



BUDGET COMMITTEE



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Senate Budget Committee Chairman Gregg Unveils Comprehensive Budget Reform ***“S.O.S.” Bill Will Curb Spending and Renew Budget Enforcement***

Senate Budget Committee Chairman Judd Gregg, joined by Senate Majority Leader Bill Frist and other co-sponsors, today unveiled a comprehensive budget reform plan entitled *The Stop Over-Spending Act of 2006*, or “S.O.S.” designed to curb out-of-control federal spending and restore discipline to the budget process.

“I think we can all agree that the budget process has broken down,” said Chairman Gregg. “There are too many gimmicks and too much wasteful spending, and we are leaving the bill to be paid by future generations. We must regain control of this runaway train before it is too late. S.O.S. offers common-sense and fiscally responsible solutions to problems like emergency spending that busts discretionary caps; duplicative and wasteful spending in federal agencies; unchecked entitlement spending; and the federal deficit. We must take the necessary steps to protect future generations from the reckless spending now taking place.”

“Changes in the budget process are long overdue,” said Majority Leader Frist. “It’s my belief that the new tools in S.O.S. are the most effective measures available for strengthening fiscal discipline and fixing our broken budget process. Enacting the entire proposal will be a challenge, particularly in this town, where the forces of spending remain active and strong. But achieving even one element of the S.O.S. reform package would be a major accomplishment in our struggle to control spending — and it’s my goal to see this done before I leave here. I thank Chairman Gregg for his leadership on this issue and applaud his dedication to strengthening our budget process.”

Provisions of the S.O.S. Act include:

- It creates a line-item veto tool that allows a President to target wasteful spending, ask that it be rescinded, and send it up to Congress for expedited consideration.
- It creates a new and improved Gramm-Rudmanesque mechanism to essentially balance the budget by 2012 – procedures to automatically slow the rate of growth for mandatory programs if Congress fails to meet deficit reduction targets.

- It reinstates statutory caps on discretionary spending (and the use of all-too-convenient and burgeoning “emergency” spending), enforceable by an across the board sequester, if Congress fails to adhere to the caps.
- It creates a point of order against direct spending that is triggered when the Medicare program is projected to become insolvent in 7 years or less. Due to skyrocketing health care costs and an aging population, Medicare is projected to be the first of the large entitlement programs to become insolvent.
- It creates two new bi-partisan commissions: one to study the accountability and efficiency of government programs (in a manner similar to the BRAC Commission), and the other to examine and provide solutions to the impending entitlement crisis.
- It strengthens and improves the Budget Resolution and Reconciliation processes.

The bill is co-sponsored by Majority Leader Bill Frist (R-TN) and Senators Wayne Allard (R-CO), Michael Enzi (R-WY), Jeff Sessions (R-AL), Mike Crapo (R-ID), John Ensign (R-NV), John Cornyn (R-TX), Lamar Alexander (R-TN), Jon Kyl (R-AZ), Sam Brownback (R-KS), Larry Craig (R-ID), Johnny Isakson (R-GA) and Craig Thomas (R-WY).