee then subdivides the total among various bills and accounts. The budget plan also includes an adjustment to the 2010 appropriations total to allow for an additional \$538 million in program integrity funding dedicated to reducing waste, fraud, and abuse.

**Reinforcing Pay-As-You-Go** – The resolution aligns the House PAYGO rule and the statutory PAYGO law. For example, compliance with the House PAYGO rule and statutory PAYGO rule is currently measured over different time frames. Synchronizing the two sets of PAYGO rules makes PAYGO enforcement more consistent and simpler.

**Policy of Deficit Reduction** – The resolution states that the debt-to-GDP ratio needs to be stabilized once the economy recovers. It also provides that the House will have the opportunity to vote on any Senate-passed recommendations of the Fiscal Commission, and that net savings from any Commission recommendations will go to deficit reduction.

**Other Provisions** – The resolution includes other fiscal objectives and guidelines including provisions stating that:

- The 111<sup>th</sup> Congress has already taken steps toward fiscal responsibility
- Strengthening the economy and creating jobs is key to reducing long-term deficit
- Fiscally responsible education funding is important for a strong economy
- The 2011 discretionary spending level is below the President’s request
- Defense spending must be provided in a way that finds efficiencies and focuses on weapons systems that meet 21<sup>st</sup> century threats
- House committees will continue to identify reforms to eliminate waste, duplication, and inefficiencies within their jurisdiction
- This resolution does not trigger an increase in the statutory debt limit.