



Congressman Kurt Schrader
Oregon's 5th Congressional District

SCHRADER'S 10-STEP PROGRAM FOR FISCAL REFORM

“Oregon families are adjusting to these difficult times by tightening their belts and cutting unnecessary expenses. It’s time for Congress to do the same.”- Congressman Kurt Schrader

On January 27th Congressman Kurt Schrader (D-OR) released the following package of fiscal reforms intended to cut government spending and move towards a balanced budget. The package was developed by Schrader and other members of the fiscally-conservative Blue Dog coalition. Each reform has been or will be introduced as an individual bill in the coming weeks.

1. Congress should pay for what it spends:

- Congress should pass statutory pay-as-you-go (PAYGO) legislation requiring Congress to pay for any new spending instead of just adding it to the National debt. PAYGO had bi-partisan support in the 1990s and helped the government create budget surpluses.

2. Put the lid on federal spending:

- In addition to balancing the federal checkbook, Congress should set limits on discretionary spending. Just like American families who make tough decisions every day, Congress must learn to live within its means.

3. Cut programs that don’t work and eliminate duplication and inefficiency:

- Government programs that are duplicative or inefficient can be a substantial drain on the federal budget. Congress and the President need to work together to identify and cut programs that are duplicative, don’t work or are ineffective.

4. Create a trigger to force Congress to reduce the deficit:

- This tool would force Congress to live within its means by keeping our federal budget on a path towards balance. Congress would be required to cut spending to meet these targets, effectively reducing the deficit over time.

5. Be honest about long-term fiscal obligations:

- Congress can not set a path towards a balanced budget without producing an honest and open assessment of the government’s long-term financial obligation. Every budget resolution should include such an assessment.

6. Establish a bi-partisan fiscal commission:

- A bi-partisan fiscal reform commission should be established to force

Congress' hand in making the tough decisions necessary to put the country back on a fiscally sustainable path.

7. Make funding decisions based on program/agency performance.

- Government agencies and programs should be judged on how efficiently they spend your tax dollars. Congress then needs to use these determinations to make decisions on allocating funding. This practice is often referred to as performance-based budgeting and was a hallmark of Kurt Schrader's work as co-chair of Oregon's budget process. It's common sense to fund programs that work and not those that do not.

8. More transparency and the elimination of waste, fraud and inefficiency:

- Congress also needs to make a stronger commitment to rooting out waste, fraud and inefficiency. Research shows that for every \$1.00 we put into "program integrity accounts" that identify and eliminate waste, fraud and abuse in government spending, we get \$1.50 back. We also need to reduce the estimated \$98 billion that is wasted annually when a federal agency pays too much or pays twice for a product or service.

9. Audit the Department of Defense to account for every dollar it spends:

- Evaluating every dollar spent on our national defense is not only good fiscal practice; it is a matter of national security. Like all other major federal agencies, the Department of Defense should be subject to annual audits. Senators John McCain and Claire McCaskill have already introduced this measure in the Senate.

10. Close Tax Loopholes:

- It is critical that the federal government continue to identify and report loopholes and inefficiencies within the current tax system.