Side-by-Side Comparison of Senate and House FY 2014 Budget Resolutions

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Last week, both chambers of Congress released their respective budget resolutions for fiscal year (FY) 2014. Each resolution is in stark contrast with the other, illuminating the ongoing disconnect and disagreement in political and economic philosophies across the aisle. This n4a document provides a simple, side-by-side comparison of each budget resolution's main provisions relative to reducing the federal deficit and the plan to get there. n4a members should stay tuned to future *Legislative Updates* for further analysis as the federal budget process for fiscal year (FY) 2014 advances.

Remember, the budget resolution process does not have the force of law; however, it serves as Congress's tool for setting broad spending targets (vs. specific, actual funding provided through the appropriations process). These budget resolutions are telling in the sense that they show how each chamber will posture and position itself for the upcoming budget and deficit negotiations. Each budget resolution passed its respective committee nearly exclusively along party lines and will be debated on the floor this week.

As of 3.20.13
Based on n4a analysis

	The House Budget "Ryan Plan" H. Con. Res. 25	**The Senate Budget "Murray Plan" S. Con. Res. 8**
Deficit Reduction Goals	• Seeks a balanced federal budget within ten years of enactment. • Seeks to balance the federal budget exclusively through **$4.6 trillion** in federal spending cuts.	• Does not attempt to balance the budget but sets a goal of stabilizing the debt held by the public to roughly 70 percent of the gross domestic product by 2023. • Seeks to reduce the deficit by **$1.85 trillion**, raising roughly half of the necessary funds from spending cuts and half from increased revenues.
Does it Raise or Lower Taxes?	• **Achieves balance through spending cuts entirely so does not raise taxes**. In fact, the plan actually lowers the corporate tax rate from 35% to 25% and collapses the current income tax brackets down to two: 25% and 10%.	• **Includes a one-to-one ratio of spending cuts and revenue increases.** Raises taxes on the country's highest-income households and corporations. Protects continuing tax cuts for middle-class and low-income working families.

Treatment of Non-Defense Discretionary Programs (NDD)	• Utilizes the overall discretionary spending cap of $966 billion for FY 2014. This spending level is in line with the spending plan set in law by the Budget Control Act (BCA) of 2011, which set caps on discretionary funding until 2021. • **Extends the non-defense discretionary (NDD) caps for an additional two years, until 2023**. • **Raises the BCA defense caps to pre-BCA levels.** Offsets the increase by making additional cuts of $55 billion to NDD programs.	• Utilizes the overall discretionary spending cap of $966 billion for FY 2014, which follows the BCA. • The plan **counts the $2.4 trillion deficit reduction already achieved** by the 112th Congress and the President, which is especially important as the vast majority of those spending cuts came from the NDD category.
Sequestration: Turn it Off or Keep it On?	• **Sequestration remains in place in its entirety through 2023.**	• **Fully replaces the harmful cuts from sequestration with balanced deficit reduction measures.** Replacement plan entails $460 billion in new revenues, $240 billion in defense discretionary spending cuts and $240 billion in NDD cuts. Cuts would be determined by appropriators and would not apply to all programs. In order to make this plan a reality, additional legislation to amend the BCA would be required.
Health Care: Drastically Different Approaches	• Repeals the **Affordable Care Act** (ACA), which would eliminate current, ongoing initiatives such as the Medicaid expansion, duals demonstrations, the closing of the Medicare prescription drug doughnut hole and much more. • Converts **the Medicaid program into a block grant**, tying future spending to only inflation and population growth. Shifts the potential costs not covered by the grant to states, which in turn will face tough decisions regarding access to quality care for their	• **Generates $275 billion in savings from the mandatory health programs, with $265 billion in savings to be found in Medicare and $10 billion from Medicaid.** Specific decisions about how those cuts would be made are left up to the Senate Finance Committee, which has jurisdiction over the mandatory health programs. • Chair Murray's position is that beneficiaries should not be

	state's most vulnerable population both medically and socio-economically. • As in Ryan's previous plans, converts **Medicare into a defined contribution, or "premium support," system** for individuals entering the program in 2024 (i.e., those currently under the age of 55). Instead of Medicare's current fee-for-service system, beneficiaries would receive a voucher to purchase coverage on their own, although it would not necessarily cover all that Medicare does today. The proposal also **expands the use of means testing in Medicare**, by requiring higher-income beneficiaries to pay more in premiums.	harmed, and that any Medicaid changes must not affect state matching funds or jeopardize the expansion of the Affordable Care Act (ACA).
Other Changes to Programs Seniors Rely Upon	• Convert **the Supplemental Nutritional Assistance Program (SNAP) into a block grant,** tying future funding to inflation and population growth, and calling for time limits and work requirements. Cuts $125 billion over five years. • **Repeals the Senior Community Service Employment Program (SCSEP; Title V of the Older Americans Act)** in an effort to consolidate federal job training programs. • Requires President and Congress issue proposals to shore up the **Social Security Trust Fund**.	• No relevant changes.

If you have questions about this side-by-side, please contact n4a's Public Policy and Advocacy staff, Amy Gotwals and Neal Karkhanis, at 202.872.0888 or agotwals@n4a.org, nkarkhanis@n4a.org.

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