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NEWS RELEASE

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Battling for Balance **by Senator Larry Craig**

Imagine you have a neighbor who bought a new car, a house, and furniture, and financed it all with a loan from the bank. Then, after making the purchases, he takes his 8-year old daughter down to the bank, and tries to sign the loans over to the girl. Thankfully, such a thing couldn't legally happen in the real world, but in a way, it happens all the time in the strange land known as Washington, D.C. The budget process doesn't have to work this way, and I've been fighting to fix it.

By the way, if you are interested in learning more about how the budget process works, I will be holding workshops all across Idaho, starting the week of February 19th. The workshops will be called "Back to Black: Our Budget, Our Future." The first three will be in Meridian, Twin Falls and Pocatello, respectively, and we're working out dates and locations for the North too. I encourage all to come. Please visit my website (<http://craig.senate.gov>) on or after February 9th for times and locations.

Traditionally, the President submits a budget proposal to Congress on the first Monday in February. It lines out all the programs the President wants to fund, and which ones he wants to eliminate or cut. You may have seen it on the evening news – they often show a big cart rolling down a marble hallway with budget documents stacked three or four feet high. It's pretty similar in size to a cord of wood.

The President's budget proposal is just a starting point. After reviewing the President's budget, the budget committees in the House and the Senate each craft a budget resolution, which sets the upper limits of what can be spent in the upcoming fiscal year. Ideally, the budget committees will approve these resolutions, and the full House and Senate will also, before any spending bills reach the President's desk.

From there, it falls to the appropriations committees and their subcommittees to determine how much money will be set aside for each government program or each critical needs request submitted to Congress by state, county or municipal governments or by other organizations.

Once the subcommittee crafts and approves its bill, the legislation goes to the full Appropriations Committee, which amends, approves, or rejects the bill. If it is approved, the legislation goes to the full Senate for debate and a vote. As with any other piece of legislation, once an appropriations bill has been approved by both the House and Senate and signed by the President, it becomes law.

However, this detailed process only sets the spending priorities and amounts for about one-third of the federal budget, known as discretionary spending. The other two-thirds of the budget, also known

as mandatory spending, is set automatically, through spending formulas for entitlement programs like Social Security, Medicare and other programs. Even if Congress didn't pass a single law this year, spending on entitlements would automatically increase, and will continue to do so for years to come.

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If we can get entitlement spending under control, there will be reason for optimism, because discretionary spending is already falling into line. In 2003, President Bush vowed to cut annual budget deficits in half by 2009. In FY2004, the budget deficit was predicted to be \$521 billion. When FY2006 closed, the deficit had shrunk to \$248 billion. We're still in the red, and that is obviously bad, but we are headed in the right direction – toward zero. It is possible to eliminate deficits and even turn a surplus, as Congress did for three consecutive years in the late '90s. I'm proud to have been a part of that achievement.

We can't let up on our belt-tightening yet, though, so I was very pleased when President Bush called for fiscal restraint and reforming entitlements in his State of the Union address. From the first day I decided to run for Congress, I have pushed the federal government to live within its means. The way the federal government operates now, it is very similar to that dad who buys what he wants today and tries to stick his children with the bill.

I have always believed that is wrong. Responsible people make sure they don't spend more than they earn, and by pushing for fiscal restraint and measures like my Balanced Budget Amendment to the Constitution, we can make sure government lives within its means, too.

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