



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Reining in Executive Overreach *with* Strengthening Administrative PAYGO Act

WASHINGTON, D.C. – Today, House Budget Committee Oversight Task Force Chair Jack Bergman (R-MI), Chairman Jodey Arrington (R-TX), accompanied by all Republican members of the House Budget Committee, introduced the H.R. 8195, [Strengthening Administrative PAYGO \(SAP\) Act of 2024](#).

H.R. 8195 will rein-in unchecked and costly executive actions by clarifying and permanently extending Administrative Pay-As-You-Go (PAYGO), as established by the [Fiscal Responsibility Act \(FRA\)](#) of 2023.

CHAIRMAN ARRINGTON ON THE SAP ACT

“In the bipartisan Fiscal Responsibility Act (FRA), Republicans made a simple, good faith deal with Biden and the Democrats: unilateral executive actions must be paid for. Before the ink was even dry, the Biden Administration went back on its word by failing to pay for its policies, leaving future generations to foot the bill.

The SAP Act locks into law the accountability and transparency necessary to ensure that our nation's budget remains tethered to the principles of fiscal responsibility and congressional oversight.

I'm proud to stand with my friend, Oversight Task Force Chair Jack Bergman, and the members of the House Budget Committee to hold President



Biden and future Administrations – regardless of Party affiliation – accountable to the American public.”

OVERSIGHT TASK FORCE CHAIR BERGMAN ON THE SAP ACT

“The Executive Branch should not be able to spend untold amounts of taxpayer money without going through the proper congressional channels. We still have the power of the purse and as for my colleagues and I on the House Budget Committee, we will ensure that power is respected. Americans deserve transparency and accountability, as well as proper oversight, of how their tax dollars are being spent – and often wasted. The SAP Act is going to do just that.”

BACKGROUND

What is Administrative PAYGO?

- Administrative PAYGO is a **budgetary measure intended to promote fiscal responsibility by requiring agencies to provide offsets for increases to direct spending above a certain threshold.**
- The *Bush, Obama, and Trump Administrations* have all **supported some version of Administrative PAYGO;** and yet, President Biden **unilaterally revoked Administrative PAYGO on his first day in office in January 2021.**
- The bipartisan enactment of the **2023 FRA restored Administrative PAYGO** to the federal budget process, in hopes of reinstating fiscal restraint to accompany efforts to raise the debt ceiling by:
 - ***Requiring*** administrative actions that increase direct spending **by \$1 billion over 10 years or \$100 million** in any given year be paid for by offsets or other pay-fors; and,



- **Granting** the Director of the Office of Management and Budget (OMB), broad authority *to waive* Administrative PAYGO requirements if it is necessary for “essential services” or “effective program delivery.”

Why is Administrative PAYGO important?

- In recent years, Administrations *on both sides of the aisle* have increasingly employed the use of executive actions to push through costly and unchecked priorities outside of Congressional authority or consultation.
- The Biden Administration represents a clear example of this legacy: in just three years, the President has proposed and implemented **over \$2 trillion** worth of –oftentimes partisan– spending through various executive actions.

Has the Biden Administration misinterpreted this bipartisan provision?

- The Biden Administration’s misinterpretation of Administrative PAYGO turns a measure or legislative priority intended to exact fiscal responsibility into an ineffective budgetary exercise, permitting a lack of transparency and further circumvention of the Legislative Branch.

Executive Waivers:

- OMB has yet to implement the full authority of Administrative PAYGO, choosing instead to utilize its waiver authority to continue spending taxpayer dollars outside of Congress’ purview.
- These waivers get buried within the Federal Register, which **hinders Congress’s ability to conduct proper fiscal oversight.**



Lack of Budget Neutrality:

- OMB’s interpretation [contends](#) that Administrative PAYGO, as outlined in the FRA, “does not legally require agencies to move forward with, or ultimately implement, proposed offsets.”
- This is markedly different than previous Administration’s interpretation of Administrative PAYGO.

How does the SAP Act address these shortcomings?

- [The SAP Act of 2024](#) addresses and corrects OMB’s misinterpretation by ensuring Administrative PAYGO is properly implemented. Specifically, the legislation:
 - ***Includes*** a requirement for the OMB Director to submit any waiver determination and an estimate of the budgetary effects of the covered action to the Budget Committees;
 - ***Ensures*** that such covered action is budget neutral;
 - ***Amends*** and ***clarifies*** the FRA’s threshold of at least \$1 billion over 10 years or \$100million annually in direct spending from an exemption to a formal requirement;
 - ***Terminates*** the original sunset date (12/31/24) in the FRA, making the provision permanent; and,
 - ***Includes*** a requirement for the President’s budget request to include the number of waivers granted during the prior fiscal year and the first quarter of the current fiscal year and the number of determinations expected to be submitted.

THE BOTTOM LINE

As our nation confronts an unprecedented debt and deficit crisis, the federal government must strive to implement financially sound decisions.



The SAP Act encourages fiscal responsibility while ensuring Congress can conduct proper budget oversight over taxpayer dollars.

See below for more background on the House Budget Committee's efforts to improve the implementation of the FRA's Administrative PAYGO provision:

- *Click [HERE](#) to read Rep. Bergman and Chairman Arrington's [letter](#) to OMB calling for the implementation and execution of Administrative PAYGO.*
- *Click [HERE](#) to read Rep. Bergman and Chairman Arrington's [letter](#) requesting supplemental information from the Government Accountability Office (GAO) on how the Biden Administration is implementing Administrative PAYGO.*
- *Click [HERE](#) to read Chairman Arrington's comments on GAO's report re FRA/Administrative PAYGO implementation.*
- *Click [HERE](#) to read a House Budget Committee explainer on Administrative PAYGO.*
- *Click [HERE](#) to read an ICYMI sharing a [CQ News](#) story pertaining to the Committee's work on Administrative PAYGO oversight.*

