

Congress of the United States
Washington, DC 20515

January 4, 2021

The Honorable John Yarmuth
Chairman
House Budget Committee
Washington, D.C. 20515

Dear Chairman Yarmuth:

Since our founding in 1995, our Blue Dog Coalition has stood for the fiscal responsibility that Americans expect of their federal government. Throughout our history we have been committed to and fought for statutory and procedural Pay-As-You-Go (PAYGO) as a check and balance against the drift toward fiscal irresponsibility. Most recently, we sought and welcomed a return to PAYGO principles in the House Rules for the just-completed 116th Congress.

On November 30, 2020, we wrote you to urge that the proposed rules package for the 117th Congress retain PAYGO. We asked you to ensure the rules package did not “eliminate or weaken” this well-established, workable, and critical rule.

Despite misguided efforts by some of our colleagues to eliminate PAYGO, H. Res. 8 retains the PAYGO rule, while creating two exemptions in the case of legislation to address the COVID-19 crisis or the climate crisis.

Even with the passage of H.Res. 8, and the new authority it gives you as Chair of the Budget Committee, the ultimate authority on what should be exempted from PAYGO requirements remains with a majority of the House of Representatives, which must pass a rule for each bill considered under regular order. This is a right that members of the Blue Dog Coalition will never surrender.

Every member of the Blue Dog Coalition recognizes that PAYGO (both the rule and statute) has an emergency exemption, which allows us to properly respond to national emergencies, such as the COVID-19 pandemic. In fact, all of our members supported applying the emergency exemption to COVID-19 relief legislation to help meet the needs of this historic crisis. And although the question of exempting PAYGO for well-crafted legislation to confront the climate emergency has not faced us, our Coalition will not support attempts to misapply or misuse the COVID-19 and climate change exemptions.

Therefore, we ask that you individually and collectively police and enforce the new exemptions now adopted in the limited scope as intended and expressed and only where a practical PAYGO option is not truly available. We sincerely hope that you will not allow their utilization to facilitate a misguided view that federal deficits and debt are inconsequential, nor to allow colleagues to avoid the difficult decisions that will be necessary to both meet critical needs and maintain fiscal responsibility.

For our part, the Coalition commits to assisting you in monitoring and policing application of these two exemptions vigorously. If we believe a bill is not specifically and directly designed to address COVID-19 or climate change but is nonetheless given a PAYGO exemption, we will not hesitate to oppose any such rule for that bill on the House floor. We want to let these exemptions work as intended to help meet the COVID-19 and climate crises we face, but not let the application of them drift into what amounts as a defacto waiving of the PAYGO rule. Likewise, we will continue to vigorously monitor the use of PAYGO waivers to ensure they are being utilized appropriately and sparingly.

We categorically reject the false choice claim of those who maintain that our advocacy for PAYGO is at the expense of our support for action on critical needs of the nation. In fact, Democrats have time and again proven that progress can be paid for, while Republicans have only worsened our nation's fiscal state in the most recent time of economic growth—a time that was critical to get our fiscal house in order leading up to the crisis we now face.

The truth is that we should have been getting our fiscal house in order well before the first case of COVID-19 arrived in the United States, and the pandemic demonstrates why running a nearly \$1 trillion deficit during times of economic expansion hurts our nation and poses a national security risk. Now, total federal debt exceeds \$27 trillion. Debt held by the public has surpassed \$21 trillion, which is over 100 percent of gross domestic product. Interest rates may be low today, but interest on our debt is projected to be the fastest growing part of the federal budget, crowding out key investments in future generations. Due to the pandemic, several of our nation's trust funds, including the Medicare Hospital Insurance trust fund, Social Security Disability Insurance, and Social Security Old-Age and Survivors Insurance, are now projected to run out of money within the next 11 years—sooner than was projected prior to the crisis. Against this backdrop, it would be irresponsible to ignore our nation's dire fiscal state.

Fiscal discipline matters to our economy, our national security, and our children and grandchildren's future, and we will not allow it to be forsaken. We look forward to partnering with you to further our mutual goals and adhere to the rules of governance we have set in place.

Sincerely,



REP. STEPHANIE MURPHY (FL-07)
Co-Chair for Administration
Blue Dog Coalition



REP. ED CASE (HI-01)
Co-Chair for Policy and Legislative Strategy
Blue Dog Coalition



REP. TOM O'HALLERAN (AZ-01)
Co-Chair for Communications and Outreach
Blue Dog Coalition



REP. KURT SCHRADER (OR-05)
Co-Chair
Blue Dog Coalition