

Rep. Eshoo Votes to Restore Fiscal Responsibility

July 23, 2009

Washington, D.C. —Rep. Anna G. Eshoo (D — Palo Alto) voted for the Statutory Pay-As-You-Go Act of 2009 (PAYGO) to require Congress to offset dollars spent on legislation with dollars saved in other areas of the federal budget.

“Our nation is enduring the worst economic crisis since the Great Depression and the American people are shouldering record deficits,” Rep. Eshoo said. “By passing the PAYGO bill today, we have taken a critical step to restore fiscal responsibility to the federal budget.”

Congress passed similar PAYGO legislation during the 1990s which helped turn massive deficits into record surpluses. The Republican-controlled Congress allowed these rules to expire in 2002. The deficit for the current year is estimated to top \$1.8 trillion, and the Congressional Budget Office projects unsustainable deficits over the coming decade.

“Every dollar spent must be paired with a dollar saved,” Rep. Eshoo explained. “Unless we reduce the deficit, we will not be able to afford making investments in the critical areas of education, health care, innovation, and global climate change.”

The Statutory Pay-As-You-Go Act of 2009 requires Congress to pay for the costs of tax cuts or increases in entitlement spending with savings elsewhere in the budget. Congress maintains the ability to make exceptions for national emergencies. If the net effect of all legislation enacted during a session of Congress increases the deficit, there will be an across-the-board reduction in certain mandatory programs, known as a sequester. Programs that assist low-income Americans will be protected, as will Social Security, and the effect on Medicare will be limited.

“Enacting this bill will reduce the massive deficits and prioritize investments in the programs and communities where they are needed most,” Rep. Eshoo noted. “Adhering to these rules now will ensure that future generations will not have to suffer because of the reckless ‘borrow-and-spend’ policies enacted under the Bush Administration.”

The Statutory Pay-As-You-Go Act of 2009 passed the House by a vote of 265-156.

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