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COMMITTEE ON THE BUDGET

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Overview of the Chairman's Mark

In 2006, Democrats promised a new direction for the country — We pledged that we would work together to restore our economic health, reclaim our leadership position in the world, advance our national security, and invest in our future. We committed to restoring fiscal responsibility and instituting tough pay-as-you-go rules.

In the first 100 hours of the 110th Congress, the House began to make good on those promises — With bipartisan support, we passed strict budget procedures enforcing fiscal discipline and transparency in congressional spending, and legislation that implemented the 9/11 Commission recommendations, increased the minimum wage, paved the way for lower prescription drug costs, cut student loan costs, and ended costly oil subsidies while investing in renewable energy. And we did all of this while maintaining our commitment to fiscal discipline.

The 2008 Chairman's mark continues to advance these priorities — The budget balances in 2012 while accommodating additional tax relief for millions of middle-income families. It allocates funding for critical national priorities like children's health care and education. It begins to reverse six years of harmful spending cuts and fiscal mismanagement. It is the critical next step to make concrete the initiatives we have developed to move the country forward, and it sets us on a course to build the future we want for our children and grandchildren.

Correcting the fiscal course of the country cannot be achieved overnight — The fiscal outlook we are confronting has deteriorated dramatically over the past six years. In 2001, the Administration inherited a projected ten-year (2002-2011) budget surplus of \$5.6 trillion. Within two years, that surplus was gone and the United States began accumulating a mountain of national debt, adding \$2.8 trillion to our federal debt burden since 2001. Most of this debt has been purchased by foreign investors, making the U.S. economy more vulnerable to economic and political instability and political pressure from abroad.

We have a responsibility to begin to clean up the fiscal mess that we have inherited — Deficits matter. The choice to live beyond our means comes at the expense of our children and grandchildren who will have to pay off that debt. Deficits also hurt economic growth by depressing national savings leading to less capital for investments in the future. This leads to lower productivity and wages for future workers. The President's budget continues the fiscal approach that has brought us large deficits and growing debt. By contrast, the 2008 Chairman's mark takes a necessary step towards eliminating our long-term budget deficit by adhering to the pay-as-you-go principle.

A balanced budget must be accompanied by balanced priorities — While regaining control over our economic future is critical, we must do so within the context of honoring our

obligations. For the first time in six years, the congressional budget resolution will return the federal budget to balance, in 2012, while providing sufficient resources to defend our country, deliver critical services to children and families, grow the economy, and preserve our planet.

2008 Chairman's Mark: Investing in the Future

The 2008 budget is the first fiscal down payment to fulfill commitments we have made to the American people. Within the context of a balanced budget, the resolution achieves key objectives in six areas:

Fiscal Responsibility

- Provides for budget surplus in 2012, in contrast to the President's budget, which is always in deficit
- Provides for greater deficit reduction than the Administration over five years
- Follows the pay-as-you-go principle

Defending Our Nation

- Provides robust defense funding levels while targeting resources on the most pressing security concerns
- Increases funding for veterans' health care and services by \$5.4 billion (14.4 percent) above current services
- Provides more homeland security funding than the Administration
- Provides funding for the 9/11 Commission recommendations

Putting Children and Families First

- Accommodates an increase of \$50 billion to expand children's health insurance to cover millions of additional uninsured children
- Provides a 2008 program level that is \$3.0 billion over current services for education, training, and social services, which includes funding for No Child Left Behind programs, special education, and aid to help students afford college
- Accommodates relief from the Alternative Minimum Tax for millions of middle-income taxpayers, as well as extension of middle-income tax cuts
- Increases funds for Head Start and child care
- Provides new funding to assist communities and rebuild housing in the aftermath of Hurricane Katrina
- Rejects the President's cut to the Social Services Block Grant program
- Includes an affordable housing initiative

Growing Our Economy

- Begins to reverse six years of high deficits and mounting debt
- Funds the House Democratic innovation agenda, putting us on a path to double funding for NSF and providing significant increases in K-12 math and science education

- Accommodates policies to strengthen the farm economy
- Provides funding to reauthorize FAA programs and fully funds the highway bill
- Increases funding for programs such as Community Development Block Grants to promote economic development in local communities

Preserving Our Planet

- Accommodates comprehensive energy legislation promoting renewable energy, moving toward energy independence
- Increases conservation funding
- Rejects harmful Administration cuts in environmental programs

An Accountable and Efficient Government

- Institutes tough program integrity initiatives to crack down on wasteful or fraudulent spending in Social Security, Medicare, and Unemployment Insurance programs
- Supports IRS enforcement to collect unpaid taxes from those who are not paying what they owe, thus helping to close the tax gap
- Provides additional resources to reduce huge backlogs in claims processing in the Veterans Administration, Social Security Administration, and other agencies
- Directs committees to identify wasteful and lower priority spending that can be cut in order to fund more pressing needs.