



Local Matters.

We must get control of finances

By Rep. Mike Coffman

Published 03.18.11

Colorado Community Newspapers

In case you haven't figured it out on your own, let me report to you straight from Washington, D.C.: this country's finances are a mess.

Right now, we have a \$14.2 trillion national debt and an estimated \$1.5 trillion current year deficit. Last year, the federal government spent \$3.5 trillion. And spending on domestic government agencies increased by 24 percent in the past two years — nearly 85 percent when you add the “stimulus” on top.

Spending more than we have means we must borrow those dollars from others, who will have to be paid back, with interest. I firmly believe this type of reckless disregard for our future contributed to the political realignment last November so that there is now, for the first time in many years, a willingness to address our fiscal problems. I am not just condemning the spending of President Obama and former Speaker Nancy Pelosi. I believe that this problem has been brought on by many years of poor choices, by both Democrats and Republicans, and by Congress and presidents.

Here is where we stand now: we are nearly halfway through the 2011 fiscal year, and there is as of yet no long-term spending plan in place. The House last year, under Pelosi, did not pass a budget or spending bill for all of 2011. So we are operating under a series of short-term plans, called “continuing resolutions.” The current one is three weeks long and expires on April 8.

The House of Representatives, under a new Republican majority, produced a longer-term spending plan last month, which would have covered the rest of the fiscal year — until Oct. 1, 2011. The bill cut nearly \$100 billion from the president's requested budget, and \$62 billion from last year's amount. This was sent to the Senate, where Democrat leadership there responded with a bill that instead proposed cutting \$5 billion. Both of these proposals were voted on in the Senate, and the House plan with the larger cuts received more votes, but neither came close to passing. Therefore, we continue to need short-term plans.

Republicans have insisted that the short-term plans contain proportional spending cuts, equal to \$2 billion a week. In this way, we have at least cut \$10 billion from last year's spending levels, the most that has ever been reduced in modern times. But these short-term plans are a nightmare for good government. Forcing agencies to budget week by week is inefficient and wasteful. Congress needs to pass a longer-term measure.

Once the rest of 2011 is accounted for, Congress will then turn to future years. This is where the real challenges start.

By law, the U.S. Government can borrow only so much money. The current limit of \$14.294 trillion will be reached in the next few months. Before then, Congress will have to vote to raise the debt limit, or risk international credit problems. My strong belief is that we cannot simply raise the debt limit without extensive budget reform to ensure we don't have to keep doing this again and again. I am advocating for a Balanced Budget Amendment, which will lock into the Constitution a requirement not to spend more than we take in.

After the debt limit vote, we will turn to longer-term proposals. The hard truth is that we need to look at things like Social Security, Medicare and Medicaid. Right now, nearly 60 percent of federal spending goes to these programs. Due to the aging of our population and retirement of the baby boomers, that number will grow. We are not too far from a date when every single dollar we take in will go to these programs. The dramatic fights now playing out in Congress — NPR subsidies, defense spending, and so on — will be meaningless because there will be no room left for anything but entitlements.

Practically, that will mean massive tax increases or massive benefit reductions. Obviously, this is unacceptable. Our seniors and retirees need assurances that they will get what was promised. We can't allow the problems we clearly see coming to continue unchecked. The longer we wait, the harder the choices get.

The \$2 billion a week we are cutting now doesn't mean much alone against future year predications. But taken as a start, and if followed up by meaningful entitlement reform, it can help prevent disaster down the road.

We've got to get our finances under control.

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