

Congress of the United States
House of Representatives
Washington, DC 20515

Republican Study Committee

Republican Tuesday Group

FOR IMMEDIATE RELEASE

February 11, 2004

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Conservatives & Moderates Come Together
Announce Consensus Principles to Reform the Budget Process

Washington, D.C.—Today, Members of the conservative Republican Study Committee and the moderate Republican Tuesday Group unveiled a set of 12 consensus principles to reform the budget process.

Rep. Sue Myrick (R-NC), Chairman of the Republican Study Committee (RSC) stated, “I particularly want to commend Representatives Ryan, Castle, Hensarling, Kirk, and Chocola for their hard work in finalizing these key principles. I believe this consensus document will provide a significant boost to the likelihood that the House will act this year to fundamentally reform the budget process and put a lid on spending.”

Rep. Mike Castle (R-DE), Co-Chairman of the Republican Tuesday Group, stated “The purpose of these principles, developed by moderates and conservative, is to generate discussion about reforms to return fiscal restraint to Washington, D.C. and reduce the deficit. We can all agree that there is no silver bullet, but rather than ignoring the spiraling deficit, we are working to trigger a dialogue on budget reform. If we are truly serious, everything must be on the table for discussion.”

Rep. Paul Ryan (R-WI), a member of the RSC, stated, “Reaching this consensus lays the groundwork for fixing our badly broken budget process. We all agree the current system rewards pork and encourages overspending. Now we’ve agreed on principles that will help us reform the process, clean up the government’s books, and fight wasteful spending. This gives us our best chance so far of achieving real reform.”

Rep. Jeb Hensarling (R-TX), a member of the RSC, stated, "Today, Republicans showed that we are united in effecting real change in Washington's wasteful spending habits. For decades the budget process has been designed to bypass spending rules and confuse the American taxpayer. The time has come for meaningful reform. By placing real limits on spending, giving the budget the force of law and by making the process more transparent to the public, we can send a clear message to American taxpayers that the family budget is no less important than the federal budget."

Rep. Mark Kirk (R-IL), a member of the Republican Tuesday Group, stated, “Next year's budget must cut the deficit. It should also have new enforcement mechanisms -- like across the board spending cuts -- if spending threatens to exceed the budget passed by Congress.”

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Rep. Chris Chocola (R-IN), a member of the RSC, stated, "Every day, families and small businesses across America have to make tough decisions; they have to meet a payroll, live within a budget, and eliminate wasteful spending. The federal government should not operate any differently and that is why I am proud to stand behind these principles, which will introduce a framework of discipline and rational thought into the often times illogical debate."

The set of 12 principles announced by the Members is set out below:

12 Consensus Principles to Reduce Spending

Republican Study Committee – Republican Tuesday Group

- 1. Budgets with the Force of Law.** The Concurrent Budget Resolution (which is not signed into law by the President) should be reformed into a Joint Budget Resolution that is signed into law by the President.
- 2. Automatic Spending Reductions.** Spending that exceeds the amount set in the Congressional Budget Resolution shall be designated as an "Uncontrolled Debt" by the OMB. The designation of a projected Uncontrolled Debt in excess of the budget shall trigger an across-the-board percentage reduction in federal spending by the OMB for all mandatory and discretionary accounts, except Social Security and Medicare.
- 3. Enforce the Numbers that Count.** The current budget, which identifies 20 separate budget functions that are not enforced, should be replaced with an enforceable, one-page budget. It should establish spending levels by law for four broad spending categories: 1) mandatory spending, 2) spending for defense and homeland security, 3) non-defense discretionary spending, and 4) emergency spending.
- 4. Budget for Emergency Spending.** Emergency spending requests should be included in the budget in a "rainy day" account.
- 5. Protect Earned Benefits.** Earned entitlements, such as Social Security and Medicare, are exempt from sequestration.
- 6. Show Spending Increases Clearly.** Current "baseline" budgeting, which automatically includes inflation adjustments, should be replaced by straight forward comparisons of the prior year's actual spending with proposed new spending.
- 7. Block Spending Outside the Budget.** Update PAYGO rules allowing points of order against proposals that were not included in the budget, limit advance appropriations, and impose program sunsets.
- 8. Review Government Programs.** Set up a bipartisan commission to review and submit recommendations to eliminate wasteful or duplicative spending.
- 9. Enhanced Rescission.** The President should have enhanced rescission authority to eliminate wasteful spending, provided the Congress votes to support the President's eliminations.
- 10. Clear Presentation of the Government's Full Debts and Liabilities.** The federal government must account for its full share of the accruing costs of pensions, retired pay, and retiree health benefits, as they are earned by all federal civilian and military employees.
- 11. Clear Presentation of Debt Owed to Public.** Intragovernmental debt should be separated from overall public debt in debt disclosures.
- 12. Enforce the Rules of Congress.** Points of order raised against proposals intended to prevent an "uncontrolled debt" should be protected from rules that are reported to waive them.