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Contents:

Amendments to H.Con.Res. 85—FY 2010 Budget Resolution

H.Con.Res. 85, the FY 2010 budget resolution (sponsored by *Rep. Spratt, D-SC*), is scheduled for continued consideration on the House floor on Thursday, April 2, 2009. Amendment consideration is subject to a structured rule (H.Res. 316), making in order the following amendments (all debatable for 40 minutes) and waives all points of order against consideration.

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SUBSTITUTE AMENDMENTS MADE IN ORDER UNDER THE RULE

1. Jordan (R-OH)/Price (R-GA)/ Pence (R-IN), the Republican Study Committee Substitute.

Proposed Revenues, Spending, and Deficits: The RSC Budget Alternative proposes lower spending, taxes, and deficit levels than either the CBO baseline or the President’s budget. The budget outlook improves in every year and achieves balance in 2019. Over five years, the budget cuts the national debt by more than \$6 trillion compared to the President’s budget

RSC Budget Proposal, FY 2009-2014
in billions

	Spending	Tax Revenue	Deficit/Surplus
2008 (Actual)	2,983	2,524	-459
2009	3,564	2,183	-1,381
2010	3,140	2,303	-837
2011	3,067	2,580	-487
2012	3,128	2,794	-334
2013	3,220	2,952	-268
2014	3,304	3,086	-218
2015	3,409	3,240	-169
2016	3,499	3,371	-128
2017	3,591	3,515	-76
2018	3,696	3,648	-48
2019	3,781	3,786	5

Tax Cuts: The RSC Substitute provides reconciliation instructions to cut taxes by \$1.2 trillion over five years. This accommodates an extension of the 2001/2003 tax cuts and the AMT “patch,” as well as a two-year suspension of the capital gains tax.

Discretionary Spending:

- Assumes repeal of most of the cost of the “stimulus” and the extra spending in the FY 2009 omnibus.
- Provides defense funding equal to the President’s request (plus money for overseas operations).
- 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 and additional savings from lower-priority programs.

Mandatory Spending:

- 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.

Reconciliation Instructions:

- 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 over five years.
- Provides reconciliation instructions for \$1.2 trillion of tax cuts over five years.

Budget Enforcement/Reforms:

- Restricts advance appropriations to \$23.565 billion.
- Assumes savings from an earmark moratorium and establishes a Joint Select Committee on Earmark Reform to be comprised of sixteen members. This provision is modeled on the Kingston/Wolf/Wamp Earmark Reform Commission.
- Creates “Family Budget Protection Accounts” that allow Congress to target spending during the appropriations process and direct savings to deficit reduction.
- Turns off the Gephardt Rule (which automatically increases the debt ceiling upon passage of a budget resolution).
- Provides a strict definition for emergency spending in the Budget Resolution that will be enforceable via a point of order.

2. Ryan (R-WI), the Republican Substitute.

Proposed Revenues, Spending, and Deficits: The Republican Budget Substitute proposes the following spending, revenue, and deficit levels:

Republican Budget Substitute, FY 2009-2014
in billions

	Spending	Tax Revenue	Deficit/Surplus
2008 (Actual)	2,983	2,524	-459

2009	3,878	2,151	-1,727
2010	3,280	2,287	-993
2011	3,256	2,561	-696
2012	3,246	2,810	-437
2013	3,397	2,893	-504
2014	3,570	3,041	-529
2015	3,713	3,195	-518
2016	3,896	3,327	-570
2017	4,032	3,470	-563
2018	4,187	3,604	-584
2019	4,335	3,742	-593

Tax Cuts: The Republican Substitute cuts taxes by \$1.366 trillion over five years.

Discretionary Spending: Freezes non-defense, non-veterans spending over the FY 2010-2014 period. Increases defense spending by \$5 billion compared to the President’s budget.

Reconciliation Instructions: Provides reconciliation instructions for ten committees (Agriculture, Education and Labor, Energy and Commerce, Financial Services, Foreign Affairs, Judiciary, Natural Resources, Oversight and Government Reform, Transportation and Infrastructure, and Ways and Means) to achieve total mandatory savings of \$1.3 trillion over ten years.

Medicare Trigger: The Paul Ryan Substitute would turn back on the “Medicare Trigger” created by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which forces the House to consider potential options for reforming the Medicare program.

Policy Statement on Taxes: The Republican Substitute includes a policy statement to: 1) enact the [Taxpayer Choice Act](#); and 2) lower the corporate tax rate to 25%.

Budget Enforcement/Reforms:

- Includes a moratorium on earmarks for the remainder of the 1st Session of the 111th Congress, providing a point of order in the House against consideration of any legislation that contains an earmark (as defined by Clause 9 of Rule XXI).
- Establishes a Joint Select Committee on Earmark Reform to be comprised of sixteen members. This provision is modeled on the Kingston/Wolf/Wamp Earmark Reform Commission.
- Requires a roll call vote for legislation that provides budget authority of more than \$50 million.
- Restricts advance appropriations to \$23.565 billion.
- Turns off the Gephardt Rule (which automatically increases the debt ceiling upon passage of a budget resolution).
- Provides a point of order against direct spending legislation that would increase the deficit, and prevents tax increases to pay for direct spending increases.

3. Lee (D-CA), the Black Caucus Substitute.

Reconciliation/Budget Enforcement: The Black Caucus Substitute does not include reconciliation instructions or any budget enforcement provisions.

Tax Increases: Compared to a baseline that assumes the extension of the 2001 and 2003 tax cuts and the “AMT patch,” the budget substitute assumes a five-year tax increase of \$698 billion. The Black Caucus substitute assumes that much of this tax relief will expire.

Deficit and Debt Levels: The Black Caucus Substitute increases the national debt from the \$10.8 trillion on January 20, 2009 to \$17.0 trillion in 2014, an increase of \$6.2 trillion or 58%.

Black Caucus Budget Substitute
in billions

	Deficit	National Debt
2010	-1,184	13,185
2011	-917	14,304
2012	-612	15,226
2013	-577	16,105
2014	-587	17,033

4. Woolsey (D-CA), the Progressive Caucus Substitute.

Reconciliation/Budget Enforcement: The Progressive Budget Substitute does not include reconciliation instructions or any budget enforcement provisions.

Tax Increases: Compared to a baseline that assumes the extension of the 2001 and 2003 tax cuts and the “AMT patch,” the Progressive Caucus budget substitute assumes a five-year tax increase of ***\$1.75 trillion***.

Deficit and Debt Levels: The Progressive Caucus Substitute increases the national debt from the \$10.8 trillion on January 20, 2009 to ***\$24.8 trillion*** in 2019, an increase of \$14.0 trillion or 129.6%.

Progressive Caucus Budget Substitute
in billions

	Deficit	National Debt
2010	-1,406	13,623
2011	-915	14,753
2012	-593	15,719
2013	-752	16,798
2014	-846	18,049
2015	-884	19,341
2016	-996	20,726
2017	-1,057	22,167
2018	-1,144	23,082
2019	-1,326	24,774

National Defense /Overseas Operations: The Progressive Caucus budget substitute appears to assume no spending for the wars in Iraq and Afghanistan and cuts FY 2010 defense spending by more than \$200 billion.