

# Highlights of the Flake (on behalf of the **Republican Study Committee**) Amendment in the Nature of a Substitute to the FY 2002 Concurrent Budget Resolution

## Tax Relief:

- \$2.2 trillion over the ten year period '02-'11
- \$93 billion in immediate tax relief in 2001
- Any summer-bump-up in surplus estimates would be dedicated to tax relief or debt reduction

## Defense:

- \$350 billion in 2002 (\$25 billion more than the Committee)
- \$289.4 billion more than the Committee over the ten year period '02-'11

## Total Discretionary:

- In FY '02, \$18.4 billion or 2.9% over last year – \$6.7 billion below the Committee
- \$150 billion less than the Committee over the ten year period '02-'11

## Funded at the Committee Level:

- Agriculture
- Veterans
- Social Security

## Education:

- Prioritizes IDEA funding

## Locks Away 100% of the Social Security and Medicare Surpluses

## Medicare Reform:

- Requires any prescription drug benefit to be a part of an overall Medicare reform package that does not weaken the long-term solvency of the system by increasing baseline spending

## Social Security Reform:

- Provides special protection for Social Security reform legislation provided that the reforms include private individual accounts

## Debt Reduction:

- Dedicates the Social Security and Medicare surplus to public debt reduction, ensuring that the maximum level of debt reduction is achieved within ten years

## General Reforms:

- Special provision to ensure that the impact of a proposed tax measure on the economy and federal revenues is taken into account
- Directs the Ways and Means Committee not to include a “trigger” in proposed revenue measures.
- Directs the Ways and Means Committee to avoid the phase-in of certain tax rate reductions so as to maximize potential economic growth
- Special provision to ensure that the House and Senate Appropriations Committees coordinate their 302(b) allocations

## Sense of House/Congress Provisions:

- Unauthorized Programs
- Achievement of clean financial audits by departments and agencies
- Adoption of legislation prohibiting the investment of surplus funds in private securities
- Offsetting any FY '01 supplemental spending

**Contact Neil Bradley at 202-226-9717 for additional information.**