

House Budget Committee Democratic Caucus

Summary Report

Republicans and Democrats have different views on how to get our fiscal house in order. Republicans are continuing to pursue legislation that protects the very wealthy and special interests at the expense of everyone else. This approach is evident in the House-passed fiscal year 2013 budget resolution, which ends the Medicare guarantee and cuts investments that make the country stronger, while extending massive tax breaks for big corporations and the wealthiest Americans. The Republican approach of looking for deficit reduction only through spending cuts is also evident in the “Sequester Replacement Reconciliation Act of 2012,” which protects tax breaks for millionaires but slashes health care for kids, food and nutrition assistance for struggling families, and vital safety net programs.

In contrast, Democrats support a balanced approach to addressing the nation’s deficit and debt burden, one that builds on the \$1 trillion of spending cuts enacted last year but also cuts wasteful tax subsidies and asks millionaires to share responsibility in reducing the deficit. In the second session of the 112th Congress, Budget Committee Democrats offered proposals reflecting these priorities as alternatives and amendments to Republican budget legislation. In addition, the Democratic Caucus of the Budget Committee published a variety of materials that highlight concerns with the Republican legislation and that explain the Democratic approach and proposals.

112th Congress, Second Session

Legislation offered by the Democratic Caucus

Fiscal Year 2013 budget resolution

On March 29, 2012, Democrats offered an alternative to the Republican 2013 budget resolution on the House floor. The Democratic budget takes a balanced approach to meeting the nation’s fiscal challenges, preserving the Medicare guarantee, helping create more jobs now, making the country stronger through investments that build long-term growth, abiding by the tight spending caps established in 2011, and reducing the deficit through shared responsibility. The Democratic budget’s first priority is helping people to make it in America: creating more jobs now and making investments that will lead to long-term economic growth. Putting Americans back to work is also the fastest and most effective way to reduce the short-term deficit. Second, the budget alternative preserves the Medicare guarantee and ensures that the social safety net remains intact. Importantly, the Democratic budget reduces the deficit responsibly with policies that balance spending cuts with increased revenue. This balanced approach is recommended by every single bipartisan group that has looked at deficit reduction.

On March 21, 2012, during the House Budget Committee mark-up of the Republican budget resolution, Democrats sought to eliminate the most harmful provisions and improve the budget

through a number of amendments. The amendments focused on preserving the Medicare guarantee and the social safety net, creating jobs, strengthening education as an investment in the country's long-term growth, protecting the middle class, and reducing the deficit. Democrats offered the following amendments, with all costs fully offset:

Health care amendments

- An amendment rejecting Medicare vouchers by opposing any changes that would eliminate guaranteed health insurance benefits under the Medicare program, or that increase costs for seniors and people with disabilities by establishing a Medicare voucher or premium support plan that provides limited payments to Medicare beneficiaries to purchase health care in the private health insurance market.
- An amendment to prohibit Medicare cuts to beneficiaries, expressing the need to retain the important new health benefits for seniors and disabled individuals provided in the Affordable Care Act – benefits that will be eliminated as a result of the Republican budget resolution's repeal of most provisions of the Act.
- An amendment to reverse the Republican budget's \$810 billion in cuts to Medicaid, which provides health care for seniors in nursing homes, people with disabilities, poor children, and other low-income people.
- An amendment expressing the Sense of the House that Congress should not repeal the Affordable Care Act, taking away vital benefits, especially the Act's important protection against unfair discriminatory practices against women.
- An amendment expressing the Sense of the House that no woman should be denied access to contraceptives.

Jobs amendments

- An amendment funding the transportation investments of the President's American Jobs Act, allowing for an immediate infusion of \$50 billion for highway projects that will put people to work over the next few years and strengthen the transportation infrastructure that helps drive a strong economy.
- An amendment to fit the provisions of the Senate-passed highway bill into the budget.
- An amendment immediately providing \$30 billion to create jobs upgrading at least 35,000 crumbling public schools, including elementary and secondary schools and community colleges.
- An amendment providing \$1 billion to establish a Veterans Job Corps, as proposed by the President, to employ at least 20,000 veterans over the next five years in projects to preserve and restore America's national, state, and local parks and other public lands.
- An amendment to support a "Make it in America" agenda by establishing a 20 percent tax credit against expenses for U.S. businesses that return jobs and operations to the U.S., and by denying tax deductions for U.S. businesses that outsource jobs and operations overseas.

Education amendments

- An amendment rejecting the budget's education cuts to support key services that bolster student achievement and support tens of thousands of teaching jobs.
- An amendment making the American Opportunity Tax Credit permanent to continue helping more than 9 million students afford the cost of college.

- An amendment preventing interest rates on subsidized student loans from doubling on July 1, protecting nearly 7.5 million students from increased cost of college.
- An amendment ensuring that Head Start can continue providing vital early childhood educational services to almost 1 million children in families at or below the poverty level.

Safety net amendments

- An amendment opposing the Republican budget's plan to convert the Supplemental Nutritional Assistance Program (SNAP) into a block grant and deeply reduce the program level, and providing funding to support the President's request for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).
- An amendment rejecting the privatization of Social Security.
- An amendment supporting additional legislative action to ensure that states have the necessary resources to collect all child support that is owed to families and to allow them to pass 100 percent of support on to families without financial penalty.

Middle- class protection amendments

- An amendment prohibiting tax increases on individuals with income below \$200,000 (\$250,000 for couples).
- An amendment protecting consumers against Wall Street abuse by supporting full funding of the Securities and Exchange Commission and the work of the newly created Consumer Financial Protection Bureau.
- An amendment cracking down on oil price speculation by repealing tax subsidies to the major integrated oil and gas companies, and devoting most of the savings to deficit reduction while also funding the Commodity Futures Trade Commission at a level where it can properly monitor oil price speculation.
- An amendment to ease gas price pressures at the pump by repealing tax subsidies to oil and gas companies, and instead rebating the savings to vehicle owners.
- An amendment protecting services by restoring discretionary spending for fiscal year 2013 to \$1.047 trillion, which is the level established in the Budget Control Act.
- An amendment reinstating four Superfund taxes that, until 1995, financed the clean-up of contaminated waste sites across the nation.

Deficit reduction amendments

- An amendment to reduce the deficit by ending tax cuts for millionaires and imposing a "Buffett Rule" to ensure that middle class families do not pay higher effective tax rates than millionaires.
- An amendment stressing the importance of deficit reduction that draws from the entire budget – reforming defense and non-defense spending, appropriations and entitlements, and tax policies.

Sequester Replacement Reconciliation Act of 2012

The 2013 budget resolution included reconciliation instructions for six Committees to report legislation reducing the deficit and for the Budget Committee to report legislation eliminating most of the roughly \$100 billion across-the-board sequester of spending scheduled for 2013. These instructions led to the Sequester Replacement Reconciliation Act, an unbalanced approach to deficit reduction that focuses only on cutting investments rather than also closing tax loopholes. In fact, the reconciliation package makes deep cuts to food and nutrition programs for low-income families and Medicaid – both programs that would have been entirely exempt from any sequestration cuts.

On May 9, 2012, Democrats sought to offer an alternative to the Republican package on the House floor. The Democratic alternative replaces the sequester with a combination of cuts to agriculture subsidies and revenues raised by cutting taxpayer subsidies for Big Oil and asking millionaires to share greater responsibility in reducing the deficit. The Democratic alternative was offered during the House Rules Committee mark-up of the rule for consideration of the bill, but the Rules Committee did not make the Democratic alternative in order on the House floor.

On May 7, 2012, during the House Budget Committee mark-up of the Sequester Replacement Reconciliation Act of 2012, Democrats offered the following motions to achieve similar savings by cutting tax breaks and subsidies to special interests:

- A motion rejecting the elimination of the Social Services Block Grant while ending taxpayer subsidies to Big Oil.
- A motion protecting food and nutrition support for struggling children and families while cutting taxpayer direct payments to agricultural interests.
- A motion protecting health care coverage for at least 300,000 low-income children and lowering the deficit by eliminating certain tax subsidies for Big Oil.
- A motion protecting the health of women and children through the Prevention and Public Health Fund while closing tax loopholes that reward corporations that ship American jobs overseas.

Also on May 7, Democrats offered two amendments during the House Budget Committee mark-up of the Sequester Replacement Act of 2012. The first amendment would have replaced the sequester for the entire 10-year period called for under the Budget Control Act – not just one year, as the Republican plan does. The second amendment would have exempted Medicare from the 2013 sequester. Both amendments were defeated.

Expedited Legislative Line-Item Veto and Rescissions Act of 2011

On January, 24, 2012, Democrats offered amendments to H.R. 2521, the Expedited Legislative Line-Item Veto and Rescissions Act of 2011, during the House Budget Committee mark-up. One amendment would have made targeted tax benefits subject to cancellation, in addition to the rescission of discretionary budget authority already allowed by the bill. Another amendment made technical corrections.

Democratic Caucus Publications

The following publications were prepared by the staff of the Democratic Caucus of the Committee on the Budget. The publications were not approved by the full Membership of the Committee.

<i>Date</i>	<i>Title</i>
Feb. 1, 2012	CBO Forecast Confirms Economy Slowly on the Rebound But Deficits Continue
Feb. 2, 2012	Fact Sheets on Budget Process Reform Legislation - H.R. 3582 & H.R. 3578
Feb. 7, 2012	Fact Sheets on Budget Process Reform Legislation - H.R. 3581
Feb. 8, 2012	Fact Sheet on The Expedited Legislative Line-Item Veto and Rescissions Act of 2011 (H.R. 3521)
Feb. 13, 2012	The President's 2013 Budget: Focus on Jobs and a Balanced Approach to Deficit Reduction
Feb. 14, 2012	Highlights of the President's Fiscal Year 2013 Budget
Mar. 23, 2012	Report on Democratic Amendments to the Republican 2013 Budget Resolution
Mar. 23, 2012	Minority Views on the House Budget Committee FY 2013 Budget Resolution, (Report to Accompany H. Con. Res. 112)
Mar. 23, 2012	Republican Budget Makes the Wrong Choices
Mar. 26, 2012	Summary of the 2013 Democratic Budget
Mar. 28, 2012	The Democratic Budget Resolution for Fiscal Year 2013; Make it in America, Preserve the Medicare Guarantee, and Provide Tax Relief for Working Families while Responsibly Reducing the Deficit
Mar. 28, 2012	Top Reasons to Support Democratic Budget Alternative
Mar. 28, 2012	Top Reasons to Oppose the Republican Budget
Mar. 28, 2012	Myth vs. Reality: The Republican Budget
Mar. 28, 2012	Republican Budget Ends Medicare Guarantee and Shreds Social Safety Net
Mar. 28, 2012	What Outside Groups are Saying about the FY 2013 Republican Budget and the Latest GOP Plan to End the Medicare Guarantee
May 3, 2012	Republican Reconciliation Bills Reflect Wrong Priorities
May 9, 2012	Minority Views on the Sequester Replacement Act of 2012, (Report to accompany H.R.4966)
May 9, 2012	Minority Views on the Sequester Replacement Reconciliation Act of 2012, (Report to accompany H.R. 5652)
May 10, 2012	The Republican Reconciliation Bill – Like Their Budget – Makes the Wrong Choices for America

112 Congress, First Session:

Legislation offered by the Democratic Caucus

April 6, 2011	Democratic amendments offered to FY 2012 budget during House Budget Committee mark-up
April 13, 2011	FY 2012 Democratic budget offered on House floor

Democratic Caucus Publications

<i>Date</i>	<i>Title</i>
January 5, 2011	Republican House Rules Make Fiscally Irresponsible Changes
January 31, 2011	CBO Forecast Confirms Economy on the Rebound But Deficits Continue
February 23, 2011	Summary and Analysis of President Obama's Fiscal Year 2012 Budget
April 8, 2011	Summary & Analysis of Democratic Amendments Offered to FY 2012 Budget at House Budget Committee Mark-up
April 11, 2011	Summary and Analysis of the House Budget Committee-reported FY 2012 Budget Resolution
April 11, 2011	Minority Views on the House Budget Committee FY 2012 Budget Resolution
April 13, 2011	Key Aspects of the 2012 Democratic Budget
April 15, 2011	Win the Future: Make it in America -- the Democratic Budget Resolution
May 13, 2011	Comparing the Republican Medicare Voucher Plan and the Medicare Prescription Drug Benefit
Jun 27, 2011	Balanced Budget Constitutional Amendment is Guise to Push the Republican Budget Agenda
Jul 11, 2011	Budget Committee Hearing on "Budgeting for America's National Security"
Jul 18, 2011	"Cut, Cap, and Balance Act" is a More Extreme Version of Republican Budget Resolution
Jul 28, 2011	Republican Debt Plan Threatens the Nation's Financial Security
Aug 3, 2011	Summary of the Budget Control Act of 2011
Nov 14, 2011	Do We Really Want the Courts Making Budget Decisions? A Constitutional Requirement to Balance the Budget Will Involve the Courts
Nov 16, 2011	Vote "No" on the Constitutional Amendment: H.J.Res. 2 is Not Fiscally Responsible
Dec 13, 2011	Frequently Asked Questions about Sequestration under the Budget Control Act of 2011
