

Congress of the United States
Washington, DC 20515

August XX, 2021

The Honorable John Yarmuth
House Committee on the Budget
204-E Cannon House Office Building
Washington, DC 20515

Subject: Adopt Proven Democratic PAYGO Protections in the Budget Resolution

Dear Chair Yarmuth:

As you formulate a budget resolution aimed at advancing additional trillions of dollars in new federal spending by reconciliation, we ask that you incorporate time-tested Democratic pay-as-you-go (PAYGO) guardrails to control any further deterioration in our nation's finances.

You are well aware of the current and projected fiscal state of our nation, including a just-last-eighteen-months increase in our federal debt from some \$23 trillion to over \$28 trillion, and our largest annual deficits and highest debt-to-GDP ratios ever. Much of this was necessitated by our emergency response to COVID-19, but we cannot now institutionalize unsustainable fiscal policy.

We acknowledged as much in our House Rules for the current 117th Congress, which adopt PAYGO for all but COVID-19 and climate change legislation. President Biden has also acknowledged as much on several occasions, including his position that his proposed multi-trillion dollar American Families Plan be fully paid for.

Fiscally responsible further investments in our society can be achieved by reinstating PAYGO protections previously developed and championed by our Democratic Caucus and fellow Democrats. The "Conrad Rule," named after former Democratic Senate Budget Committee Chair Kent Conrad (ND), is one such protection. Democratic majorities in the House and Senate adopted this rule in 2007 to curb the misuse of the reconciliation process that led to the fiscally irresponsible Bush tax cuts. For almost a decade, until it was eliminated by Republican majorities in 2015 to pave the way for further tax cuts, this rule successfully prevented abuse of the reconciliation process to drive further deterioration in our national debt.

Since the Republicans did away with the Conrad Rule in 2015, the reconciliation process has been used to add still-further trillions of dollars to our nation's ballooning debt. We should now return to the principles encompassed in that rule, consistent with sound fiscal policy, our House Rules and President Biden's direction.

To this end, we attach a proposed point of order provision for the budget resolution. This provision, crafted after the Conrad Rule, would effectively require a supermajority to

pass reconciliation legislation that increases the net deficit over the resolution's budget window. We urge that this provision be included in the resolution.

We further request that you endorse and advance H.R. 4988, the Responsible Reconciliation Act introduced by Congressman Ed Case on August 10th of this year. This measure would codify Conrad-style protections within the Congressional Budget Act to prevent further utilization of the reconciliation process to further worsen our nation's precarious finances.

Some say that we cannot both make and pay for these major investments, but paying for progress is not stopping progress. We have shown time and again, most notably with the Affordable Care Act, that progress and fiscal responsibility are not mutually exclusive. We urge that, in your consideration of a budget resolution, you follow these well-established principles including incorporation of the proposed point of order and advancement of the Responsible Reconciliation Act.

Thank you for your attention to this matter.

Sincerely,



ED CASE
Member of Congress

Member of Congress