



# SUMMARY

## FY 2009 SENATE BUDGET RESOLUTION

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### **FY 2009 Senate Budget Resolution: Strengthening the Economy, Making America Safer**

The Fiscal Year 2009 Senate Budget Resolution strengthens the economy, creates jobs, and makes America safer. It responds to the current economic slowdown by providing additional stimulus for the economy, tax relief for the middle class, and makes needed investments in energy, education, infrastructure, and health care.

The Democratic Budget reaches balance in 2012 and 2013, without raising taxes. It supports our troops, provides for our veterans, and protects the homeland.

#### **Responds to Economic Slowdown**

The Senate Budget Resolution provides a proactive response to the current economic slowdown by providing up to \$35 billion for additional stimulus. The Democratic budget gives Congress the opportunity to take additional action to help those most in need. Possible temporary action could include housing relief, extended Unemployment Insurance benefits, Food Stamps, and help with utility bills. Other options could include state fiscal relief and support for "ready-to-go" infrastructure projects.

#### **Invests for Future Economic Growth**

The Democratic budget creates the building blocks for future economic growth by making needed investments in:

Energy to reduce America's dependence on foreign energy;

Education to prepare the nation's workforce to compete in the global economy;

Infrastructure to increase productivity by repairing roads, bridges, transit, airports, and schools; and,

Health Care to improve the health of families and children.

#### **Makes America Safer**

The Senate Budget Resolution matches the President's core defense budget and fully funds the President's request for additional war funding. In addition to supporting our troops, the Democratic budget ensures that veterans get the quality health care they deserve by providing \$3.2 billion more than the President's budget for veterans programs. The Budget Resolution protects the homeland and rejects the President's cuts in law enforcement, the COPS program, and first responders.

### **Provides Middle Class Tax Relief**

The Democratic budget provides an additional year of tax relief for more than 20 million Americans who would otherwise be subjected to the higher Alternative Minimum Tax (AMT). The budget includes no tax increase. The budget provides tax relief to make college more affordable. The Senate Budget Resolution provides a big enough surplus in the outyears to extend popular middle class tax cuts such as the marriage penalty relief, the child tax credit and the 10 percent bracket, as well as provide for estate tax relief. Other tax cuts could be enacted so long as the cost of the measures is offset.

### **Returns to Sound Fiscal Course**

Recognizing that the failed fiscal policies of the past seven years have resulted in record deficits and an explosion in federal debt, the Senate Budget Resolution takes the country in a new direction by balancing the budget in 2012 and 2013. Despite making critical investments in key programs, the Democratic budget holds the line on overall spending. Spending as a share of the economy actually goes down every year after 2009. The Democratic budget also retains key budget enforcement tools we re-instituted last year, such as paygo, the pay-as-you-go rule that requires any new tax cuts or increase in mandatory spending programs be paid for, or receive a supermajority vote.

### **Begins to Address Long-Term Fiscal Challenge**

While the Democratic budget achieves the important near-term goal of returning the budget to balance, this represents only a first step in the difficult path of restoring long-term fiscal security. Addressing the long-term imbalance between spending and revenues will require a bipartisan effort, as this fiscal challenge is too big for one party or even one budget resolution to permanently address. Recognizing that the excess growth in health care costs is the largest factor driving the spending growth in our health care entitlement programs, this budget takes an important step to begin addressing this threat. The budget includes a “comparative effectiveness” reserve fund so important research can be done to evaluate and compare the effectiveness of different health care treatments, procedures and outcomes. The result could help lower health care costs. The budget also includes important program integrity initiatives in programs such as Medicare and Social Security, in order to reduce fraud and encourage efficiency, with potential long-term savings. The budget also includes a point or order against legislation that would increase the deficit over the long term.

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