

PAYGO Brings Fiscal Responsibility Back to Washington

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The federal budget should be a statement of the values and priorities of the American people. However, over the past six years, America has bought on credit, turning a budget surplus into a \$3 trillion deficit and pushing the national debt to nearly \$9 trillion. Instead of investing in America's future, Congress passed the costs of this reckless spending onto future generations as a \$29,000 "debt tax" owed by every American man, woman and child.

As members of the fiscally conservative Democratic Blue Dog Coalition, we were proud to support the budget passed by the House last week. For the first time in seven years Congress produced a budget that reflects America's values while returning fiscal restraint to the nation's capitol. This accomplishment was made possible by the reinstatement of pay-as-you-go (PAYGO) budgeting, a rule requiring that the federal government live within its means, just as most American families do.

The new Congress reinstated PAYGO in its first 100 hours, requiring that any new mandatory spending be offset by cuts elsewhere. PAYGO is not a new principle. Beginning in 1990, President Clinton used PAYGO to bring the budget back to balance. PAYGO remained in place until 2002, when the Republican Congress allowed it to expire.

Our plan will turn the budget deficit back to balance within 5 years, while investing in America's priorities today, and laying the foundation to lower taxes now and in the future. The budget meets President Bush's defense spending requests and includes a record \$6.6 billion dollars for America's veterans; it stands up for Florida's 1.8 million small business owners by rejecting the President's plan to slash the Small Business Administration's budget by 26 percent; it helps 733,000 of Florida's most vulnerable children who do not have health insurance by increasing funding for the State Children's Health Insurance Program; and it invests in our children and our economy's future by funding No Child Left Behind, special education, and Head Start.

In February, President Bush submitted his proposed budget for next year to Congress. While the President talks about additional tax cuts, his budget imposes \$400 billion in new taxes through higher user fees on seniors, veterans and workers with health insurance.

Our budget does not raise taxes. It leaves the current tax cuts in place so that Congress can consider their responsible extension in the future. Under PAYGO rules, tax cuts, like all fiscal policies, must be paid for when enacted. This prevents the government from financing irresponsible tax cuts by borrowing money from foreign countries like China and Mexico. The current administration has borrowed more money from foreign countries than all previous 42 presidents combined, driving our debt to record levels and leaving our children to foot the bill.

Our budget provides an outline for fiscal policies that will strengthen our economy and reduce the deficit, which increases public and national saving and promotes economic growth. It invests in education, job training, and health care, which will make the workforce more productive. It also cuts taxes for working families, improves efficiency and fairness, and

induces economic growth.

Our budget takes the first step to restore fiscal responsibility to government. By acting now to reign in spending and bring our budget back to balance, we are putting America in a position to lower taxes responsibly now and in the future.

By Congressman Tim Mahoney and Congressman Mike Ross, Co-Chair for Communications of the fiscally conservative Democratic Blue Dog Coalition. The Blue Dog Coalition is a group of 43 conservative and moderate democrats focused on restoring fiscal responsibility to government.