

AMERICANS FOR PROSPERITY[®]

GEORGIA

May 31, 2011

Dear Representatives Kingston and Graves,

On behalf of more than 44,000 Americans for Prosperity-Georgia activists, I want to commend you for your recent introduction of the Returning to Responsible Fiscal Policy Acts. Your proposal would bring a stop to the federal government's out-of-control spending binge by capping outlays as a percentage of GDP and bringing that ratio down gradually from the current 25 percent to 18 percent by 2016. At a time of severe fiscal strain, strong and decisive action like this is exactly what America needs.

As you know, the federal government's finances are in terrible shape. With two straight years of trillion-dollar deficits under President Obama, and an additional \$1.6 trillion shortfall estimated for this year, the national debt continues to spiral out of control. Last week the federal government hit its debt ceiling of \$14.3 trillion. Ratings agencies have threatened to downgrade U.S. debt if Washington can't get its fiscal house in order. The Congressional Budget Office warns of a rapidly deteriorating fiscal outlook, driven especially by unsustainable spending on entitlement programs such as Social Security, Medicare, and Medicaid, only getting worse as millions of "baby boomers" retire in the coming years.

How did it get this bad? The real problem is the unchecked growth in government spending. Total federal spending has exploded over the last decade, more than doubling since 2001. Federal outlays are currently running at about 25 percent of GDP, well above the historical average of 20.6 percent. The solution to the national debt lies in significant spending cuts, not tax increases.

Your proposal attacks this head-on by forcing lawmakers to find spending cuts and by limiting the size of the federal government relative to the economy. If Congress is unable to keep spending under these statutorily imposed caps through legislative compromise, the proposal orders automatic, across-the-board spending cuts to meet the prescribed spending levels. Finally, it wisely puts provisions in place to hold Congress to these limits, allowing an override only with a two-thirds majority vote in both houses.

Sincerely,

Virginia Galloway
State Director
Americans for Prosperity - Georgia