



CHAIR JODEY ARRINGTON

# HOUSE BUDGET COMMITTEE

## Chairman Arrington and Oversight Task Force Chairman Bergman *Again* Call for *Implementation and Execution of Administrative PAYGO*

WASHINGTON, D.C. – Today, House Budget Committee Chairman Jodey Arrington (R-TX) and Oversight Task Force Chairman Jack Bergman (R-MI) [sent a second letter](#) – issued in tandem with the [committee’s request of the Government Accountability Office \(GAO\)](#) to conduct a report on the “*Status of Actions to Offset Direct Spending from Administrative Rules*” released on November 30, 2023 – expressing serious concerns over the Administration’s interpretation and implementation of the Fiscal Responsibility Act (FRA) of 2023’s [Administrative Pay-As-You-Go \(PAYGO\) provision](#) to the Office of Management and Budget (OMB) Director Shalanda Young.

### 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 each supported some version of Administrative PAYGO; President Biden revoked Administrative PAYGO on his first day in office in January 2021.
- The bipartisan FRA renewed Administrative PAYGO, which:
  - Requires 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.
  - Grants the Director of OMB, broad authority to waive Administrative PAYGO requirements if it is necessary for “essential services” or “effective program delivery.”



**The letter expresses House Budget Committee Republicans’ concerns over OMB’s loose interpretation of the provision, reading in part:**

- *“Over the course of many years, **administrations on both sides of the aisle have increasingly implemented costly executive actions outside of Congressional authority.** The Biden Administration represents a clear example of this legacy, proposing and implementing over **\$2 trillion worth of spending** through executive actions in just three years.*
- *The FRA enacted an important reform to mitigate this issue. **We are concerned that OMB is effectively ignoring this Congressional mandate.***
- *[From June 3, 2023 to November 3, 2023,] OMB utilized its waiver authority for **two rules** and stated that the remaining **26** did not qualify within the Administrative PAYGO threshold...The **\$260.7 billion** [income driven repayment rule] IDR rule was ‘waived’ by the Department of Education **simply by the finalized rule stating, ‘The Director of OMB has waived the requirements of section 263 of the Fiscal Responsibility Act of 2023 (Pub. L. 118- 5) pursuant to section 265(a)(2) of that act.’**”*
- *OMB’s formal guidance **specifically ignores the purpose of the law** saying it, ‘does not legally require agencies to move forward with, or ultimately implement, proposed offsets.*
- ***OMB’s interpretation exhibits a complete and total disregard of the provision and is markedly different from previous iterations of Administrative PAYGO, which promulgated the measure’s intention of promoting budget-neutral policy.**”*

## THE BOTTOM LINE

As our nation stares down an unprecedented, and continuously growing debt crisis, the federal government should always strive to get its fiscal house in order and reduce spending.

OMB’s interpretation of Administrative PAYGO ignores the measure’s original purpose – instead turning it into an ineffective budget exercise.



House Budget Committee Republicans will continue to sound the alarm on unchecked Executive Branch spending, ensuring that Congress is not being circumvented, taxpayer dollars are protected, and the American people have a transparent perspective on how their government is being run.

***See below for more House Budget Committee efforts on the implementation of FRA's Administrative PAYGO:***

- [Commented](#) on GAO's report re FRA/Administrative PAYGO implementation.
- [Released](#) an explainer doc on Administrative PAYGO.
- [Sent](#) GAO a letter requesting supplemental information on how the Biden Administration is implementing Administrative PAYGO.
- [Posted](#) an ICYMI sharing a [CQ News story](#) pertaining to the Committee's work on Administrative PAYGO oversight.

