

Overview of Budget Proposals for 2006-2010

(3-28-05)

This chart shows major provisions of the current budget proposals as adopted by the full House and Senate. The Administration, House and Senate budget plans include large tax breaks for high-income households, increase the deficit, increase defense spending and *at the same time* impose significant reductions to domestic discretionary programs and large cuts in entitlements such as Medicaid, food stamps, and other critical safety net programs.

Issue	President*	House	Senate
Domestic Discretionary Cuts	- \$223 B (over 5 years) 14% cut by 2010 - \$26 B in 2006	- \$216 B (over 5 years) 14% cut by 2010 - \$24 B in 2006	- \$203 B (over 5 years) 13% cut by 2010 - \$20 B in 2006
Caps	5 year statutory cap	No caps	3 year non-statutory cap
Entitlement Cuts, including Medicaid (5 year savings)	- \$51 B	- \$67 B (reconcile or "fast track" \$69 B)	- \$23 B (reconcile or "fast track" \$17 B)
Medicaid/ SCHIP	- \$7.6 B	- \$15-20 B [Energy & Commerce: \$20 B]	0
Agriculture	- \$9.3 B	- \$5.3 B [Chairman wants all cuts from food stamps]	- \$2.8 B [Not clear how much would come from food stamps vs. farm programs]
Programs under jurisdiction of House Ways and Means Committee (Unemployment insurance, EITC, SSI, TANF, child care, foster care/adoption assistance, SSBG etc.) Note: The Ways and Means Committee has jurisdiction over Medicare but Chairman Nussle stated that the budget does not assume cuts in Medicare.	Net cut of \$1.5 B for all programs in Ways and Means <i>excluding</i> new health tax credit	- \$18.7 B Estimated \$15 billion to come from low-income programs	0

Tax Cuts	+ \$125 B	+ 106 B (over 5 years, <i>reconcile</i> or “fast track” \$45 B)	\$129 B (over 5 years, <i>reconcile</i> or “fast track” \$128 B)
Increase in Deficit	+ \$104 B [\$164 B if \$50 billion in 2006 Iraq funding and the accompanying \$10 billion in interest costs is included]	+ \$127 B	+ \$217 B
Defense and International	+ 146 B w/o Iraq + 196 B w/ Iraq [if \$50 billion in 2006 Iraq funding is included]	+ 190 B	+ 199 B
Budget Rules (“Pay-Go,” or “pay- as-you-go” rules, which are intended to avoid increasing the deficit)	No increase over next 75 years in Medicare, SSI, federal military and civilian retirement, veterans disability benefits, Medicaid	No pay-go	Weak pay-go already in effect New rule that says that any bill that increases entitlements by \$5 billion or more in any 10 year period from 2015 to 2055 is subject to a 60-vote point of order

*As re-estimated by the Congressional Budget Office.

Analysis provided by the Center on Budget and Policy Priorities.