



## H. Con. Res. 27—House Budget Resolution for Fiscal Year 2016 (Price, R-GA)

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**FLOOR SCHEDULE:** H. CON. RES. 27 IS EXPECTED TO BE CONSIDERED BEGINNING MARCH 24, 2015 UNDER A [STRUCTURED RULE](#). THE RULE MAKES IN ORDER 6 AMENDMENTS IN THE NATURE OF A SUBSTITUTE, WHICH ARE SUMMARIZED BELOW.

The “Queen-of-the-Hill” rule allows for consideration of and votes on several substitute amendments. If more than one amendment receives a majority vote, only the amendment that received the highest yes-vote total would be considered as adopted. If multiple amendments pass with the same amount of votes, then only the last amendment would be considered as adopted. After an amendment in the nature of a substitute is adopted, then a vote on House passage of the resolution as amended would occur.

If no amendment receives a majority vote, then a vote on House passage of the underlying resolution (the committee-passed H. Con. Res. 27) would occur.

A CRS report on this type of rule can be found [here](#).

**TOPLINE SUMMARY:** The [House Republican budget](#) would cut spending by \$5.5 trillion compared to current policy and balance the federal budget in Fiscal Year (FY) 2024.

### CONSERVATIVE CONCERNS:

- **Expand** the Size and Scope of the Federal Government?: **No**, The Republican budget reduces the size and scope of the federal government.
- **Encroach** into State or Local Authority?: **No**
- **Delegate** Any Legislative Authority to the Executive Branch?: **No**
- **Contain** Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: **No**

### DETAILED SUMMARY AND ANALYSIS OF THE COMMITTEE-PASSED H. CON. RES. 27:

**Balance Date:** The House Republican budget balances in FY 2024, once the [macroeconomic effects](#) of the budget as calculated by the Congressional Budget Office (CBO) are taken into account.

**Overall Spending:** The House Republican budget reduces spending by \$5.5 trillion compared to current policy. Over the ten-year budget window, spending averages 18.8 percent of GDP.

**Taxes:** The House Republican budget calls for revenue-neutral pro-growth comprehensive tax reform. Over the ten-year budget window, revenues average 18.1 percent of GDP.

**Obamacare:** The House Republican budget fully repeals Obamacare.

**Reconciliation:** The House Republican budget includes reconciliation instructions for 13 House committees, including the Agriculture, Armed Services, Education and the Workforce, Energy and Commerce, Financial Services, Homeland Security, Judiciary, Natural Resources, Oversight and Government reform, Science Space and Technology, Transportation and Infrastructure, Veterans' Affairs, and Ways and Means committees.

**Medicare:** A premium support system for new retirees would go into effect in FY 2024. This is the same year as premium support would have been implemented under the FY 2014 and FY 2015 House Republican budgets. The budget also calls for means testing premiums, medical liability reform, an increase in the eligibility age, and a single combined deductible for Medicare Part A and Part B.

**Medicaid:** The House Republican budget would convert Medicaid to a block grant to the states.

**Discretionary:** Total base discretionary budget authority for FY 2016 would be \$1.107 trillion, consistent with the current law Budget Control Act caps. Total discretionary spending is held below post-sequester Budget Control Act (BCA) levels through the remainder of the budget window, saving \$372 billion. Over the next ten years, non-defense discretionary spending is reduced by \$759 billion compared to current policy.

**Defense:** The House Republican budget sets base defense funding at \$523 billion in FY 2016, consistent with the current law BCA cap. Base defense spending would grow to \$651 billion by FY 2025. The Republican budget would provide \$387 billion above the current policy baseline for defense.

**War on Terror:** Total funding for the Global War on Terrorism (OCO) is set at \$94 billion in FY 2016. Section 513 of the resolution would require any FY 2016 (OCO) funding above \$73.5 (the enacted FY 2015 level) to be offset by other spending reductions.

## **OUTSIDE GROUPS:**

Groups in Support:

- [American Association of Mature Citizens](#)
- [60 Plus Association](#)
- [Americans for Tax Reform](#)
- [U.S. Chamber of Commerce](#)

**COMMITTEE ACTION:** H. Con Res. 27 was introduced on March 20, 2015. The House Budget Committee marked up the budget on March 19, 2015, and reported it by a 22 – 13 vote.

**CONSTITUTIONAL AUTHORITY:** A constitutional authority statement is not required.

**AMENDMENTS IN THE NATURE OF A SUBSTITUTE:** The rule makes in order 6 amendments.

### **1. Progressive Caucus Budget (Grijalva, (D-AZ):**

The Progressive budget would increase spending by \$3.8 trillion over the next ten years compared to current policy. Despite \$7 trillion in new taxes, this proposal never achieves balance.

## **2. Congressional Black Caucus Budget (Butterfield, D-NC):**

The Congressional Black Caucus budget would increase spending by \$1.5 trillion compared to current policy over the next ten years. Despite increasing taxes by \$3.2 trillion, this proposal never balances.

## **3. The RSC Blueprint for a Balanced Budget (Stutzman, R-IN):**

**Balance Date:** The RSC budget balances in FY 2021.

**Overall Spending:** The RSC reduces spending by \$7.1 trillion compared to current policy. Spending over the ten-year budget window would average 18.2 percent of GDP.

**Taxes:** The RSC budget calls for pro-growth comprehensive tax reform that is revenue neutral on a dynamic basis, accounting for the macroeconomic impact of reform. Revenues over the ten-year budget window would average 18.2 percent of GDP.

**Obamacare:** The RSC budget fully repeals Obamacare through reconciliation. To implement real patient-centered healthcare reform that would lower costs and improve access, the RSC budget substitute proposes the RSC's [American Health Care Reform Act](#).

**Medicare:** The RSC budget would implement a premium support program for new retirees in FY 2020. Analysis of similar proposals [by the CBO](#) predicts that this would lower premiums and costs for seniors, as well as save the taxpayers. Further, the RSC budget would simplify Medicare by combining Part A and Part B, incentivize better health care choices through Medigap reform, and slowly phases in an increase in the eligibility age to 67.

**Medicaid:** Medicaid would be block granted to the states at pre-Obamacare FY 2016 levels.

**Social Security:** The RSC budget puts Social Security on a path to solvency. Specifically, the budget proposes to slowly phase in an increase in the Social Security full retirement age. The full retirement age would continue the eligibility age increase under current law, specifically the gradual increase of two months per year beginning in FY 2022 until the full retirement age reaches 70. The RSC budget also would change the formula for cost of living adjustments (COLA) by adopting chained CPI, a more accurate measure of inflation. Finally, the RSC budget calls for slowing the benefit growth for high lifetime earners, thereby preserving Social Security as a safety net.

**Disability Insurance:** Recognizing that Disability Insurance is projected to go bankrupt in 2016, the RSC budget lays out principles to reform the program, including promoting work, updating the eligibility rules, fighting fraud and abuse, and ending double dipping in both unemployment and disability insurance.

**Discretionary:** In FY 2016, discretionary spending is reduced to \$975 billion. Discretionary spending is frozen until through FY 2017, and slowly increases with inflation.

**Defense:** This year's RSC budget increases base defense spending to \$570 billion in FY 2016 and matches the President's OCO/GWOT request of \$58 billion. Over the next decade, the RSC budget would provide \$6.4 trillion for America's national security.

**4. Democrat Caucus Budget (Van Hollen, D-MD):**

The Democrat budget substitute would increase spending by \$856 billion over the next ten years compared to current policy. Despite increasing taxes by \$1.9 trillion, the Democrat budget never balances.

**5. House Budget Committee-Passed Budget (Price, D-GA):**

This amendment is identical to the budget resolution that was passed by the House Budget Committee and is described above.

**6. Price Substitute #2 (Price, D-GA):**

This amendment is identical to the budget resolution, summarized above, that was passed by the House Budget Committee, with two exceptions.

First, the amendment increases the FY 2016 Global War on Terror (OCO) funding by \$2 billion to \$96 billion in FY 2016. OCO funding is exempt from the Budget Control Act caps on discretionary spending.

Second, the amendment removes a provision that would have required a spending reduction offset for any FY 2016 Global War on Terror (OCO) funding above \$73.5 billion (the enacted FY 2015 level).

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**NOTE:** *RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.*

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