

April 2009

RSC Budget Proposal

Responsible, Stable, Commonsense

A BALANCED BUDGET

- **Balance:** The budget outlook improves in *every* single year and achieves a *surplus* in 2019.
- **Less Debt:** The national debt declines by more than ***\$6 trillion*** compared to the President's budget (which averages deficits of more than \$1 trillion a year).

TAX RELIEF:

- ***\$1.2 Trillion of Tax Relief Over the Next Five Years:*** The RSC budget accommodates an extension of the 2001 and 2003 tax cuts, the AMT "patch," and a two-year suspension of the capital gains tax, and includes *none* of the tax increases included in the President's budget (such as "cap and tax")

DISCRETIONARY SPENDING:

- **Defense:** Fully funded, including overseas operations.
- **Non-Defense:** Provides a "zero-growth" baseline for non-defense spending PLUS a one percent annual reduction to non-defense spending to make up for the zealous over-spending of recent years. There are **NO** cuts to veterans spending.
- **"Stimulus" and Omnibus:** Assumes repeal of most of the provisions in the "stimulus" and the FY 2009 omnibus.

MANDATORY SPENDING:

- **Social Security:** Makes **NO** changes to current law.
- **Medicare:** Provides spending increases equivalent to economic growth (the 1995 Contract with America budget included this proposal).
- **Medicaid:** Provides spending increases equivalent to inflation (the 1995 Contract with America budget included this proposal).

REFORM:

- **Wasteful, Unnecessary, or Lower-Priority Mandatory Spending:** Requires each committee to find savings equal to one percent of total mandatory spending under its jurisdiction from activities that are determined to be wasteful, unnecessary, or lower-priority.
- **Program Cuts:** The RSC budget resolution assumes reductions to (or the elimination of) several lower-priority programs including: the NEA, the NEH, AmeriCorps, Amtrak, the Presidential Election Campaign Fund, and the Legal Services Corporation.
- **Earmarks:** Assumes savings from an earmark moratorium and includes the Kingston/Wolf/Wamp Earmark Commission.
- **Budget Enforcement:** Creates "Family Budget Protection Accounts" that allow Congress to target spending during the appropriations process and direct it to deficit reduction. Turns off the Gephardt Rule. Provides a definition for emergency spending in the Budget Resolution that will be enforceable via a point of order.