

HOW SERIOUS IS THE PRESIDENT ABOUT FISCAL RESPONSIBILITY?

President Bush is expected to discuss fiscal responsibility in his Fiscal Year 2008 Budget, which will be released next Monday. Democrats are interested to see if the President will once again support “pay-as-you-go” budget rules for both taxes and spending like he did in his first three budgets, as well as read about the President’s new (since Democrats took control of Congress) commitment to reducing earmarks. House Democrats have already reinstated PAYGO rules, and promised to reduce earmarks. Please see below for a few interesting facts on the President, PAYGO, and earmarks as you prepare to cover the budget next week.

PAYGO: HE WAS FOR IT, BEFORE HE WAS AGAINST IT

President Bush supported PAYGO budget rules in his first three budget proposals. But he has failed to include these important budget rules in his last three.

THE RHETORIC:

“To start the budget on a firm course back toward balance, the President further proposes to extend the Budget Enforcement Act controls [applying PAYGO rules to spending and taxes] that expired in 2002.” [The President’s Budget for FY04 (Page 29)]

“The Administration will work with the Congress during the next session to develop budget enforcement mechanisms, including future discretionary spending limits and a PAYGO requirement for entitlement spending and tax legislation that are consistent with the needs of the country.” [The President’s Budget for FY03 (Page 283)]

“The President also proposes to extend the PAYGO requirement for entitlement spending and tax legislation. The President’s Budget sets aside the Social Security surplus and additional on-budget surpluses for debt reduction and contingencies. These levels ensure the President’s tax plan and his Medicare Helping Hand and modernization reforms are fully financed by the surplus. Any other spending or tax legislation would need to be offset by reductions in spending and increases in receipts.” [The President’s Budget for FY02 (Page 172-173)]

THE FACTS:

- The original PAYGO budget rules were part of the 1990 budget agreement negotiated by President George H.W. Bush; 47 Republicans supported the agreement.
- PAYGO budget rules were re-enacted in 1997, with 193 Republican votes.
- Once in power, Republicans allowed PAYGO rules to expire in 2002, and strongly opposed repeated efforts by Democrats to extend them.

EARMARKS: BUSH STOOD BY AS EARMARKS EXPLODED

President Bush has the authority, under current law, to submit a proposed rescission eliminating funding for any earmark project. NOT ONCE has the President used this tool to limit spending.

THE RHETORIC:

“So let us work together to reform the budget process, expose every earmark to the light of day and to a vote in Congress, and cut the number and cost of earmarks at least in half by the end of this session.” [State of the Union Address, 2007]

THE FACTS:

According to Citizens Against Government Waste:

- Earmarks have increased by more than 50% since Bush took office.
- In FY 2001, 6,333 projects totaling \$18.5 billion.
- In FY 2006, 9,963 projects totaling \$29 billion.