

Congress Taking a Pay-As-You-Go Approach

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The new Congress has made significant progress in restoring fiscal responsibility to Washington. As a member of the Blue Dog Coalition, a group of 43 conservative and moderate Democrats focusing on reigning in government spending and reducing the national debt, I have been a vocal proponent of these changes. After only 90 days we are seeing positive results.

In the first 100 hours, Congress brought back pay-as-you-go or PAYGO budgeting for spending measures in FY08 and beyond. PAYGO is a rule requiring that new increases in mandatory spending must be offset by cuts elsewhere. It makes the government live within its means, just as every American family does.

PAYGO is not a new concept. It was used to bring the budget into surplus in the 1990s and remained in place until the Republican Congress allowed it to expire in 2002. They chose not to reinstate PAYGO in order to pass tax cuts for wealthy Americans, knowing that it would put America into debt. They gambled that the tax cuts would stimulate the economy, which would then eliminate the debt.

That gamble lost. Since 2001, we have seen a projected \$5.6 trillion surplus turn into a \$2.8 trillion deficit. In effect we borrowed money from countries like China and gave it to the wealthiest amongst us and in doing so left a legacy where our children and grandchildren are going to have to pay it back with interest. Additionally, 21¢ of each one of your Federal Tax dollars goes to pay the interest on the debt; money that we could use to make Social Security solvent and make Medicare more affordable.

Our national debt is quickly approaching \$9 trillion dollars and every man, woman, and child owes the U.S. government a \$29,000 "debt tax."

In March, I was proud to pass a fiscally responsible FY08 budget. Our budget includes a plan to bring the budget deficit into surplus within 5 years. It keeps the President's tax cuts in place while we work to make the government smaller and more efficient so we can produce a budget surplus. Once we are back in the "black" we can offer Americans an honest tax cut. A tax cut for the middle class that doesn't burden future generations.

To set the record straight, our budget gives the President all the money he requested for defense spending and increases funding for veterans services by a record \$6.6 billion. Our budget also invests in our students, children, and businesses to spur innovation and create jobs with a future. In addition, I cosponsored and helped pass a bill that provides much needed tax relief to our small business owners. The bill required offsets in the budget in order to responsibly pay for these tax cuts.

You may be as surprised to learn that the President's budget actually imposes \$400 billion in new taxes through higher user fees on seniors, veterans, and Americans with employer-provided healthcare. The President's budget also took a swipe at Medicare and Medicaid, cutting Medicare funding by \$252 billion and Medicaid funding by \$28 billion over 10 years. By contrast, our budget protects our seniors and protects and expands middle class tax relief while abiding by PAYGO rules.

This is the beginning of a monumental change in how Washington operates. I have been proud to vote for spending bills that reflect our values, including the emergency supplemental and the joint funding resolution for FY07, as well as the budget. With these bills, we have managed to fund America's priorities, despite the fiscal mess we inherited from our predecessors. Although digging America out of its debt hole will take time, progress is being made and the results are already showing. With the continuation of PAYGO and the watchful eye of the Blue Dogs, I am confident that we will continue to see positive results.

Congressman Tim Mahoney represents Florida's 16th Congressional District and is a member of the Blue Dog Coalition