



Legislative Bulletin.....February 5, 2013

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H.R. 444 – Require a PLAN Act

Order of Business: The [bill](#) is scheduled to be considered on Tuesday, February 5, subject to a structured rule ([H. Res. 48](#)). This rule makes five amendments in order (1 Democrat, 1 bi-partisan, and 3 Republican members of the RSC).

Summary (Bill): If the President submits a budget for fiscal year 2014 (FY14), and it does not show balance in the 10-year budget window, H.R. 444 requires the President to submit to Congress a supplemental budget that:

- meets the requirements for a presidential budget set forth in [31 USC Section 1105\(a\)](#);
- provides an estimate of the earliest fiscal year in which the supplemental budget is projected not to show a deficit (to balance);
- gives a detailed description of additional policies to be implemented in order to achieve such result; and
- explains the differences between the President’s budget for FY14 and the supplemental budget.

The bill also includes a number of findings:

- that President Obama has failed to meet the statutory deadline for submitting a budget in four out of five years;
- in spite of publically committing to cutting the more than \$1 trillion deficit in half by the beginning of his first term, President Obama’s has presided over four straight years of \$1 trillion deficits;
- President Obama has allowed federal debt to grow by nearly \$6 trillion since taking office – total U.S. government debt now exceeds the size of the entire U.S. economy;
- President Obama’s most recent budget (FY13) never achieves balance; and
- President Obama’s fiscal year 2013 budget admits that under that budget the Federal Government’s “fiscal position gradually deteriorates.”

Summary (Amendments):

[Amendment #1](#), Rep. Takano (D-CA): Although the summary of this amendment appears innocuous, the amendment would insert the following finding: “Since the President took office, ***Congress has allowed*** the Federal debt to grow by nearly \$6 trillion and total debt now exceeds the size of the entire economy of the United States.” This would replace section 2(b)(3) of the underlying bill, which currently reads: “Since taking office, *the President has allowed* the Federal debt to grow by nearly \$6 trillion and total debt now exceeds the size of the entire economy of the United States.” (emphasis added)

[Amendment #2](#), Reps. Schrader (D-OR), Wolf (D-VA), Cooper (D-TN), Gibson (R-NY): This amendment would add two new findings to the bill which endorse the Bowles-Simpson framework for deficit reduction and recommend this framework as a “basis for meeting the requirements of this Act.” Thus this amendment endorses the significant tax increases contained in the Simpson-Bowles framework.

[Amendment #3](#), Rep. Fleming (R-LA, RSC member): This amendment would amend section 3(b)(3) which currently requires the supplemental budget to include “a detailed description of additional policies to be implemented in order to achieve such result” to ALSO include “an evaluation of duplicative agency functions and agency effectiveness, and proposals for consolidating duplicative functions and programs between agencies in the interests of cost-savings.” This salutary improvement would shine a light on the rampant overlap and duplication present in federal programs. The Government Accountability Office (GAO) [provides a yearly report](#) on such overlap and duplication.

[Amendment #4](#), Rep. Messer (R-IN, RSC member): This amendment requires that the supplemental budget provide, “an estimate of the cost per taxpayer of the annual deficit for each year in which the supplemental unified budget is projected to result in a deficit.” This would be a worthwhile addition, as no per-taxpayer breakdown of deficits is currently provided in presidential or congressional budgets.

[Amendment #5](#), Rep. Scalise (R-LA, RSC Chairman): This amendment provides accountability and transparency in direct spending, the vast majority of which is on “autopilot.” In the past, means-tested direct spending has not been tracked as a separate category in presidential or congressional budgets. A mirror amendment offered by Rep. Scalise was added to the House Rules in the 113th Congress.

The amendment requires the supplemental budget to address direct (mandatory) spending, broken out into means-tested and non-means-tested categories, in a number of ways: (a) the average rate of growth for each category in the total amount of outlays during the 10-year period preceding the budget year, (b) information on the budget proposals for reform of such programs, (c) a description of programs which shall be considered means-tested direct spending and non-means-tested direct spending, and (d) an annual estimate of the total amount of outlays for each such program for the period covered by the budget proposal.

RSC Bonus Fact: The United States’ fiscal situation deteriorates so markedly in President Obama’s FY13 budget that spending on interest – the nation’s credit card minimum – eclipses

spending on national defense in five years, by 2018. The situation gets even worse by 2022, when under the President's plan the Federal Government would be spending [\\$216 billion more per year](#) on interest payments (\$850 billion) than on defense (\$634 billion).

Administration Position: At press time no administration position was available.

What Is the Constitutional Authority for the Legislation?: By Rep. Price (R-GA): Congress has the power to enact this legislation pursuant to the following: This bill makes changes to existing law relating to Article 1, Section 8, Clause 1, which provides that, "The Congress shall have Power To lay and collect Taxes, Duties, Imposts, and Excises, to pay the debts and provide for the common Defense and general Welfare of the United States; but all Duties, Imposts, and Excises shall be uniform throughout the United States," and Article 1, Section 9, Clause 7, which provides that, "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law, and a regular Statement and Account of the Receipts and Expenditures shall be published from time to time." Section 1105 (a), of title 31, United States Code, requires the president to submit to Congress each year his budget request no later than the first Monday in February for the upcoming fiscal year. It is within the purview of the Congress to provide oversight and guidance to the president regarding requirements of this statute should, or should he not, meet these obligations as required by law.

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