

# CONCORD ACTION



## A POLICY AGENDA TO RESTORE FISCAL RESPONSIBILITY

Since the start of the 21st century, the U.S. debt, now at over \$38 trillion, has escalated dramatically—from 54% of GDP in 2001 to 124% in 2024. **This surge threatens our economic stability:**

We now spend more every year paying interest on the debt than we do on funding our military.

Interest payments on the debt have grown from 7% of revenues in 2015 to close to 20% of every tax dollar today.

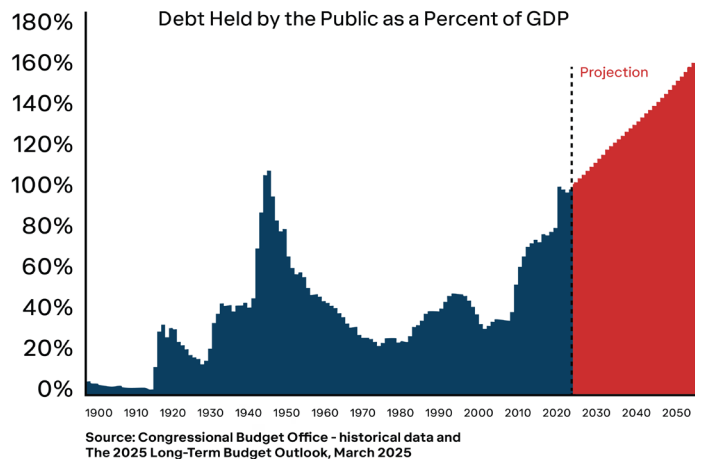
Financing our debt burden puts immense pressure on our economy - through higher interest rates, the threat of inflation, and crowding out of private investment.

The national debt, by contributing to higher interest rates, is making it more difficult and costly for Americans to buy homes, finance education, or launch new businesses.

Meanwhile the growth in interest payments puts pressure on all our other priorities - from national defense, to dealing with looming Social Security and Medicare shortfalls.

All of this puts this country at risk of a debt-induced fiscal crisis that could have enormous long term fiscal and economic consequences.

## Our National Debt is on an Unsustainable Path



Also, without urgent action, Social Security and Medicare trust funds will run out of money by 2032 and 2033, respectively, triggering painful consequences for beneficiaries and health care providers.

## POLICY AGENDA GOALS

- Cut the deficit in half by 2030 (to 3% of GDP) with a path to zero for the total deficit, including interest.
- Establish a comprehensive, coherent, and strategic budget process.

Reducing the deficit by half would lower it to approximately 3% of GDP—aligning with the benchmark proposed by Treasury Secretary Scott Bessent and others. At this level, the national debt would stabilize relative to the size of the economy, rather than continuing to grow.

The policy agenda outlined here offers a range of strategies to strengthen fiscal responsibility. While some proposals overlap, the framework acknowledges that there are multiple viable paths to improve the budget process focused on deficit reduction.

## Problem 1:

# NO PLAN TO GET TO BALANCE

### Make a Plan

Create a commission with expedited process in House and Senate on recommendations.

**Fiscal Commission Act** - H.R. 3289 - 119th Congress (2025-2026), Sponsor and Original Cosponsors: Rep. Scott Peters (D-CA) and Rep. Bill Huizenga (R-MI) and more than 35 others.

- The bill creates a 16-member commission—made up of lawmakers from both parties and outside experts—charged with recommending solutions to stabilize the debt and restore trust in key federal programs like Social Security and Medicare.
- The goal is to keep the debt-to-GDP ratio below 100% by 2039 and strengthen the solvency of key trust fund programs over the next 75 years.
- Congress must consider the commission's recommendations using specified expedited legislative procedures.

### Build Consensus

Establish a 3% Caucus and pass a 3% Resolution focused on developing a comprehensive plan to reduce the deficit to 3% of GDP by 2030.

### Understand Fiscal Risks

Stress-test the federal budget.

**Fiscal Contingency Preparedness Act** (S. 2492 and H.R. 4642) - 119th Congress (2025-2026), Senate Sponsor and Original Cosponsors: **Sen. Mark Warner (D-VA), Sen. Todd Young (R-IN)**; House Sponsor and Original Cosponsors: **Rep. Ben Cline (R-VA), Rep. Jared Golden (D-ME), Rep. Jack Bergman (R-MI), Rep. Marie Gluesenkamp Perez (D-WA)**.

- Requires the Secretary of the Treasury and the Director of the Office of Management and Budget (OMB) to conduct annual assessments of the government's fiscal resilience in the face of potential domestic or international emergencies including economic downturns, energy shocks or shortages, natural disasters, pandemics or public health emergencies, national security threats, and financial crises.

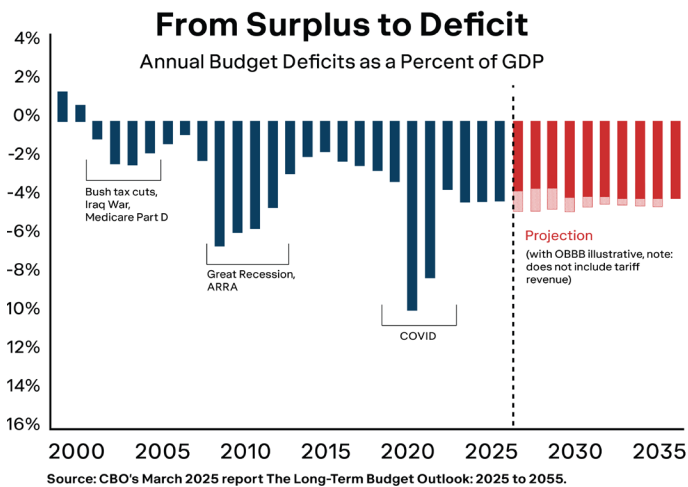
## Problem 2:

# BUDGET PROCESS IS BADLY BROKEN

The budget reconciliation process, once a deficit-reduction tool, has been exploited to pass bills adding [\\$6.8 trillion](#) (not including additional interest on the debt) to the deficit since 2017. Meanwhile, Congress has not passed a full set of appropriations bills on time since 1996, and now seems to operate outside of any formal, systematic budget process or

strategy. Congress also regularly passes well-intentioned but budget-busting pieces of legislation through regular order as well with no sense of trade-off or consequence.

This set of reforms is intended to ensure that Congress addresses the budget in a systematic way including enforceable targets and passes budget bills on time.



**Budget Process Overhaul Focused on Deficit Reduction**

Budget process reform should include the following elements:

- Do not allow budget reconciliation bills to increase the deficit by codifying the "Conrad Rule" that was in effect from 2007 to 2015.
- Congress should establish a comprehensive and coordinated budget process, based on the SAVEGO proposal developed by the [Bipartisan Policy Center](#), with clear, measurable targets to eliminate the deficit over 10 years and enforcement mechanisms that require automatic reductions or revenue increases if targets are not met. Elements of the

plan could include:

- Discretionary spending is subject to caps that constrain the growth of spending to no more than the growth of inflation.
- Budget savings to be achieved each year from mandatory spending and/or reductions in tax expenditures or other revenue increases.

**Reform the Budgeting of Emergency Spending**

**Stop the Baseline Bloat Act of 2025 - H.R. 3912 - 119th Congress (2025-2026), Sponsor and Original Cosponsors: Rep. Glenn Grothman (R-WI), Rep. Ed Case (D-HI), Rep. Marie Gluesenkamp Perez (D-WA), Jared Golden (D-ME), Adam Gray (D-CA), Marlin A. Stutzman (R-IN), Ben Cline (R-VA), Ralph Norman (R-SC).**

- This bill would remove one-time emergency spending from the budget baseline by changing the assumptions that the Congressional Budget Office uses to calculate the baseline for discretionary spending. (A baseline is a projection of federal spending and receipts during a fiscal year under current law.)
- Specifically, the bill changes the assumptions used for the discretionary spending baseline to exclude (1) resources designated as an emergency requirement, and (2) resources provided in supplemental appropriations laws.

## Stop Making the Problem Bigger

### Enact Robust PAYGO Requirements

Pay-as-you-go (PAYGO) policies that require any changes to mandatory spending or taxes that increase the deficit to be fully paid for are routinely waived—rendering them ineffective. Since 2010, despite statutory PAYGO being in place, the debt has ballooned by \$24 trillion. While not all of that increase resulted from a failure to strictly enforce PAYGO, it shows a clear need to tighten and better enforce the existing rules.

Under current law, Congress can waive cuts—with a simple House majority and 60 Senate votes. Key programs like Medicaid and SNAP are exempt, Medicare cuts are capped at 4%, and the law prohibits automatic tax hikes to offset deficit increases.

- **Reform Statutory PAYGO:** The vote threshold to waive sequestration should be raised in the House to a three-fifths majority to align with the Senate. The list of programs available for automatic sequestration should be expanded and tax increases should be added as an alternative to sequestration.
- **Use PAYGO to lower the deficit:** The Committee for a Responsible Federal Budget has proposed Super PAYGO in which every dollar of new spending or tax cuts would be offset by at least two dollars of revenue increases or spending reductions, thus ensuring that new tax cut and mandatory spending legislation also includes deficit reduction.

## Problem 3:

# LACK OF EFFECTIVE BUDGET ENFORCEMENT MECHANISMS

## Pass the Budget On Time

### No Budget, No Pay

**No Budget, No Pay Act** - S. 88 and H.R. 5755 - 119th Congress (2025-2026), Senate Sponsor and Original Cosponsors: **Sen. Rick Scott (R-FL), Sen. Jacky Rosen (D-NV), Sen. Marsha Blackburn (R-TN), Sen. Katie Boyd Britt (R-AL), Sen. Ted Budd (R-NC), Sen. Ted Cruz (R-TX), Sen. Steve Daines (R-MT), and Sen. Eric Schmitt (R-MO);** House Sponsor and Original Cosponsor: **Rep. Scott Peters (D-CA), Rep. Bill Huizenga (R-MI).**

- This legislation would dock lawmakers' pay for every day they fail to pass the budget resolution by April 15 and all 12 appropriations bills by September 30. Continuing resolutions don't count. The law would apply to future Congresses starting in 2027.

### No Budget, No Recess

Introduce and pass legislation that would prevent members of Congress from taking recess until the budget resolutions and appropriations bills are passed.

- "**No Budget, No Recess**" legislation was introduced in the 118th Congress (2023-2024) by Rep. Jodey Arrington.

## Balanced Budget Amendment

The federal government's growing debt poses a serious threat to long-term economic stability, yet Congress continues to spend more than it collects without fiscal accountability. Without a constitutional requirement for a balanced budget, lawmakers can pass deficit-heavy policies that accumulate debt, weakening the economy, and burdening future generations.

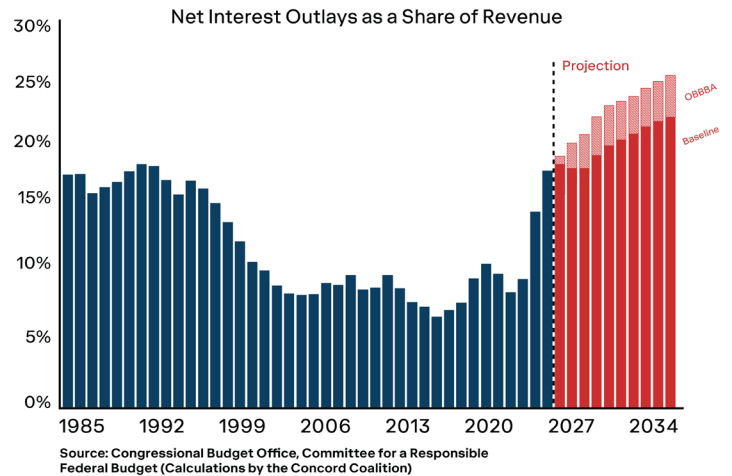
A federal balanced budget amendment would ensure that government spending does not exceed revenue, preventing irresponsible fiscal practices and forcing legislators to make sustainable, responsible financial decisions. Strengthening fiscal discipline through a balanced budget amendment is essential to protecting national prosperity, reducing economic uncertainty, and safeguarding financial security for all Americans.

There are several different ways to structure a balanced budget amendment to account for economic volatility and other contingencies. In recent history, balanced budget amendments have been proposed by both Democrats and Republicans, showing that there is a bipartisan path forward.

### Balanced budget amendment to the Constitution of the United States -

H.J.Res.55 - 116th Congress (2019-2020), Primary and Original Sponsors: **Rep. Ben McAdams (D-UT); Rep. Stephanie N. Murphy (D-FL); Rep. Ed Case (D-HI); Rep. Jim Cooper (D-TN); Rep. Luis J. Correa (D-CA); Rep. Charlie Crist (D-FL); Rep. Joe Cunningham (D-SC); Rep. Josh Gottheimer (D-NJ); Rep. Daniel Lipinski (D-IL); Rep. Kurt Schrader (D-OR); Rep. Abigail Davis Spanberger (D-VA); Rep.**

## Interest Expenses Projected to Consume Greater Share of Revenue



### Tom O'Halleran (D-AZ).

This proposed balanced budget amendment would constitutionally prohibit the federal government from spending more than it collects in a given fiscal year—unless both chambers of Congress approve the excess with a three-fifths roll call vote. It excludes certain categories from the balance requirement, such as debt repayments, borrowing receipts, and the Social Security and Medicare trust funds.

- The President would be required to submit a balanced budget annually. Exceptions to the requirement apply during wartime, military conflict posing a serious threat, or economic downturns marked by recession or high unemployment. Courts would be barred from enforcing the amendment through cuts to Social Security or Medicare unless trust fund insolvency necessitates it. The amendment would take effect five fiscal years after ratification.

### Balanced budget amendment to the Constitution of the United States

- H.J.Res.113 -118th Congress (2023-2024), Primary and Original Sponsors:

**Rep. Jodey Arrington (R-TX); Rep. Rudy Yakym (R-IN); Rep. Ron Estes (R-KS); Rep. Tim Burchett (R-TN); Rep. Jake Ellzey (R-TX); Rep. Jeff Duncan (R-SC); Rep. Bill Huizenga (R-MI); Rep. Scott Franklin (R-FL); Rep. Brett Guthrie (R-KY).**

This constitutional amendment prohibits total federal expenditures for a year from exceeding the average annual federal revenue collected in the three prior years, adjusted for changes in population and inflation. Expenditures for payment of debt and revenues derived from borrowing are excluded. Congress may authorize specific expenditures in excess of the limit for up to one year by declaring an emergency with a roll call vote of two-thirds of each chamber. The requirements take effect in the first year beginning at least 90 days following ratification, except that expenditures are permitted to exceed the limit by specified amounts during each of the first nine years that the requirements are in effect.

Concord Action is a growing grassroots movement of Americans who care deeply about our economy and fiscal outlook. Our supporters worry that America's unsustainable national debt is contributing to inflation, driving higher interest rates, threatening our security and creating an unfair burden for our future.

**To learn more about the Policy Agenda to Restore Fiscal Responsibility, contact Concord Action Policy Director Bob Zahradnik at: [bzahradnik@concordaction.org](mailto:bzahradnik@concordaction.org).**