



Press Release

Congress Broke PAYGO

PAULINA ENCK | NOVEMBER 3, 2022

Under the Statutory Pay-As-You-Go (S-PAYGO) Act – which requires that new legislation must be paid for, on average, over 5- and 10-year periods – there is a \$742 billion positive balance on the S-PAYGO scorecard, largely due to the American Rescue Plan Act. In a new insight, Gordon Gray and Rohit Ramesh explain that because there is nowhere near \$742 billion in non-exempt funding for the Office of Management and Budget (OMB) to sequester, OMB will likely find itself unable to comply with the law.

Gray and Ramesh conclude:

Congress is spectacularly duplicitous in its approach to budgeting. For small-ball legislation, Congress will often go to some lengths to offset any costs. But for big-ticket items, often the product of campaign promises, these rules rarely apply. Statutory PAYGO itself is riddled with specific exceptions and exemptions, and is so ineffectual, it has never been invoked despite serial congressional profligacy. This habit has become so common that the current Congress has racked up an S-PAYGO balance so large that it exceeds any capacity for the executive branch to comply with the law. Congress broke S-PAYGO, and the quick fix that will likely occur at the end of the year probably won't be pretty.

[Read the analysis](#)