

**Statement of Rep. Chris Chocola  
Before the Subcommittee on Legislative and Budget Process  
March 11, 2004**

Thank you, Madame Chairwoman, for allowing me to participate in today's hearing. I believe it is imperative that Congress act now to pass meaningful budget process reform and I want to thank you for engaging the Committee on this matter.

I came to Congress last year from a business background and ran for office largely because I believe we need a greater small business perspective in Washington, particularly when it comes to eliminating wasteful spending. Every day, families and businesses across America have to make tough decisions; they have to meet a payroll, live within a budget, and eliminate wasteful spending. The federal government should not operate any differently.

As the former CEO of a publicly traded company, I can say with certainty that our investors would have abandoned us and our executives would likely find themselves behind bars if we ever managed money like Congress. The budget, given current policies, is now expected to remain in deficit through FY2011 and the debt-to-GDP ratio is on the rise. No matter how you spin it, Washington's budget process and record deficits are cause for concern.

Of course, not all deficits are bad. Nations at war must borrow to defeat their enemies; a natural disaster, national emergency, or depression may call for substantial government investment. But Americans are smart enough to know that Washington spends well beyond its means in other areas and that both political parties are to blame.

Over the past few months, some Members of Congress have criticized the President for our deficit. After all, he prepares the budget and recommends annual spending levels. But it is a fact that no President of the United States has ever spent money not appropriated by Congress.

A spending problem exists in Washington because Congress, by its nature, cannot say “no.” Deficits allow members to access and spend public money without raising taxes, thereby avoiding much public debate. It is the stealthy opposite of taxation and one of many budget gimmicks employed on Capitol Hill.

Congress routinely designates spending as “emergencies,” waives applicable points of order during budget procedures, raises the statutory debt limit, disregards the sequestration process, excludes anticipated spending from budget estimates, and shifts funding between previous and future years all to avoid budget constraints. When corporations used accounting like this, Congress intervened with Sarbanes-Oxley.

Most American families are constrained by economic limits and have to live within their means. New expenditures must be matched by new income. If a family decides to borrow, their credit must be repaid on a regular schedule. Family members are incentivized to hold themselves accountable. By removing voters from the budget process through deficit spending and effectively voting itself free from accountability, Congress is incentivized to spend without limits.

Today, there are calls from Members across the political spectrum and at all levels of the federal government for budget reform. Congress now has an obligation to lead the way, fixing a broken process and strengthening our credibility as responsible budget handlers.

My colleagues and I have worked to develop consensus budget reform legislation – The Family Budget Protection Act – to simplify the process, strengthen enforcement tools, require truth in accounting, and combat waste, fraud, and abuse. Regardless of personal politics, many have agreed on the key principles necessary to improve the budget process, all of which are contained in our bill.

The current budget resolution, for example, is not signed into law by the President.

Lawmakers see it more as a roadmap or an outline with no real consequences for breaking it. Because the current resolution has no binding authority, the Budget Committee has become the most irrelevant committee in Congress when it should be one of the most important. Our bill would convert the concurrent budget resolution into a joint budget resolution with the force of law, allowing Congress and the President to commit to a budget before spending any money. This would transform the federal budget from a mere suggestion to an enforceable law and finally place a ceiling on how much money the government can spend. Additionally, our bill would replace twenty main functional spending categories of the current budget with four categories for mandatory; defense and homeland security; non-defense discretionary; and emergency spending, allowing

Congress to enforce the numbers that really count.

It is not enough, though, to simplify spending categories and to give the budget resolution the force of law. We must find real ways to limit the growth of government and to put a lid on federal spending. Our bill accomplishes that goal by placing caps on discretionary and mandatory spending, effectively forcing Congress to set new priorities in the spending process. The Family Budget Protection Act also addresses one of the most outrageous procedures in the Congressional budget process – the fact that if an amendment to cut or eliminate spending is passed by Congress, the savings of that action must go toward spending somewhere else in government, not toward debt or tax reduction. This bill fixes the process by establishing “Family Budget Protection Accounts” that would allow Members to target spending during the appropriations and direct spending process and redirect it for family tax relief or deficit reduction at the end of the fiscal year.

In order to cut spending without reducing needed services, Congress must place particular emphasis on eliminating waste, fraud, and abuse. Today, we continue to create new programs and spend more money without regard for how well current programs are performing. There are no incentives for Members to measure the effectiveness of existing federal programs, to determine whether government agencies are achieving results and merit continued funding, whether they’re duplicating efforts of other agencies, or to shut down programs that have outlived their usefulness. The Family Budget

Protection Act would periodically sunset all discretionary and voluntary entitlement programs to allow for a thorough cost-benefit analysis by Congress as to whether they still merit federal funding. The bill would also establish a bipartisan commission to make recommendations to Congress on how to eliminate wasteful, duplicative, or inefficient spending within all federal programs and agencies.

Finally, we must restore clarity to the budget process by requiring truth in Congressional accounting. For decades, the Congressional budget process has been designed to confuse taxpayers. No one can really believe what they hear when someone discusses budget numbers. Government debt can be calculated too many ways, lumping Social Security together with different accounts to hide or shrink the true public debt. And, Congress is the only place where a 10% increase in program funding is actually considered a cut.

These are commonly used practices in Washington that would make Ken Lay and Enron look squeaky clean. By requiring a clear presentation of the government's full debts and liabilities, eliminating "baseline budgeting" which allows proponents of spending to call scaled-back increases a "cut," and isolating intergovernmental debt from overall calculations to provide a true estimate of debt owed to the public, The Family Budget Protection Act would make the budget process more transparent to the public and send a clear message to taxpayers that Congress is cleaning up the government's books.

Together, these reforms will help balance the budget by implementing a framework of discipline, promote responsible spending, and encourage Congress to make the same

tough decisions that confront American families and small businesses every day.

Unless we act now to pass meaningful budget reform and keep Congress from breaking its own rules, you might soon hear Members pleading with the American people: “Stop me before I spend again.”