



BLUEPRINT FOR A BALANCED BUDGET 2.0:

EXECUTIVE SUMMARY

RESPONSIBLE FISCAL PATH

- Reduce spending by \$8.6 trillion over the next decade, putting the federal government on a sustainable fiscal path and restoring government to its proper size. Over the Fiscal Year (FY) 2017 – 2026 period, spending as a share of the economy would be below the historical average.
- Achieve balance in 2024 – eight years – without relying on revenue increases.
- FY2017 base discretionary spending would total \$974 billion, including reducing non-defense discretionary to \$400 billion. The arbitrary “firewall” between discretionary categories would be removed, allowing Congress to fund national priorities. Over the next decade, non-defense discretionary spending would be reduced by \$1.4 trillion.
- Includes over 200 specific cuts and reforms.

NATIONAL SECURITY

- Provide full funding for national security, including \$574 billion for base defense discretionary in FY 2017, along with \$59 billion to carry out the Global War on Terror.
- Defense spending would grow every year, maintaining sufficient resources to address an increasingly dangerous world.

GROWING THE ECONOMY: TAX REFORM

- Provide principles for pro-growth comprehensive tax reform that would have top rates at 25 percent, eliminate special interest tax breaks, reduce capital gains and dividend rates and is a territorial international system of taxation.
- Target revenue neutrality based on a dynamic score that takes into account the macroeconomic effects of reform.

- Eliminate the IRS and moves tax collection duties to a new entity at the Treasury Department.

GROWING THE ECONOMY: CREATING A CLIMATE FOR JOB CREATION

- Rein in Washington bureaucrats by imposing a regulatory freeze for the remainder of President Obama's term, establishing a regulatory budget, and enacting the REINS Act.
- Unleash North American energy production, block the Clean Power Plan, and repeal the Renewable Fuel Standard.
- Get unions off the backs of job creators and employees, repeal Davis Bacon prevailing wage requirements and the Jones Act.
- Spur investment in local business by repealing Dodd-Frank and anti-competitive regulations.
- Embrace free markets by eliminating crony capitalist programs such as the Export-Import Bank.

REFORM THE SOCIAL SAFETY NET TO EMPOWER INDIVIDUALS, FAMILIES AND COMMUNITIES

- Promote earned success rather than a culture of dependence by reforming programs like Food Stamps (SNAP) and housing assistance, requiring work for those who are able.
- Recognize the importance of marriage and families by reducing marriage penalties.
- Reform and simplify the Earned Income Tax Credit, reducing fraud and improving the program.
- Promote saving with universal tax-free savings accounts and make it easier for employers to establish retirement accounts for workers.

REAL HEALTH CARE REFORM

- Fully repeal Obamacare, including its spending, mandates, and all of its associated taxes.
- Implement the RSC's American Health Care Reform Act to provide a standard deduction for individuals to purchase health insurance, improve access to Health Savings Accounts (HSAs), protect those with pre-existing conditions and the uninsured, and reduces the costs of coverage.
- Provide states with flexible Medicaid block grants, coupled with work requirements for able-bodied adults and anti-fraud reforms to focus the program on achieving better results for those who truly need it.

SAVE MEDICARE

- Transform the current, unsustainable program into a solvent Medicare Plus system that, beginning in 2020, will provide seniors a choice of insurance plans – including a traditional fee for service option – that would reduce costs and increase access to care.
- Simplify Medicare by combining Parts A and B and reform Medigap plans.
- Phase in an increase for basic premiums and increase means testing for high income retirees.
- Adjust the eligibility age so that it aligns with Social Security.

SAFEGUARD SOCIAL SECURITY AND DISABILITY INSURANCE

- Continue the current-law increase to the normal retirement age until it eventually reaches 70, reflecting increases in longevity.
- Adopt the more-accurate measure of inflation Chained CPI for all government programs.
- Increase the means testing of the initial benefits for new wealthy retirees, returning Social Security to its original intent as a guarantee against poverty in old age.
- Exempt workers over the retirement age from payroll taxes.
- Include specific policies to ensure the survival of the Disability Insurance program, including encouraging work, adopting a needs based period of benefits, updating the eligibility rules, fighting fraud, end the “double dipping” that allows individuals to collect DI and unemployment benefits, and reform the appeals process.

RECLAIM THE CONSTITUTION

- Stop overreach by the Executive and Judicial Branches, including blocking executive amnesty, protecting life, defending the Second Amendment.
- Reform the budget process to force Congress to live up to its promises and make it easier to cut spending.