

Gonzalez Votes to Restore Fiscal Discipline

Washington, DC – Today, Congressman Charles A. Gonzalez (TX-20) voted to restore the “pay-as-you-go” budget principle. The bill will require Congress to offset the costs of tax cuts or increases in entitlement spending with savings elsewhere in the budget.

"This is just a common-sense approach that should have never have been abandoned in 2002 under the Bush administration," said Congressman Gonzalez. "PAYGO, as it is commonly referred to, is the responsible thing to do."

The PAYGO bill that passed the House today is similar to the statutory PAYGO law that was in place in the 1990s, which helped turn massive deficits into record surpluses. The Republican-controlled Congress allowed these rules to expire in 2002, which contributed to the dramatic turnaround from a projected surplus of \$5.6 trillion to projected deficits of more than \$11 trillion.

The statutory PAYGO bill requires Congress to offset all new policies that reduce revenues or expand entitlement spending over five and ten years. Exceptions can be made if a situation is deemed an emergency, so that Congress is always able to respond quickly if necessary. There are consequences for not paying for legislation, which will ensure that this new law is adhered to: If the net effect of all legislation enacted during a session of Congress increased the deficit, there would be an across-the-board reduction in certain mandatory programs. Certain programs that assist low-income Americans would be protected, as would Social Security, Medicaid, Food Stamps, and Veterans' benefits.

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