

Loudermilk Ten Year Balanced Budget Amendment

To the Compact for a Balanced Budget Commission,

According to a 2011 CNN poll, 74% of Americans favor a balanced budget amendment to the Constitution. Our national debt is rapidly approaching \$20 trillion, and with the Congressional Budget Office's FY16 deficit projection recently being revised up to \$544 billion, our budget is headed in the wrong direction. Americans want to see our national debt addressed, and we owe it to them to work hard to pay it off and balance our federal budget. It is time for Congress to find a long-term solution to the government's out of control spending problem.

That is why I introduced a balanced budget amendment to the Constitution that would take effect in the tenth fiscal year after ratification. This long-term vision will give the economy, federal agencies, Members of Congress, and the nation as a whole, adequate time to prepare for this change. If CBO's ten-year revenue projections are accurate, the balanced budget amendment would require an average annual spending reduction of a manageable \$54 billion— or a 1.3% cut each year. Furthermore, majorities of both chambers of Congress supported the concurrent budget resolution for FY16, which achieved balance within ten years.

In addition to the balanced budget provision, this amendment requires a two-thirds vote in each chamber of Congress to increase federal spending beyond 18% of GDP of the previous calendar year. Federal revenue over the past forty years has averaged around 18.5% of GDP, so limiting annual outlays to 18% would require the government to live within its means in the long term. This provision will help to slow the tendency for the federal government to continuously absorb higher amounts of revenue relative to the economy.

Finally, the amendment requires a two-thirds vote in each chamber of Congress to levy a new tax, increase the rate of any tax, or raise the debt limit. These tough but fair budget provisions will force Congress to get serious about restraining government spending, and stop taking more and more money out of the economy to pay for its excessive spending habits.

In addition to introducing my own balanced budget constitutional amendment proposal, I have co-sponsored House Concurrent Resolution 26. This resolution effectuates the compact being drawn up by the states under your guidance. I commend the Commission for the work it is doing under the compact initiative. The compact is the best means for the states to advance their own balanced budget constitutional amendment proposal. I have taken this action because I recognize that amending the Constitution, by the Founders' design, is not an easy thing to do. The states need to be given their shot at advancing a balanced budget constitutional amendment because restoring fiscal responsibility at the federal level needs the participation of political forces from outside Washington.

Thank you for taking the time to review my proposal to get our fiscal affairs back on track. I look forward to working with you in the future, including on the compact initiative and House Concurrent Resolution 26.

Barry Loudermilk
Member of Congress