



U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

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Chris Van Hollen,  
Ranking Democrat

November 16, 2011

## Vote “No” on the Constitutional Amendment: H.J.Res. 2 is Not Fiscally Responsible

Dear Democratic Colleague:

This week Republicans plan a House vote on an amendment to the Constitution that could require \$1.6 trillion more in spending cuts than the draconian House budget resolution, which never reached balance. This Amendment – a modified version of [H.J.Res. 2](#) – could have dire consequences on the payment of Medicare and Social Security benefits as well as on other government guarantees to our citizens, on jobs and the economy, and on Congress’s ability to respond to changing needs. I urge you to oppose the Constitutional amendment.

H.J.Res. 2 would amend the Constitution to require Congress to balance the budget each year by limiting annual spending – including spending from Social Security and other trust funds – to no more than receipts. It would impose a more stringent voting standard on cutting services than on cutting tax loopholes. It would also require the President to submit a balanced budget each year regardless of economic conditions.

The following are some of the key reasons H.J.Res. 2 is bad policy.

**Requires even deeper cuts than the draconian Republican budget** – The Amendment makes it easier to cut taxes – tax cuts that would necessitate deeper spending cuts to match lower receipts – than to close tax loopholes. The disparity clearly highlights that this Amendment is not about balancing the budget, but rather about establishing a constitutionally mandated path to impose the Republican budget priorities of deep spending cuts. But the Amendment would require even deeper spending cuts than the House Republican budget resolution, which never reached balance. In fact, the Republican budget ran \$1.6 trillion in deficits from 2018 through 2021, when this Amendment could be in effect.

**Deprives Congress flexibility to address national needs and economic emergencies** – By limiting annual outlays to the level of that year’s receipts, Congress would not have the flexibility to respond to natural disasters or economic crises. This could lead to economic harm during a recession, when some federal spending automatically increases both to provide needed help and therefore also boost the economy.

**Applies to all federal spending, including Social Security and other trust funds** – The Amendment applies to all outlays, including those from trust funds with receipts from prior years.

That means Social Security spending is subject to the total limit on outlays, putting in jeopardy the retirement guarantee made to our seniors who contributed throughout their working years.

**Risks default by imposing obstacles to raising the debt limit** – This year has illustrated the economic consequences of risking default on the nation’s obligations. Nonetheless, the amendment would make default more likely by increasing the difficulty of raising the debt limit by requiring a 3/5<sup>th</sup> supermajority vote.

**Not analogous to states or families balancing their budgets** – Many states are required to balance their operating budgets, but they still borrow for capital projects. Likewise, families regularly do not balance their budgets on an annual basis; a 30-year home mortgage or a student loan are both examples of ways families can responsibly take on debt and pay it back over time. By requiring the federal government to balance spending and receipts each year – regardless of the country’s economic circumstance or the need for immediate resources – the Amendment prohibits the nation from making necessary investments.

**Makes it easier to cut Social Security than to close a tax loophole** – Why should there be a different standard for cutting Social Security benefits than for cutting a corporate tax loophole? Yet the Amendment would make it easier to cut Medicare benefits to seniors, cut Social Security, or slash education than to cut even a dime of special interest tax breaks. It requires a majority roll of the whole number of each House – 218 votes in the House regardless of how many Members are absent – to raise revenue, whereas a simple majority vote of those present can cut spending.

**Involves the courts in budget decisions** – The amendment does not spell out how the Constitutional requirement for a balanced budget would be enforced, opening the door to courts intervening in federal budget decisions. Courts are ill-suited to make these decisions, and the elevation of budget disputes to Constitutional questions will add complexity to an already challenging process and could lead to shutting down all federal operations, even emergency services, if a federal budget shutdown is mandated by the courts.

Democrats remain committed to responsibly putting the budget on a fiscally sustainable path through a balanced approach that includes both spending and revenue. This Republican Constitutional amendment is not the answer, and I urge my colleagues to vote against H.J.Res. 2.

If you would like more information about the budgetary consequences of the Amendment, please contact me or the Budget Committee Democratic staff at 6-7200, or review the Committee’s website at <http://democrats.budget.house.gov/initiatives>.

Sincerely,

A handwritten signature in black ink that reads "Chris Van Hollen". The signature is fluid and cursive, with a large initial "C" and "V".

Chris Van Hollen  
Ranking Democrat