

TWO-STEP APPROACH TO HOLD PRESIDENT OBAMA ACCOUNTABLE

- ▶ CUTS THAT EXCEED THE DEBT HIKE**
- ▶ CAPS TO CONTROL FUTURE SPENDING**
- ▶ BALANCED BUDGET AMENDMENT**
- ▶ ENTITLEMENT REFORMS & SAVINGS**
- ▶ NO TAX HIKES**



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CUTS THAT EXCEED THE DEBT HIKE

The framework includes:

- ▶ **Spending cuts that would exceed the amount of the increased debt authority granted to the President**
- ▶ **Cut and cap discretionary spending immediately, saving \$1.2 trillion over 10 years (subject to CBO confirmation)**
- ▶ **Raise the debt ceiling by less – up to \$1 trillion – to approximately February.**



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CAPS TO CONTROL FUTURE SPENDING

The framework imposes:

- ▶ **Spending caps that would establish clear limits on future spending.**
- ▶ **Failure to remain below these caps will trigger automatic across-the-board cuts.**
- ▶ **Same mechanism used in the 1997 Balanced Budget Agreement.**



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BALANCED BUDGET AMENDMENT

The framework:

- ▶ **Advances the cause of the Balanced Budget Amendment by requiring the House and Senate to vote on the measure after October 1, 2011 but before the end of the year.**
- ▶ **Allows the American people time to build sufficient support for this popular reform.**



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ENTITLEMENT REFORMS & SAVINGS

The framework:

- ▶ **Creates a 12-member Joint Committee of Congress that is required to report legislation – by November 23, 2011.**
- ▶ **Proposal must reduce the deficit by at least \$1.8 trillion over 10 years.**
- ▶ **Each Chamber would consider the proposal of the Joint Committee on an up-or-down basis without any amendments.**
- ▶ **If the proposal is enacted, then the President would be authorized to request a debt limit increase of \$1.6 trillion.**



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NO TAX HIKES

The framework includes no tax hikes, a key principle that Republicans have been fighting for since day one.



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