

Budget Process Alternative

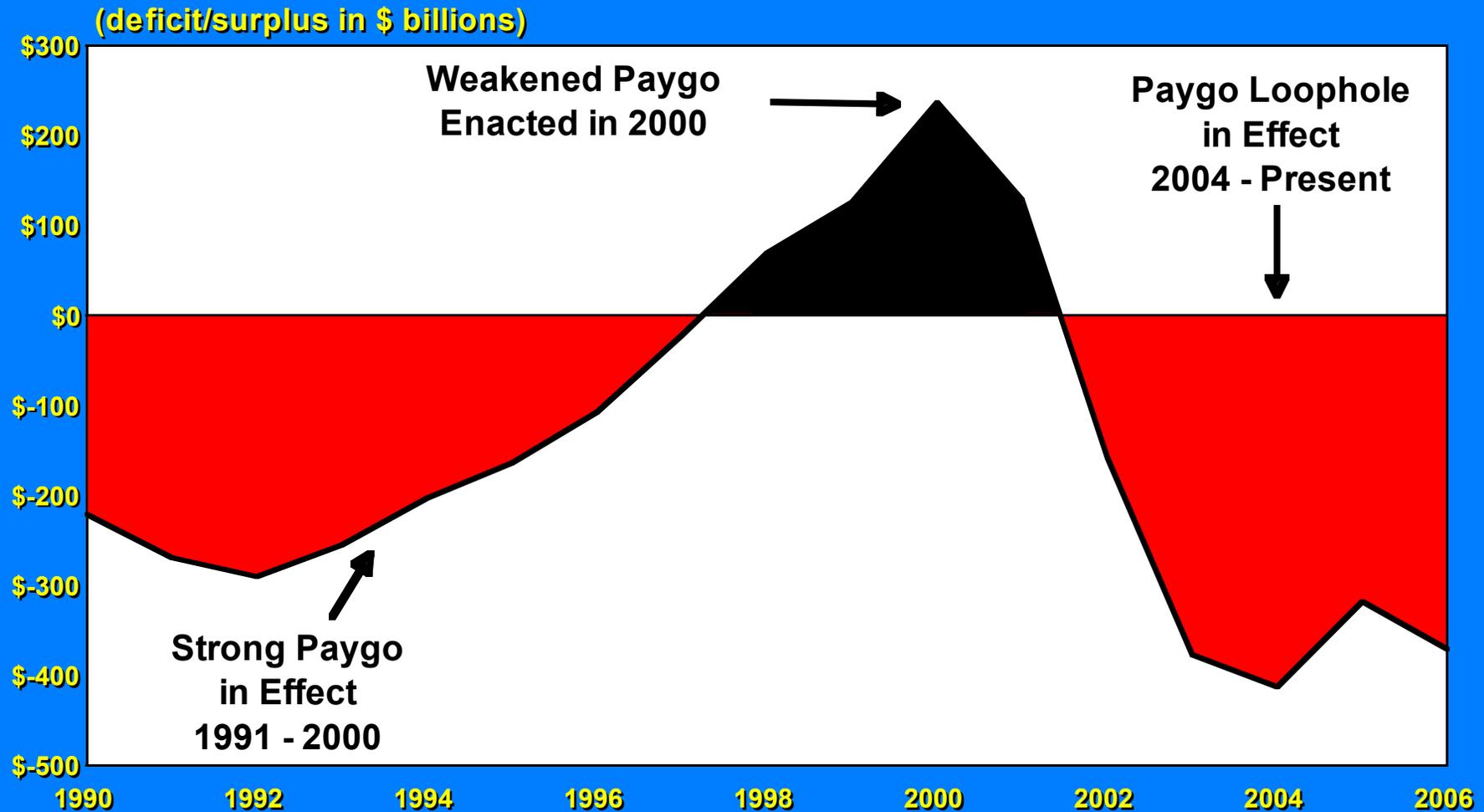
- Restore strong Senate paygo rule and statutory paygo enforced with sequestration
- Allow reconciliation for deficit reduction only
- Budget for the war - require President to include war cost in his budget
- Reaffirm protection for Social Security – ensure off-budget status and prohibit fast-track changes
- Save Social Security first - 60-vote point of order against new mandatory spending or revenue legislation increasing deficit until 75-year Social Security solvency restored
- Restore for 2006 the 60-vote point of order against considering tax, spending, and debt limit legislation without a new budget resolution
- Allow Congress to strip earmarks and other items inserted in conference reports
- Require 48-hour layover period and CBO score of conference reports
- Require CBO/JCT longer-term revenue and outlay scores to enforce Byrd rule for reconciliation
- Require CBO/JCT to show fully-phased-in ten-year cost of legislation
- Enforce the discretionary spending limit
- Initiate real bipartisan effort to reduce deficit with President and lawmakers

American Enterprise Institute Scholar Criticizes GOP for Rejecting PAYGO

“...Republicans have rejected the one device that has been proved in the past to bring fiscal discipline, the pay-as-you-go provisions that governed fiscal policy through the golden years in the 1990’s. Instead, they are pushing a sham version of the line-item veto....”

**– Norman Ornstein, Resident Scholar at
the American Enterprise Institute
Roll Call column
April 5, 2006**

Strong Paygo Rule Helped Turn Deficits to Surplus in 1990's



Note: FY 2000 GOP budget resolution weakened Senate paygo rule to allow on-budget surpluses to offset tax cuts and spending increases. GOP blocked renewal of statutory paygo at end of FY 2002. FY 2004 GOP budget resolution further weakened Senate paygo rule by exempting all tax cuts and spending increases in any budget resolution.

Source: CBO

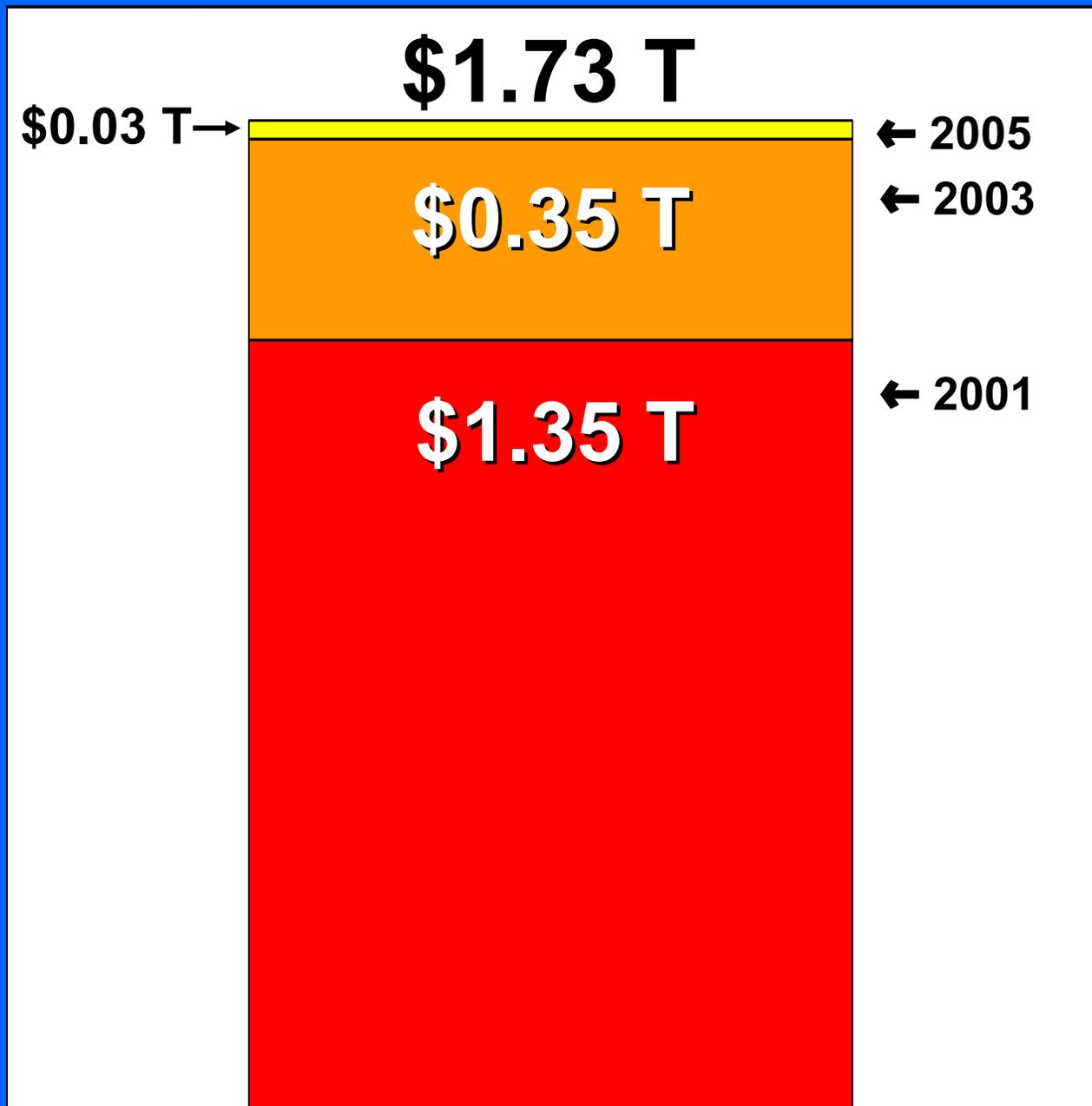
Senator Gregg on Importance of 60-Vote Hurdle

“So, as a practical matter, you can get 60 votes on the floor of the Senate, fairly quickly for most things that make sense.”

**– Senator Judd Gregg (R-NH)
Senate Budget Committee Markup
on FY 2003 Budget Resolution
March 21, 2002**

GOP Uses Reconciliation Process to Add \$1.7 Trillion in Deficits Since 2001

(\$ in trillions)



Source: CBO, JCT

Note: Reflects net increase in deficits from legislation passed by GOP through the reconciliation process since 2001. The amount reflects the sum of the change in deficits for those fiscal years covered by reconciliation instructions.

Bush Administration Belittled Suggestions War Would Be Costly

STEPHANOPOULOS: “What should the public know right now about what a war with Iraq would look like and what the cost would be?”

RUMSFELD: “...The Office of Management and Budget estimated it would be something under \$50 billion.”

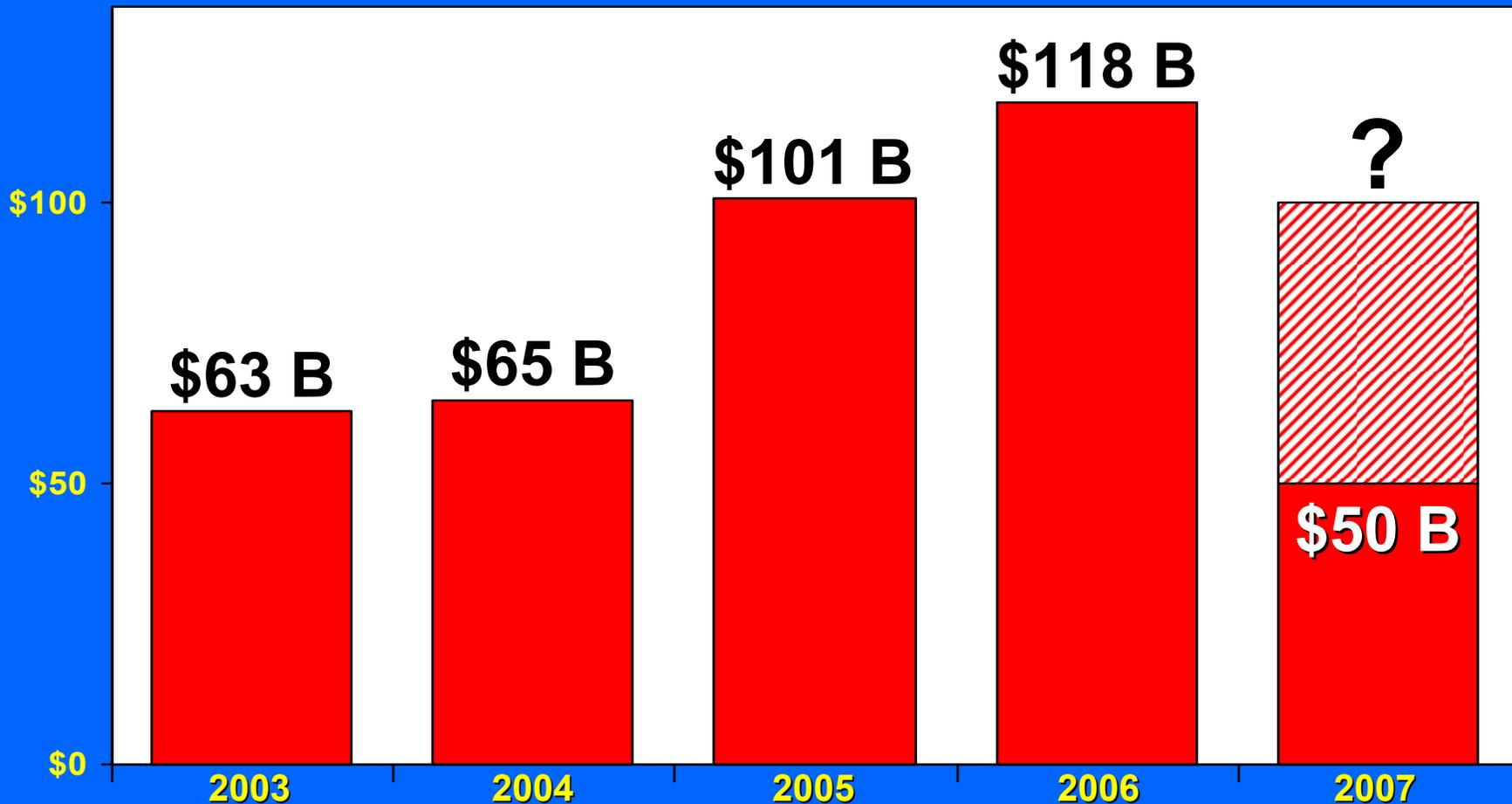
STEPHANOPOULOS: “Outside estimates say up to \$300 billion.”

RUMSFELD: “Baloney.”

— **Defense Secretary Donald Rumsfeld
Interview on ABC’s “This Week with
George Stephanopoulos”
January 19, 2003**

Bush Funds Iraq War and War on Terror with Large Supplementals

(\$ in billions, budget authority, Defense only)



Source: CBO, CRS, OMB, and SBC Democratic staff

Note: Totals include supplementals, emergency budget amendments, and "bridge funds." 2005 total includes \$25 billion FY 2005 emergency budget amendment made available immediately upon enactment in late FY 2004. FY 2006 and FY 2007 totals include enacted funding, requests, and allowances for future requests included in the Bush budget.

Budget for the War

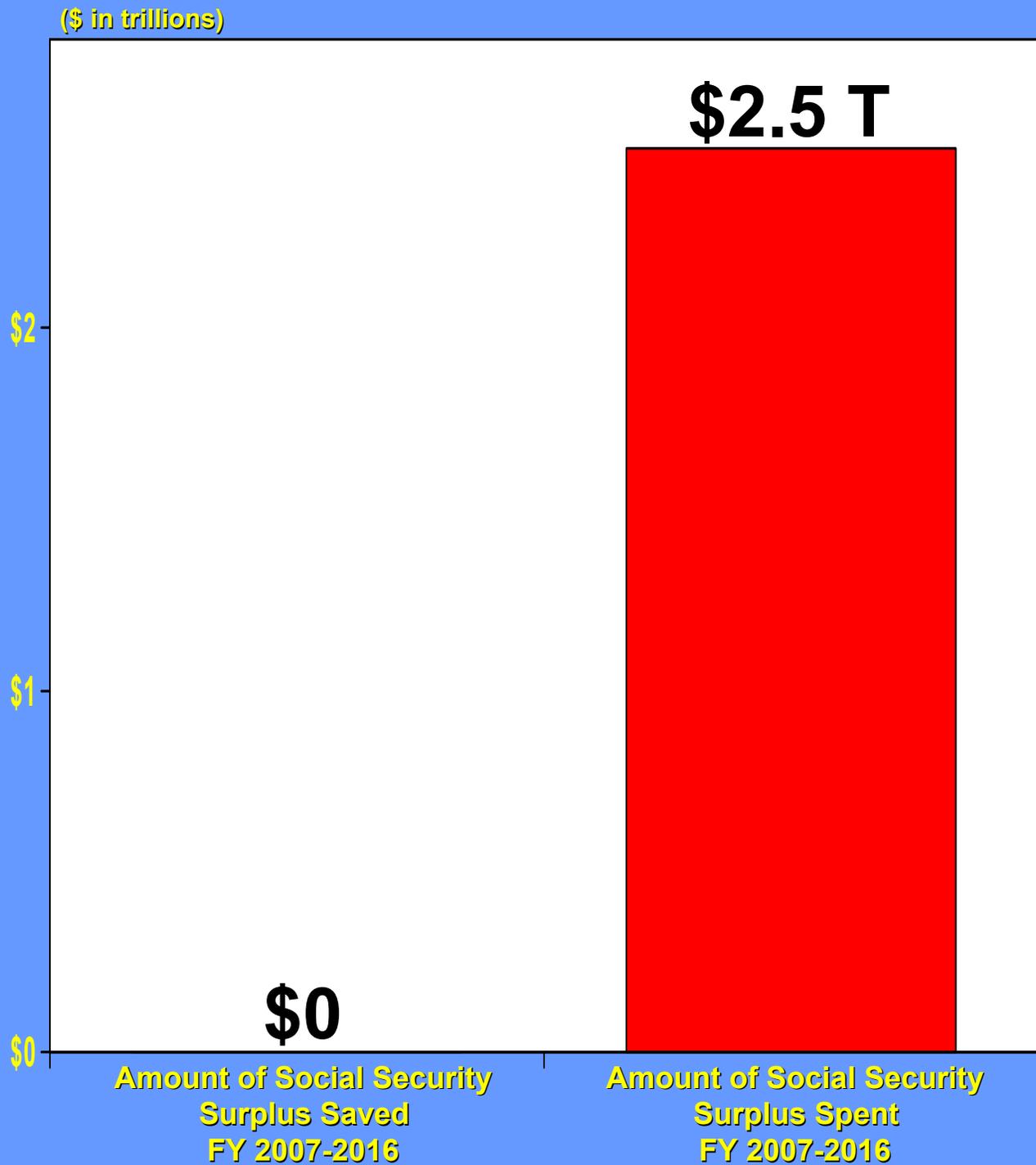
- **Require President to include war cost in his budget.**
- **Enforce by limiting Secretary of Defense's ability to transfer funds.**

President Bush Promised to Protect Social Security

**“None of the Social Security surplus
will be used to fund other spending
initiatives or tax relief.”**

**– Excerpt from President Bush’s FY 2002 Budget
*A Blueprint for New Beginnings***

Under Bush Policies, Every Penny of Social Security Surplus Spent



Source: CBO

Note: Amount of Social Security surplus spent on tax cuts and other things, instead of saved to prepare for retirement of baby boom generation.

GOP Entitlement Commission Would Eliminate Restriction on Changes to Social Security

COMPILATION OF LAWS AND RULES
RELATING TO THE CONGRESSIONAL
BUDGET PROCESS

AS AMENDED THROUGH MARCH 23, 2000

COMMITTEE ON THE BUDGET
U.S. HOUSE OF REPRESENTATIVES



MAY 2000

Serial No. CP-4

(g) LIMITATION ON CHANGES TO THE SOCIAL SECURITY ACT.— Notwithstanding any other provision of law, it shall not be in order in the Senate or the House of Representatives to consider any reconciliation bill or reconciliation resolution reported pursuant to a concurrent resolution on the budget agreed to under section 301 or 304, or a joint resolution pursuant to section 258C of the Balanced Budget and Emergency Deficit Control Act of 1985, or any amendment thereto or conference report thereon, that contains recommendations with respect to the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

Strengthen Social Security

- **Reaffirms “off-budget” status of Social Security and creates a 60-vote point of order against putting Social Security back on-budget**
- **Creates a 60-vote point of order against making changes to the Social Security program in any bill under expedited/fast-track consideration procedures**
- **Creates a 60-vote point of order against new mandatory spending or tax cuts until 75-year Social Security solvency is restored**