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Stop Federal Overspending

By Judd Gregg

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If Capt. Renault stepped into today's Senate instead of Rick's Cafe in 1941 Casablanca, he would feel quite at home. He would observe, "I'm shocked, SHOCKED, to find that deficit spending is going on in here!"

Simply put, the federal budget process is ailing. In fact, it is on life support. The Budget Enforcement Act of 1990, which provided real teeth in the budget process, expired in 2002. Furthermore, because of a lack of will to control spending, Congress has failed to adopt a budget resolution for three of the past five years.

Each year, Congress embraces score-keeping gimmicks to get around any limitations. Site-specific earmarks and non-peer-reviewed projects are increasing -- last year's highway bill being a poster child for unrestricted projects.

The part of the budget called "mandatory" spending continues to grow much faster than inflation. Twenty years ago, entitlements comprised 45 percent of the budget; today, they will soon exceed 60 percent. Medicare alone is growing by almost 10 percent per year. Based on forecasted economic growth, demographics and program benefits, just three entitlement programs -- Medicare, Medicaid and Social Security -- if left unchanged will consume 20 percent of the economy in 30 years. That may not sound alarming until one realizes that the entire U.S. government -- including functions ranging from health care to defense to border security -- consumes 20 percent of the gross domestic product.

Some might speculate that this is just business as usual. It is not. Never in U.S. history have we had to face so many claimants for funds and unfunded IOU's. As the Baby Boom generation retires, older Americans will be handing younger Americans their bills. We are recklessly undermining the future of our children and our grandchildren.

Clearly, spending is out of control and Congress needs to regain fiscal discipline over this runaway train.

Last week, I, along with 24 other cosponsors, introduced the Stop Over-Spending Act. This commonsense and fiscally responsible bill proposes tough measures to force Congress and the Bush administration to adhere to a disciplined budget process. It ends the free pass to spend and re-establishes a real, transparent and straightforward budget.

First, the SOS bill reinstates discretionary spending caps in law. If Congress exceeds these limits, then the overage must be offset by an across-the-board reduction.

Second, the SOS bill eliminates "shadow budgets," otherwise known as emergency spending. It limits the misuse of emergency spending by building in reasonable assumptions of emergency spending into the discretionary caps.

Third, the SOS bill requires the deficit to be measured and considered as its share of economy, the GDP, and requires the deficit to decline from 2.75 percent of GDP next year to .05 percent of GDP by 2012.

What happens if these deficit targets are not achieved? Then congressional committees are required to "reconcile" and write laws to achieve savings. If these committees do not make the tough decisions, then an across-the-board sequester of entitlement programs kicks in.

Sound familiar? It should. SOS is modeled on the Gramm-Rudman-Hollings approach, but it is strengthened and updated to deal with the budget realities of this millennium. It requires entitlement programs that are causing the deficit to be accountable.

Fourth, SOS includes a line-item veto/expedited rescission process to allow the president to identify wasteful spending and to get an up-or-down vote without amendment. Forty-three state governors have line-item veto authority. A Republican Congress gave Bill Clinton this authority in 1996. Unfortunately, the courts negated that action. SOS redrafts this reform in a way to withstand challenges.

Fifth, the SOS bill creates a commission to identify and eliminate agency duplication and programs that have outlived their usefulness, as well as a commission to ensure the solvency of entitlement programs.

No budget process changes can force the president and members of Congress to have the willpower to make tough decisions. But a transparent, tough and honest budget process can help. The Stop Over-Spending Act can take us a long way toward achieving real budgets and effective budget discipline.

It is time to get serious about spending restraint and resurrect the budget process to protect future generations and ensure that we hand our children, and our children's children, a government they can afford.

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