

# **DEMOCRATS REMAIN THE PARTY OF FISCAL DISCIPLINE**

## *The 111<sup>th</sup> Congress Strengthens Commitment to Fiscal Responsibility by Improving PAYGO Rules*

Congressional Democrats remain committed to upholding important PAYGO rules that help restore fiscal discipline and enable the 111th Congress to work more effectively for America.

This year's House Rules package includes the following essential changes to PAYGO:

### ***1. By aligning House and Senate PAYGO rules, Democrats ensure continued fiscal responsibility.***

House Democrats aim to avoid legislative conflicts that result in wasting the taxpayers' time. This provision would prevent delays by aligning the House's PAYGO rules with the Senate's Rules, ensuring that both chambers use the same Congressional Budget Office baselines. This provision will improve the functions of Congress and negotiations between the House and Senate.

### ***2. Democrats remain committed to fiscal responsibility while ensuring a timely and orderly process.***

The changes would also allow one House-passed measure to pay for spending in a separate House-passed measure if the two are merged before being sent to the Senate. By permitting the separate consideration and subsequent linking of a spending bill with its pay-for, the rule still requires all legislation to comply with PAYGO while preventing the minority from playing political games – such as offering entirely unrelated amendments. In order to ensure the integrity of this rule, the spending bill can only be offered following the passage of the required offset bill. In other words, the bill has to be paid for first.

### ***3. Democrats continue to adhere to their pledge of fiscal responsibility and transparency, even during an emergency.***

An emergency exception to PAYGO has been added to the rules package to ensure that Congress can provide an appropriate response in the event of a national crisis, such as war, response to an act of terrorism, natural disaster or recession. The emergency exception, which was part of the PAYGO statute in the 1990s, allows Congress to include in the text of a bill an emergency designation. In a continued effort to provide transparency and accountability, there must be justification of the emergency designation in the bill's legislative history and is subject to a vote before actual consideration of the bill begins.

Throughout this period of extraordinary economic circumstances, it has become clear that Congress needs the flexibility to respond to an economic crisis. While Congress consistently aims to adhere to the rules of PAYGO, millions of American families' jobs and livelihoods are at risk and Congress has the responsibility to react in a timely and efficient manner. In order to take appropriate action, certain circumstances require that we be able to suspend PAYGO in order to provide needed relief to millions of Americans while working to address the long-term structural problems of the nation.