

- Thank you, Chair Yarmuth and Ranking Member Smith, for accepting member testimony. I want to speak with you today about a few issues that are of special interest to my constituents in Louisiana's Sixth Congressional District.
- I am working on legislation to put some guard rails on the budgetary impacts of the Executive Branch.
- **New Legislation – Administrative PAYGO**
 - The Constitution gave Congress the power of the purse. Congress has implemented a budget rule requiring that mandatory spending increases must be “offset” – as in paid for by cuts or tax increases.
 - However, no such statutory requirement exists for the Executive Branch – no matter how much a rule might cost taxpayers or the economy.
 - In 2005, the Office of Management and Budget implemented a deficit-neutrality requirement to discretionary executive actions such as regulations, demonstration program notices, and other forms of program guidance.
 - Nicknamed “Administrative PAYGO”, this policy had good intentions – but, even according to CRS, very little is known about whether it was applied consistently because of a lack of transparency at OMB.
 - I am working on a bill to create a statutory requirement for a transparent, centralized deficit-neutrality requirement for discretionary executive actions. Furthermore, my legislation will require an agency to consider the dynamic impact of those actions.
 - Instead of just looking at the static cost of a rule – e.g. the “score”, an agency would need to consider the overall economic impact of a rule or regulation.
 - Rules and regulations that are found to have a significant economic impact would then require Congressional approval.
 - This new Congressional oversight mechanism will be critical for safeguarding both taxpayer dollars and to preserve the intention of the legislation that the rule is implementing.
- Thank you again for taking these concerns into consideration.

Rep. Garret Graves
Member Day Testimony
Budget Committee

- Please let me know if you or your staff have questions.