

111TH CONGRESS
2D SESSION

H. R. 5008

To amend the Congressional Budget Act of 1974 to require annual progress toward meeting fiscally responsible 5- and 10-year deficit and debt targets.

IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2010

Ms. MARKEY of Colorado (for herself, Mr. BACA, Mr. BERRY, Mr. BOREN, Mr. BOYD, Mr. BRIGHT, Mr. CHILDERS, Mr. COOPER, Mr. DAVIS of Tennessee, Ms. GIFFORDS, Ms. HERSETH SANDLIN, Mr. HILL, Mr. KRATOVIL, Mr. MARSHALL, Mr. MATHESON, Mr. MCINTYRE, Mr. MELANCON, Mr. MINNICK, Mr. MURPHY of New York, Mr. NYE, Mr. ROSS, Mr. SCHIFF, Mr. SCHRADER, Mr. SHULER, Mr. SPACE, Mr. TANNER, and Mr. WILSON of Ohio) introduced the following bill; which was referred to the Committee on Rules, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Congressional Budget Act of 1974 to require annual progress toward meeting fiscally responsible 5- and 10-year deficit and debt targets.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Targeted Deficit Re-
5 duction Act of 2010”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) the Federal deficit in 2009 was more than
4 \$1.4 trillion, or 9.9 percent of the United States
5 gross domestic product (GDP);

6 (2) our current deficits are unsustainable:
7 under realistic assumptions, the level of public debt
8 will double over the next ten years;

9 (3) the Federal debt held by the public at the
10 end of 2009, as estimated by the Congressional
11 Budget Office (CBO), was approximately \$7.5 tril-
12 lion or 53 percent of GDP;

13 (4) in a conservative CBO estimate assuming
14 tax cuts will expire by 2012, the debt will climb to
15 \$15 trillion by the end of 2020, or 67 percent of
16 GDP;

17 (5) other analysts, which take account many
18 factors that the CBO does not utilize, estimate that
19 by 2020 publicly held debt will be closer to 80 per-
20 cent of GDP;

21 (6) in 2009, payment of interest on the national
22 debt was the fourth largest item in the Federal
23 budget, reducing funds available to vital programs
24 such as education, homeland security, and veterans
25 affairs;

1 (7) United States debt held by foreign individ-
2 uals and nations whose interests are not always com-
3 patible with United States interests has grown dra-
4 matically: at the close of 2009 overseas ownership of
5 United States securities totaled nearly \$3.6 trillion
6 and nearly \$800 billion was held by China;

7 (8) creditors' willingness to lend to the United
8 States is decreasing, which greatly restricts the abil-
9 ity of the Nation to respond to crises, both foreign
10 and domestic;

11 (9) a growing debt directly increases inflation,
12 further eroding the power of the United States dol-
13 lar abroad and weakening the economy;

14 (10) succeeding generations will face greatly
15 lower standards of living because of the fiscal future
16 created by prolonged deficit spending;

17 (11) international trade has made the United
18 States economy the largest in the world, but tight-
19 ened credit and weakened international standing will
20 reduce the Nation's ability to compete in a global
21 marketplace and will restrict the growth of the econ-
22 omy;

23 (12) the United States supplies the Inter-
24 national Monetary Fund (IMF) with a great deal of
25 its funding and is a leader in formulating IMF eco-

1 nomic policies that are promoted through the world,
2 yet the United States is dangerously close to exceed-
3 ing the IMF guideline limit of 60 percent debt-to-
4 GDP;

5 (13) without a significant commitment to rein
6 in our deficits and debt, our economic and national
7 security will be threatened;

8 (14) the Federal budget should be developed
9 each year toward a target of attaining a maximum
10 ratio of 60 percent debt-to-GDP and achieving com-
11 plete budget balance within ten years (by fiscal year
12 2020);

13 (15) an interim goal, the Federal budget should
14 achieve primary balance, in which spending equals
15 revenue excluding the debt service, within five years
16 (by fiscal year 2015);

17 (16) the reconciliation process is currently an
18 optional procedure under the Congressional Budget
19 and Impoundment Control Act of 1974 (Public Law
20 93–344), as amended) designed to enhance the abil-
21 ity of Congress to reduce the deficit; and

22 (17) this Act creates achievable, long-term goals
23 and imbeds a process for annual progress toward
24 that goal in the Congressional budgetary process.

1 **SEC. 3. TARGETED DEFICIT AND DEBT REDUCTION.**

2 (a) IN GENERAL.—Title III of the Congressional
3 Budget Act of 1974 is amended by adding at the end the
4 following new section:

5 “TARGETED DEFICIT AND DEBT REDUCTION

6 “SEC. 316. (a) CONTENT OF CONCURRENT RESOLU-
7 TION ON THE BUDGET.—In addition to the items required
8 to be included in a concurrent resolution on the budget
9 under section 301(a), the concurrent resolutions on the
10 budget for fiscal years 2011 through 2020 shall each in-
11 clude, as applicable, reconciliation directives described in
12 section 310 to reduce the deficit to achieve the goals set
13 forth in subsection (b).

14 “(b) GOALS TO BE ACHIEVED THROUGH REC-
15 ONCILIATION.—

16 “(1) Primary budget balance by fiscal year
17 2015.

18 “(2) Full budget balance by fiscal year 2020.

19 “(3) A debt-to-GDP ratio of 60 percent by fis-
20 cal year 2020.

21 Any committee that receives reconciliation directives to
22 achieve any of these goals shall be ordered to report a rec-
23 onciliation bill not later than 45 calendar days after the
24 concurrent resolution on the budget containing such direc-
25 tives is agreed to.

1 “(c) CBO REPORT.—On or before February 15 of
2 each year through 2019, the Director of the Congressional
3 Budget Office shall submit to the Committees on the
4 Budget of the House of Representatives and the Senate
5 a report for the fiscal year commencing on October 1 of
6 that year containing the target deficit reduction for that
7 fiscal year necessary to achieve the applicable goals set
8 forth in subsection (b) and the anticipated glide path for
9 each such fiscal year until fiscal year 2020. In determining
10 the necessary deficit reduction required for each fiscal
11 year through fiscal year 2020, the Director shall endeavor
12 to have such deficit reduction as uniform as possible for
13 each such fiscal year. Each such report shall also include
14 the estimated deficit, debt, and GDP for each fiscal year
15 through fiscal year 2020.

16 “(d) DEFINITIONS.—For purposes of this section—

17 “(1) the term ‘primary budget balance’ means
18 outlays equal receipts during a fiscal year, not
19 counting outlays for debt service payments;

20 “(2) the term ‘full budget balance’ means out-
21 lays equal receipts during a fiscal year;

22 “(3) the term ‘GDP’ means the gross domestic
23 product of the United States; and

24 “(4) the term ‘debt-to-GDP ratio’ means, for a
25 fiscal year, the quantitative relationship between the

1 face amount of obligations described in section
2 3101(b) of title 31, United States Code, estimated
3 to be outstanding at the end of that year and the
4 estimated GDP for that year.”.

5 (b) CONFORMING AMENDMENT.—The table of con-
6 tents set forth in section 1(b) of the Congressional Budget
7 and Impoundment Control Act of 1974 is amended by in-
8 serting after the item relating to section 315 the following
9 new item:

“Sec. 316. Targeted deficit and debt reduction.”.

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