



SOUNDING THE ALARM

America's Unsustainable National Debt

“A public debt is a public curse.”

James Madison's message from 1790 still rings true in 2024.

Today, our record-high **\$34 trillion** national debt is over **20 percent larger** than our economy—exceeding the post-World War II ratio, despite our nation enjoying a time of relative peace and prosperity!

According to the nonpartisan Congressional Budget Office (CBO), **over the next decade**:

- Deficits will double, **exceeding** our entire discretionary budget and adding another \$20 trillion to the national debt
- For every dollar we borrow, **over 60 cents** will go just to paying interest on the national debt.
- Today, net interest on the debt now exceeds what we spend on our entire national defense, and it will more than double in the next ten years.

The explosion of automatic spending from **entitlements and other mandatory programs**, which will account for **almost 80 percent of our overall spending over the next decade**, will drive our national debt to **over \$54 trillion** by the end of 2034—or 30 percent larger than our economy.

- Mandatory spending will grow from 73 percent of our overall spending to **79 percent by 2034**.
- Within the decade, Social Security and Medicare will become **insolvent**.

No responsible leader can look at the rapid deterioration of our balance sheet and stand idly by, defending the status quo.

If we don't act, we will be the first of our nation's leaders to leave the next generation not with a better and brighter future, but with a **worse and weaker country than we inherited**.

We must “reverse the curse.”





MAKING MATTERS WORSE

Biden's Reckless Spending and Failed Economic Policies

Since taking office, President Biden and Congressional Democrats have expanded the federal government with an unprecedented **\$11 trillion in spending—\$6 trillion** of which has been added to the national debt.

In just over three years, President Biden has:

- **Incentivized workers to stay home** instead of getting a job—creating a labor shortage and trapping a new generation of Americans in poverty and government dependence.
- Added over **\$450 billion in new regulatory costs** on the economy—over 50 percent more than the regulatory costs added under President Obama over the same period.
- Launched an **assault on American energy production** which harms the economy, hinders national security, and lessens the availability of affordable electricity and gas for American families throughout the country.
- Spun the U.S. into an **inflation crisis**, causing price hikes of 18 percent while U.S. workers' real wages remain 4.4 percent lower than the January 2021 level, resulting in over \$6,000 in lost income per worker.

President Biden's expansion of the federal bureaucracy and reimagining of the government's role not only jeopardizes economic prosperity and security of future generations: **it threatens to unravel the very fabric of our great nation.**

We must **rein in Washington's wasteful spending** and **unleash economic prosperity** in America once again.

We must “reverse the curse.”





LIGHTING THE WAY

Guiding Principles for Restoring Fiscal Responsibility,
Economic Freedom, and Prosperity in America

Our country was founded on the principles of **personal freedom, self-determination, and hard work**. These values have catalyzed the **largest and most dynamic economy** in the history of humanity and **serve as the foundation** for the greatest opportunities, best quality of life, and highest standard of living for generations of Americans and untold people around the world.

These are the 10 guiding principles that inspired our budget resolution:

- 1** The federal government and the resources that fund it belong to “**We the People**,” not Washington politicians or unelected bureaucrats;
- 2** Congress alone has the “**power of the purse**”, and as such, Congressional leaders are fiduciaries of taxpayer monies with the sacred trust of fiscal stewardship;
- 3** The chief responsibility of the federal government is “**to provide for the common defense**” and “**secure the blessings of liberty**”;
- 4** The Constitution **limits the role and power of the federal government** and affirms the broader role and powers of the states and our citizens;
- 5** The **states are closer to the problem**, more accountable to the people, and best equipped to provide the most innovative and cost-effective solutions;
- 6** **Economic freedom** is essential to prosperity and prosperity is the foundation of a strong nation;
- 7** The American character of **thrift, hard work, enterprise, and independence** has been shaped by the freedom and opportunity provided by our economic system;
- 8** A **free enterprise system** is the best way to maximize quality of life and standard of living for the American people;
- 9** Government spending, taxes, and debt have a **direct impact** on our freedoms, opportunities, and quality of life; and
- 10** It is irresponsible and immoral to leave the next generation with debt that, as George Washington stated, would be “**throwing upon posterity the burden which we ourselves ought to bear.**”



The fiscal state of our nation is unsustainable, but not unfixable. **To balance the federal budget in 10 years, our “Reverse the Curse” budget resolution focuses on these five important strategies:**



Rightsizing the Bloated Bureaucracy

Attains \$2.5 trillion in savings over 10 years by resetting and restraining discretionary spending, eliminating budgetary gimmicks, rooting out wasteful uses of taxpayer funds, and refocusing funds on national priorities.



Reversing Biden’s Spending Spree

Supports dismantling the “Inflation Reduction Act,” protecting low-and middle-income earners from increased audits, repealing \$250 billion in green corporate welfare, and rolling back the Obamacare subsidy expansion for the wealthy.



Reining in Runaway Mandatory Spending

Achieves \$8.7 trillion of savings over 10 years by strengthening Medicare for seniors, making Medicaid work for the most vulnerable, ending cradle-to-grave dependence, and lowering interest costs.



Rooting out Waste and Fraud

Reduces improper payments by 50%, achieving \$1 trillion in savings by taking commonsense steps to increase transparency, improve data sharing, enhance eligibility verification, provide incentives for states to comply with anti-fraud rules, and hold underperforming agencies accountable.



Reigniting Growth and Prosperity

Achieves \$3 trillion in savings by growing the economy at an average of 3% over 10 years, compared to CBO’s estimate of 2% growth, by eliminating the regulatory state, locking in tax cuts for the middle class and small businesses, expanding America First trade, restoring the dignity of work, and unleashing American energy dominance.



Rightsizing the Bloated Bureaucracy

Resetting and Restraining Discretionary Spending

Our budget sets FY25 discretionary spending at **\$1.606 trillion**, consistent with the **Fiscal Responsibility Act of 2023**, and a one percent increase from FY24.

Discretionary levels for **FY25 through FY34** are set at levels set forth in the House-passed **Limit, Save, Grow Act**.

Removing One-Time Spending from the Baseline

Emergency spending has too often been abused to increase non-emergency spending. Our budget removes one-time emergency spending from the baseline.

Rooting out Woke and Wasteful Spending

In crafting this budget, we have taken decisive steps to **root out wasteful spending** and **redirect funds** towards initiatives that serve the public interest.

Refocusing on National Priorities

Our budget **preserves critical defense spending** to protect vital national interests today and modernize the military tomorrow.

Securing our Southern Border

Our budget **prioritizes the safety of the American people** by equipping our Customs and Border Protection agents with the resources they need to regain control of the southern border, and stops the flow of drugs, crime, and criminals that the Biden Administration's policies have allowed to pour into our communities.

To achieve this, our budget supports **H.R. 2, the Secure the Border Act**.

**Reversing the Curse:
The Path to Balance and Beyond**





Reversing Biden's Spending Spree

Repealing the “Inflation Reduction Act”

Dismantling the IRS Expansion:

- The IRA allotted \$80 billion in new IRS funding—more than six times the agency’s annual budget.
- The best way to ensure tax compliance is to simplify the tax code, not supercharge the bureaucracy—which is why our budget eliminates the IRS funding.

Ending Green Corporate Welfare:

- The IRA included hundreds of billions in taxpayer dollars for various Green New Deal initiatives.
- These green energy tax giveaways and the Biden Administration’s new emissions rule are expected to cost at least \$870 billion through 2031—over double the original projection of \$400 billion.
- Our budget proposes to reel in this wasteful spending so that all Americans can benefit, not just those on Wall Street or within the Chinese Communist Party.

Rolling Back Obamacare Subsidies for the Highest Earners:

- The IRA spent over \$64 billion to expand Washington-controlled health care, including for some of our nation’s highest earners.
- Our budget supports saving taxpayers billions of dollars by reinstating the income eligibility limit to ensure government assistance is tailored to those most in need.

Eliminating Government Overreach

Stopping the Student Loan Bailout:

- After having their original bailout plan struck down by the Supreme Court last summer, the Biden Administration has nonetheless continued to cancel billions of dollars’ worth of student loan debt through a barrage of backdoor executive actions.
- Student loan debt cannot be canceled; President Biden’s actions shift the financial burden of loans from those who freely incurred them, onto the backs of the working class, many of whom do not even have a college degree. In response, our budget resolution stops all forms of these unconstitutional, inflationary and regressive student loan debt cancellations.

Blocking Health and Human Services Minimum Staffing Rule for Nursing Homes:

- In September 2023, the Biden Administration issued a proposed rule that would impose federal one-size-fits-all minimum staffing standards for nursing homes, which is projected to cost the Medicaid program over \$17 billion.
- This unfunded mandate threatens to close nursing home facilities and jeopardizes access to care for millions of seniors and individuals with disabilities, particularly in rural communities. In response, our budget resolution blocks this staffing mandate from going into effect.





Reigning-in Runaway Mandatory Spending

Putting Patients in Charge of Health Care

Our budget promotes a **patient-centered health care system**, where patients are empowered to make informed decisions for their families' needs, doctors are unencumbered to treat their patients, and competition and innovation are prioritized.

Strengthening Medicare for Seniors

Medicare is the **largest federal health program by spending** and the second largest by enrollment.

Medicare continues to face significant long-term fiscal challenges as it becomes an increasingly larger portion of the federal budget. According to the Medicare Trustees, Medicare's Hospital Insurance (HI) Trust Fund **will be insolvent by 2031** and the program faces **\$53.1 trillion** in long-term unfunded Medicare benefits.

Our budget strengthens Medicare through policies that **drive down out-of-pocket costs for seniors, stop overpayments, and enhance our health care workforce**.

Making Medicaid Work for the Most Vulnerable

Medicaid, the **largest health care program in the U.S. by enrollment**, has grown significantly under Obamacare's Medicaid expansion and from recent changes made during the COVID-19 pandemic. In 2023, Federal Medicaid spending was **\$616 billion**, a **50 percent increase** from 2019 (pre-COVID-19) and a **132 percent increase** from 2013 (pre-Obamacare expansion).

The growth has come with consequences. In 2023, the Medicaid program had over **\$50 billion in improper payments**, as reported by the Office of Management and Budget.

To make matters worse, the Medicaid program is **not producing quality results**. Research suggests that Obamacare expansion for able-bodied adults is crowding out services for the most vulnerable Medicaid populations.

Our budget makes health care more cost-effective by **refocusing Medicaid resources on those who need it the most**: children, pregnant women, individuals with disabilities, and seniors.

**Reversing the Curse:
The Path to Balance and Beyond**





Ending Cradle-to-Grave Dependence

The federal government operates nearly 100 different welfare programs—many of which are duplicative—costing taxpayers more than **\$1 trillion every year**. Over the next decade, as welfare enrollment continues to skyrocket, the federal government is projected to spend over **\$12 trillion** on these programs.

Despite this massive government investment, as of 2022, **37.9 million people** were living in poverty. Welfare programs often lead to **dependency** for a significant number of enrollees, which limits economic mobility for millions of Americans.

Thankfully, there are more effective paths for families in need.

Our budget promotes **opportunity and temporary assistance**, rather than perpetual cradle-to-grave dependence. We build on the successes of the Fiscal Responsibility Act by strengthening work requirements and other welfare initiatives. To help people get back to work, our budget also reforms job search requirements.

Reining in Wasteful Interest Costs

According to CBO, interest payments on the national debt will **nearly double under current law** from \$870 billion (3.1 percent of GDP) in 2024 to \$1.6 trillion (3.9 percent of GDP) in 2034—the **highest level in American history**.

- Over the next decade, net interest spending will total a staggering \$12.4 trillion.
- Starting this year, net interest will exceed our entire defense budget.
- By next year, it will be the third largest line item in our budget behind Social Security and Medicare, and greater than all combined discretionary spending.
- By 2034, interest costs will consume over 20 percent of revenue.
- As a result of the President’s economic policies, projected 10-year interest costs have almost tripled compared to when he took office.

In total, our budget reduces interest payments on the debt by **\$2.7 trillion**—over 20 percent—compared to CBO projections.





Rooting out Waste and Fraud

Gross Financial Mismanagement Plagues the Federal Government

The federal government is estimated to have made **\$2.7 trillion** in improper payments since 2003. Under the Biden Administration, however, **the problem of improper payments has dramatically worsened**:

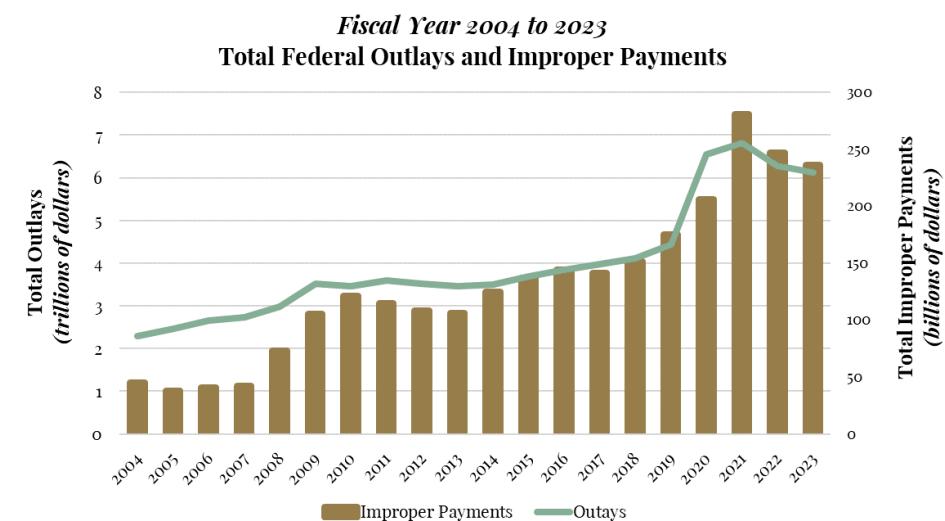
- *Since the President took office, over \$750 billion in federal funds have gone out the door improperly.*
- *Almost a third of cumulative improper payments since 2003 have occurred under President Biden—a clear indicator of his Administration’s financial mismanagement.*

These figures are not mere rounding errors but **stark evidence of gross incompetence**. President Biden’s proposals to expand these floundering programs—without any sufficient oversight or accountability—threaten to compound these issues.

If current trends continue, improper payments made by the federal government will likely **exceed \$2 trillion** and could be as high as **\$3.5 trillion** in the upcoming budget window.

Republicans on the House Committees on the Budget and Oversight and Accountability are spearheading efforts to aggressively curtail this government-wide waste, fraud, and abuse, **with the goal of saving \$1 trillion over 10 years**.

By cementing fiscal responsibility as a cornerstone of governance, we can reverse the curse of financial inefficiency and pave the path toward a balanced, sustainable, and responsible fiscal future.



**Reversing the Curse:
The Path to Balance and Beyond**





Reigniting Growth and Prosperity

Eliminating the Regulatory State

Since taking office, President Biden has added over **\$450 billion** in new regulatory costs on the economy - **16 times** the regulatory costs added under President Trump (\$28 billion) and **50 percent more** than President Obama's (\$295 billion) over the same time period.

Our budget aims to halt the Biden administration's regulatory overreach, cut regulatory red tape, and reform the regulatory process by empowering Congress to rein in overregulation.

Locking in Tax Cuts, Opportunities for All

Our budget rejects President Biden's tax-and-spend agenda and instead **builds on past Republican efforts that reduced the tax burden on American families and job creators**. In the following six years after Republican tax reform, revenues exceeded projections by a combined **\$1 trillion**.

Our budget supports:

- Permanently extending policies that lower taxes for workers, families, and job creators;
- Eliminating barriers and penalties in the tax code that discourage business investment, work, and savings; and,
- Ending market distorting tax provisions.

Expanding America First Trade

Effective trade policy promotes American jobs and productivity through access to new markets and competition, while enabling a higher standard of living for American families. Too often, barriers are imposed that limit opportunities for American products and increase prices for American consumers.

Our budget supports **expanding trade with U.S. allies** and **enforcing trade agreements** to hold our adversaries accountable.

**Reversing the Curse:
The Path to Balance and Beyond**





Restoring the Dignity of Work

Our nation's **work ethic** and **entrepreneurial spirit** define the principles that have made the U.S. the **most powerful, dynamic, and compassionate nation in the world**.

We want all people to have the blessing and dignity of work and reach their God-given potential. We want them to contribute to our society. **It's who we've always been, it's why America is great.**

Our budget returns to pro-growth policies by restoring the dignity of work and encouraging participation in the workforce by:

- Expanding work requirements;
- Ensuring the tax code empowers workers and job creators; and,
- Protecting independent workers.

Unleashing American Energy Dominance

Our budget returns to pro-growth policies by **restoring American energy dominance**. It will provide the American people with more affordable energy by assuming repeal of progressive policies and regulations that hamstring domestic energy production.

Unleashing American energy production starts with enacting **H.R. 1, the Lower Energy Costs Act**. This legislation **focuses on two priorities**:

- Increasing the production and export of American energy
- Reducing the regulatory and permitting burdens that hinder American infrastructure.

We aim to **empower states** and **assume the repeal** of all federal methane and greenhouse gas regulations as well as fracking restrictions on private land.



**Reversing the Curse:
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FIXING the BROKEN BUDGET PROCESS

Transparency, Accountability, and Responsibility

America's future prosperity, democratic health, and global standing **hinge on addressing our fiscal challenges.**

Our budget process is **dramatically outdated**:

- Congress has failed to pass timely budgets for **over two decades**;
- The national debt is **over \$34 trillion**; and,
- Fiscal decisions are frequently **postponed until crises emerge**.

As we approach the 50th anniversary of the Congressional Budget and Impoundment Control Act of 1974, it's clear that comprehensive reform is necessary.

Our resolution calls for a thorough **review and overhaul of the Budget Act** to ensure fiscal decisions promote responsible spending, deficit reduction, and a more sustainable fiscal path.

Our efforts will continue to focus on:

- **Ensuring** Congress completes responsible budgets that reduce long-term debt-to-GDP and the threat of default from the debt ceiling, while providing opportunities for members to bring forward bipartisan debt reduction proposals.
- **Achieving** bicameral agreement on a budget resolution to guide subsequent fiscal legislation.
- **Completing** the annual appropriations process in a timely manner.

The Committee has already marked up several bills on a bipartisan basis to reform Congress's budget process:

- **H.R. 5779**, the Fiscal Commission Act
- **H.R. 766**, the Dr. Michael C. Burgess Preventive Health Savings Act
- **H.R. 6952**, the Fiscal State of the Nation Act
- **H.R. 6957**, the Debt-to-GDP Transparency and Stabilization Act
- **H.R. 7032**, the Congressional Budget Office Data Sharing Act

