

# Budget Resolution Highlights

- **Cuts spending as % of GDP by 11%**
- **Cuts deficit as % of GDP by 70%**
- **\$671 B more deficit reduction than Obama Budget**
- **Cuts taxes by \$780 B**

# Budget Resolution Highlights

## Economic Growth and Jobs

- Tax cut for small business investment
- Investments in highways and transit
- Extend UI and other aid to workers
- Reserve fund to promote employment and job growth
- Reserve fund for tax reform and tax relief

## Fiscal Responsibility

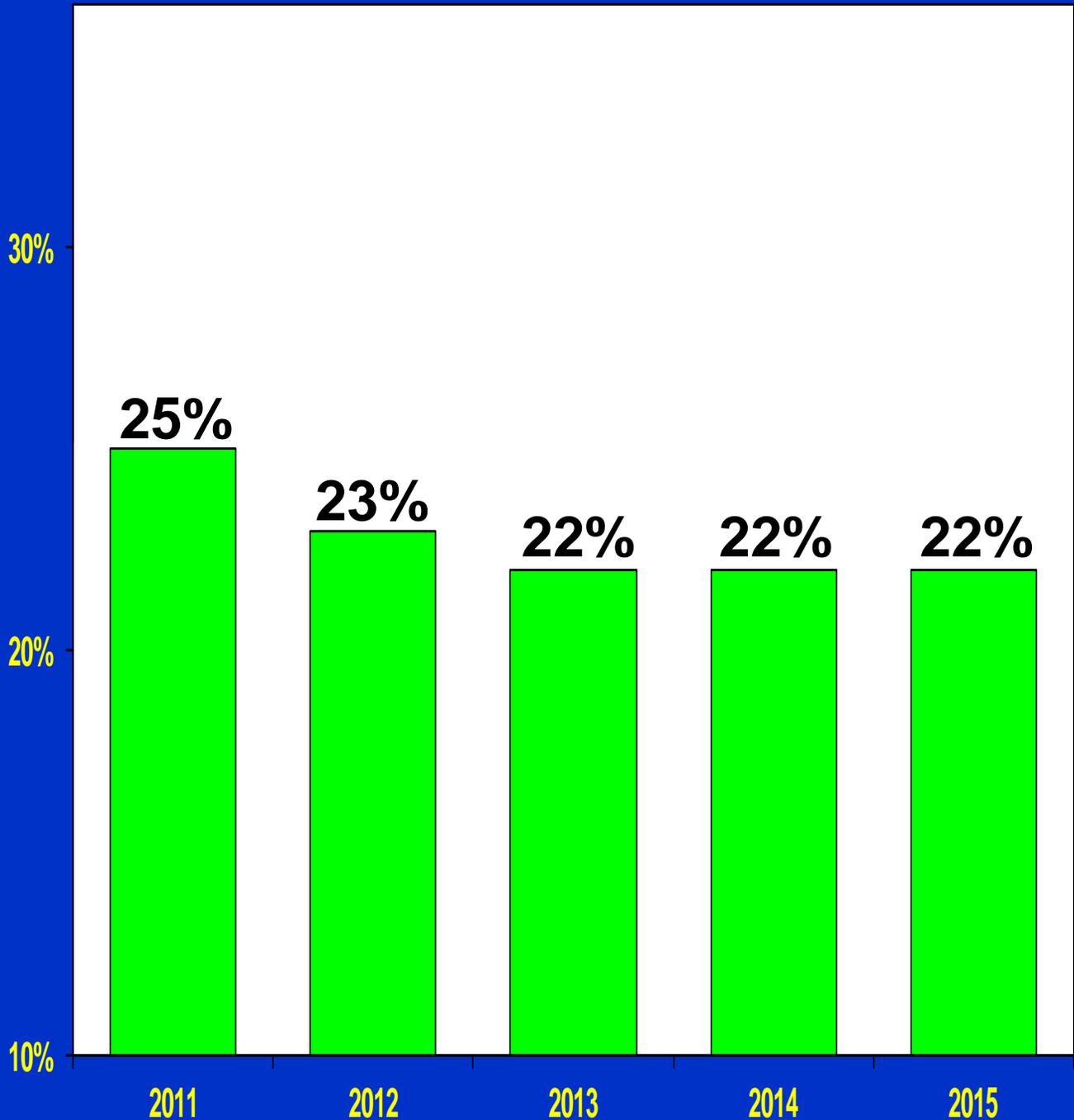
- Reduces deficit to 3% of GDP by 2015
- Non-security discretionary freeze for 3 years
- Syncs up paygo, retains reconciliation for deficit reduction only
- President's bipartisan fiscal commission to address long-term

## Education and Energy Investments

- Funding for early education, elementary and secondary schools, and college affordability
- Funding for alternative and clean energy, energy efficiency, and green jobs

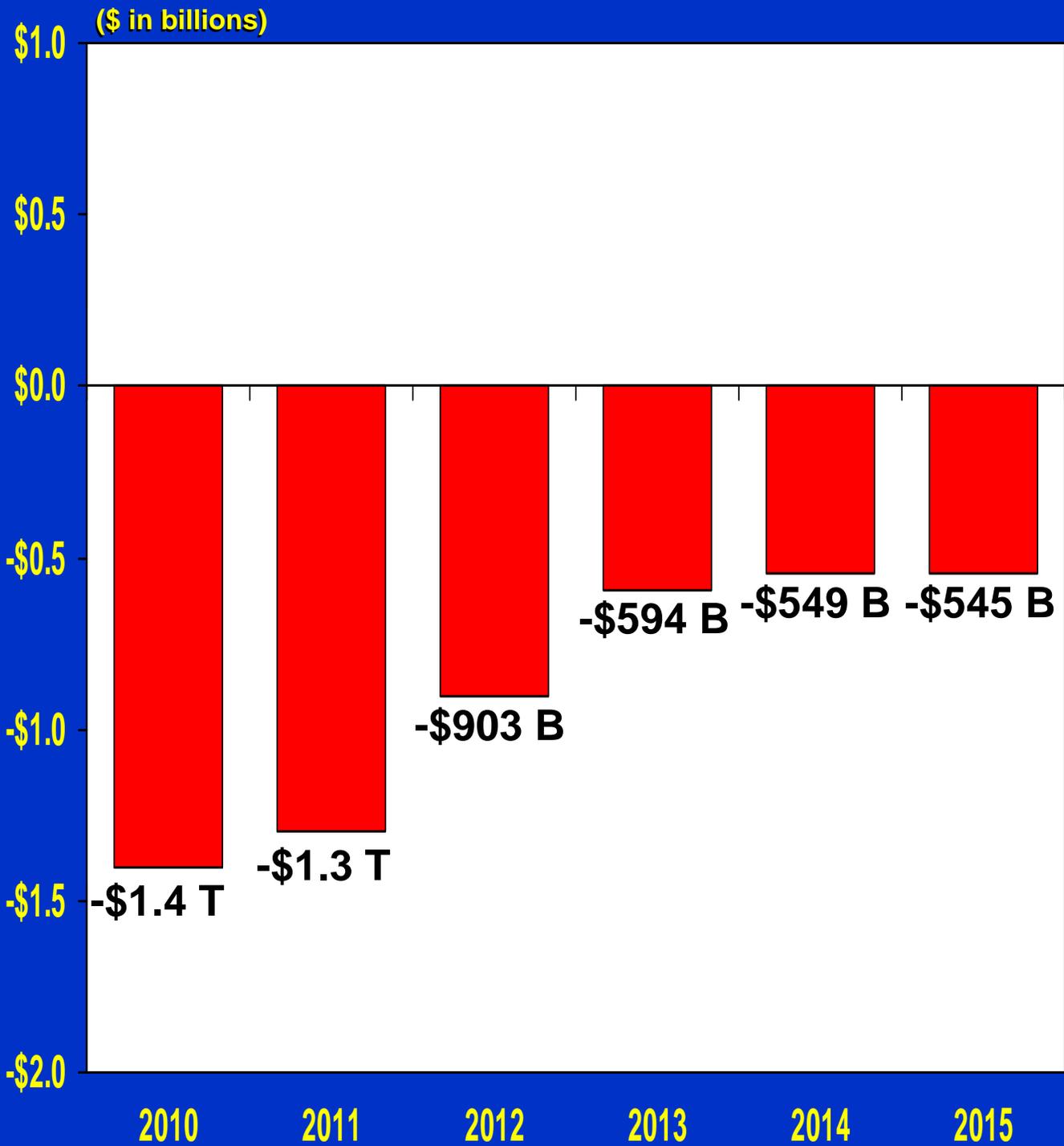
# Spending as Percent of GDP Cut 11 Percent Under Budget Resolution

(% of GDP)



Source: SBC  
Note: Total outlays.

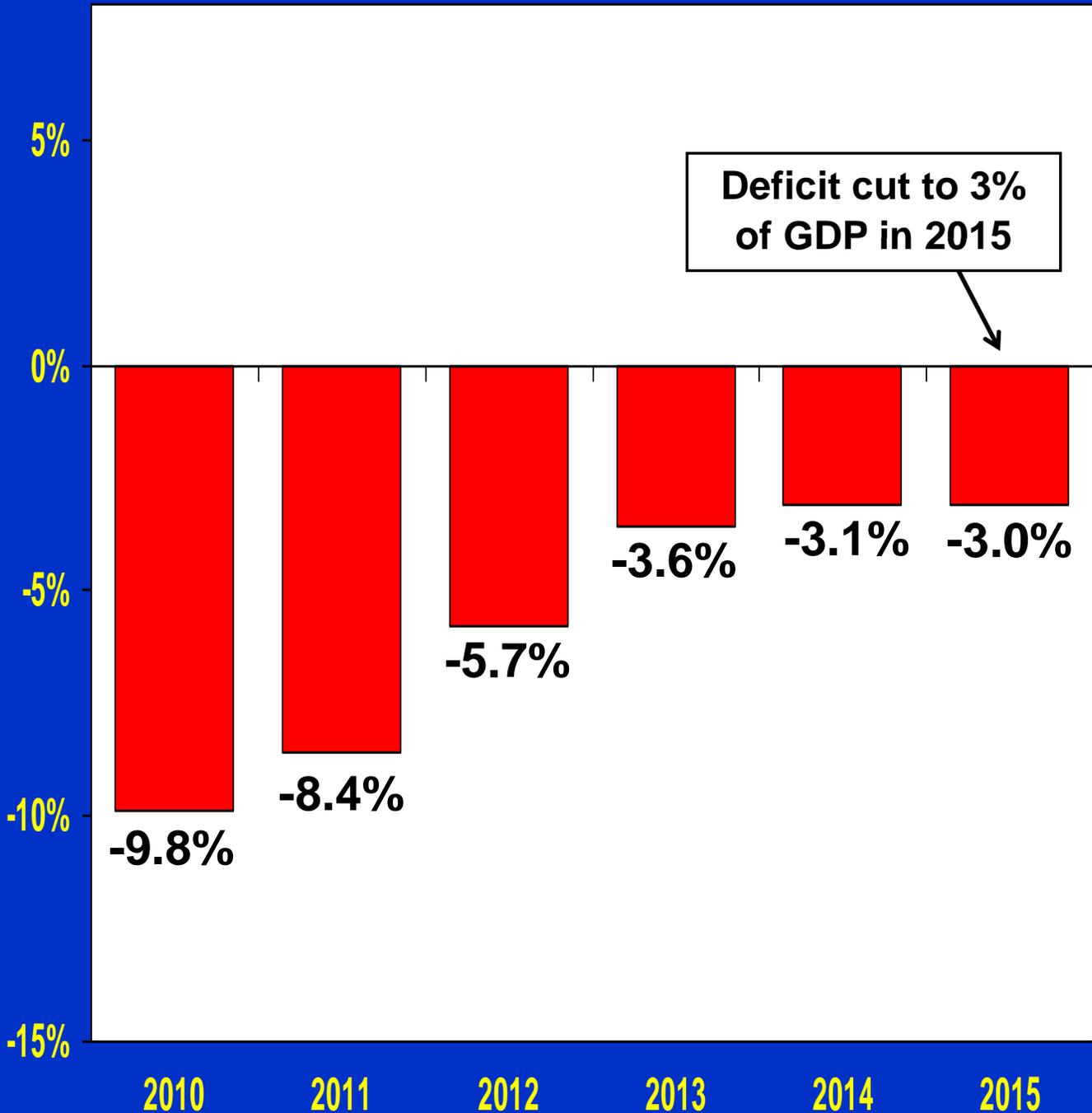
# Deficit Cut Under Budget Resolution



Source: SBC

# Deficit as Percent of GDP Cut 70 Percent Under Budget Resolution

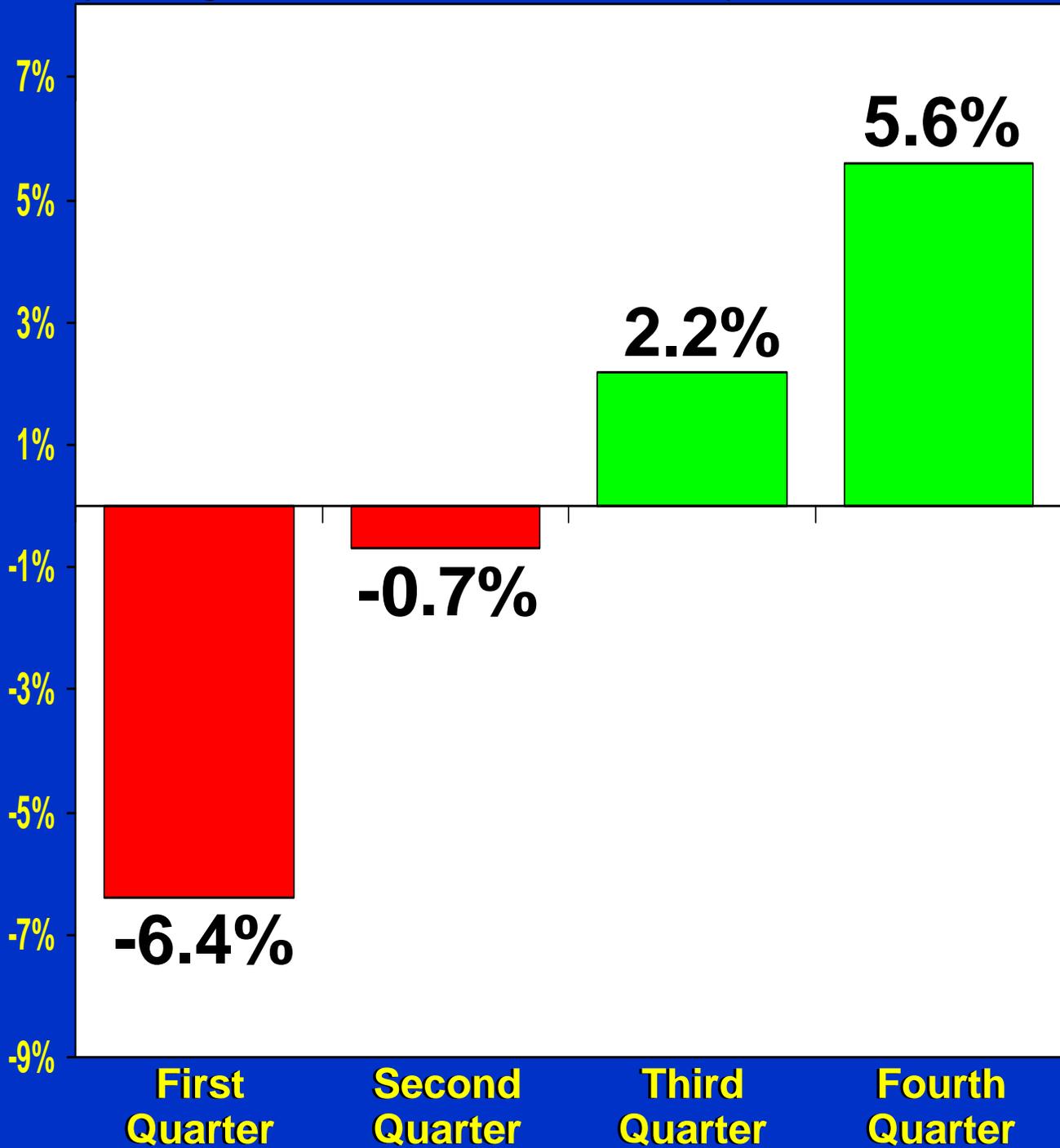
(% of GDP)



Source: SBC

# Economic Performance Improving

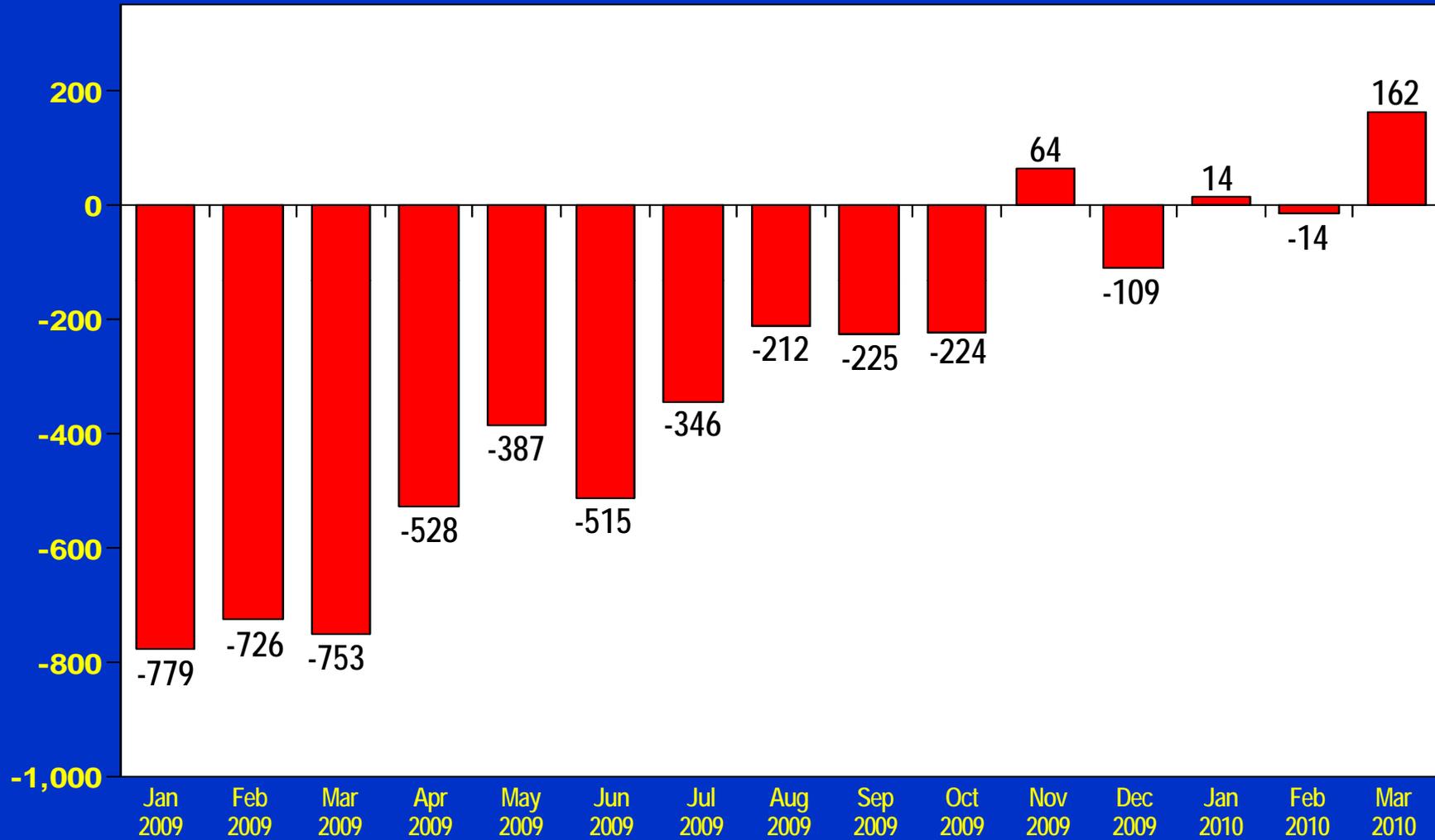
(Percent growth of real GDP in 2009, annual rate)



Sources: Bureau of Economic Analysis, U.S. Department of Commerce

# Jobs Picture Improving

(Monthly change, in thousands of jobs, total nonfarm payrolls, through March 2010)



Sources: Bureau of Labor Statistics, U.S. Department of Labor

★ THE STEVENS COURT, 1975-2010 ★ HATE ON THE RIGHT ★

APRIL 19, 2010

# Newsweek®

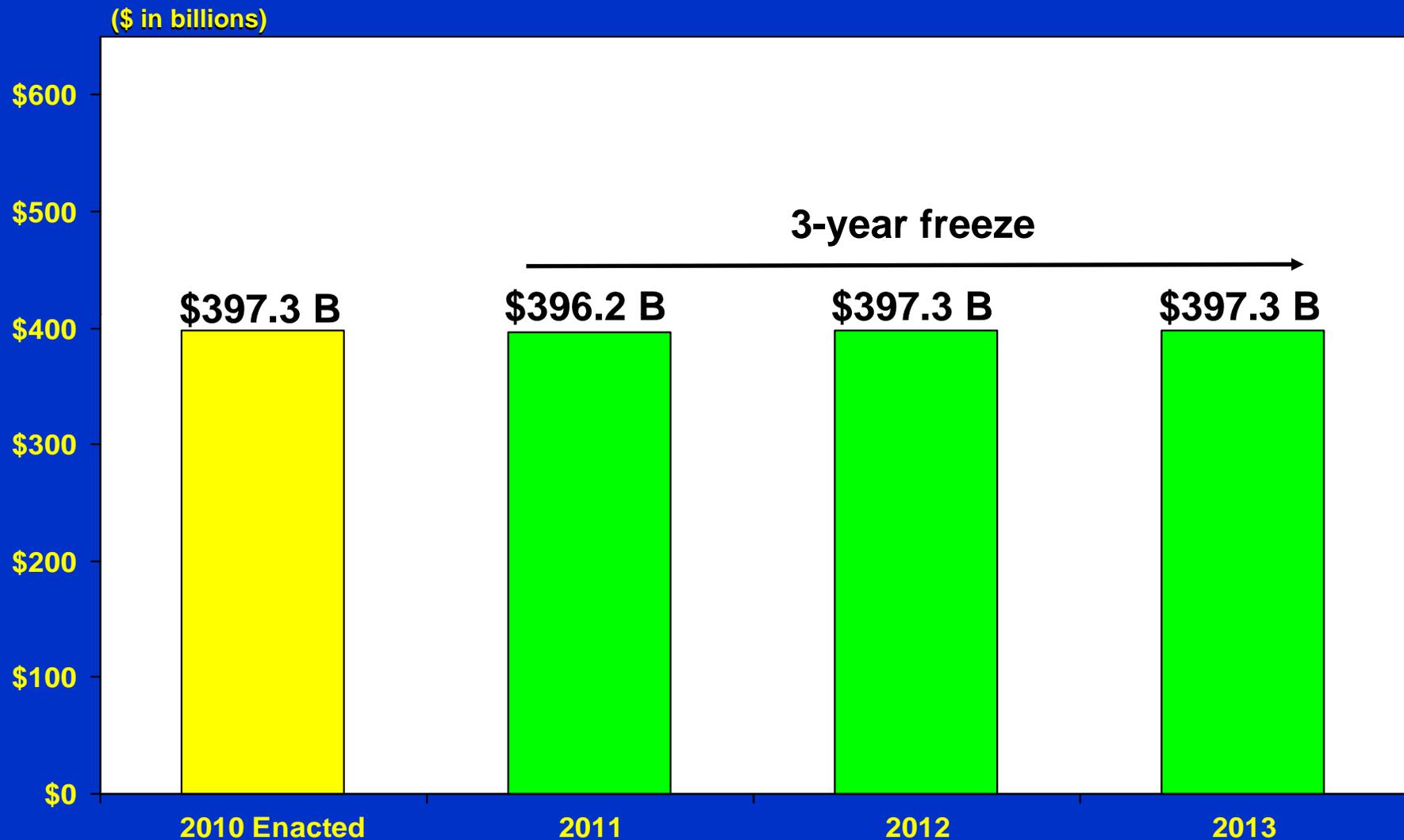
## AMERICA'S BACK!

THE  
REMARKABLE  
TALE OF OUR  
ECONOMIC  
TURNAROUND

BY  
DANIEL  
GROSS



# Budget Resolution Freezes Non-Security Discretionary Spending at 2010 Level for Three Years



Sources: CBO, SBC

Note: Non-security discretionary spending excludes Defense, International Affairs, Dept. of Veterans Affairs, and Dept. of Homeland Security. Excludes emergency and supplement war funding.

# Budget Resolution Invests in Education

Improves student achievement, makes college more affordable, prepares workforce to compete in global economy, and generates economic growth

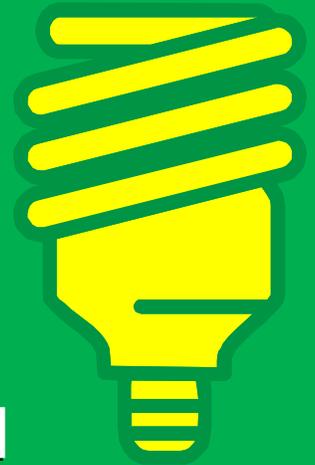
- Funds the remaining Pell grant shortfall and assumes a maximum grant of \$5,550
- President's requested increases for the Department of Education and Head Start
- Extends simplified college tax credit — providing up to \$2,500 a year



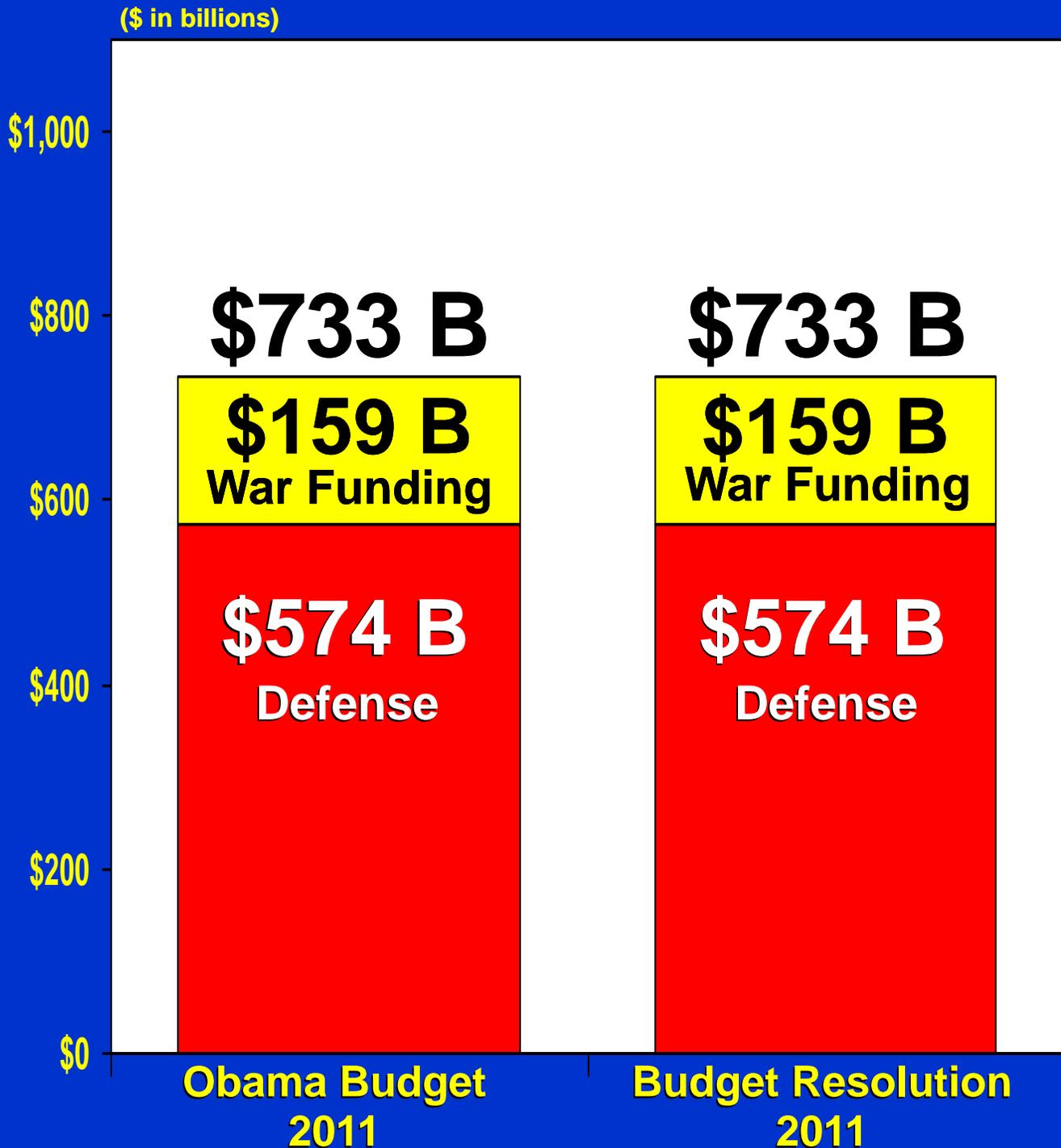
# Budget Resolution Invests in Energy

Reduces dependence on foreign energy, creates green jobs, preserves environment, and helps with high home energy costs

- Reserve Fund to accommodate legislation to invest in clean energy and address global climate change
- \$500 million above President's level of discretionary funding for energy for FY 2011
- Builds on economic recovery package investments in renewable energy, efficiency and conservation, low carbon coal technology, and modernizing electric grid



# Budget Resolution Matches Obama Defense and War Funding Requests



Sources: CBO, SBC  
Note: Defense funding in Function 050.

# Discretionary Funding Comparison

(Budget Authority)

	<u>2010 Enacted</u>	<u>2011 Budget Resolution</u>	<u>% Change</u>
<b>Defense</b>	<b>\$554 B</b>	<b>\$574 B</b>	<b>3.5%</b>
<b>International</b>	<b>\$51 B</b>	<b>\$55 B</b>	<b>7.7%</b>
<b>Vets, Homeland</b>	<b>\$91 B</b>	<b>\$99 B</b>	<b>8.8%</b>
<b>Non-Security</b>	<b><u>\$397 B</u></b>	<b><u>\$396 B</u></b>	<b><u>-0.3%</u></b>
<b>Total</b>	<b>\$1,094 B</b>	<b>\$1,124 B</b>	<b>2.8%</b>

# Revenue Changes in Budget Resolution

	<u>2011-2015</u>
<b>Middle-Class Tax Relief</b>	<b>-\$619 B</b>
- 10% bracket	
- Child tax credit	
- Marriage penalty	
- Education incentives	
<b>AMT Reform</b>	<b>-\$131 B</b>
<b>Estate Tax Reform</b>	<b>-\$14 B</b>
<b>Other Relief for Individuals, Families</b>	<b>-\$34 B</b>
<b>Extenders, Business</b>	<b>-\$96 B</b>
<b>Subtotal, Tax Relief</b>	<b>-\$894 B</b>
<b>Loophole Closers, Raisers, Fees</b>	<b>\$114 B</b>
<b>Total Tax Cuts</b>	<b>-\$780 B</b>

Source: SBC

# Budget Enforcement in Budget Resolution

- **Discretionary caps for 2010 - 2013**
- **Paygo rule synched up with statutory paygo**
- **Deficit Commission Reserve Fund to preserve savings**

# President's Fiscal Commission

- To address unsustainable long-term fiscal imbalance
- Plan to reduce deficit to 3% of GDP by 2015
- Everything on the table
- 18 members (10D/8R)
- Bipartisan co-chairs
- 14 of 18 members must agree to report
- Report to be submitted by December 1, 2010
- Commitments from Majority Leader and Speaker to hold votes on report before 111<sup>th</sup> Congress adjourns