

Returning to Responsible Fiscal Policies

If Washington were serious...we would see an effort to reduce our national debt by returning to responsible fiscal policies.

~Senator Barack Obama, March 16, 2006

Debt as a percentage of Gross Domestic Product is at historic highs and projected to continue rising if action to constrain spending is not taken.

America must live within her means. By aligning outlays with historical revenues, this Act will force the government to do what American families do every day:

- Lowers total federal outlays to 18% of GDP within 5 years
 - FY12: 23%
 - FY 13: 22%
 - FY 14: 21%
 - FY 15: 19.5%

To address the problem, we've got to take politics out of the process. This Act forgoes budget tricks and accounting gimmicks in favor of transparency and accountability:

- GDP calculated by five year average as reported by Department of Commerce.

Cutting spending should not be tied to electoral politics. This Act cuts spending with or without congressional action:

- OMB to issue warning by August 20 if projected spending exceeds the limit
- If report projects over-spending, House and Senate have opportunity to change law to make required reductions;
- If Congress fails to act or chooses not to act, sequestration process is initiated to enforce uniform reductions to meet the outlay cap

There can be no hidden expenses or sacred cows. This Act holds all spending accountable:

- All categories of spending are limited: direct spending, security-related discretionary, and non-security-related discretionary

To be effective, there can be no easy outs. This Act limits emergency and other exemptions, including Congress' ability to waive its provisions.