



U.S. House of Representatives

COMMITTEE ON THE BUDGET

Washington, DC 20515

October 18, 2021

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

Dear Acting Director Young:

I am writing in regard to the letter I wrote to you on September 15, 2021, on the Office of Management and Budget's (OMB) failure to, as required in law by the Statutory Pay-As-You-Go Act of 2010 (PAYGO), periodically and publicly release the status of the PAYGO scorecards (see enclosed letter). As you know, these scorecards would provide critical information to Congress and the American people, as their balances determine whether a sequestration – automatic cuts to important programs, including Medicare – will occur at the end of this session of Congress as a result of new spending enacted by Democrats in control of government.

In response to my earlier letter, an OMB spokesperson said,

“OMB takes its responsibility to publish updates to the PAYGO scorecards seriously, and continues to publish these updates this year on a cadence consistent with prior years.”

It is my understanding that OMB typically issues updated scorecards in January, May, September, and December. However, since President Biden took office eight months ago, and, since I wrote you over a month ago, OMB has yet to publish updated PAYGO scorecards to account for the budgetary effects of legislation enacted during this Administration.

As I mentioned in my previous letter, the lack of updated PAYGO scorecards is particularly disconcerting as the Biden Administration's reckless spending has triggered automatic benefit cuts which Americans will face in just a few short months. These cuts will affect critical programs including Medicare, the Crime Victims Fund, farm security and rural investment programs, and maternal, infant, and early childhood support programs.

The record level of government spending, lack of transparency about the PAYGO impacts of this spending, and continued efforts to enact trillions in additional spending by President Biden and Congressional Democrats do a serious disservice to Americans. The White House should be publicly tracking this information and lawmakers should be openly debating ways to offset the programmatic cuts scheduled to occur with more acceptable solutions. Unfortunately, as

currently structured, the legally required end-of-year programmatic cuts as a result of the Democrats' new mandatory growth in government will disproportionately impact America's seniors and those of low or fixed incomes. But the lack of transparency from the White House about the current amounts needed to offset and prevent these cuts triggered by their new laws is hampering any efforts to prevent this next coming crisis.

It has now been one month since my first request to OMB for a response on this matter, meaning we are one month closer to the potential for these large automatic cuts to occur. OMB must immediately fulfill its obligation of transparency and publish updated balances of the PAYGO scorecards. Further delay only compounds the uncertainty facing Americans. I look forward to hearing from you on this important matter.

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

Enclosure: Letter from Republican Leader Smith
to Acting Director Young sent on September 15, 2021



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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.

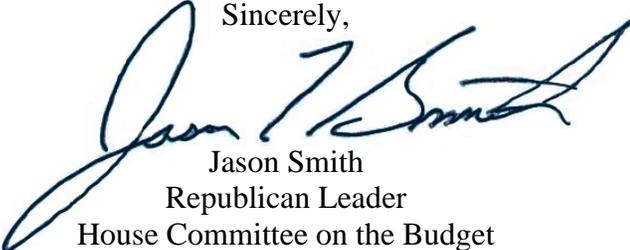
OMB’s failure to provide updated balances of the PAYGO scorecards is extremely disconcerting. President Biden and Congressional Democrats have continuously pushed to enact record levels of spending this year even while the nation is experiencing the highest level of inflation in decades. Public Law 117-2, 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