



*No budget
no pay*

A Proposal to Restore Trust and Accountability in Congress
Proposal No. 1 in No Labels' *Make Congress Work!* Action Plan

CONGRESS
HAS THE **LOWEST**
PUBLIC APPROVAL
RATING

in history.

CONGRESS IS NOT DOING ITS JOB.

There are plenty of other specific reasons for public dissatisfaction with Congress. But one reason underlies them all:

Congress is not doing its job—and the most basic job Congress has is deciding how much money the government takes in and how much it spends.

You can't do this job responsibly without a budget.

A budget is a blueprint. It allows us to take stock of our resources, to evaluate which programs are succeeding and which need to be reassessed or eliminated.

It forces us to ask the two most fundamental questions of governing:


“WHAT ARE OUR NATION’S PRIORITIES, AND HOW MUCH ARE WE GOING TO SPEND ON THOSE PRIORITIES?”

Even though the budget is just a guiding document that doesn't actually authorize any money to be spent, it is still critically important. Without a budget, Congress is essentially spending taxpayer money first and asking questions later. Unfortunately, Congress rarely passes budgets on time.

Congress has passed budget and appropriations bills on time

ONLY
FOUR TIMES IN 60 YEARS!

really?



**“CONGRESS’ FAILURE TO PRODUCE
A BUDGET IS A PRIMARY CAUSE OF
OUR WASTEFUL SPENDING. IT’S LIKE
FLUSHING MONEY DOWN THE TOILET.”**


-Former Republican
Cabinet Member

The upshot is a more wasteful and inefficient government. Late budgets lead to late spending bills, and when Congress fails to pass spending bills on time, it relies on temporary spending measures—including eight “continuing resolutions” this past fiscal year alone. This constant stop-and-go budgeting creates havoc for government agencies and the citizens who rely on them.

And it’s not a new problem. Congress has passed budget and spending bills on time only four times in the last 60 years.

This is no way to run the largest organization in the world—one that spent \$3.6 trillion last year. This is no way to win the trust of the American people—and that’s what’s really at stake here.

At a time when our nation faces immense challenges, the American people have never had less faith in the ability of Congress to do anything about them. This problem couldn’t be more serious—because if Congress is broken, so is the United States of America.



**“ANY ORGANIZATION HAS TO
HAVE PREDICTABILITY. NOT HAVING
A BUDGET OR TIMELY FUNDING IS THE
ULTIMATE IN UNPREDICTABILITY.”**

-Former Democratic
Cabinet Member

Every law addressing any issue we could conceivably care about has to go through Congress first. Congress simply has to work better today—this can’t wait until after the 2012 elections.

Whoever wins in November 2012, the American people will expect them to get things done in 2013. That’s unlikely to happen unless we fix the structural problems in our government that make it virtually impossible to get anything done regardless of which party is in office.

That’s why No Labels released its *Make Congress Work!* action plan, which features a dozen common-sense proposals to fix the outdated rules, procedures and traditions that have turned Congress into a broken institution.

It all begins with fixing the process for how we spend money.

No budget

no pay

is the first proposal
in No Labels' *Make Congress Work!*
action plan.

It begins with a simple premise:

**IF CONGRESS
CAN'T MAKE SPENDING
AND BUDGET DECISIONS ON TIME,
IF THEY CAN'T DO THEIR JOB—**

**THEY
SHOULD
NOT
BE PAID.**

S. 1981

The federal government's fiscal year begins October 1, which means the annual congressional appropriations (spending) process needs to be completed by September 30. Under No Budget, No Pay, if the budget and appropriations process is not completed on time, then congressional pay ceases as of October 1. Congressional salaries would not be paid again until the budget and appropriations are completed, and members would not receive their lost salaries retroactively. This is the only *Make Congress Work!* proposal that requires a new law. No Budget, No Pay could be passed in 2012, and take effect when the new Congress is seated in 2013.

No Budget, No Pay bills have already been introduced in the Senate (S. 1981) by Senator Dean Heller (R-NV) and in the House (H.R. 3643) by Representative Jim Cooper (D-TN), and both bills have numerous bipartisan co-sponsors.

No Budget, No Pay is not a gimmick. It simply holds Congress to the same standard as the American people, who go to work every day knowing that we have to do our job if we want to get paid.

Congress works for us—and 88% of us support No Budget, No Pay.

But No Budget, No Pay is not designed to be punitive—to “stick it” to Congress. Instead, the bill will help advance two goals that should be a priority of every member of Congress.

H.R. 3643

1. NO BUDGET, NO PAY WILL ACTUALLY MAKE GOVERNMENT WORK BETTER.

It encourages members of Congress to come to the negotiating table and stay there until they reach an agreement on the budget and spending bills. Most members of Congress are just as frustrated by congressional gridlock as the American people. Members arrive at the U.S. Capitol with dreams of doing, not dysfunction. No Budget, No Pay creates additional incentive for Congress to do its job.

2. NO BUDGET, NO PAY WILL BEGIN TO RESTORE AMERICANS' TRUST IN CONGRESS.

At this moment of intense anger and cynicism, the American people want more than election year promises. We want action. We want a signal that Congress understands our frustration, and that they are taking concrete steps to address it. Passing this bill is an opportunity for Congress to tell the American people that they won't earn their salaries until they earn back our trust.

HOW THE BUDGET AND SPENDING PROCESS WORKS



1. THE PRESIDENT PRESENTS HIS BUDGET REQUEST

After reviewing the needs of each federal agency, the White House Office of Management and Budget submits the President's budget request to Congress in one massive, budgetary bundle. The President's budget, which is supposed to be delivered to Congress by the first Monday in February, includes spending and revenue projections as well as details on specific policy proposals.



2. CRAFTING THE BUDGET RESOLUTION

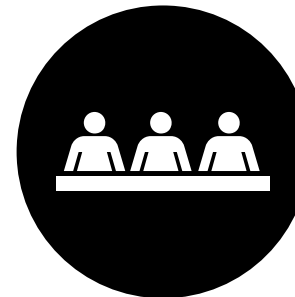
The House and Senate Budget committees separately consider the President's budget request and then each work to establish congressional priorities in their respective budget resolutions. A budget resolution is a legislative measure that reflects the decisions of each chamber, but does not have to be signed into law by the President.



3. VOTING ON THE BUDGET

The full House and Senate vote on their respective resolutions. If the resolutions pass, they are reconciled through a "conference committee" made up of members from each party in each chamber who work out the differences between the resolutions. When the conference committee is finished, each chamber votes one last time to adopt a concurrent resolution as the federal budget for the coming fiscal year.

Congress is required by the Budget Control Act of 1974 to both construct a budget and to pass it every year by April 15—but it almost never does.



4. APPROPRIATIONS PROCESS IN COMMITTEE

Assuming a concurrent budget resolution passes, it becomes the blueprint for the appropriations process. Without it, the appropriations process goes forward, but without any binding fiscal guidance.

Individual appropriations subcommittees in both chambers—covering everything from defense to health and education spending—hear testimony from agency officials and "mark up" each of a dozen appropriations bills. These bills are then reported to the full appropriations committee, which may further amend the bills before reporting them to their respective chambers.



5. APPROPRIATIONS PROCESS IN THE FULL HOUSE AND SENATE

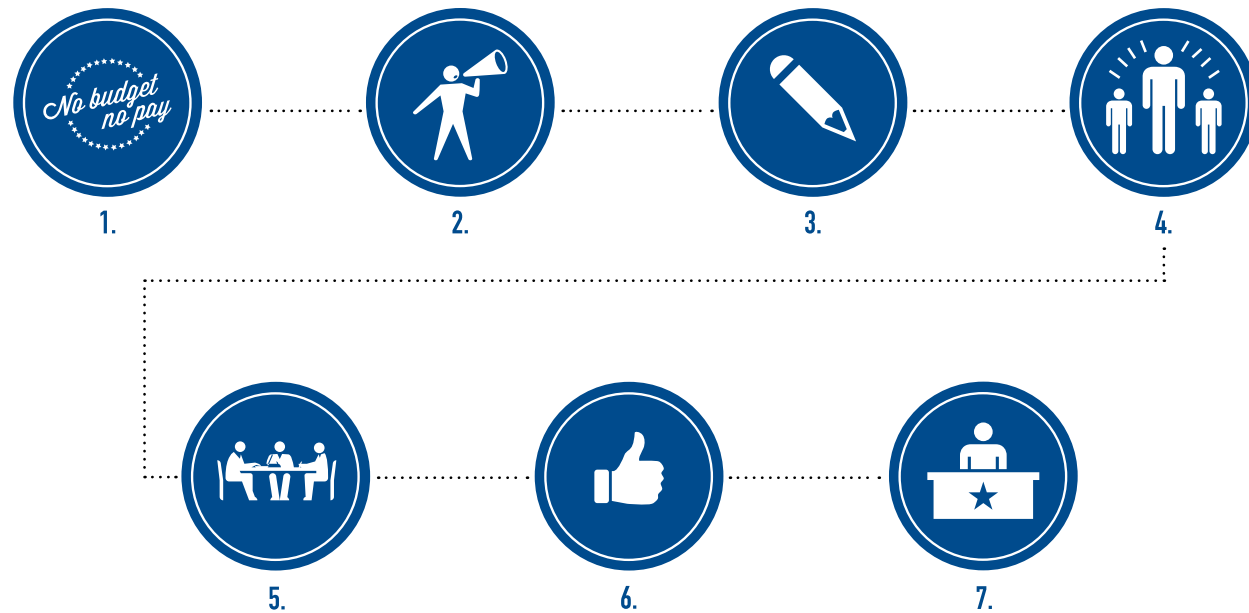
Ideally, each chamber debates the appropriations bills, reconciles the differences, and then votes to send the measures for the President to sign and enact by October 1, the beginning of the next fiscal year.

This process has not finished on time in 15 years.

HOW WE TURN NO BUDGET, NO PAY FROM A GREAT IDEA INTO A GREAT LAW

We all remember learning in school how a bill becomes a law. But the reality is that most bills don't become laws. At every step of the lawmaking process bills can be killed by design or delay. What often stands between a well-meaning bill signed into law and the thousands that languish with no hearings and no hope, is you.

Here's a refresher—a reminder to keep the pressure on your senators and representatives. We need to hear your voice so that no part of the process becomes a chokepoint on the way to change.



1. NO BUDGET, NO PAY ACT INTRODUCED

No Budget, No Pay bills have already been introduced in the Senate (S. 1981) by Senator Dean Heller (R-NV) and in the House (H.R. 3643) by Representative Jim Cooper (D-TN), and both bills have numerous bipartisan co-sponsors. S. 1981 was referred to the Senate Committee on Homeland Security and Governmental Affairs and H.R. 3643 was referred to the House Committee on House Administration. From here, the respective committees can choose to hold hearings on the bills or move directly to the committee markup and voting process.

2. HEARINGS HELD

Thanks to the hard work and advocacy of No Labels members, the Senate Committee on Homeland Security and Governmental Affairs has planned a hearing to discuss the No Budget, No Pay Act. It's a big deal for a bill to even receive a hearing. During the current session of Congress, over 2,000 bills have been introduced in the Senate. Only 225 have been given committee hearings.

A hearing has yet to be scheduled in the House of Representatives.

This is where the House and Senate No Budget, No Pay bills stand as of March 2012. It's up to the No Labels community to help turn this great idea into a great law. Here are the steps still left to go:

3. COMMITTEE MARKUP

After a bill is introduced, or after hearings are held, committees can choose to review the text of the bill and mark it up with any changes, before voting on whether to report the bill to the full House or Senate. If a majority of a quorum of the committee members vote in favor, the bill makes its way to the floor to be considered by the full House or Senate.

4. DEBATE ON THE FLOOR

Once the bill comes out of a committee, then it goes to the floor of the respective chamber to be debated and considered under the rules of that chamber, which, among other things, can include amendments to the original bill by individual members.

5. CONFERENCE COMMITTEE

If there are differences between the versions of the bills passed in the House and Senate, then each chamber appoints members from each party to a "conference committee," where they work out the differences between the two bills.

6. PASSAGE

Then, both the House and the Senate have to vote again on the compromise bill that the conference committee produces. If a majority again votes in favor in both chambers, the bill makes its way to the President.

7. ENACTMENT

If the President objects to the bill, he can veto it. Otherwise, the President signs the bill into law or allows it to become law after 10 days without his signature.

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BIG

questions.

IS NO BUDGET, NO PAY CONSTITUTIONAL?

Why yes, yes it is.

Article I, Section 6 of the U.S. Constitution states that “the Senators and Representatives shall receive a compensation for their services, to be ascertained by law, and paid out of the Treasury of the United States.” While No Budget, No Pay would alter that compensation, congressional compensation is whatever is “ascertained by law,” and of course, laws can change. During the first session of Congress, Senators and Representatives received \$6 a day for their service. Today, that number is much different because Congress chose to change it.

There’s only one Constitutional caveat to Congress’ ability to determine its own pay. The most recent amendment to the Constitution—the 27th Amendment—provides that “no law, varying the

compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.” This amendment is intended to prohibit members of Congress from dramatically raising their own salaries before having to face the voters. If members of Congress want to raise their salaries, Americans want a chance to express our approval or disapproval in an election.

That’s why a new No Budget, No Pay law would not take effect until after the 113th Congress is seated in 2013. If Congress doesn’t act in 2012, a No Budget, No Pay law could not take effect until 2015 at the earliest—meaning we’re more likely to have another three years of budgetary dysfunction.

MANY MEMBERS OF CONGRESS ARE WEALTHY. SO WON’T NO BUDGET, NO PAY NOT REALLY AFFECT THEM?

Plenty of members of Congress need their salary to pay living expenses, just like everyone else in America. If congressional pay stopped, even those members who don’t particularly need their salaries would face pressure from their colleagues who do, and from a public that’s being reminded every single day that Congress isn’t getting paid because it’s not doing its job.

WHY IS MY SENATOR SAYING THAT THE SENATE ALREADY PASSED A BUDGET?

Your senator is likely referring to the Budget Control Act of 2011, which was passed in August of that year when Congress couldn’t agree on how to raise the nation’s debt ceiling. But the Budget Control Act of 2011 was certainly not a real budget in any traditional sense of the word.

A real budget is a blueprint. It forces us to take stock of our resources, to evaluate which programs are succeeding and which need to be reassessed or eliminated. The Budget Control Act of 2011 does none of these things. The act contained some caps on discretionary spending and other complex mechanisms (such as the creation of the failed congressional “Super Committee”) to control future spending. But the Budget Control Act of 2011 was essentially a stopgap measure designed to avert an immediate crisis and it did not make any serious attempt to assess how we should fund our nation’s priorities.

And remember that passing a budget is only half the battle. A budget sets a blueprint while the appropriations bills actually spend the money. But Congress has passed budget and spending bills on time only four times in the last 60 years.

WHAT ARE THE 12 APPROPRIATIONS BILLS THAT CONGRESS MUST PASS BY SEPTEMBER 30 TO SATISFY THE REQUIREMENTS OF NO BUDGET, NO PAY?

- 1 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
- 2 Commerce, Justice, Science, and Related Agencies
- 3 Defense
- 4 Energy and Water Development, and Related Agencies
- 5 Financial Services and General Government
- 6 Homeland Security
- 7 Interior, Environment, and Related Agencies
- 8 Labor, Health and Human Services, Education, and Related Agencies
- 9 Legislative Branch
- 10 Military Construction, Veterans Affairs, and Related Agencies
- 11 State, Foreign Operations, and Related Programs
- 12 Transportation, Housing and Urban Development, and Related Agencies

WHAT IF THE PRESIDENT VETOES ANY OF THE 12 APPROPRIATIONS BILLS THAT CONGRESS SENDS HIM? UNDER NO BUDGET, NO PAY, WOULD MEMBERS STILL HAVE THEIR PAY SUSPENDED?

No. If Congress passes a concurrent budget resolution and can deliver completed spending bills to the President by September 30, they have done their job and should be paid.

IF CONGRESS PASSES CONTINUING RESOLUTIONS TO FUND THE GOVERNMENT, DOES THAT FULFILL THEIR WORK REQUIREMENTS UNDER NO BUDGET, NO PAY?

No. Continuing resolutions are the stopgap spending measures that Congress all too often uses to fund itself today. No Budget, No Pay requires Congress to pass all 12 full annual appropriations bills by September 30.

WHAT IS THE SALARY FOR A MEMBER OF CONGRESS?

The base salary for a member of Congress is \$174,000 per year, with higher pay given to members in leadership positions. This base salary does not include the generous retirement, medical, travel and other benefits that all members of Congress also receive.

S. 1981 H.R. 3643

No budget no pay

A SMALL BUT IMPORTANT STEP FORWARD

No Budget, No Pay will not miraculously fix what ails Congress. No single bill and no one election can. It has taken years for Congress to become the dysfunctional institution it is today. It won't be fixed overnight.

But we've got to start somewhere, and fixing the budget and spending process is a great place to start.

No Budget, No Pay. We are asking all members of Congress to support it.

We are asking Congress to restore our trust in our government.

We are asking Congress to do its job.

really, it's time.

ABOUT NO LABELS

No Labels is a group of Republicans, Democrats and Independents dedicated to a simple proposition:

We want our country to be great again. To do that, we need a functioning government.

The government in Washington, DC is no longer capable of solving the very real problems facing America. Before every election, our politicians make promises about how they will fix our tax system. Our immigration laws. Our schools. Our budget problems. But after every election, these promises are crushed under the weight of the same poisonous rhetoric and partisan posturing.

No more excuses.

No Labels is a new voice for the vast majority of Americans who have been drowned out by extremes on the left and right for too long—and we are building a constituency for cooperation that simply does not exist in our politics right now.

That is why we support reforms, leaders and legislation that will help fix America's broken government and break the stranglehold of the extremes that currently dominate our political process. We aim to give our leaders the space and support they need to work across the aisle.

We believe that common-sense solutions exist for our national challenges. And we believe that our government should be capable of finding them.

In 2012, we are encouraging the American people and their representatives in Congress to support our *Make Congress Work!* action plan, which features a dozen proposals to end the gridlock and hyper-partisanship in Congress that is making it virtually impossible to solve America's national challenges.

**START WHERE YOU ARE.
USE WHAT YOU HAVE.
DO WHAT YOU CAN.**

-ARTHUR ASHE