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**CRFB Identifies at Least \$1 Trillion in
Common-Ground Deficit Reduction Measures
May 20, 2011**

The negotiations between Vice President Biden and several members of Congress are rumored to have identified \$200 billion in spending cuts as part of their efforts to reduce the deficit and raise the debt ceiling. Given the overlap between recent budget proposals, we believe there are significantly more savings to be found.

"What this country really needs is a \$4 trillion-plus deficit reduction plan for the coming decade," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. "Given time limitations and the need to responsibly raise the debt ceiling as soon as possible, lawmakers should at the very least be looking at a substantial down payment starting with the areas where agreement already exists."

Compiling common policies from a variety of fiscal plans including those from the President, the House Republicans, the White House Fiscal Commission, and the Domenici-Rivlin Commission, CRFB has identified significant overlap.

"Given the severe fiscal threats we face, the more savings we can agree on, the better. The most important areas in need of reform—Social Security, Medicare and Medicaid—remain the most contentious, but building off of the areas where there is the most agreement may prove an excellent starting point. Debt targets and triggers—such as those recommended by the Peterson-Pew Commission on Budget Reform—should also be used to require further rounds of deficit reduction, as well as to keep any budget reform plan on track," added MacGuineas.

Overlapping Policies Among Fiscal Plans

| Deficit-Reducing Policies | 10-Year Savings (Billions) | | President's Framework | House Republican Budget | Fiscal Commission | Domenici-Rivlin (BPC) |
|--|----------------------------|----------------|-----------------------|-------------------------|-------------------|-----------------------|
| | Low | High | | | | |
| Discretionary Caps | \$580 | \$1,600 | X | X | X | X |
| Reduce Farm Subsidies | \$5 | \$35 | X | X | X | X |
| Enact Tort Reform | \$0 | \$55 | X | X | X | X |
| Reform PBGC | \$5 | \$10 | X | X | X | X |
| Eliminate In-School Interest Subsidies on Student Loans | \$20 | \$65 | X | X | X | |
| Auction Spectrum Licenses | \$25 | | X | X | X | |
| Sell Excess Federal Property | \$10 | \$15 | X | X | X | |
| Reduce Health Fraud and Overpayments | \$10 | \$35 | X | X | X | |
| Eliminate Fossil Fuel Tax Preferences | \$20 | \$40 | X | # | # | X |
| Reduce Medicare Payments to Drug Companies | \$55 | \$110 | X | | X | X |
| Reduce State Medicaid Gaming | \$20 | \$50 | X | | X | |
| Increase Federal Civilian Pension Contributions | \$65 | \$120 | | X | X | |
| Use Chained CPI For All Inflation-Indexed Programs | \$255* | | | | X | X |
| Increase Medicare Cost-Sharing | \$25 | \$130 | | | X | X |
| Total Savings | \$1,095 | \$2,545 | | | | |

Note: All numbers rounded to nearest \$5 billion. This list is not exhaustive of overlapping policies.

*Switching to the chained CPI would increase revenues by \$87 billion, reduce Social Security outlays by \$112 billion, and reduce other spending by \$56 billion over ten years. To read more about the merits of switching to the chained CPI, see the Moment of Truth project's latest paper.

#Policy could be included as part of comprehensive tax reform plan.