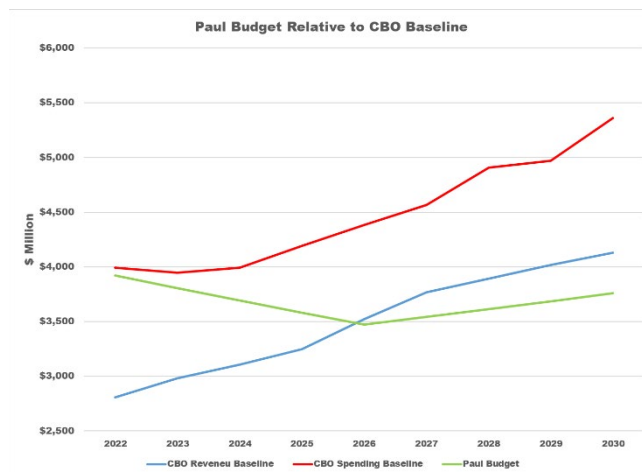


Senator Rand Paul's Balanced Budget 3 Penny Plan

Senator Paul's budget will balance in five years (without touching Social Security) by utilizing the now three Penny Plan. It includes instructions to allow for the expansion of Health Savings Accounts (HSAs) and reforms Congress' budget processes.

The Problem is Getting Worse

- To reach balance, this budget must cut 3 pennies each year for 5 years. When Senator Paul first introduced a, flexible, off the top budget, simply freezing spending was all that was required to balance in 5 year.
- Interest rates are at historic lows, but CBO's baseline projects that midway through the budget window, interest costs will begin growing at approximately 22% year over year. Simply put, Congress cannot wait any longer to balance the budget.



The Paul Budget

- Senator Paul's budget simply states that for every on- budget dollar the federal government spent in FY21, it spends three penny less for the next five years (at which point balance is reached), with spending then growing at two percent thereafter.
- Reduces spending by \$67.4B in FY22 and by \$7.2T over 10 years relative to baseline.
- **Balances without making any changes to Social Security.**
- **Makes no specific policy assumptions – all the savings are reflected in a new budget function (Function number 930: New Efficiencies, Consolidations, and Other Savings). This budget sets a goal of balance and then calls on Congress to use the tools provided to make the changes in law needed to achieve that objective.**

Expansion of Health Savings Accounts

- Provides reconciliation instructions to the Senate Finance Committee to allow for expanded HSAs. Senator Paul's HSA expansion would allow patients to save for their entire out-of-pocket costs and use HSAs to pay premiums, while also widening eligible disbursements to include supplements, over-the-counter medicine, and other activities that promote wellness and reduce the overall cost of health care.

Reconciliation and Budget Process Reform

- Provides reconciliation instructions to all committees with mandatory spending, ensuring every eligible committee participates in the reconciliation process, as was the process' original purpose.
- Raises the waiver threshold for all budget points of order so the Senate is held to a higher standard.
- Makes the budget spending totals enforceable for 10 years instead of just one.