



John Spratt,
Chairman

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON THE BUDGET

207 Cannon House Office Building, Washington, DC 20515 (202) 226-7200 ★ www.budget.house.gov

November 15, 2007

Praise for House Adherence to Pay-As-You-Go Principle

Norman Ornstein, American Enterprise Institute

The 110th Congress has some significant accomplishments, including...implementing “pay-as-you-go” budgeting and working hard to make it a reality...

— *November 14, 2007, Roll Call*

Morton Kondracke, Roll Call

Indeed, even career officials at the White House Office of Management and Budget concede that Democrats have restored the principle of “pay-as-you-go”...

— *September 27, 2007*

Committee for a Responsible Federal Budget

The Committee for a Responsible Federal Budget is pleased that Congress has adhered to the principle of PAYGO...It has taken a good deal of resolve on the parts of those who most value PAYGO to stick to the rule as others have tried to make exceptions, and this commitment should be commended.

— *October 18, 2007*

The Hamilton Project, Brookings Institution

By reinstating the pay-as-you-go rules the Congress agreed to stop digging the budgetary hole any deeper. Even more importantly, the House of Representatives should be commended for making the tough choices to actually abide by the pay-as-you-go rule...In every case the House of Representatives has acted responsibly by not passing down an even larger burden to future generations.

— *November 13, 2007, letter to House Budget Committee Chairman John Spratt*

The Concord Coalition, Center on Budget and Policy Priorities, Committee for Economic Development, Committee for a Responsible Federal Budget

In urging adherence to PAYGO, which requires that any increases in entitlement spending and tax cuts be offset rather than deficit-financed, we note that Congress has been very careful to comply with the rule so far this year.

— *October 30, 2007*

Center on Budget and Policy Priorities

...the House's record of compliance with PAYGO has been laudable to date. This suggests those who support fiscal discipline should commend the House.

— *November 7, 2007*

David Broder, The Washington Post

Instead of promising more unaffordable tax cuts that go mainly to the richest Americans, as their Republican counterparts have done for the past six years, key Democrats are imposing some real spending discipline on themselves...it can be, if enforced, an effective way of preventing the budget deficit from getting worse. By the standards of Washington, that is real progress.

— *April 15, 2007*

Background on Pay-As-You-Go

In the first 24 hours of the 110th Congress, the House of Representatives took a key vote to impose fiscal discipline by requiring that all new entitlement and revenue legislation be deficit neutral. This new House rule reinstated the pay-as-you-go principle, ensuring that the cost of such legislation is not passed along to our children and grandchildren in the form of increased national debt and interest payments on that debt.

The statutory pay-as-you-go rule in place in the 1990s was a valuable tool in helping to turn then-record budget deficits into surpluses starting in 1998. However, Republicans did not renew the pay-as-you-go rule after it expired in 2002, and over the last six years this Administration and previous Congresses violated the pay-as-you-go principle by failing to offset trillions of dollars of tax cuts and new mandatory spending. During that period they oversaw the largest fiscal deterioration in history – squandering the record \$5.6 trillion ten-year projected budget surplus that President Bush inherited and replacing it with record deficits and rising debt.

But the new House majority has reinstated fiscal discipline. This year the House has complied with the pay-as-you-go principle, offsetting the cost of net new mandatory spending and revenue reductions. Strict adherence to the new pay-as-you-go rule is helping pull the budget out of the deficit ditch. Budget experts, watchdog groups, and opinion-makers are validating the House's choice to restore fiscal responsibility, and make the hard decisions needed to comply with it.