



HOUSE  
BUDGET  
COMMITTEE

# Budget Digest

Chairman Steve Womack

March 5, 2018

## A BALANCED BUDGET CONSTITUTIONAL AMENDMENT

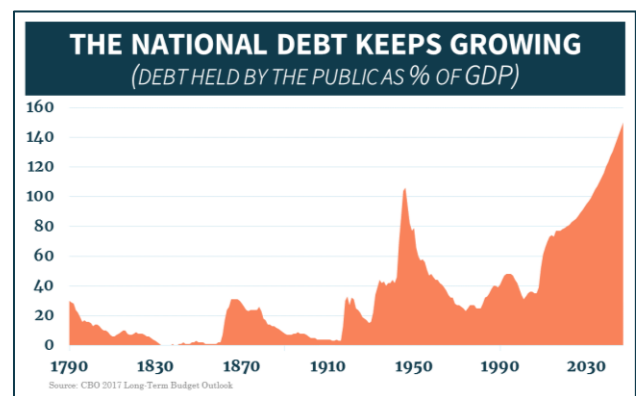
A balanced budget amendment to the Constitution – if ratified – would require the federal government to balance how much money it brings in and how much money it spends on an annual basis. Since the 1930s, the House and Senate have considered dozens of balanced budget amendments. While they often vary in form, all accomplish the same goal: a balanced budget, enforceable by the Constitution.

There are two ways to amend the Constitution: a two-thirds vote in both the House and the Senate or Congress calling for a convention based on application of two-thirds of the states. The proposed Amendment would then need ratification by three-fourths of the states.

In 1995, for the first time ever, a balanced budget amendment passed the House by the required two-thirds margin. However, it fell one vote short in the Senate and could not be sent to the states for ratification. In 1997, a balanced budget amendment once again failed to meet the two-thirds threshold in the Senate by one vote. Since then, the House Budget Committee has written and the House has approved several budgets that balance. However, no other balanced budget amendments have passed the House since 1995.

Without a balanced budget amendment, the federal government continues to overspend. Today, annual deficits are nearing a trillion dollars and total debt has climbed to over \$20 trillion. Congress does not need a balanced budget amendment in order to balance the budget. While lawmakers can address spending and the deficit statutorily, history and our

debt and deficits highlight the government's inability to restrain spending on its own.



In response, the House Judiciary Committee plans to markup Chairman Goodlatte's balanced budget amendment (H.J. Res 1.). The joint resolution would set forth the following:

- Total fiscal year spending will not exceed total revenues for that fiscal year
- Total spending will not exceed 20 percent of annual Gross Domestic Product
- Public debt cannot be increased
- Requires the President to submit a balanced budget every year
- Supermajority voting requirement to increase federal revenues
- Permits exception only in the case of a declaration of war.

H.J. Res 1 establishes the basic principle that the federal government should not spend beyond its means. It does not make policy decisions, but rather forces members of Congress to do so.