

Overview of the RSC Budget Proposal

Responsible, Stable, Commonsense

- Improves the budget outlook in *every* single year
- Balances the budget by FY 2019
- Cuts the national debt by more than ***\$6 trillion*** compared to the President's budget
- Provides an extension of the 2001 and 2003 tax cuts, the AMT "patch," and a two-year suspension of the capital gains tax—with reconciliation instructions
- Makes **NO** changes to Social Security
- Allows Medicare spending to *increase* at the rate of average, projected economic growth (4.2%)—a similar proposal was included in the 1995 Contract with America budget
- Allows Medicaid spending to *increase* at the rate of average, projected inflation (1.1%)—a similar proposal was included in the 1995 Contract with America budget
- 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.
- Provides reconciliation instructions for six committees (Ways and Means, Energy and Commerce, Agriculture, Government Reform and Oversight, Natural Resources, and Education and Labor) to achieve total mandatory savings equal to \$482 billion
- Assumes repeal of most of the cost of the "stimulus" and the extra spending in the FY 2009 omnibus
- Provides full defense funding, equal to the President's request (plus money for overseas operations)
- Assumes **NO** cuts to veterans spending
- Makes real reductions to non-defense discretionary spending: a "zero-growth" baseline for non-defense spending, PLUS a one percent annual reduction to non-defense spending, plus additional savings from lower-priority programs
- 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
- Assumes savings from an earmark moratorium and includes the Kingston/Wolf/Wamp Earmark Reform Commission

Examples of Proposed Savings in the RSC FY 2010 Budget

The items below are presented for illustrative purposes only. The authorizing committees with jurisdiction over these programs would make the 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.

- ANWR Leasing
- Reduce or Eliminate the Amtrak Subsidy
- Eliminate Subsidized Loans to Graduate Students
- Reduce Funding for the Arts and the Humanities
- Eliminate the National Park Service's Local Funding for Heritage Area Grants and Statutory Aid
- Reform Agriculture Programs
- Eliminate the International Trade Administration's Trade Promotion Activities or Charge the Beneficiaries
- Eliminate the Neighborhood Reinvestment Corporation
- Eliminate Region-Specific Development Agencies
- Verify the Income Amount That Pell Grant Awardees Report on Their Student Aid Applications
- Eliminate Funding for the National and Community Service Act
- Modify the Formula Used to Set Federal Pensions
- Restructure the Government's Matching Contributions to the Thrift Savings Plan
- Eliminate the Legal Services Corporation
- Eliminate General Fiscal Assistance to the District of Columbia
- Require the IRS to Deposit Fees for Its Services in the Treasury as Miscellaneous Receipts
- Eliminate the Presidential Election Campaign Fund

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