
Balanced Budget Amendment (S. J. Res ___)

Beginning the 118th Congress, the national debt now stands at \$31.38 trillion. Not only does the debt continue to grow unabated, but the interest payments on this debt are increasing as well. And taxpayers are ultimately on the hook. Each dollar the government prints makes the dollars in Americans' wallets less valuable.

Every household in America must balance its checkbook. Surely the government should do so as well. To accomplish this objective, Senator Lee has proposed a constitutional amendment which would ensure that federal outlays do not exceed revenues for any given fiscal year.

A balanced budget amendment is not a new idea, and its popularity has tended to grow alongside increasing U.S. budget deficits.¹ While the federal government occasionally ran deficits in the 18th and 19th centuries, the norm was a balanced budget. That changed during the Great Depression, after which federal deficits became far more common than surpluses. The Senate has voted eight times on a balanced budget amendment, passing one in 1982. It is time for the Senate to take up this cause once again.

First, a fiscal rule like the balanced budget amendment will force politicians to make the hard choices they do not make when federal spending is allowed to exceed revenue. There is currently insufficient incentive for lawmakers to be accountable when they never have to pay for programs by cutting others or increasing taxes. We need a constitutional check on spending. Second, states must balance their budgets; it is time for the federal government to follow suit. Third, perpetual deficits and debt debilitate economic growth. For all the gains realized through economic expansion, debt and deficits rob the American people of their future, forcing generations of Americans to pay for the fiscal irresponsibility of their forefathers.

Bill Specifics

- Stipulates that total spending cannot exceed total revenues for all future fiscal years; further, total spending cannot exceed 18 percent of GDP for that calendar year prior to the beginning of the next fiscal year (e.g. calendar year 2023 for FY2025). Congress may suspend these limitations if two-thirds of both houses of Congress vote to appropriate more funding.
- Two-thirds of both houses of Congress must approve any new tax bill, tax rate increase, or increase in the debt limit.
- Any member of Congress would have standing for a cause of action to seek judicial enforcement of this article, so long as a petition of one-third of the members of either house of Congress authorizes it.
- The effective date would be the second fiscal year following ratification by the legislatures of three-fourths of the states.

¹ For an analysis of 20th century polling on balancing the budget, see Blinder, Alan S., and Douglas Holtz-Eakin. "Public Opinion and the Balanced Budget." *The American Economic Review* 74, no. 2 (1984): 144-49.