

The "Balanced Budget" Amendment - Fiscal Theatre:

Amendment makes it harder to balance the budget, Easier to cut Social Security and Medicare

Provisions of the proposed "Balanced Budget" Amendment:

- A budget not in balance can only be passed with a 3/5 vote in the House and Senate
- Bills that increase revenue (raise taxes) require 2/3 vote in the House and Senate
- 1 year spending greater than 18% GDP requires a 2/3 vote in the House and Senate
- Debt limit increases require a 3/5 vote in the House and Senate

- **The "Balanced Budget" Amendment does not require a balanced budget.**
 - NO provision of the amendment requires a balanced budget.
 - All debate on this bill has been on the title and not the provisions included in it.
- **The "Balanced Budget" Amendment will make it harder to balance the budget**
 - Every budget considered by the House this year (including the Ryan plan and the even more conservative Republican Study Committee plan) was not balanced in the first fiscal year. Each of these budgets, under this amendment, would require a 3/5 majority to pass the House (261 votes) and Senate (60 votes).
 - Common sense suggests a meaningful deficit reduction plan would be more difficult to pass with a supermajority rather than a simple majority.
 - H.R. 1, the FY11 continuing resolution with over \$60 billion in cuts only received 235 votes. The Ryan Budget that transforms Medicare to a voucher system only received 235 votes. As draconian the cuts in these plans were, neither would have a chance of passing under this amendment.
- **Increasing the Deficit is still easy under the "Balanced Budget" Amendment**
 - Passing tax cuts under this Amendment only requires a simple majority. Raising taxes requires a 2/3 majority of each house (290 House, 67 Senate).
 - The December 2010 extension of the Bush-era tax cuts added \$800 billion to the deficit and easily passed both houses of Congress.
- **Protecting Social Security & Medicare is harder under the "Balanced Budget" Amendment**
 - The Amendment requires a 2/3 majority to pass a spending plan over 18% GDP.
 - Total Federal outlays have not been below 18% since the passage of Medicare.
 - The 18% cap would put immediate pressure on Congress, pitting Medicare and Social Security against all other federal spending. Cutting benefits to Social Security and Medicare recipients would only require a simple majority, while raising taxes to save the benefits would require a 2/3 majority.
- **H. J. Res. 1 requires a 3/5 vote to raise the debt ceiling** – as if this year's debt ceiling drama is not enough of a spectacle.

***Balancing the budget requires tough choices;
the "Balanced Budget" Amendment will make it less likely that
those tough choices will be made.***