



RSC Policy Brief: Fiscal Reform Bills Authored by RSC Members

March 7, 2008

Context: The FY 2009 budget process begins with several fiscal trends of concern to many conservatives:

- *The Deficit.* The President's budget projects a deficit of \$410 billion in 2008 and \$407 billion in 2009. These would be the second and third largest deficits in U.S. history. The federal government has run a deficit in 42 of the last 47 years.
- *National Debt.* The national debt is \$9.3 trillion which comes to \$30,600 per American citizen.
- *Unfunded Liabilities.* The national debt does not include all of the federal government's fiscal exposures. That figure, the federal government's unfunded liabilities, comes to \$52.7 trillion over 75 years—Medicare liabilities alone amount to \$34.1 trillion. According to GAO, due to growing entitlement costs, taxes would have to double by 2040 in order to have a balanced budget in that year.
- *Taxes.* The federal tax burden if left on auto-pilot will increase to levels never before seen in American history, from 18.8% of GDP in 2007, to 21.4% of GDP in 2030, to 23.5% of GDP in 2050. The federal tax burden has never before exceeded 20.9% of GDP, not even during World War II.
- *Earmarks.* The number of earmarks has increased from 958 in 1996 (the first Republican budget after the 1994 Republican takeover of Congress) to 11,144 in 2008.

For a more comprehensive list of spending data, see this RSC [one-pager](#).

The purpose of this RSC Policy Brief, which will be updated periodically throughout the year, is to analyze fiscal reform bills introduced by RSC Members that address some of the issues noted above. **Feel free to send future examples of such legislation to brad.watson@mail.house.gov**

Family Budget Protection Act:

Representatives Jeb Hensarling (R-TX), Paul Ryan (R-WI), and John Campbell (R-CA) introduced the [Family Budget Protection Act of 2007](#) (H.R. 2084), the RSC consensus omnibus budget process reform bill. Among other things the Family Budget Protection Act of 2007 converts the budget resolution into a joint budget resolution that is signed by the President and has the force of law, replaces the current 20 budget functions with a one-page budget of only five broad spending categories, and places a lid on federal spending with a limit on entitlement spending and a cap on discretionary spending set at the rate of inflation. In addition, the bill includes several other reforms offered by RSC Member fiscal reform bills such as the CUT Resolution (H.Res. 776) and the Legislative Line Item Veto (H.R. 689). The bill has not been acted on by committee.

Legislative Proposals by RSC Members:

Rep. Michele Bachmann (R-MN) introduced the [Truth in Accounting Act](#) (H.R. 3958), which would require Congress to disclose its major fiscal exposures, including unfunded obligations from entitlement spending, in the *Financial Report of the U.S. Government*. According to GAO, the federal government's unfunded obligations amount to \$53 trillion, nearly six times the size of the national debt. The bill has not been acted on by committee.

Rep. Gresham Barrett (R-SC) introduced the [Government Waste Reduction Act of 2007](#) (H.R. 1121), which would have reduced discretionary spending by 5 percent in FY 2007, thus establishing a lower baseline for the FY 2008-2012 period. According to the author, this alone would save \$244 billion over five years. The bill also applies PAYGO to new mandatory spending, while preventing tax increases from being used to fund new mandatory spending. The bill has not been acted on by committee.

Rep. Gresham Barrett (R-SC) introduced the [Emergency Spending Control Act of 2007](#) (H.R. 1122), to simplify the current budget by replacing the 20 budget functions with a one-page budget resolution, establishing spending levels for only five broad spending categories: mandatory, defense and non-defense discretionary, interest payments, and emergencies. The legislation also creates a non-military reserve fund in the budget for "emergency" spending and all spending from that fund must qualify as sudden, urgent, unforeseen, and temporary.

Rep. Marsha Blackburn (R-TN) introduced [H.R. 373](#), legislation to enact a 1 percent across-the-board rescission in non-defense, non-homeland-security discretionary spending for fiscal year 2007. The bill has not been acted on by committee.

Rep. Marsha Blackburn (R-TN) introduced [H.R. 374](#), legislation to enact a 2 percent across-the-board rescission in non-defense, non-homeland-security discretionary spending for fiscal year 2007. The bill has not been acted on by committee.

Rep. Marsha Blackburn (R-TN) introduced [H.R. 379](#), legislation to enact a 5 percent across-the-board rescission in non-defense, non-homeland-security discretionary spending for fiscal year 2007. The bill has not been acted on by committee.

Rep. Marsha Blackburn (R-TN) introduced the [Savings for Seniors Act of 2007](#) (H.R. 581), to dedicate Social Security surpluses to a “Social Security Surplus Protection Account,” in order to prevent the surpluses from being used to fund other government programs. The bill also creates a commission composed of nine members to recommend how to invest money deposited in the Social Security Surplus Protection Account. No later than October 1, 2009, the commission would be required to issue recommendations on appropriate investment vehicles for the Social Security Surplus Account, together with proposals for such administrative and legislative changes as the Commission determines necessary to authorize and implement such recommendations. Congress would be free to approve, reject, or not consider the commission’s recommendations. The bill has not been acted on by committee.

Rep. Vern Buchanan (R-FL) introduced [H.J.Res 21](#), to amend the Constitution to require a balanced budget. The balanced budget requirement could be suspended with a three-fifths vote of both the House and the Senate. The main difference between H.J.Res. 21, and the 1995 House-passed (Contract with America) Balanced Budget Amendment, is the inclusion of a section to exempt outlays for natural disasters as counting toward the balanced budget requirement. The bill has not been acted on by committee.

Rep. Vern Buchanan (R-FL) introduced the [Earmark Accountability and Reform Act of 2007](#) (H.R. 1375), to create a legislative line item veto (similar to H.R. 4890, which passed the House in the 109th Congress). The bill also makes any earmark that has not previously passed either the House or Senate (airdropped earmarks) out of scope of a conference committee. Finally, the bill requires a two-thirds vote to call up for consideration a rule that either waives the requirement that three calendar days pass between a bill being reported out of committee and being considered on the floor or a rule that waives the requirement that three calendar days pass between a conference report being filed and being considered on the floor. The bill has not been acted on by committee.

Rep. Dave Camp (R-MI) introduced [H.R. 272](#), to require amounts remaining in Members' representational allowances at the end of a fiscal year be transferred to the Treasury and used for deficit reduction. The bill has not been acted on by committee.

Rep. Steve Chabot (R-OH) introduced [H.Res. 283](#), to prohibit one or more individual appropriations bill from being considered in the same bill, thus preventing Congress from concluding the appropriations process with an omnibus bill. Exceptions are provided for continuing resolutions or a supplemental appropriations bill. The bill has not been acted on by committee.

Rep. Mike Conaway (R-TX) introduced [H.Res. 14](#), legislation which amends the Rules of the House to prohibit consideration of a bill, joint resolution, amendment, or conference report from being considered that establishes a new federal program *unless* the legislation also eliminates one or more federal program of an equal or greater cost. The bill provides exceptions for legislation that creates new defense, homeland security or emergency programs. H.Res. 14 has not been acted on by committee.

Rep. Mike Conaway (R-TX) introduced [H.Res. 50](#), to allow Members to direct that any savings resulting from an amendment to an appropriations bill go to deficit reduction, by causing a reduction to the 302(b) allocation of that particular subcommittee as well as the overall 302(a) allocation. The 302(a) sets the overall discretionary spending total under the budget resolution for a particular year. The bill has not been acted on by committee.

Rep. Jeff Flake (R-AZ) introduced [H.Res. 284](#), to amend clause 9 of House Rule XXI to make the point of order against consideration of legislation that does not contain either a list of earmarks, or a statement that the legislation does not contain earmarks, also apply if the list is *inaccurate*. Under current House Rules, the point of order does not apply as long as there is a list of earmarks, regardless of the list's accuracy. The bill has not been acted on by committee.

Rep. Jeff Flake (R-AZ) introduced [H.Res. 727](#), to amend House Rules to prohibit the consideration of any legislation that includes earmarks until a bipartisan panel is established to provide oversight over the congressional earmarking process and the panel reports back with recommendations. The bill has not been acted on by committee.

Rep. Jeff Flake (R-AZ) introduced the [Earmark Transparency and Accountability Act](#) (H.R. 631), to prohibit federal agencies from obligating funds for earmarks that are only included in report language, and not within the legislative text. The bill has not been acted on by committee.

Rep. Jeff Flake (R-AZ) introduced [H.R. 1789](#), which requires the Congressional Budget Office and the Joint Committee on Taxation to use dynamic scoring in making budget estimates for legislative proposals affecting revenue law. The bill has not been acted on by committee.

Rep. Jeff Flake (R-AZ) introduced the [Securing Medicare and Retirement for Tomorrow Act of 2007](#) (H.R. 4181), to direct the 7.65 percent employee portion of the FICA tax to a Personal Social Security Account. An individual could choose from five approved investment options within the Personal Social Security Account. At retirement a worker would receive an estimate of the worth of his Personal Social Security Account and could then choose between the account or the traditional Social Security benefit. The bill makes no changes to benefits for current retirees. On Medicare, H.R. 4181 allows younger workers to choose between the current system and a system paired with a savings account and a high-deductible health plan.

Rep. Phil Gingrey (R-GA) introduced [H.Res. 786](#), to require the Military-Veterans Appropriations bill to be considered as a stand alone bill, instead of being combined with one or more other appropriations bills. This legislation is intended to prevent what happened during the FY 2008 appropriations process, where the Democrats combined the Military-Veterans and Labor-HHS bills. The bill has not been acted on by committee.

Rep. Phil Gingrey (R-GA) introduced the [Earmark Reform Act of 2007](#) (H.R. 3738), to set a cap on total spending on earmarks (\$14.5 billion in the first year and no more than 1% of

discretionary spending in all succeeding years) and then to divide this amount equally between the 535 Members of the House and Senate, setting a cap of approximately \$27 million (\$14.5 billion divided by 535). Members who do not request earmarks would have their \$27 million allocation go toward deficit reduction. The bill has not been acted on by committee.

Rep. Louie Gohmert (R-TX) introduced the [Zero Baseline Budget Act of 2007](#) (H.R. 1442), to remove the current assumption in the CBO baseline that discretionary spending will grow by at least the rate of inflation and to make the CBO baseline for the next fiscal year an extension of discretionary spending in the current fiscal year (not including emergency spending or supplementals). This reform was included in the Family Budget Protection Act. The bill has not been acted on by committee.

Rep. Bob Goodlatte (R-VA) introduced [H.J.Res 1](#), to amend the Constitution to require a balanced budget. Except for the effective date, the language of the proposed amendment is the same as the 1995 House-passed Contract with America version. The bill has not been acted on by committee, despite its [160 cosponsors](#).

Rep. Jeb Hensarling (R-TX) introduced the [Government Shutdown Prevention Act](#) (H.R. 3583) to provide a fallback, automatic *clean* continuing resolution in the event that Congress otherwise fails to provide spending authority by either enacting appropriations bills or a continuing resolution. The spending level would be set at the lower of the funding level provided in the previous fiscal year, or the House and Senate approved spending bills, as has become routine—enabling essential government services to continue. The bill has not been acted on by committee. This provision was included in the Family Budget Protection Act.

Rep. Sam Johnson (R-TX) introduced the [Individual Social Security Investment Program Act](#) (H.R. 2002) to allow younger workers to invest their portion of the Social Security tax—the 6.2 percent payroll tax levied on the employee directly—in personal accounts. Anyone born before January 1, 1953 would be unaffected by the legislation. See here for Representative Johnson's [statement](#) on H.R. 2002. The bill has not been acted on by committee.

Rep. Steve King (R-IA) introduced the [CUT Resolution](#) (H.Res. 776), to amend House Rules to require the Majority Leader to bring a quarterly (by February 1st, May 1st, July 30th, and November 11th) rescissions bill before the House under an open rule. Any rescissions approved by the House would be dedicated to deficit reduction via a reduction to the 302(a) allocation for that fiscal year. This reform was included in the Family Budget Protection Act. The bill has not been acted on by committee.

Rep. Jack Kingston (R-GA) introduced [H.Con.Res. 263](#), to create a sixteen member Joint Select Committee on Earmark Reform and to place a moratorium on earmarks pending the committee's report. From the date of enactment, the Joint Select Committee would have six months to issue such a report. The bill has not been acted on by committee, and the Democrats have refused to allow the bill to be considered on the floor, despite its 158 cosponsors.

Rep. Ron Lewis (R-KY) introduced the [Social Security Guarantee Plus Act](#) (H.R. 1090), to give workers who pay Social Security taxes the option of a voluntary, refundable tax credit equal to 4% of their earnings (up to \$1,000) to be invested in a tax-free retirement account. At retirement a worker would receive five percent of the balance in the account and then the higher of the promised Social Security benefits under current law or the benefit payout based on the amount of money in the account.

Rep. Patrick McHenry (R-NC) introduced the [Commission On Reforming Entitlement Spending Act](#) (H.R. 489), to create a 15-member commission to address the fiscal challenges facing the U.S., including the long-term imbalance between federal spending commitments and federal revenues. The bill requires the commission to report back to the Congress and President within 180 days of enactment, and then 60 days thereafter to submit a legislative proposal. Finally, the bill creates a process for expedited consideration in the Congress of the commission's legislative proposal as well as potential alternatives offered by the President or the House and Senate Budget Committees.

Rep. Marilyn Musgrave (R-CO) introduced [H.J.Res. 7](#), to amend the Constitution to require a balanced budget. Except for the effective date, the language of the proposed amendment is the same as the House-passed Contract with America version of 1995. The bill has not been acted on by committee.

Rep. Randy Neugebauer (R-TX) introduced the [REAL Supplemental Appropriations Act](#) (H.R. 3857) to provide a point of order against the inclusion of non-emergency designated spending in a supplemental, earmarks in a supplemental, and any supplemental that includes spending for more than one emergency spending item. The bill has not been acted on by committee.

Rep. Ed Royce (R-CA) introduced the [Government Reform Act](#) (H.R. 2252), to create a 12-member Government Reform Commission that would, among other things, be directed to determine whether areas of overlap exist and whether the mission of an agency has become obsolete, find opportunities for increasing efficiency and reducing costs in executive agencies, and determine whether any federal programs should be eliminated. The commission would then make specific recommendations to reduce waste in executive agencies, with a procedure for consideration of the commission's recommendations modeled on the Defense Base Closure and Realignment Commission (BRAC) process. The bill has not been acted on by committee.

Rep. Paul Ryan (R-WI) introduced the [Legislative Line Item Veto](#) (H.R. 689), to allow the President to propose the cancellation of any discretionary budget authority, item of direct spending, or targeted tax benefit within 45 days of enactment. Either House may reject proposed cancellations, but the Congress could not fail to consider the President's proposal. All cancellations approved by the Congress would be dedicated to deficit reduction. The House, in the 109th Congress, passed nearly identical legislation by a vote of [247 to 172](#). The bill has not been acted on by committee.

Rep. Cliff Stearns (R-FL) introduced the [Deficit Accountability Act of 2007](#) (H.R. 229), to prevent scheduled pay increases for Members of Congress from taking place if the federal budget ran a deficit in the previous year. The bill has not been acted on by committee.

Rep. Tim Walberg (R-MI) introduced the [Social Security and Medicare Lock-Box Act](#) (H.R.4338), to create a lock-box for Social Security and Medicare Part A surpluses. The bill would enforce the lock-box by creating a point of order against consideration of a budget resolution that contains an on-budget surplus that is less than the amount of the Social Security and Part A surpluses. The bill also requires the President's budget request to include an on-budget surplus that exceeds the Social Security and Hospital Insurance surpluses. Finally, the bill allows a budget resolution or the President's budget request to get around this requirement by proposing Medicare or Social Security reform. The bill has not been acted on by committee.

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