



Spending Reduction Act of 2011

January 2011

The Spending Reduction Act of 2011 reduces federal spending by \$2.5 trillion over ten years. The bill will specifically hold FY 2011 non-security discretionary spending to FY 08 levels, hold non-defense discretionary spending to FY 06 levels thereafter for the rest of the ten-year budget window (the same level as in effect during the last year of GOP control of the Congress), and include more than 100 other program eliminations or savings proposals, consisting of proposals from the RSC Sunset Caucus, YouCut, or past RSC budgets.

Overview

- **FY 2011 CR Amendment:** Replace the spending levels in the FY 2011 continuing resolution (CR) with non-defense, non-homeland security, non-veterans spending at FY 2008 levels. The legislation will further prohibit any FY 2011 funding from being used to carry out any provision of the Democrat government takeover of health care, or to defend the health care law against any lawsuit challenging any provision of the act. **\$80 billion savings.**
- **Discretionary Spending Limit, FY 2012-2021:** Eliminate automatic increases for inflation from CBO baseline projections for future discretionary appropriations. Further, impose discretionary spending limits through 2021 at 2006 levels on the non-defense portion of the discretionary budget. **\$2.29 trillion savings over ten years.**
- **Federal Workforce Reforms:** Eliminate automatic pay increases for civilian federal workers for five years. Additionally, cut the civilian workforce by a total of 15 percent through attrition. Allow the hiring of only one new worker for every two workers who leave federal employment until the reduction target has been met. **(Savings included in above discretionary savings figure).**
- **“Stimulus” Repeal:** Eliminate all remaining “stimulus” funding. **\$45 billion total savings.**
- Eliminate federal control of Fannie Mae and Freddie Mac. **\$30 billion total savings.**
- Repeal the Medicaid FMAP increase in the “State Bailout” (Senate amendments to S. 1586). **\$16.1 billion total savings.**
- More than 100 specific program eliminations and spending reductions listed below: **\$330 billion savings over ten years (included in above discretionary savings figure).**

Additional Program Eliminations/Spending Reforms

- Corporation for Public Broadcasting Subsidy. **\$445 million annual savings.**
- Save America’s Treasures Program. **\$25 million annual savings.**
- International Fund for Ireland. **\$17 million annual savings.**
- Legal Services Corporation. **\$420 million annual savings.**
- National Endowment for the Arts. **\$167.5 million annual savings.**
- National Endowment for the Humanities. **\$167.5 million annual savings.**
- Hope VI Program. **\$250 million annual savings.**
- Amtrak Subsidies. **\$1.565 billion annual savings.**
- Eliminate duplicative education programs. H.R. 2274 (in last Congress), authored by Rep. McKeon, eliminates 68 at a savings of **\$1.3 billion annually.**
- U.S. Trade Development Agency. **\$55 million annual savings.**
- Woodrow Wilson Center Subsidy. **\$20 million annual savings.**
- Cut in half funding for congressional printing and binding. **\$47 million annual savings.**
- John C. Stennis Center Subsidy. **\$430,000 annual savings.**

- Community Development Fund. **\$4.5 billion annual savings.**
- Heritage Area Grants and Statutory Aid. **\$24 million annual savings.**
- Cut Federal Travel Budget in Half. **\$7.5 billion annual savings.**
- Trim Federal Vehicle Budget by 20%. **\$600 million annual savings.**
- Essential Air Service. **\$150 million annual savings.**
- Technology Innovation Program. **\$70 million annual savings.**
- Manufacturing Extension Partnership (MEP) Program. **\$125 million annual savings.**
- Department of Energy Grants to States for Weatherization. **\$530 million annual savings.**
- Beach Replenishment. **\$95 million annual savings.**
- New Starts Transit. **\$2 billion annual savings.**
- Exchange Programs for Alaska, Natives Native Hawaiians, and Their Historical Trading Partners in Massachusetts. **\$9 million annual savings.**
- Intercity and High Speed Rail Grants. **\$2.5 billion annual savings.**
- Title X Family Planning. **\$318 million annual savings.**
- Appalachian Regional Commission. **\$76 million annual savings.**
- Economic Development Administration. **\$293 million annual savings.**
- Programs under the National and Community Services Act. **\$1.15 billion annual savings.**
- Applied Research at Department of Energy. **\$1.27 billion annual savings.**
- FreedomCAR and Fuel Partnership. **\$200 million annual savings.**
- Energy Star Program. **\$52 million annual savings.**
- Economic Assistance to Egypt. **\$250 million annually.**
- U.S. Agency for International Development. **\$1.39 billion annual savings.**
- General Assistance to District of Columbia. **\$210 million annual savings.**
- Subsidy for Washington Metropolitan Area Transit Authority. **\$150 million annual savings.**
- Presidential Campaign Fund. **\$775 million savings over ten years.**
- No funding for federal office space acquisition. **\$864 million annual savings.**
- End prohibitions on competitive sourcing of government services.
- Repeal the Davis-Bacon Act. **More than \$1 billion annually.**
- IRS Direct Deposit: Require the IRS to deposit fees for some services it offers (such as processing payment plans for taxpayers) to the Treasury, instead of allowing it to remain as part of its budget. **\$1.8 billion savings over ten years.**
- Require collection of unpaid taxes by federal employees. **\$1 billion total savings.**
- Prohibit taxpayer funded union activities by federal employees. **\$1.2 billion savings over ten years.**
- Sell excess federal properties the government does not make use of. **\$15 billion total savings.**
- Eliminate death gratuity for Members of Congress.
- Eliminate Mohair Subsidies. **\$1 million annual savings.**
- Eliminate taxpayer subsidies to the United Nations Intergovernmental Panel on Climate Change. **\$12.5 million annual savings.**
- Eliminate Market Access Program. **\$200 million annual savings.**
- USDA Sugar Program. **\$14 million annual savings.**
- Subsidy to Organisation for Economic Co-operation and Development (OECD). **\$93 million annual savings.**
- Eliminate the National Organic Certification Cost-Share Program. **\$56.2 million annual savings.**
- Eliminate fund for Obamacare administrative costs. **\$900 million savings.**
- Ready to Learn TV Program. **\$27 million savings.**
- HUD Ph.D. Program.
- Deficit Reduction Check-Off Act.

TOTAL SAVINGS: \$2.5 Trillion over Ten Years