



HOUSE
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FIVE MYTHS ABOUT THE HOUSE BUDGET RESOLUTION

The fiscal year 2018 House budget resolution, reported with the unanimous support of Budget Committee Republicans, provides a broad fiscal plan for achieving a balanced budget, accompanied by optional policy ideas to help accomplish that goal. Still, the role and contents of the budget are often misinterpreted or misunderstood. Below are five mythical claims about this resolution (H. Con. Res. 71), followed by the real facts.

MYTH #1 – The Senate is unlikely to agree to mandatory program reforms through budget reconciliation, as this budget proposes.

FACT – Regardless of the Senate’s intentions, the House must fulfill its constitutional responsibility of passing a budget. The House has *always* led the way on mandatory program reforms and deficit reduction through reconciliation, and the Senate has ultimately agreed. Two examples are the Balanced Budget Act of 1997 and the Deficit Reduction Act of 2005, both of which achieved significant savings. Besides, the Senate cannot pass a tax reform bill over all-but-certain Democratic opposition without the filibuster-proof tool of reconciliation – which can be triggered only after both Chambers agree to a budget resolution.

MYTH #2 – Adding deficit reduction to reconciliation will interfere with getting tax reform across the finish line.

FACT – With the Federal Government facing a \$20-trillion national debt, the budget resolution must encourage both deficit reduction and tax reform to fulfill the promise of budget control. Balancing the budget requires a combination of strong economic growth and spending restraint. That is the purpose of the reconciliation instructions.

MYTH #3 – The House budget abandons traditional Medicare and makes it a voucher program.

FACT – H. Con. Res. 71 envisions a Medicare premium support system that has been included in every House Republican budget since fiscal year 2012. Much like today’s Medicare Advantage and Medicare Part D programs, premium support would let each Medicare beneficiary choose a federally certified plan best suited to his or her personal needs. Rather than providing a “voucher,” the Federal Government would make a payment directly to insurers to cover the cost of the beneficiary’s chosen health plan. Coverage would be guaranteed, and traditional Medicare would always be available for current and future generations.

MYTH #4 – The House budget resolution reduces benefits for current veterans.

FACT – The budget matches the 6-percent increase for veterans’ benefits and services included in House-passed appropriations. This is in addition to the 27-percent boost in discretionary funding for the Department of Veterans Affairs [VA] over the past six years. The VA has a management problem, not a money problem. In response, this budget calls for meaningful reforms to improve the delivery of veterans’ health care services and benefits. Other suggested program reforms would not affect current beneficiaries.

MYTH #5 – The budget resolution unfairly cuts benefits for Federal employees and retirees.

FACT – According to a recent Congressional Budget Office report, the Federal Government paid 17 percent more in total compensation (wages and benefits) than the private sector. To address this imbalance, the budget describes optional reforms that would better align public sector retirement benefits with their private-sector equivalents.

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