

NEW FISCAL YEAR BEGINS AS DEMOCRATS SHOW CONTINUED COMMITMENT TO FISCAL RESPONSIBILITY

Democrats Passed Responsible Budget & PAYGO to Restore Fiscal Discipline, Address Deep Bush Deficit

This year, Democrats have taken major steps to restore fiscal discipline and address the deep deficits and debt inherited from the recklessness of the Bush Administration and Congressional Republicans. In July, the House passed legislation that would reestablish the “pay-as-you-go” (PAYGO) principle into law, which helped turn deficits into surpluses during the Clinton Administration. Democrats are committed to paying for what we buy and understand that in order to grow a strong economy and help create jobs, we need to make sure that we are protecting our fiscal health, too.

Democratic Budget Aims to Reverse Years of Reckless Governing

Democrats passed a responsible budget this year that focused on repairing the economy after eight years of Republican irresponsibility. The Democratic budget included the following efforts to help return our budget to fiscal sanity:

- Required all new initiatives on mandatory spending and revenues be offset.
- Provided for action on reinstating statutory PAYGO requirements.
- Made responsible investments in areas critical to building a stronger economy, including health care, education, and energy – with a commitment to ensure these investments are fiscally responsible.

Democrats Commit to Paying for What We Buy

In the 1990s, the Clinton Administration turned deficits into record surpluses in large part by adhering to PAYGO, which compelled Congress to find savings to offset the dollars it spent. However, under President Bush and Congressional Republicans, PAYGO was waived and then allowed to expire. This irresponsible action cleared the way for policies that wiped out those surpluses, including huge debt-financed tax cuts for the wealthiest Americans that will have to be paid for by the next generation. It will take time to repair our nation’s fiscal health, but history shows that when Washington lives within its means, we can balance the budget and return to surpluses.

Containing Health Care Costs is Crucial to Fiscal Sustainability

Democrats are working on health reform legislation that brings down costs over the long term to keep our country from sliding even further into debt.

“If we don't change the [health care] system, there is no reasonable prospect we can get our fiscal house in order ... We can't get our fiscal house in order without bending the cost curve back so that instead of spending close to 15 percent of the GDP on Medicare and Medicaid, we're spending closer to the current levels of 5 or 6 percent. We just can't. It's literally that simple. It's irrefutable.” – Vice President Joe Biden, 9/22/09

Democrats Work Toward a Fiscally Sustainable Future

To begin the long process of repairing the damage to our budget and economy, Congressional Democrats will work with President Obama to ensure that we make the tough choices necessary to put us back on a fiscally sustainable path.

“I am absolutely committed to putting this nation on a sound and secure fiscal footing. That's why we're pushing to restore pay-as-you-go rules in Congress, because I will not go along with the old Washington ways which said it was okay to pass spending bills and tax cuts without a plan to pay for it. That's why we're cutting programs that don't work or are out of date. That's why I've insisted that health insurance reform -- as important as it is -- not add a dime to the deficit, now or in the future.” – *President Barack Obama, 9/14/09*