

To the office of U.S. Representative W. Gregory Steube

Re: HR 10078 (119th Congress), Dollar-for-Dollar Deficit Reduction Act • Latest action (2026-08-10): Referred to the Committee on Ways and Means, and in addition to the Committees on Rules, and 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.

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Fiscal Responsibility and Emergency Flexibility Act

The measure, as described from the official record: Require that any new legislation that increases the deficit (through spending increases or revenue reductions) be offset by equivalent spending cuts or revenue increases, ensuring deficit neutrality over a specified budget window.

THE PROPOSAL

This Act establishes a statutory pay-as-you-go (PAYGO) requirement for all legislation affecting direct spending or revenues, effective for fiscal years 2025 through 2030. Any bill or joint resolution considered by Congress that would increase the deficit over a 5-year or 10-year budget window must include offsetting spending reductions or revenue increases of equal or greater amount. The Congressional Budget Office (CBO) shall determine the budgetary impact of each measure using its most recent baseline.

To preserve executive discretion and congressional flexibility, a waiver is provided: the President may declare a national emergency or certify that a measure is essential for the performance of a core governmental function (e.g., national security, disaster relief, public health). Upon such declaration, the PAYGO requirement is suspended for that specific measure for one fiscal year, renewable once. Congress may also override the PAYGO requirement for any measure by a three-fifths vote in each chamber, ensuring a supermajority consensus for deficit-increasing legislation.

Enforcement is automatic: if at the end of a session the net deficit increase from all enacted legislation exceeds zero, the Director of the Office of Management and Budget (OMB) shall sequester non-exempt mandatory spending by the amount of the excess, proportionally across all programs not exempted by law. Exemptions include Social Security, veterans' benefits, and interest on the debt. The CBO and OMB shall jointly report to Congress quarterly on compliance.

This Act sunsets on September 30, 2030, unless reauthorized. It does not bind future Congresses beyond its term, and any subsequent Congress may amend or repeal it by ordinary legislation.

OPERATIVE PROVISIONS (VFA PROPOSAL)

Funding Source Existing appropriations for the Congressional Budget Office and the Office of Management and Budget; no additional funding required.

Funding Amount No new appropriation; oversight costs absorbed within current budgets.

Sunset Years	5 years
Oversight Body	Joint CBO-OMB Deficit Monitoring Committee, reporting quarterly to the House Budget Committee and Senate Budget Committee.
Enforcement Mechanism	Automatic sequestration of non-exempt mandatory spending by OMB if net deficit increase exceeds zero at end of each session; judicial review limited to constitutional challenges.
Effective Date	January 1, 2025, for all legislation introduced after that date.

CONSTITUTIONAL BASIS

- Article I, Section 8, Clause 2 (borrowing power)
- Article I, Section 9, Clause 7 (appropriations power)
- Article II, Section 3 (executive discretion and duty to take care that laws be faithfully executed)
- Tenth Amendment (reserving to states and people powers not delegated)

Concerns with the measure as written:

- Potential infringement on executive discretion under Article II, Section 3 if no waiver exists for national emergencies or essential governmental functions.
 - Risk of binding future Congresses in a manner that could impair their ability to respond to unforeseen circumstances, though each Congress retains the power to amend or repeal.
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WHY BOTH SIDES CAN BACK IT (VFA'S ASSESSMENT)

Honors Democratic priorities by protecting social programs (Social Security, veterans' benefits) from sequestration and allowing emergency spending without offsets via a presidential waiver or supermajority vote. Honors Republican priorities by enforcing deficit neutrality as a default rule, requiring offsets for new spending or tax cuts, and including a sunset to prevent permanent fiscal constraints.

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