

Rep. Rich McCormick  
House Committee on the Budget  
Member-Day  
Remarks  
December 3<sup>rd</sup>, 2025

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- Mr. Chairman, Ranking Member Boyle, and Members of the Committee, thank you for the opportunity to come testify today.
- I'm here to present my bill, H.R. 5438, the Incentivize Savings Act, which was referred to this committee as well as the House Committee on Oversight and Government Reform.
- This bill addresses the simple but fundamental problem in our federal budgeting system that agencies are incentivized to spend every dollar they receive before the end of a fiscal year, sometimes wastefully.
- From FY 2019 to FY 2024, federal agency spending grew from \$4.4 trillion to \$6.7 trillion - a 51.7% increase.
- Over the same period, the deficit nearly doubled, rising from \$984 billion to \$1.8 trillion, an 85.9% jump.
- Our national debt has now surged past \$37 trillion, which comes out to roughly \$324,000 per taxpayer.
- In our grave fiscal situation, we cannot afford to keep rewarding unnecessary spending.
- The Department of Government Efficiency saved the federal government \$214 billion, or \$1,329 per taxpayer, by eliminating inefficient programs and wasteful spending.

- That demonstrates the enormous potential of a government that is actively encouraged, not discouraged, to save taxpayer dollars.
- But under our current budget structure, agencies face a "use-it-or-lose-it" incentive.
- If they spend less than what they were appropriated, they risk having their budgets cut in the next cycle.
- That means the rational choice for any agency is to spend everything, even if they don't need to. This is backwards.
- We should reward fiscal responsibility, not punish it.
- The Incentivize Savings Act flips this perverse incentive. Under my bill, when an agency allows funds to expire:
  - 49% of the savings automatically goes to pay down the national debt;
  - 49% remains with the agency for an additional year, allowing them to budget for bigger upgrades; and
  - And 2% goes toward retention bonuses, rewarding the employees who found new ways to save taxpayer dollars.
- This bill would create a system where saving money is no longer a liability for federal agencies.
- Agencies benefit when they are efficient, taxpayers benefit from reduced debt, and the federal government as a whole benefits from a culture that values careful stewardship over spending.
- This is the kind of practical, bipartisan reform that doesn't require creating a new program or process or raising taxes.

- It simply aligns the incentives of federal agencies in line with the American people. It creates a culture of fiscal responsibility.
- I encourage every member of this Committee to support the Incentivize Savings Act, and I welcome any colleague who wishes to cosponsor the legislation.
- Thank you again for the opportunity to present this bill. I would be happy to take any questions.