



PRESS RELEASE

COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET

FOR IMMEDIATE RELEASE

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Committee sees PAYGO as a good first step

WASHINGTON -- The Committee for a Responsible Federal Budget expressed support today for the pay-as-you-go (PAYGO) rule offered as part of the House rules package.

Establishing a PAYGO rule is an important first step in establishing fiscal discipline. Highlighting a commitment to PAYGO sets an encouraging tone that the Committee hopes will guide the entire legislative session. Budget rules are meaningful only if there is a commitment to comply with the spirit as well as the letter of the rule. While rules are a useful tool in creating a presumption in favor of fiscal discipline, they are not a substitute for the tough choices that will be necessary. The Committee urges Congress to go much further by convening a budget summit to deal with the specific policy changes that will be needed to improve the short and long-term fiscal picture.

The Committee has always supported the budget reforms of the Budget Enforcement Act of 1990, and believes that *both* statutory PAYGO and caps on discretionary spending should be reinstated. These rules did not always work perfectly, and it may be useful to consider changes to improve the technical workings of PAYGO to make it more effective and balanced. But the rules established by the Budget Enforcement Act made a significant contribution to bringing the deficits under control in the 1990s and we urge Congress to move forward with legislation reinstating these statutory budget rules.

The Committee for a Responsible Federal Budget is a bipartisan organization committed to educating policy makers and the public about issues related to fiscal policy. The Committee is located at the New America Foundation.
www.crfb.org.