

A FISCALLY RESPONSIBLE STEP

Last week, the House passed H.R. 3, the *Spending Cuts to Expired and Unnecessary Programs Act*, which mirrors President Donald Trump’s rescissions request recently transmitted to Congress. In the grand scheme of the nation’s rapidly rising burden of debt, it is a modest – but commonsense – step to rein in federal spending. More importantly though, the President’s request points to the need for fiscal responsibility.

Brief History of Presidential Rescissions.

Without question, every tool at hand should be deployed to draw back unnecessary and wasteful government spending. While the budgetary tool of rescissions has not been utilized by an administration for nearly two decades, it has been used by presidents on both sides of the aisle since the current framework was established by the *Impoundment Control Act of 1974* (ICA). In fact, between fiscal years 1974 and 2000, presidential rescissions were a commonly used procedural tool. Since enactment of the ICA, 1,178 presidential rescissions have been proposed to cancel \$76.0 billion in budget authority. Prior Congresses have enacted 461 of these requests, totaling \$25.0 billion. From fiscal years 2001 to 2017, however, no ICA rescissions were proposed.



A Commonsense Request. President Trump’s rescissions request is indeed a positive step toward the long-term goal of reversing the direction of federal spending. By targeting dormant funds that are no longer needed for their intended purposes, this approach for addressing wasteful spending is one rooted in commonsense. However, the ICA rescissions process is limited in its use and cannot be used for elimination of mandatory spending, which comprises more than two-thirds of the federal budget.

Addressing Debt in the Long-Term. House passage of H.R. 3 is a fiscally responsible effort and also serves as a sobering reminder to look at what is actually driving the unsustainable growth of federal spending, deficits, and debt. For years, spending on mandatory programs, including safety-net programs like Medicare and Social Security, has been on the rise. Since most mandatory programs are not subject to the annual appropriations process and run on effectively permanent authorizations, spending is allowed to grow unchecked.

As the result of years absent meaningful reforms, mandatory spending now accounts for nearly 70 percent of total spending. Further left unchecked, the Congressional Budget Office projects mandatory spending will account for nearly 80 percent of the federal budget in the next 10 years.

The national debt is already more than \$21 trillion, and the annual deficit will reach nearly \$1 trillion next year. Unless Congress acts to reform and sustain mandatory programs, some of which are already nearing insolvency, the solutions will only become more difficult and will ultimately fail the vulnerable Americans they serve.