

July 23, 2009

WASHINGTON, DC - U.S. Rep. Michael Arcuri (NY-24) reinforced his commitment to fiscal responsibility yesterday by leading debate and voting in support of the Statutory Pay-As-You-Go Act of 2009 (PAYGO) that will require Congress and the President to account for increases in federal spending.

"Restoring fiscal responsibility to the federal government is one of my top priorities," Arcuri said, "The American people have had to tighten their belts, and now it's time to ensure that Congress does the same. This legislation is an important step toward balancing the federal budget and getting our country back on the right track."

The PAYGO legislation (H.R. 2920) passed in the House yesterday and co-sponsored by Arcuri requires Congress to pay for the costs of tax cuts or increases in entitlement spending with equal savings elsewhere in the budget. PAYGO will require the Congressional Budget Office (CBO) to provide a budgetary estimate of every piece of legislation that will cost federal dollars to implement. The CBO will coordinate with the Office of Management and Budget (OMB) to release a public document detailing the cost of the legislation and how it will be paid for.

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 increases the deficit, there would be an across-the-board reduction in certain mandatory programs, known as a sequester. Programs that assist low-income Americans would be protected, as would Social Security, and Medicare payments to beneficiaries. The effect on Medicare payments to providers would be limited.

The legislation is similar to the statutory PAYGO law of the 1990s, which helped turn massive deficits into record surpluses. The prior PAYGO law was allowed to expire in 2002.

This legislation is important to Arcuri's goal of maintaining a responsible federal budget. As a member of the Blue Dog Coalition, Arcuri joins other members of the Coalition in striving for fiscal responsibility and practical government spending whenever possible in Congress.