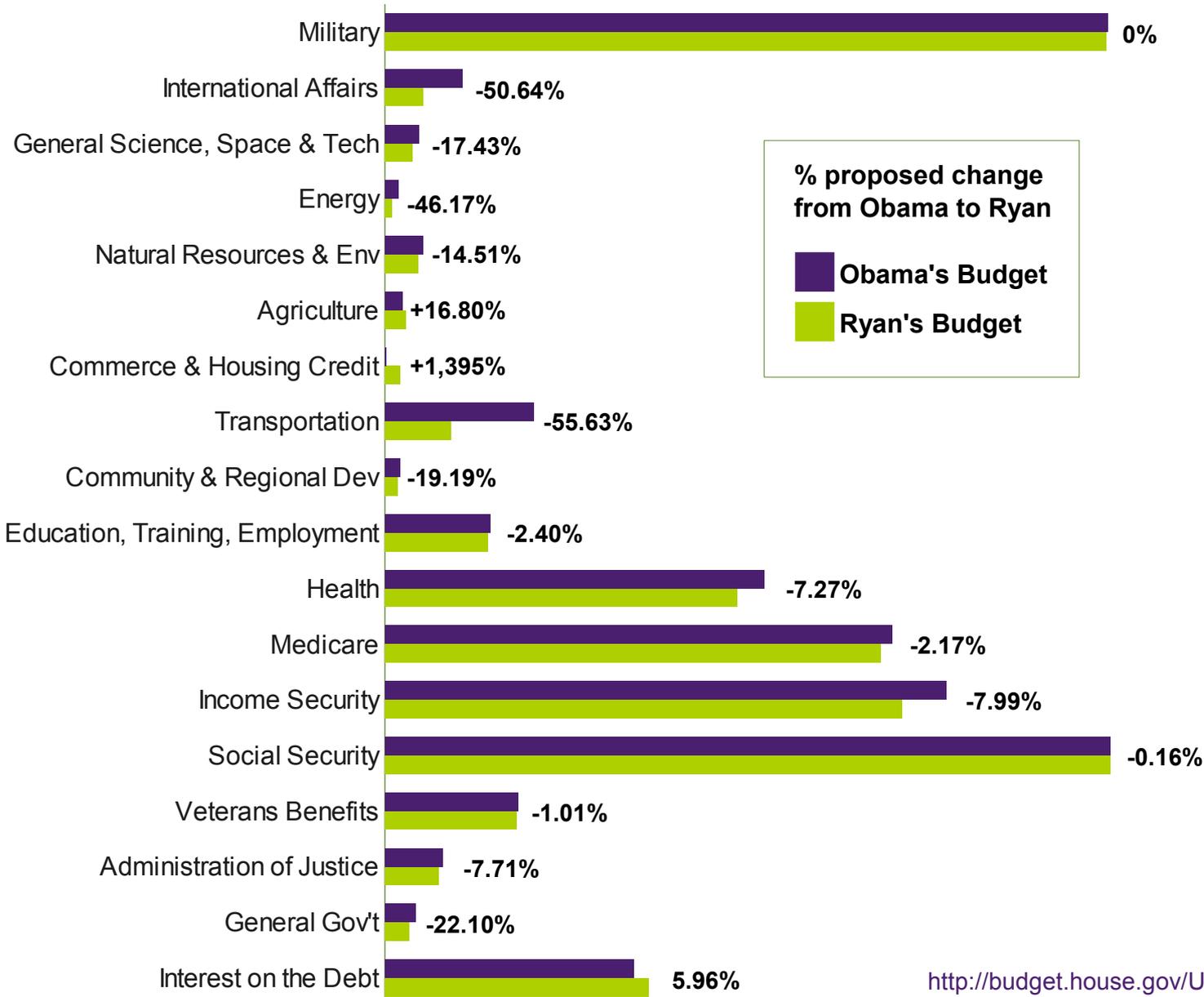




# The President's Budget to the Chairman's Plan

## House Budget Chair Paul Ryan's response to President Obama's FY2012 budget



### Top points to consider:

Places a five-year cap on "non-security" discretionary spending at 2008 levels

Ties the cap on total annual "non-security" discretionary spending to a percentage of Gross Domestic Product (GDP) that would be enforced by across-the-board cuts to "non-security" funding if spending exceeds the prescribed percentage of GDP

Exempts "security" spending from the discretionary cap, and provides real growth in "security" funding for each fiscal year for the next decade

Makes significant cuts in transportation and energy funding increases proposed by the Obama Administration

Reduces top income tax rates for corporations and individuals from 35 percent to 25 percent

Note: While program cuts are significant, the plan only reduces the FY2012 deficit by approx. 15%



# The President's Budget to the Chairman's Plan

## House Budget Chair Paul Ryan's view of the next decade

### Top points to consider:

Cuts \$6.2 trillion over the next decade from the budget proposed by President Obama for FY2012. The plan is also \$5.8 trillion less than the "base-line" budget estimate by the Congressional Budget Office (CBO). CBO's base-line budget is the estimated cost of maintaining all federal services at current levels through 2021

Projects that net interest payments on the debt will grow from \$212 billion in FY2011 to \$687 billion in FY2021, totaling \$5.1 trillion over ten years

Reduces top income tax rates for corporations and individuals from 35 percent to 25 percent

Cuts *all* categories of "non-security" discretionary spending\*

Provides annual real growth for "security" in each year through 2021, totaling \$214 billion in new spending\*

Anticipates over \$1 trillion in savings from reduced costs of the "Global War on Terror"

Repeals and defunds the 2010 Patient Protection & Affordable Care Act

Converts the Supplemental Nutrition Assistance Program (SNAP) into a block grant program to the states starting in 2015, indexed to inflation and contingent on beneficiary participation in work or job training

Converts the federal contribution to the Medicaid program to a block grant for states. Cuts Medicaid funding by \$735 billion over the next decade compared to the President's FY2012 budget request, and \$771 billion compared to the CBO baseline

Proposes significant cuts and policy reform within Social Security and Medicare

\* Non-security includes Education, Food, Housing, etc.; Security includes Military, Nuclear Weapons, Homeland Security, Veterans

\$ in billions not adjusted for inflation

