



# Sound Money, Fiscal Discipline, & Budget Enforcement

## **Crack Down on Government Debt**

The federal budget has been facing significant challenges for decades. Despite some improvement from fiscal restraint driven by the Budget Control Act beginning in 2011 and improvements to revenues driven by a healthier economy produced by tax and regulatory reforms including the Tax Cuts and Jobs Act, the national debt and growing annual deficits remain the single most identifiable threat to our national prosperity and future.

Mandatory spending, which occurs without annual Congressional oversight, has grown to 76% of federal spending. In 2021, it exceeded federal tax revenue, and it is projected to increase by another \$18 trillion over thirty years. Without reform, it is on an unsustainable path. The structural gap between the revenues pledged to meet entitlement commitments in Social Security and healthcare programs continues to widen as benefits are expanded and Americans live longer while still drawing these benefits at relatively earlier ages.

Annual discretionary spending, while making up a smaller portion of the federal budget, has increased at an increasingly rapid pace in recent years. In addition, Democrats have obscured the true amount of increased spending on discretionary programs through the use of budgetary and procedural gimmicks.

These problems have been compounded by the response to the COVID-19 pandemic, first with the bipartisan early relief efforts, followed by the Democrat-only spending sprees and infrastructure spending, which combined to add over \$6 trillion in new debt in less than two years.

This unprecedented build up in spending and debt undermines the American economy by crowding out productive investment, weakening confidence in the US dollar, fueling inflation, and distorting economic signals by picking winners and losers based on political objectives. Further, it limits the resources available to address unforeseen crises or prudently invest in our highest priorities.

The first step in fixing these problems is to end the expansion of new mandatory and discretionary spending that has ballooned in the last few years. Overall, the growth of discretionary spending must be curtailed to return to a pre-pandemic trajectory from which we can evaluate what additional reforms are necessary.

## **Getting America's Fiscal House in Order**

To restore sanity to Federal spending, we must adhere to budgetary procedures that ensure fiscal discipline, and we must refocus our national priorities.

Congressional Republicans in the 118th Congress will appropriate responsibly. That means adopting a real budget, enforcing rules preventing unauthorized spending or abuse of emergency designations to circumvent fiscal discipline, and reasserting the fiscal controls the current Democrat Majority has so flagrantly ignored. Republicans will work to pass sensible funding bills that keep the most critical government programs running efficiently and effectively, with proper oversight. That will include reducing the funding levels of many agencies and programs to responsibly fund higher priority areas and to reduce our need to borrow.



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We must focus limited taxpayer dollars on the most important federal responsibilities – including our national security. The current administration has jeopardized our security by neglecting critical defense and law enforcement programs. While crime skyrocketed, our southern border collapsed, Afghanistan fell to extremists, Russia invaded Ukraine, and China challenged the U.S. in key sectors by stealing our innovative technology, President Biden and Democrats in Congress diverted their attention to a social justice and climate change agenda.

At the same time, we recognize the need to fund our highest priorities appropriately. President Biden repeatedly proposed a defense funding level insufficient to account for the inflationary increases in costs over the last two years, even as his party borrowed trillions for a liberal spending spree on non-security programs. Republicans will ensure taxpayer dollars are prioritized for the most critical, core federal responsibilities: national defense and protecting our citizens from crime and foreign threats. However, we must be clear that unlimited spending is not a national security strategy. Defense spending must be high enough to meet our needs, but must also be sustainable over the medium and long term.

## **Putting Federal Spending on a Sustainable Path**

In 2021, mandatory spending alone was \$5.2 trillion, more than the total federal tax collections. Mandatory spending has increased from 34 percent of the federal budget in 1965 to 76 percent of total spending today. By mid-century, mandatory spending is projected to increase to 80 percent of the federal budget. Under current Congressional Budget Office (CBO) projections, mandatory spending is projected to increase to more than \$18 trillion annually within three decades. These dramatic spending levels are simply indicators of the reality that the current program structures are unsustainable and doomed to collapse without reform.

To help save entitlement programs and honestly account for spending in the long term, Republicans will reform how the CBO evaluates changes to them to consider impacts beyond the 10-year window, including on the solvency and soundness of entitlement trust funds. This will include accounting for the compounding of savings over time and the real cost of carrying debt or delaying spending or taxes. Congress must be prepared to make reforms to extend the solvency of the entitlement programs. Finally, Republicans will also return to enforcing budgetary rules that prevent new increases in mandatory spending without accounting for spending cuts to prevent adding new debt.

## **Restore Accountability to the American People**

One of the most important responsibilities of the Legislative Branch is to thoroughly and consistently review the actions of the Executive Branch. Stringent oversight as to where, when, and how the White House is expending resources collected from taxpayers is important, particularly when those expenditures either violate the intent of Congress or have extreme negative consequences for the American taxpayer.



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U.S. House of Representatives Rule X, clause 2 outlines specific and detailed oversight responsibilities of Congress derived from the U.S. Constitution, including reviewing “...whether laws and programs addressing subjects within the jurisdiction of a committee are being implemented and carried out in accordance with the intent of Congress.”

Time and again, Democrats have neglected their responsibility to fund the government through the annual budgeting and appropriations cycle. This cycle enables Congress to oversee taxpayer funds and to make critical funding decisions. Under their one-party rule, Democrats abused the budget reconciliation process to push through nearly \$2 trillion in new deficit spending on programs that should have been authorized and/or funded through appropriations. Democrats also moved as much spending as possible to the “mandatory” side of the budget, so it occurs automatically, with no prioritization or oversight, and no regard for our sky-rocketing deficits and debt. In doing so, Democrats have enabled government bloat and empowered unaccountable bureaucrats.

Under President Biden, Democrats provided five future years’ worth of funding for many programs, ensuring they keep operating with little accountability to the American people. Most programs received amounts exceeding their annual budgets, sometimes far in excess (one received nearly 200 times its annual budget). Republicans will ensure taxpayer dollars and government programs are properly overseen and adjusted, each and every year.

## **Protecting Taxpayer Dollars Through Oversight**

Protecting taxpayers from these abuses starts on day one of a new Republican Majority.

It begins with demanding answers from Executive Branch agencies about the hundreds of billions of questionable expenditures coming out of the Biden Administration—requiring the accountability that has been woefully ignored by Democrats. Getting answers to the questions both the American people and Republicans have been asking for but have been stonewalled on. Questions like::

- When will the White House finally begin to expend tax dollars, approved by Congress, to secure our southern border?
- When will the Administration reveal a true accounting of the \$2 trillion American Rescue Plan funds to determine where the money went and how it supposedly addressed the COVID-19 pandemic? Why were American taxpayers left vulnerable to hundreds of billions worth of fraud in the American Rescue Plan?
- Why was less than 9 percent of the \$2 trillion “American Rescue Plan” spent on responding to COVID-19, while more than one-fifth of it was spent on policies to reduce employment in ways that have contributed to the current supply chain and labor shortage problems?
- Why have the White House’s economic policies caused record-breaking state government surpluses while the federal government has faced \$6 trillion worth of deficits over the last two years?



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- What instructions were given to states and local governments when expending American Rescue Plan funds that left taxpayers footing the bill for a golf course in Florida, beach parking lots and bathrooms in South Carolina, a luxury hotel, new apartment buildings, a moonshine walking trail, a horse racing track, a soccer stadium, a ski mountain, and planting trees?
- What controls and limits on government spending is the White House willing to put in place to combat 40-year high inflation and record price spikes?
- Given the extraordinary failures throughout the entire Executive Branch to foresee the current inflation crisis, what reforms will the White House make to its policymaking process to respond more competently to future economic challenges?
- What is the White House doing to ensure federal tax dollars are not used to bail out localities that decide to “defund the police” who defend their towns and communities?
- Why has the White House ignored the will of Congress and used tax dollars to push an extreme ideology on the American people, such as funding abortions with taxpayer dollars, using federal funds to push a “woke” identity-based cultural ideology, expending tax dollars on unproven and costly so-called “environmental technologies,” and using the Executive Branch to advance policies which transfer tax dollars to wealthy Americans?

Responsible oversight is aided by adhering to the annual budget and appropriations process within Congress in which discretionary dollars and a review of federal agency spending come under inspection every year.

That effort is furthered by a review of the mandatory side of the federal budget through Authorizing Committees overseeing the programs within their jurisdiction, holding respective agencies accountable, and reauthorizing programs that have lapsed in order to construct them in a way which ensures further accountability of the tax dollars they utilize.

Oversight is a core responsibility of Congress and an obligation to the American taxpayer. It holds government accountable, promotes transparency, and ensures those elected are in fact responding to the needs of the people.