THE HOUSE REPUBLICAN PLAN

TO REPLACE PRESIDENT OBAMA'S SEQUESTER

Smarter Spending Cuts Instead of Raising Taxes

- Reducing Federal Waste
- Restraining Federal Bureaucracies and Holding Them Accountable
- Eliminating Government Slush Funds and Stopping Government Bailouts
- Controlling and Eliminating Unnecessary Spending
- Eliminating Taxpayer Fraud to Ensure Benefits Are Provided In An Effective and Efficient Manner

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TOPLINE MESSAGING

- This is President Obama's sequester. He proposed the across-the-board spending cuts, and he insisted they become law.
- We agree with the White House that the President's sequester is not the best approach to cut spending. That's why the House passed two bills to replace it with smarter spending cuts and reforms without raising taxes – passing the first bill nearly 300 days ago.
- The American people know that spending is the problem. Now is the time for the President to stop the rallies and start putting pressure on Senate Democrats to pass a solution of their own with smarter spending cuts instead of tax hikes.

DETAILS OF HOUSE-PASSED LEGISLATION TO REPLACE PRESIDENT OBAMA'S SEQUESTER

Reduce Federal Waste

- Eliminate the duplicative Social Services Block Grant.
- Remove incentives that encourage states to add more people to government medical programs.
- Rein in unlimited malpractice lawsuits.
- Defund Obamacare's "CO-OP Program" which grants government subsidized health care loans, 50% of which will never be repaid according to the OMB.
- Allow states to tailor Medicaid to their specific needs eliminating unnecessary and overbearing government oversight and regulation.

Examples of Government Waste: IRS TV Studio - $4M per year; unused or underutilized federal buildings - $1.7B in 2010; EPA grants to foreign countries - $100M over the last decade; free cell phone program - $2.2B in 2013; a program that pays seniors to play videogames - $1.2M

Restrain Federal Bureaucracies and Hold Them Accountable

- Hold new government agencies accountable for their budgets, as opposed to letting them set their own.
- Require federal employees to share more equitably in their own retirement benefits.
- Eliminate the provision that pays early federal government retirees a special benefit.

Eliminate Government Slush Funds and Stop Government Bailouts

- Eliminate:
  - Dodd-Frank created bailout fund
  - Ineffective housing bailouts
  - The unaccountable government health slush fund created by Obamacare

Eliminate Taxpayer Fraud to Ensure Benefits Are Provided In An Effective and Efficient Manner

- Close two loopholes that currently grant individuals disproportionate increases to their welfare benefits based on very slight changes in coverage.
- Require those who receive overpayment for their healthcare coverage under Obamacare to return the overpayment to the government.