



U.S. House of Representatives

COMMITTEE ON THE BUDGET

Washington, DC 20515

September 15, 2021

The Honorable Shalanda Young
Acting Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Acting Director Young:

As you are aware, the Statutory Pay-As-You-Go Act of 2010 (Statutory PAYGO) requires the Office of Management and Budget (OMB) to “*maintain and make publicly available a continuously updated document containing two PAYGO scorecards displaying the budgetary effects of PAYGO legislation.*” These scorecards serve as an important tool to Congress since the balances indicate whether a sequestration – automatic cuts to mandatory programs, including Medicare – will occur at the end of a session of Congress. To date, the Biden Administration, unfortunately, has failed to publicly publish PAYGO scorecards to account for legislation enacted during the Biden Administration. These scorecards provide Congress and the American people necessary information about the magnitude of sequestration cuts to mandatory programs that will occur due to new spending legislation enacted by Congress, which under the law must be remedied by the end of the year. The previous administration regularly published PAYGO scorecards and upheld its obligation of transparency to the American people. However, it is my understanding that OMB has failed to release any PAYGO scorecards reflecting laws enacted since January 20, 2021.

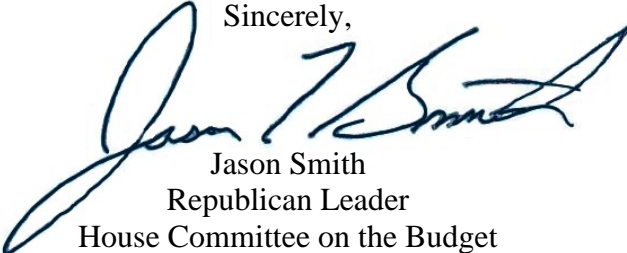
OMB’s failure to provide updated balances of the PAYGO scorecards is extremely disconcerting. President Biden and Congressional Democrats have continuously pushed to enact record levels of spending this year even while the nation is experiencing the highest level of inflation in decades. Public Law 117-2, enacted on March 11, 2021, included budgetary effects that would cause balances on the PAYGO scorecards of approximately \$1.9 trillion. This law alone triggers cuts to the Medicare program amounting to more than \$500 billion over the next 10 years, including \$36 billion next year. However, since the Biden Administration has failed to follow the law and publish PAYGO scorecards, Congress does not have an explicit accounting of the total magnitude of government spending additions made by Congressional Democrats and the White House. Beyond Medicare, other programs threatened by automatic sequestration cuts due to new spending legislation enacted by Democrats includes – the Crime Victims Fund, farm security and rural investment programs, and maternal, infant, and early childhood support programs.

Since it is clear that the Congressional Democrats' newest \$3.5 trillion spending plan will only exacerbate the already pending sequestration cuts, OMB should immediately fulfill its obligation of transparency to the American people and provide the first of what is a long overdue update on the balances of the PAYGO scorecards. It is imperative for Congress and the American people to have an immediate accounting of the amount of automatic sequestration cuts scheduled to occur at the end of the year and its projected impact, particularly to our nation's seniors.

It is also important to note that at the time of its passage, Statutory PAYGO was linked with an increase to the debt limit. In other words, the PAYGO law was a reform enacted as part of a debt limit discussion. The Administration failing to follow the law only further undermines any confidence the American people and Congressional Republicans have on Democrats' seriousness during this debt limit debate to address the exorbitant fiscal challenges we face and substantively end waste in Washington. This is a timely concern given that the current debt limit suspension expired on July 31, 2021, and the Department of Treasury is currently relying on extraordinary measures to cover the federal government's expenses. Congressional Democrats have thus far failed to address the expired debt limit or propose any meaningful solution to doing so other than prioritizing a new \$3.5 trillion spending plan, which demonstrates to the American people that Congress does not believe it should have to abide by its own rules or enact fiscal reforms to stay within the federal government's budget.

As the Biden Administration and Congressional Democrats move ahead with their plans for trillions more in new spending and debt, they should demonstrate a measure of accountability and provide transparency as it relates to the current balances of the PAYGO scorecards. Before any Member of Congress is asked to cast a vote for the latest round of reckless spending, the American people deserve to know the precise magnitude of pending sequestration cuts that will occur as a result of the spending actions thus far from Congressional Democrats and the White House.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Smith", written in a cursive style.

Jason Smith

Republican Leader

House Committee on the Budget