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# The Budget Integrity Act of 2015

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Congressman John Carney (DE-AL) and Jim Renacci (R-OH)

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## 1. Requires Long-Term Cost Estimates for Legislation with a Significant Fiscal Impact

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- Currently, CBO provides a year by year cost estimate for legislation over the ten year budget window
- + Proposal requires the CBO to prepare an analysis of the long-term (30 year) costs of legislation with a significant fiscal impact
- + Significant fiscal impact is any bill with a gross budgetary impact of at least .25% of GDP

## 2. Codifies Rules Objecting to Legislation That Would Increase Long Term Deficits

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- Currently, Senate has a point of order against increasing the long-term deficit but it doesn't have the force of law
- + Proposal: codifies a point of order in both the House and Senate providing an objection to significant increases in the long-term deficit
- + Point of order would apply to any bill that causes a net increase on budget deficits in excess of \$5 billion in any two consecutive ten fiscal year periods

## 3. Requires CBO and OMB Reports on Revenue, Deficits, and Debt over 40 Years

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- + Proposal codifies that CBO and OMB must issue an annual report analyzing the spending, revenue, deficit, and debt projections of the federal government over a 40 year period
- + The reports must include long term deficit and debt projections as a percentage of GDP under current law and current law as modified to maintain current policy

## 4. Ties Budget Resolutions to a Corresponding Increase in the Debt Limit

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- Currently, budget resolutions are passed without any corresponding increase in the debt limit, which effectively divorces decisions on spending from decisions on budgeting
- + Proposal requires that any budget resolution automatically includes a corresponding increase in the debt limit
- + This proposal will force Congress to account for increases in the debt limit when the spending occurs, as opposed to having a debt limit fight over past spending decisions

## 5. GAO Study of the Effect of Off Balance Sheet Liabilities

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- Over the next several decades there is expected to be a huge growth in government liabilities that are not included in the officially reported numbers. These take the form of implicit or explicit government guarantees and commitments, including student loans, housing related commitments, Social Security, Medicare, and other government trust funds
- + The biggest category of off-balance-sheet liabilities comes from the additional funds that the trustees of the Social Security and Medicare trust funds believe would need to be found in order to fulfill commitments to current program participants (reported to be \$26.5 T for Social Security and \$27.6 T for Medicare)
- + Proposal requires the GAO to study and report to Congress the long term impact of these “off balance sheet” commitments so that Congress can have a clear eyed view of the future federal obligations in these areas