

**Congressman Jim Jordan (R-OH), Chairman**

**March 25, 2009**

## Consideration of Budget Resolution in Committee Today

Today, the House Budget Committee will consider the FY 2010 budget resolution, with floor consideration excepted to follow next week. The Spratt Resolution includes reconciliation instructions (in the amount of \$1 billion each) for the Ways and Means Committee, the Education and Labor Committee, and the Energy and Commerce Committee. While reconciliation is likely intended for the President's proposed health care, education, and "cap and tax" plans, there is nothing to prevent reconciliation from being used for other purposes. The Democrat budget proposes deficits that total **\$5.6 trillion**. Under their plan, the national debt will climb to **\$17.1 trillion** (it was \$10.8 trillion when Obama became President). Finally, compared to a baseline that assumes extension of the AMT patch and the 2001 and 2003 tax cuts, the Democrat resolution increases taxes by **\$574 billion** over five years.

## CBO: Obama Budget Leads to Annual Deficits of \$1 Trillion a Year

On Friday, CBO came out with a new report that analyzes the consequences of the President's budget on the deficit. Compared to CBO's baseline, the President's budget increases the deficit over the next ten years by **\$4.8 trillion**.

According to the report, deficits average **\$1.01 trillion** per year over the 2009-2019 period. The lowest deficit in the Obama budget is **\$658 billion** in 2012, which is still significantly higher than any previous deficit in U.S. history (the previous high was last year's \$459 billion deficit). As a share of the economy, CBO estimates that the President's budget would result in deficits that average **5.3% of GDP** over the next ten years. Since World War II, there has been only one year (1983) that the deficit exceeded what Obama's budget proposes for *average* deficits over the next ten years. Prior to this year, the highest post-WW II spending level was 23.5% of GDP (1983). President Obama's budget averages a spending level equal to **23.7% of GDP**.

In the last three years of Republican control of the Congress (FY 2005-FY 2007), the deficit **declined by 60%**. In the first budget under Democrat control (FY 2008), the **deficit tripled**, reaching the then-record level of \$459 billion. In the second budget under Democrat control (FY 2009), the deficit is projected to reach \$1.8 trillion. This is an increase of **\$1.68 trillion or 1,038.8%** in the two years since Democrats took control of the Congress.

When the Democrats took over Congress in January 2007, they inherited a projected ten-year surplus of \$800 billion. In just two years, this surplus has turned into projected deficits amounting to **\$9.4 trillion**, a **\$10.2 trillion deterioration** of the nation's budget outlook in just two years.

## Conaway to Introduce Savings in Appropriations Resolution

Representative Conaway plans to introduce, and is seeking original cosponsors for, the Savings in Appropriations Resolution (H.Res. 50 in the 110<sup>th</sup> Congress). This resolution would allow Members, during consideration of appropriations bills, to direct spending reduction amendments to deficit reduction. Currently, when a Member offers an amendment to reduce spending for a program, the 302(b) allocation for the appropriations bill is not reduced accordingly. Consequently, the money remains available for the subcommittee to spend on other programs (which allows a Member to offer an amendment to increase spending on a program without having to offer an offset). H.Res. 50 would amend the rules of the House to allow Members to specifically direct spending reduction amendments, during the appropriations process, to deficit reduction. RSC Budget and Spending Task Force Chairman Jim Jordan will offer such an amendment to the FY 2010 budget during today's mark-up.

### *Quote of the Week:*

*"I suspect that some of those Republican critics have a short memory, because, as I recall, I'm inheriting a \$1.3 trillion deficit, annual deficit, from them."*

**-President Obama**, on the deficit that he "inherited" from the **Democrat Congress**.

**For more information, please contact Brad Watson at x69719**