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**No Budget, No Plan, No Accountability...No More  
May 18, 2010**

Well past the April 15 deadline, Congress still has yet to adopt a budget resolution for FY2011. Meanwhile, policymakers are looking to add hundreds of billions of dollars to the debt for additional government spending and tax cuts. And the House and the Senate are eyeing ways to weaken their already weak budget process restraints. The result is an already dangerous fiscal situation, growing ever-more dangerous each day.

Instead of disregarding fiscal discipline and pushing forward major initiatives that are not paid for, Congress must consider the long-term fiscal and economic impact of the decisions they are making today. Legislators must think beyond the next election and develop a plan now for the longer term. Here is where we stand:

**Chances for budget resolution fading.** Each passing day without a decision on a budget resolution makes it less likely that Congress will adopt a basic budget blueprint. Many politicians would rather not have a budget debate that will highlight mounting deficits and debt in an election year and either the hard choices involved in getting the debt under control, or their failure to make those choices. The very reasonable push to reduce some discretionary spending has left the House unable to agree on a plan.

“That so many members of Congress are unwilling to consider even relatively small spending reductions does not bode well for the type of budget discussions we should be having,” said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. “Large structural changes to the budget will have to be considered—the types of changes currently being suggested are merely the opening act for what is to come.”

**Lack of a budget is no excuse for adding to the debt and avoiding the fiscal problems.** According to its rules, the House may now begin considering appropriations bills without a resolution in place. Spending decisions should not be made without firm limits. There is growing talk that Congress may simply “deem” a discretionary spending figure for appropriators to divide up this year and attach such a deeming resolution to other must-pass legislation. That process would deny members the opportunity to hold a separate debate on this year’s overall spending levels.

“Having no budget is no reason to add further to the debt,” added MacGuineas. “If a deeming resolution is used, it must emphasize fiscal restraint. Failing to pass a budget should not be an excuse to open the spending floodgates.”

**PAYGO must be strengthened, not weakened.** There are also reports that such a deeming resolution may be billed by Democrats as a “budget enforcement resolution” and include provisions reaffirming the commitment of congressional leaders to bring the recommendations of the White House deficit commission to a vote and bringing pay-as-you-go rules in line with statutory PAYGO requirements. However, the PAYGO law passed by Congress earlier this year contains several major exemptions totaling upwards of \$2 trillion, including for the Medicare “doc fix” and extensions of the 2001/2003 tax cuts for the middle class.

“The new statutory version of PAYGO has loopholes so absurdly large, you could drive a tanker through them. The rules in the House and Senate are far more responsible and consistent with previous iterations of pay-as-you-go budgeting. Instead of trying to bypass the basic principle that we need to pay for what we spend and the sensible PAYGO rules, lawmakers should be figuring out how to comply with them,” said MacGuineas.

**“Extenders” bill should not extend the debt.** Congress wants to enact legislation that would extend until the end of the year popular tax breaks such as the research and development tax credit and social programs like expanded unemployment benefits and COBRA subsidies for the jobless. Democrats will likely unveil a bill that contains offsets for the tax cuts, but not the social spending. The proposal may also include a five-year extension of the “doc fix” that isn’t paid for. And Congress may also attempt to enact a permanent extension of the estate tax at levels that would violate even the weak statutory PAYGO currently in place.

“Congress cannot continue to act as though there are no consequences to adding to the debt,” said MacGuineas. “What are we doing—looking at Greece and saying ‘oh that looks like fun, let’s give that a try’? As the federal debt continues to soar, investors are watching lawmakers and as problems abroad clearly demonstrate, investor confidence is crucial. We should stop considering every bill as an ‘emergency’ in order to bypass PAYGO and pay for stimulus measures over the longer term so that they do not add to the long-term debt.”

**Deficit reducing measures should actually reduce the deficit.** Finally, the House is said to be looking into ways to ensure that savings from the President’s Fiscal Commission are preserved for deficit reduction. This is an excellent idea. The last thing we need is to see this money used to finance new spending or tax cuts. For that matter, savings from the health reform bill, which are currently on the PAYGO scorecard, should not be used to offset the costs of other borrowing either.