



# TEA PARTY SOLUTIONS FOR AMERICA

Congressional Plans for Fiscal Responsibility  
and Economic Prosperity

Sal Russo and Taylor Budowich, Editors

**Foreword By Steve Forbes**

**with articles by...**

Sen. Marco Rubio  
Sen. Chuck Grassley  
Rep. Jeff Duncan  
Rep. Jim Jordan

Sen. Rand Paul  
Rep. Louie Gohmert  
Rep. Steve King  
Sen. John Barrasso

Sen. Mike Lee  
Sen. Jeff Sessions  
Rep. Tom Price  
Rep. Marsha Blackburn

...and 21 other members of Congress

# Tea Party Solutions For America

Congressional Plans for Fiscal Responsibility  
and Economic Prosperity

---

---

Sal Russo and Taylor Budowich, Editors



**TEA PARTY EXPRESS**

RESTORE LIBERTY - HONOR THE CONSTITUTION

## **Dedication**

To the millions of Americans around the nation who answered the call to get involved in the political process and created this profound political movement, starting with the hundreds of thousands of people who came out in 2009 to protest the increasing size, cost and intrusiveness of the federal government, inspiring millions more to stand up and fight for liberty, limiting government, and the Constitution by working in campaigns and voting for dedicated candidates, resulting in the election of more conservatives at the federal and state level since the 1920's.

Paid for by Tea Party Express. Not authorized by any  
candidate or candidate's committee.  
[www.TeaPartyExpress.org](http://www.TeaPartyExpress.org)

## **Acknowledgements**

The most important acknowledgement is to thank the millions of Americans that have supported our organization with their financial support, by attending our over 500 rallies and events, and with voting for and electing strong, fiscal conservatives. Our vision of publishing a book that promotes conservative solutions in Congress would not exist without the impact that the Tea Party movement has made on American politics.

We specially want to thank the Tea Party Express team that has worked tirelessly to bring us to publication of our book. Special thanks go to Justin Petty and Andy Surabian for their outreach to members of Congress, which allowed us to pack this book full of important Tea Party ideas, and to Donlyn Turnbull, who organized and formatted the contents of this book. And, of course, we are forever gratefully for the extended Tea Party Express family who has kept us rolling for the past 6 years.

## Contents

<b>Foreword</b> By Steve Forbes	1
<b>Introduction</b> By Sal Russo & Taylor Budowich	6
<b>Conservative Reforms to Save the American Dream</b> By Senator Marco Rubio (FL)	19
<b>Economic Freedom Zones</b> By Senator Rand Paul (KY)	24
<b>Strengthening the Middle Class Should Start with Strengthening Opportunity</b> By Senator Mike Lee (UT)	36
<b>Taxpayers Suffer When IRS Misplaces Priorities</b> By Senator Chuck Grassley (IA)	41
<b>Let's Reform the Budget Process</b> By Congressman Louie Gohmert (TX-1)	44
<b>Fixing Immigration Enforcement</b> By Senator Jeff Sessions (AL)	47
<b>Expand Opportunity Through Energy</b> By Congressman Jeff Duncan (SC-3)	52
<b>Abolish the IRS, Enact the FairTax</b> By Congressman Steve King (IA-4)	55
<b>Patient-Centered Healthcare Works Best</b> By Congressman Tom Price, M.D. (GA-6)	57
<b>Food Stamps and the Forgotten Man: Fixing SNAP</b> By Congressman Jim Jordan (OH-4)	61

<b>Let the American People Say No</b> By Senator John Barrasso, M.D. (WY)	<b>64</b>
<b>States Have Rights, Leave Broadband Alone</b> By Congressman Marsha Blackburn (TN-7)	<b>67</b>
<b>American Energy Renaissance Act</b> By Congressman Jim Bridenstine (OK-1)	<b>69</b>
<b>Consider the Possibilities of a Flat Tax</b> By Congressman Michael C. Burgess, M.D. (TX-26)	<b>75</b>
<b>Let's Save!</b> By Congresswoman Lynn Jenkins (KS-2)	<b>77</b>
<b>Congress Can Eliminate Deficits Forever</b> By Congressman Bob Goodlatte (VA-6)	<b>80</b>
<b>Equal Opportunity for All, Here's How</b> By Congressman Dave Brat (VA-7)	<b>83</b>
<b>Strengthen America Through Opportunity, Not Dependency</b> By Congressman Tim Huelskamp (KS-1)	<b>93</b>
<b>We Need to Change How Much—and How— Washington Spends</b> By Senator Mike Enzi (WY)	<b>96</b>
<b>National Regulatory Budget</b> By Congressman Steve Scalise (LA-1)	<b>99</b>
<b>Reform Transportation by Empowering States</b> By Congressman Tom Graves (GA-14)	<b>104</b>
<b>Balancing the Budget Must be a Priority</b> By Senator Rob Portman (OH)	<b>107</b>

<b>Kill Waste by Ending Program Duplicity</b> By Congressman John Fleming, M.D. (LA-4)	109
<b>The Clean Air, Strong Economies Act</b> By Congressman Pete Olson (TX-22)	111
<b>Helping Our Veterans Gain Access to Care</b> By Congressman Markwayne Mullin (OK-2)	115
<b>Need a Hero? Hire One!</b> By Congressman Rodney Davis (IL-13)	117
<b>Balanced Budget Accountability Act</b> By Senator Steve Daines (MT)	119
<b>Put Education Decisions into the Hands of Parents, Not Bureaucrats</b> By Congresssman Ted S. Yoho (FL-3)	122
<b>REINing in the Federal Bureaucracy</b> By Congressman Brad Wenstrup (OH-2)	125
<b>The Government is Watching You, but Who's Watching Them?</b> By Congressman Jim Sensenbrenner (WI-5)	129
<b>A Declaration for Economic Liberty: 23 Years And Counting—It's Still the Economy!</b> By Congressman Curt Clawson (FL-19)	132
<b>The 10<sup>th</sup> Amendment is the Cure for Bad Government</b> By Senator Mike Rounds (SD)	138
<b>We Must Balance Our Budget—Period</b> By Congressman Scott Perry (PA-4)	142





## Foreword

By Steve Forbes

The mainstream media has no love for the conservative cause or the Republican Party in general. The Tea Party movement has been a particular target of media abuse. Although there are numerous autonomous groups using the Tea Party moniker, most of the media portrays them as part of a dangerous monolith—even though it involves millions of law-abiding citizens peacefully participating in our political process.

Which is why this book is so important. It demonstrates the impressive intellectual breadth of Tea Party participants and the range of ideas that animate them. If many of these ideas and others of a similar nature are implemented, the U.S. economy will flourish and provide opportunities for all Americans to get ahead.

American politics has recently been infected with a faulty notion that the elites in Washington are far better than the people in choosing how best to improve their lot and thereby our economy. We see the same flawed thinking across the globe as these central planners are committed to ignoring the commonsense rules of everyday life in favor of big-government solutions.

We all know that the U.S. economy remains troubled because of this “big government knows best” attitude: stagnant wages, miserably low labor-force participation rates, more businesses closing than starting up, excessive taxation, the worrying debacle of Obamacare. Japan has followed such an unsound monetary policy that even John Maynard Keynes would disagree with it. Most of Europe continues to tax and regulate like there is no tomorrow, slowing its economy to a trickle. Greece is proving how truly insightful former British Prime Minister Margaret Thatcher was when she pointed out

that socialism works well until you run out of other people's money.

We have seen history play out the results of more freedom and liberty in our economy under the presidencies of Calvin Coolidge, John F. Kennedy, and Ronald Reagan. Reducing the economic burdens of high taxation and overregulation are the plain and simple prescriptions of growth and opportunity.

We got into this current dangerous situation because, in the previous decade, we had Republicans running Washington with the same appetite as Democrats for spending and growing government. Conservatives were frustrated to the point that many didn't even bother to vote in 2008. This led to the election of President Barack Obama, with big Democratic majorities in both the U.S. House and Senate. Their pursuit of government control of health care, binge spending, higher taxes, abusive excesses in regulation, and an unstable dollar provided a jolting wake-up call.

Spurred on by a televised heartfelt tirade at the Chicago Board of Trade in February 2009, American citizens took seriously the challenge of a new Boston Tea Party. People across the country rose up and spontaneously organized rallies that drew thousands of people. The iconic symbol of the movement, the Tea Party Express bus, has been at most of the almost 500 rallies held nationwide.

The unifying theme of the Tea Party groups and rallies was opposition to a big, costly, and intrusive federal government and a determination to put in place the kind of pro-growth policies that would give every citizen the opportunity to realize the American dream.

While some Tea Party groups have ventured into one side or another of social, national security, or foreign policy issues, the central economic message has remained with all groups. Some might advance a flat tax or a fair tax or even the 9-9-9 Plan, but there is complete agreement on junking the

antiquated tax code that punishes productivity and thrift and offers way too many “sweeteners” to special interest groups.

President Barack Obama has long been determined to emulate the stagnant economies of Europe. But the United States has never fallen into the abyss of “big government has the answer to everything.” Poll after poll has shown that the American people want to make their own decisions, especially with health care. And they certainly want to hang onto their own money rather than see it taxed for more wasteful government programs. We have the high ground again, and we must not squander this opportunity. Liberals and the media fear Tea Party activism precisely because it taps into fertile ground.

Fortunately, conservatives now control both the Senate and House of Representatives, although sometimes their timidity to advance a conservative agenda can cause us to question it. A lack of will to take on these policy fights will not only fail to unshackle the American economy but also lead to electoral defeat, as the recent presidential election demonstrated when Republicans failed to articulate a clear conservative message. Ronald Reagan was right when he said we should paint with bright colors and not pale pastels so the American people can clearly see what we have in store for making their lives better.

This book demonstrates to the American people that conservatives are prepared to govern. It will be a stimulus for Congress to get busy with solid plans to grow our economy and restore fiscal responsibility. At the least, it will set the stage for debate in 2016.

Tea Party Solutions for America is not intended to be a complete guide to reforming America. Some of the ideas may work, and others may not. What the book illustrates is that plenty of good ideas are floating around in Congress that would benefit the American people if we can get Washington to focus on fixing problems rather than creating more obstacles to economic growth.

This book will be a crucial prod to action.

Each chapter is a summary of a proposal by a member of Congress to address a particular issue. Almost all of them have already been introduced as legislation. They all will need the scrutiny of the legislative process so that some ideas can be improved, modified, or even replaced with better ideas.

Ironically for the liberal mainstream media and their big-government cohorts in Washington, the good ideas in this book are largely coming from the newly elected Tea Party-supported candidates. They are not in Washington just voting no on everything; they have good, solid ideas to make America a better place with more prosperity for everyone.

The insider pundits seem to forget that the vast majority of Americans would like to see the federal government live within its means and stay out of people's lives. If we can unshackle our economy, it will grow until we have prosperity and abundance in our land.

The ideas in this book are just a start, but think about how much better we would be if Congress and the president started enacting these ideas instead of staying bogged down in partisan bickering.

*Steve Forbes is the Chairman & Editor-In-Chief of Forbes Media, In both 1996 and 2000, Steve campaigned vigorously for the Republican nomination for the Presidency. Key to his platform were a flat tax, medical savings accounts, a new Social Security system for working Americans, parental choice of schools for their children, term limits and a strong national defense. Steve continues to energetically promote this agenda. He recently co-authored MONEY: How the Destruction of the Dollar Threatens the Global Economy--and what we can do about it..*

**BLANK**

## Introduction

By Sal Russo and Taylor Budowich

**“In order to change the policies coming out of  
Washington, DC, we must first change the players.”**

—Sal Russo, Tea Party Express founder and chief strategist

Despite being six years old, the Tea Party movement continues to elicit the question, “What is it all about?” The closer you get to Washington and the media elites, the more the Tea Party is misunderstood.

Fortunately, the people understand exactly what the Tea Party is about. That is why, since 2009, thousands of conservatives have been elected to Congress, the Senate and House, state legislatures, state constitutional offices, and local government offices.

The Tea Party movement is all about ideas—ideas for how to reduce the size, cost, and intrusiveness of the federal government with pro-growth economic policies that will light up our economy and provide opportunities for everyone to claim their part of the American dream.

It is really simple. Americans know that big government, with its high taxes and burdensome regulations, inhibits economic growth and stifles the chance they and their children have to enjoy a better future.

Most of the millions of people who poured into rallies, precincts, and campaign headquarters over the past few years have done so with a single purpose: to elect fiscally responsible people to public office.

There are no special interests behind the Tea Party. There is no Tea Party movement leader who is a big star and aspires to be president. It is a very American type of phenomenon by which people form a political movement out of necessity and drive it until it is incorporated into the body politic.

It is not unique in our history to have such movements arise and make their voices heard, and the Tea Party will certainly leave a profound mark in American history with the historic election victories that have ensued since the movement began.

### **How did the Tea Party movement get started?**

It all started with a “crazed” rant, as some liberal pundits characterized it. Quite the contrary, it was a heartfelt response that touched off the passion in millions of people across America to get involved.

CNBC reporter Rick Santelli, from his usual spot on the floor of the Chicago Board of Trade, launched into a passionate tirade against the dangers imposed by big government and Wall Street bailouts.

His message on the morning of February 19, 2009, was simple: “How many of you people want to pay for your neighbor’s mortgage that has an extra bathroom and can’t pay their bills?”

What happened next changed the landscape of American politics.

A sleeping conservative giant was awakened, and as cliché as it may be, the description couldn’t be more apt. A broad base of the American electorate empathized with Santelli’s rant.

Few people actually saw the live TV broadcast, but the clip of Santelli immediately went viral. Millions of people saw it in just a few hours.

In the eyes of voters, Congress had lost touch. Both parties were engaged in an irresponsible spending spree sustained by the old “rob Peter to pay Paul” strategy. In this story, Peter is the American taxpayer (and his children and grandchildren) and Paul is the Wall Street bankers run amok.

So instead of simply tossing their bedroom slippers at the TV in frustration with the latest shenanigans of the political



class, citizens heeded Santelli's advice and took to the streets in protest.

Huge rallies spontaneously sprung up in cities big and small across the country. They organized T(axed) E(nough) A(lready) Party groups, arranged meetings, and showed a determination to fight back at all the nonsense in Washington. The Tea Party movement was clearly a protest movement in the early stages. People were frustrated and wanted to vent.

The left, not recognizing reality with their mainstream media buddies, claimed Karl Rove or the Koch brothers or some other nefarious right-wing operator must be responsible. But they were wrong. This was an organic, down-to-earth populist movement that sprang up on its own.

The problem with protest movements, however, is they tend to run out of steam and fade away. That was the problem with the Occupy Wall Street protest movement, which died as quickly as it rose because it had nowhere to go from its protests.

The Tea Party Express conducted one of its first rallies in Sacramento, California. Despite no publicity and little advance notice, a sizeable crowd showed up at the state capitol as a result of some emails and word of mouth. It was clear that the Santelli rant hit a nerve with the American people, and they were determined to make a difference.

We realized that expressing outrage with the current system could take the movement only so far. To really make a difference—like changing the policies coming out of Washington, DC—we would have to first change the players and engage in the political process.

While we at the Tea Party Express were convinced this had to morph from protest to politics, there was substantial opposition to engaging in political activity.

Some claimed that all politics were dirty and that engaging in election activities would corrupt the movement. We heard the old George Bernard Shaw saying: "I learned long ago,

never to wrestle with a pig. You get dirty, and besides, the pig likes it.”

Others took the attitude that everyone in politics was bad. Throw everyone out whether you think they are good or bad. Ronald Reagan? Throw him out, too, if he’s still around.

Neither attitude was very productive, but it was a pervasive view in the early protest period of the Tea Party movement.

### **2010: From Protest to Politics**

All the misgivings about political involvement changed dramatically with the onset of a special Senate election in Massachusetts, where voters rarely elect a conservative to any office. The Tea Party’s big involvement in this campaign in January 2010 was probably the most important political event in the history of the modern Tea Party.

It appeared that the winner of this election should be the deciding Senate vote on Obamacare. Everything seemed to be at stake, though at the time nobody knew the arcane budget reconciliation process would ultimately be used to pass Obamacare in a partisan way with only a majority vote.

The huge upset election win for Republicans was the first sign that the Tea Party had political muscle. It cemented politics as a central goal of Tea Party activists and wiped away the inhibitions that were prominent throughout 2009.

The focus on Obamacare in that election was important for a number of reasons. First, it adhered to a cardinal rule of politics: Unite your friends, and divide your enemies. The effort to nationalize health care had no Republican support, and Democrats were divided, although most fell into line before it was over.

Second, it was clearly and unambiguously demonstrated that political campaigns were a venue where the Tea Party could flex its newfound muscle. If we can win campaigns in the bluest of blue Massachusetts, there is no limit to where we

can win. This gave Tea Party activists across the country a sense of empowerment.

Third, despite the more moderate leanings of Republican nominee Scott Brown, the Tea Party wholeheartedly embraced him as the best choice. Some Tea Party groups seem to be looking for political purity, but they are forgetting one of Ronald Reagan's adages: Unity does not require unanimity.

The glow from the Massachusetts victory lasted until November. As Tea Party activists poured into political campaigns in all 50 states, the Tea Party-led electoral wave swept the country as Republicans picked up 63 seats in the House of Representatives and more than 650 seats in the state legislatures.

Many in the mainstream media tried to minimize the Tea Party's role, ignoring the fact that most political pundits in 2009 had predicted major gains for Democrats in 2010. What changed since those predictions of Democrat domination? One major event: the emergence of the Tea Party as a major player in American political campaigns.

While conservatives were able to take over only the House of Representatives, there was also a dramatic change in the U.S. Senate, which was reshaped with the addition of stalwart Tea Party-supported candidates like Rand Paul, Mike Lee, Marco Rubio, Ron Johnson, and Pat Toomey. All but Johnson had to defeat establishment Republican primary opponents just to advance to the general election.

The sentiment felt around the country was palpable. With the brief exception of the Contract with America era in 1994, not since President Reagan's reelection in 1984 did conservatives have something to rally behind. And it hadn't been since that same point that independent voters saw a real contrast between the parties.

As Reagan had advised, Tea Party-supported candidates were painting their message with bold colors, not the pale pastels that had become a Republican campaign staple.

Despite widespread political success, the media would suggest that the Tea Party was outside the mainstream and that its economic message was unappealing to the average voter. Yet exit polling proved them wrong. The shift in key demographic support from 2006 to 2010 was as critical as it was broad. Voting margins for young people, women, and minorities all moved in favor of Republicans. Conservatives who were depressed and stayed home in 2006 and 2008 came out to vote in droves.

That demographic change in support of Republican candidates could not be achieved by something outside the mainstream. The message in Santelli's rant, echoed by millions of Tea Party activists, resonated with voters across the nation. The 2010 midterms served as the beginning of a paradigm shift within the Republican Party.

### **2012: Growing Political Strength**

The 2012 election cycle was another successful foray into electoral politics by the Tea Party movement. Though frustrated by its inability to take control of the Senate to accompany a conservative House of Representatives, the Tea Party achieved significant gains—especially impressive considering Barack Obama's relatively easy reelection at the top of the ticket.

While the midterm election of 2010 was a perfect time for the Tea Party to emerge and dominate the campaign messaging, a presidential election year is just the opposite. The presidential candidates, for better or worse, are voters' dominant focus.

We attempted to get the presidential candidates' economic ideas to the American people by sponsoring, with CNN, one of the official Republican candidate debates. While we thought it was an excellent debate that brought out many of the candidates' good ideas on economic policy, the nominee's campaign would rule the day.

The eventual nomination of Mitt Romney as the Republican candidate had the potential of being the strongest to face Obama. However, it failed in three important ways:

- First, the data modeling used in polling for the Romney campaign and that of most Republicans (and many media outlets) was flawed. It failed to anticipate the correct voter mix and showed Romney as being stronger than he was. While it is easy to second-guess these decisions after the fact, the Romney campaign was run with the idea that he was poised to win, when in fact he was doomed to lose. Thus, the campaign never made the moves that perhaps could have changed the outcome of the election.

- Second, Romney couldn't recover from Obama's unrelenting attacks that Romney was the candidate for the wealthy, who could not relate to working-class and poor Americans. Romney's "slip of the tongue" that 47 percent of people getting government assistance would not vote for him only served to reinforce the Obama message. Too many Americans felt that Romney did not have their interests in mind.

- Third, the Romney campaign felt it had to abandon Obamacare as a central issue, denying the candidate a key issue. The campaign felt trapped since Romney, as governor of Massachusetts, championed a health care plan that was nicknamed "Obamacare lite" and included an individual insurance mandate. Unfortunately, the campaign never found another salient issue to unify our conservative base and divide the Democrats.

Without a rallying issue like Obamacare in 2010, the top of ticket was more reminiscent of the Republican Party's pale pastels of yesteryear. Instead of an aggressive strategy pointing out the stark contrasts in governing philosophy between

Romney and Obama, we were left with a referendum strategy against President Obama.

Skeptical voters had no vision to buy into. Voters knew why they did not like President Obama but were unsure if Romney and the Republican Party were a better option.

To the Republican establishment's glee, the Tea Party did not find equally strong candidates to run for the Senate in 2012. Between weaker candidates and divided Tea Party loyalties in some states, the establishment candidates were often able to come out on top. While we enthusiastically backed them all, the results were not as positive as in 2010.

The national narrative was depressing for Republicans—losing the presidency and not taking over the Senate—but it was no surprise that the casual conservative observer overlooked the strong Tea Party success that came out of Election Night 2012. A little-reported reality was the breadth of the Tea Party's victories. In races where there was a legitimate Tea Party candidate, Republicans generally won.

Three new Republican senators were elected in 2012: Ted Cruz in Texas, Jeff Flake in Arizona, and Deb Fischer in Nebraska. All three candidates campaigned as bold, Tea Party-aligned conservatives.

The victories in the House of Representatives were even more indicative of the impact of the Tea Party's message. Out of the 34 freshman GOP congressman, 26 (76 percent) were Tea Partiers. The Tea Party picked up 21 new Tea Partiers in the House while replacing five outgoing Tea Party-aligned representatives.

Candidates aligned with the GOP establishment lost 75 percent of the races that resulted in a Democratic Representative. For the 29 competitive races that resulted in a new Democratic House member, 20 (69 percent) beat an establishment GOP candidate, while only nine beat a Tea Party-oriented candidate.

The year 2012 forced a much-needed moment of reflection. The Republican brain trust couldn't ignore the Tea Party's vital role in GOP victories during back-to-back elections.

Where there was unity between institutional Republicans and grassroots conservatives—largely represented by the Tea Party—the GOP won. It was an important lesson that set the stage for 2014.

### **2014: Control of Congress**

This midterm election, freed of the obstacles created by overriding presidential campaigns, served as another high point for the Tea Party movement. Unlike in the past, when strong contrasts existed between establishment candidates versus those favored by Tea Party supporters, nearly all candidates were advancing a solid, fiscally conservative agenda.

By this election, the Tea Party Express had honed its selection criteria for endorsing candidates. Clearly, 2010 was a year when Republicans needed to be aware that they had swerved into the big-government lane and needed a course correction. Many primaries were very contentious.

In 2012 and 2014, we saw a convergence of Republicans on a unified platform of reducing the size, cost, and intrusiveness of government. We always affirmed that this must be accompanied by strong pro-growth policies, as advanced by Ronald Reagan and Jack Kemp—the two major lodestars for the Tea Party Express. There were far fewer differences between the candidates.

We have used four measures to determine our support for candidates:

- 1) **A firm commitment to fiscal responsibility and pro-growth policies.** We are not looking for people to go to Washington to be a bump on a log. We want people who will be aggressive in pursuing policies that not only shrink the federal government but also enhance the economic

opportunities for all Americans. Let's face it: As Jack Kemp was fond of saying, the rich are already rich; they do not need any help. We want to help the poor and middle class get rich. We look for candidates who share that philosophy.

2) **Strong support for grassroots organizations, especially the Tea Party groups within their state or district.** We do not really care if the local groups are affiliated with us or another organization. What's important for us is that the candidate appreciates grassroots organizations and will keep working with them so he or she will not become a victim of the insulation that comes with being an elected representative in Washington.

3) **Be electable and both understand and have what it takes to win a serious, competitive race, maybe in both the general election and the primary.** American war hero General George S. Patton said it well, with the salty language of a military commander: "No bastard ever won a war by dying for his country. He won it by making the other poor dumb bastard die for his country." We believe this also applies to elections. It doesn't help to go down in flames and lose. We must find candidates who have strong conservative principles *and* the knowledge and ability to run a successful and winning political campaign.

4) **Have the moral courage to stand up for what he or she believes, even when it may be uncomfortable and difficult.** This is "the emperor has no clothes" test. It is not easy being in public office with all the competing pressures. There is so much pushing for people to "go along to get along." While some degree of congeniality is important, we cannot tolerate this attitude, which is causing our government to continue to grow and bankrupt our future. We always look for examples of when the candidate has stood up and taken the tough stands, even if we don't necessarily agree. We want to see a demonstration of principles and recognition that the



candidate must do what he or she thinks is right for the country.

By following these criteria, we have been quite successful in identifying and supporting good candidates. While they all met the basic test for all Tea Party supporters—that is, strong fiscal conservatives—they have a broad range of positions on many issues. While we tend to favor a flat tax, some candidates like the fair tax or even Herman Cain’s 9-9-9 Plan. The important thing is not unanimity of thought on issues, but a determination to right the fiscal mess in our country. Everyone agrees on junking the current tax code—which is a good first step!

Some of the media debates about who is or who is not a Tea Party candidate are quite silly. I think everyone elected to the Senate this year has qualified Tea Party credentials. Does everyone have a perfect record? Of course not. These senators must represent their states, and differences are a normal part of the process.

The Tea Party strongly endorsed many of the new senators in 2010 or 2012, including Cory Gardner in Colorado, James Lankford in Oklahoma, Steve Daines in Montana, and Tom Cotton in Arkansas.

Others who won but had not been House candidates in the past had stellar conservative platforms. They all campaigned as bold conservatives to win their seats.

The Washington establishment figures led the mainstream media into reporting massive “establishment” wins and “Tea Party” losses. That was hardly the case, and it certainly doesn’t match the current media frenzy on the oversized influence of the Tea Party in the corridors of Washington.

You are never going to elect big Senate and House majorities with people who are in concert with the reddest states. There are not enough hard-core conservative states or House districts to do that. We are strong adherents of the rule

set forth by the late William F. Buckley: Support the most conservative, electable candidate you can. We have consistently done that across the country.

### **2015: From Politics to Policy**

Contrary to the Republican Party as late as the 1980s, when we had a full complement of big-government Republican legislators, no successful Republican candidate is talking about raising taxes or growing the government. Expanding Medicare or other entitlement programs? Nope. Expanding federal control of education, like Common Core? Absolutely not.

Today's candidates are nothing like they used to be. The fight within the GOP today is not whether we should cut spending, but how quickly can we cut it and how quickly can we grow the economy? Congressman Paul Ryan's plan balances the budget in 10 years, while Senator Rand Paul's plan does it in five. The difference between the Tea Party beat and the Republican beat is now indiscernible.

Too many people in and out of the Tea Party movement want to limit its boundaries. That would be a big mistake. We have always stuck to the proposition that about 70 percent of Americans are in agreement with the fundamental point of the Tea Party movement: Government has gotten too big, too costly, and too intrusive in our lives, and we need to enact pro-growth policies so everyone in America can benefit. We want everyone to have the opportunity to realize the American dream so everyone can climb the ladder of opportunity.

It is a winning message, and we are sticking to it.

The Tea Party has never been about labels or personalities, despite efforts by some to claim ownership of the movement or to narrow the focus to a splinter of the ideological spectrum. Instead, the Tea Party should be defined by ideas, solutions, and a vision for a stronger and more prosperous America—a nation where everyone can participate.

The reason for this book is to demonstrate that there are lots of good ideas to put forward. The Tea Party's political

strategy was to change the players in Washington as the only way to change the policies. Now that we have changed many of the players, it is time to start changing the policies.

We are not so naive to assume that a lot can be accomplished with President Obama in office. He certainly has a veto and lock so far on the Senate Democrats, who can keep much from happening. But this is a long battle, and the Tea Party movement is on the right side of history. It is going to be successful because the country cannot sustain the continual growth of our national debt.

All successful movements go through stages. Usually they start with protests. Successful movements eventually get to politics and elect their adherents to public office. Next comes changing the policies. This book is about that. And the last stage is finally getting the movement's ideas embedded in the laws of the country, which is what will occur with a successful presidential campaign in 2016.

There will still be some protests. There will definitely be more election victories. There will be a parade of new ideas to get America back on course. And most important, the Tea Party will continue to be a force in American politics until the necessary fiscal course correction occurs.

*Sal Russo is the Co-Founder and Chief Strategist of Tea Party Express. Sal has a distinguished career as an international political consultant, along with advising conservative candidates and causes, which began in 1966 on President Ronald Reagan's first gubernatorial campaign.*

*Taylor Budowich is the Executive Director of Tea Party Express and manages the daily operations of the nation's largest Tea Party political action committee.*

## **Conservative Reforms to Save the American Dream**

By Senator Marco Rubio (FL)

Growing up, I knew America was special. I knew this because it's what my parents taught me. But I also knew it because I saw it play out before my eyes. Though my parents went through some tough years, I knew my childhood was one of privilege—because I was an American.

At times in our history, the American dream that my parents achieved has been so widespread that we have taken it for granted. But today, things are different. It has gotten harder for many to access our nation's promise. Wages have stagnated, everyday costs have risen, industries that once flourished have dried up with their jobs shipped overseas or lost to automation, and millions go to sleep each night overcome with the sense that they are one bad break from financial ruin.

The current administration was elected on the promise that it could help those who are struggling. I do not doubt that this president's intentions were genuine, but the ideas he has pursued do not work. They are about pouring more money into policies and programs designed to meet the needs of the 1930s or '40s or '50s. But the world has changed dramatically since then.

High-skilled jobs have replaced the low-skilled jobs of the past. Higher education is no longer an option for some; it is now a necessity for all. Global competition requires us to compete for investment and innovation. Single-parent homes—led by women who must play the role of father, mother, provider, and tutor all by themselves—are commonplace.

If we want to restore the American dream in this new century, we need ideas rooted in this new century. The education system of the 1950s will not prepare our children for

success. The safety net policies of the 1960s will not help the struggling escape their circumstances. The fiscal policies of the 1980s will not fully address the challenges and opportunities of our postindustrial economy.

This new era requires new ideas that are still rooted in the principles of free enterprise, limited government, and individual responsibility, but adjusted to meet the new challenges of a new day. Since arriving in the Senate, I have been actively proposing many ideas that I believe will recapture the American dream.

Our first responsibility must be to build a healthy economy, one in which we are prepared to compete with the rest of the world—and win. Our current economic struggles are not simply the result of a temporary downturn; they are the result of permanent change. Globalization means we must now compete with dozens of other countries, and automation means machines now do the jobs that once sustained hardworking Americans.

Our economy has changed, and so must we. That means instead of the ineffective approach of raising taxes to pay for wasteful spending, we must make taxes fairer, simpler, and more affordable for everyone. Instead of inefficient, ineffective, and bureaucratic regulations, I have proposed we put a cap on the amount that federal regulations can cost our economy.

Instead of more debt and deficits, and instead of more wasteful Washington spending, let's make Washington accountable. Every day, hardworking families have to figure out how to do more with less. Washington should be forced to do the same.

Instead of putting government bureaucrats in charge of our health care, let's repeal Obamacare and replace it with patient-centered solutions that give each and every patient the freedom, choice, and control they truly deserve: the doctors

and nurses they choose and the coverage that best meets their needs—at a cost they can afford.

Our second responsibility is to help every American achieve the financial independence, stability, and security they deserve. Today, too many people are out of work, stuck in part-time jobs, or simply can't make ends meet. This is often the case because they never had the chance to acquire the skills needed for higher-paying 21st-century jobs.

We need a new approach to education that teaches people the skills they need—on a schedule that fits their lives and at a price they can afford. We need a modern education system that gives people in low-paying jobs the opportunity to combine online courses, weekend classes, and work experience to receive a certificate or a degree.

The traditional college route must also be an option, but it has to be improved. We cannot afford to have so many young Americans borrowing so much money to pay for degrees that do not lead to jobs. Our colleges and universities need to start giving students credit for things like free high-quality online courses. And before any student takes out a loan, schools should be required to inform them how much they can expect to make when they graduate with the degree they are pursuing.

We also have a record number of people—45 million—living in poverty and dependent on the government. Instead of our massive federal welfare programs that only alleviate the temporary pain of poverty, we should turn our federal anti-poverty money over state and local officials so they can put in place efficient and effective programs to cure poverty.

Perhaps the most important thing needed for our people to become financially independent is the abundance of strong and stable families. No matter how many jobs we create, no matter how many degrees we award, we cannot have a strong America without strong people. And we cannot have a strong people without strong values. That starts—and ends—with family.

The responsibility of reversing the decline in strong families and strong values lies not with our government, but with each of us. Nonetheless, there are things government can do to help.

We can empower parents by giving them the power to choose what school their child attends—real choices and real options. It makes no sense that the only parents in America today who do not get to choose where their children go to school are parents living in poverty. Every student deserves an effective education that prepares them for college, career, and life, and every parent deserves the choice of which school can best prepare their child.

We must also empower hardworking families with an efficient and effective tax code, one that allows more people to keep more of what they earn by increasing the child tax credit, consolidating the educational tax credits, and removing the marriage penalty. That's a tax code that is fairer, simpler, and more straightforward.

Also, instead of undermining our churches and faith community, we should respect and protect religious liberty. That is the basis of all that is good in our families. Washington does not and must not ever have the power to force anyone to violate the teachings of their faith.

Our third task is to restore America as the strongest and the most respected nation on earth. America is a young nation, but over the past two centuries it has learned a painful but valuable lesson: If we ignore those who seek to oppress others half a world away, eventually they will come for us.

The America we need and deserve is strong, respected, appreciated, and feared—a country where the noble cause of freedom inspires millions of people across the world to stand up, speak out, and fight tyranny and injustice. We should support those who support democracy and oppose those who would enslave their own people. To do this, we must invest in

our military and adopt a posture of American strength around the world.

These are the ideas I've outlined as part of an agenda to address fundamental facts about the world we live in now: that we must win the global competition for talent, investment, and innovation and that we must give our people the skills and education they need for the good-paying jobs this new century will provide.

Every generation has been called upon to confront challenges. And every generation has succeeded in preserving the American dream for their children and grandchildren. Now it is our turn. Either we will adapt to a new era and bring about another American century or, like so many nations before us, our inability to address new realities will usher in our decline.

When the world looks back decades from now, let it be said that we came together as one people and set out together to reclaim the greatest nation the world has ever known.



## Economic Freedom Zones

By Senator Rand Paul (KY)

Twenty-five counties in Kentucky, most of Detroit, and many of America's large cities suffer from chronically high unemployment. Government stimulus packages haven't worked because they insist on picking winners and losers.

I propose a stimulus that simply leaves more money in the hands of those who've earned it.

Economic Freedom Zones—areas of reduced taxes—are different than a government stimulus. Economic Freedom Zones encourage businesses and individuals that the market has already selected. Only one out of 10 small businesses succeed. Consumers vote every day on which businesses succeed. Reducing taxes in economically depressed areas is a stimulus that will work because the money is returned to businesses and individuals that have already proven they can succeed.

Economic Freedom Zones are a bold variant of the enterprise zones first promoted by Congressman Jack Kemp, whose words still ring true:

*“By giving people access to capital and allowing them to take ownership of assets, entrepreneurship will be encouraged and the cycle of poverty can begin to be broken. All persons should have the opportunity to go as high as their merit and determination can carry them....”*

According to the Bureau of Labor Statistics, the U.S. unemployment rate has remained above 7 percent for more than 57 months, and the underemployment rate—including those who gave up looking for employment altogether—is as high as 19 percent in Nevada and above 15 percent in eight other states.

Many regions and cities across America need much more than government welfare checks. They need the exact opposite: relief from government policies and the opportunity to escape poverty. Despite having received a large increase in federal assistance, Detroit remains economically depressed and bankrupt. It was once the leading American city for manufacturing—home to nearly 300,000 manufacturing workers in 1950—whereas today, fewer than 30,000 of these workers remain. Sixty percent of Detroit’s children live in poverty, and nearly 47 percent of the city’s population is illiterate. High taxes, burdensome regulation, and a rigid federal structure of educational mandates have prevented creative, innovative, and free enterprise solutions that are desperately needed.<sup>1</sup>

Similarly, the entire eastern Kentucky region has more than 25 counties with unemployment rates above 10 percent, and nearly the whole of eastern Kentucky is well above the national average. High tax rates, EPA regulations, and the war on coal are to blame for decimating the region.

This is why I’m renewing the spirit of Jack Kemp’s Enterprise Zones and introducing a new plan for the 21st century that provides depressed or bankrupt areas with new opportunities. These Economic Freedom Zones allow blighted and bankrupt areas to remove the shackles of big government by reducing taxes, regulations, and burdensome union work requirements. These zones will give parents and students the flexibility to find better schools, allow talented immigrants to pursue entrepreneurial and job-creating endeavors, and provide additional incentives for philanthropy to help those in need.

---

<sup>1</sup> Michael Snyder, “25 Facts About the Fall of Detroit That Will Leave You Shaking Your Head.” *Economic Collapse*, July 20, 2013. Available at <http://theeconomiccollapseblog.com/archives/25-facts-about-the-fall-of-detroit-that-will-leave-you-shaking-your-head>.

## **The Plan: Economic Freedom Zones**

### **Eligibility**

Eligible areas of the country, whether a city, county, or even ZIP code, may have the opportunity to utilize the provisions of this plan for a period of 10 years, starting from the date of eligibility.

- 1) Any city, county, or municipality that has officially entered Chapter 9 bankruptcy proceedings,
- 2) Any city, county, or municipality that is “at risk” of bankruptcy or financial insolvency,
- 3) Any city, county, or municipality that meets an economic threshold of 1.5 times the national unemployment rate, or
  - a) At least 30 percent of the residents have incomes below the national poverty level, or
  - b) 70 percent of the residents have incomes below 80 percent of the median income of the local government.
- 4) Any city, county, or municipality located in a state deemed “high poverty” and that meets an economic threshold of 1.25 times the national unemployment rate, or
  - a) At least 25 percent of the residents have incomes below the national poverty level, or
  - b) 65 percent of the residents have incomes below 80 percent of the median income of the local government.

### **Economic Freedom Zone Opportunities**

#### Promoting Job Creation by Reducing Taxes

- 1) Reduce the individual income tax to a single, flat rate of 5 percent. The individual income tax rate not only taxes individual wage earners, but also taxes small businesses. More than 75 percent of small businesses are organized as pass-through entities (businesses that pass along income

directly to the individual, thus get taxed at the individual income tax rates). According to the Tax Foundation, small businesses organized as sole proprietorships in states like Kentucky and Michigan have a top marginal tax rate above 45 percent; in California as high as 52 percent.<sup>1</sup> A lower tax rate provided to Economic Freedom Zone areas will significantly encourage business expansion.

2) Reduce the corporate income tax to a single, flat rate of 5 percent. The U.S. corporate income tax rate is among the highest in the world. Countries like Spain, the United Kingdom, and Switzerland have tax rates at 30 percent or less—and one of our largest international competitors, China, has a corporate tax rate of just 25 percent.<sup>2</sup> Even our closest neighbor, Canada, is outcompeting us with a tax rate of only 15 percent.<sup>3</sup> We need to allow U.S. business to better compete internationally, and reducing the corporate rate from the current 35 percent to a low rate of 5 percent for businesses in economically depressed areas will allow those businesses to expand and compete globally.

3) Reduce the payroll tax by 2 percent for the employer and 2 percent for the employee. There is an oft-cited document by the Congressional Joint Committee on Taxation highlighting the statistic that 47 percent of all U.S. households pay no federal income tax. This fact is true but is not the entire story. All workers still pay the federal payroll tax—and for many of these households, it is their largest tax liability. In order to encourage

---

<sup>1</sup> Kyle Pomerleau, “Individual Tax Rates Impact Business Activity Due to High Number of Pass-Throughs.” Tax Foundation, September 3, 2013. Available at <http://taxfoundation.org/article/individual-tax-rates-impact-business-activity-due-high-number-pass-throughs>.

<sup>2</sup> Kyle Pomerleau, “Another Study Confirms: U.S. Has One of the Highest Effective Corporate Tax Rates in the World.” Tax Foundation, May 31, 2013. Available at <http://taxfoundation.org/blog/another-study-confirms-us-has-one-highest-effective-corporate-tax-rates-world>.

<sup>3</sup> PricewaterhouseCoopers, “Assessing Tax: 2013 Tax Rate Benchmarking Study for Industrial Products and Automotive Sectors.” May 30, 2013.

employers to hire more employees in blighted areas, we should allow the employer to reduce the amount of payroll tax they pay per employee. In addition, allowing low- to middle- income families to keep more of their hard-earned money will help increase their standard of living.

4) Double the amount of 100 percent expensing through Section 179 expensing. Section 179 of the tax code allows businesses to deduct 100 percent of the purchase price for qualifying equipment and other goods. Currently, Section 179 places a limit on the amount that can be fully expensed in the first year. Economic Freedom Zones would double the amount available in 2013. This will allow all small- and medium-sized businesses to fully deduct most investments in the first year of purchase. Such provisions will incentivize businesses to increase investment in equipment and machinery that will increase productivity of the area.

5) Suspend the capital gains tax. This proposal allows any individual who owns stock or tangible assets that are located within the areas deemed Economic Freedom Zones to reduce their long-term capital gains tax rate to zero. This will reduce capital costs and encourage greater investment in business and real estate in these areas.

#### Educational Enhancements to Improve Local Opportunities and Workforce

1) Provide states with Title I portability for Economic Freedom Zone areas. Currently, states are allocated educational funding from the Department of Education under Title I. Each state is required to allocate this funding to public schools in order to meet specific national education standards. Under the Economic Freedom Zone areas, we allow Title I funds to be portable. Portability divides the Title I funding up between the areas student and allows that money to “travel” with the student. The

school that the student decides to attend would receive the Title I funding—eligible to any school, both public and private. This option will give students and families better educational options, allowing for improved standards.

2) Educational tax credit to parents and guardians. Many families face the dilemma of sending their child to a subpar public school or paying out-of-pocket costs to send their child to a better private school. This option would allow any individual, including distant family members, relatives, and friends, to deduct up to \$5,000 per child any costs associated with the education of an eligible student. This provides families with more options and incentivizes any individual who wants to help send a student to a good school.

3) Special Economic Freedom Zone visa. One of the primary reasons businesses may not be inclined to locate in the areas deemed eligible for the Economic Freedom Zone status is the lack of a local skilled workforce to fill job openings. At the discretion of the governor of each state and the local communities, this plan would allow skilled and entrepreneurial immigrants to gain regional Economic Freedom Zone jurisdiction—only visa status if they comply with the following:

a) Entrepreneurial investment. Qualified immigrant invests capital in the amount of \$50,000 and creates and sustains no fewer than five full-time U.S. citizen employees in Economic Freedom Zone area; and/or

b) Abandoned property investment opportunities. Qualified immigrant invests in the purchase of a property deemed dilapidated or abandoned and invests a minimum of \$25,000 to rebuild, rehabilitate, or repurpose the property located in an Economic Freedom Zone area; and/or

c) Educational performance needs. Qualified immigrant has a specialty degree or a bachelor's degree or higher that is in demand from businesses within the Economic Freedom Zone. The requirements would be similar to those required of the H-1B visa.

(The visa opportunity will be treated like other visa programs, and recipients may apply for citizenship as is provided under current law.)

#### Reducing the Regulatory Burden on Cities

- 1) Suspend EPA nonattainment designations in areas eligible for Economic Freedom Zone status. The EPA assigns “nonattainment” designations to counties that don’t meet certain pollution control requirements under the Clean Air Act. Nonattainment status severely limits economic growth opportunities and state sovereignty due to the following:
  - a) Loss of federal highway and transit funding. One year from the date of a nonattainment designation, federally funded highway and transit projects will not be allowed to proceed unless the state demonstrates there will be no increase in emissions associated with the projects.
  - b) Boutique fuels. Nonattainment areas are subjected to the Clean Air Act’s reformulated gasoline program, which significantly raises the price of motor vehicle fuels for consumers.
  - c) Enhanced regulatory oversight. Once an area is designated as being in non-attainment, EPA has the authority to intervene and revise permitting decisions throughout the state.
  - d) Restrictive permitting requirements. New and upgraded facilities in or near nonattainment areas are required to install the most effective emissions-

reduction controls without consideration of cost. Operators of existing facilities may also be required to install more restrictive control technologies than are otherwise required for similar units in areas that are in attainment.

- e) Mandatory emissions offsetting. Prior to permitting the construction of new facilities, a state must offset any emissions increases by achieving reductions at existing facilities.
- f) Loss of economic development opportunities. The added regulatory and paperwork burdens, as well as expenses associated with constructing new facilities, or expanding existing ones, limit the amount of economic investment in nonattainment communities.

(All of these restrictions will be suspended in an Economic Freedom Zone.)

- 2) Provide municipalities the option to waive certain land-use restrictions resulting from federal land designations. In times of prosperity, states and communities petition for certain areas to be designated as Wilderness Areas, National Heritage Sites, or Wild and Scenic Rivers. These designations put commercially valuable tracts of land under federal control and impose severe land use restrictions—in most cases, limiting economic development completely and human activity significantly. During an economic crisis, the community should have the option to waive these restrictions and make these lands available for economic development, including resource extraction, recreation, and tourism.
- 3) Exempt municipalities from the Municipal Separate Storm Sewer Systems (MS4) requirements. MS4 mandates were imposed on local communities by the EPA in 1990 and require municipalities to control “point source” water pollution—in this case, from storm drainage. The mandate requires a complicated process of permit applications and



compliance with a federal determination of pollutant loads, which defines how much pollution is allowed in a single body of water. In some cases, revenue must be raised to assist communities in implementing federal requirements—dubbed by some counties as a “rain tax.” While the cost of compliance varies per community, it can easily run into the millions. A recent set of these regulations handed down to Carroll County, Maryland, will cost the municipalities \$16.4 million.<sup>1</sup> This is one of the most expensive federal regulatory mandates imposed on local communities.

- 4) Streamline the National Environmental Policy Act (NEPA). Construction for new roads and bridge projects in various states requires a sundry assortment of permits, licenses, and approvals from the federal government. The most onerous of them are governed by NEPA. There is no set timeline for NEPA decisions, so lawsuits and bureaucratic agendas delay the approval of NEPA reviews by an average of 4.4 years.<sup>2</sup> Setting a deadline for NEPA reviews will help expedite construction projects all over the country.

#### Encouraging Community Assistance and Rebuilding

- 1) Suspend expensive Davis-Bacon prevailing wage requirements. According to the Chamber of Commerce, the Davis-Bacon prevailing wage law inflates federal construction projects and costs by 15 percent or more.<sup>3</sup>

---

<sup>1</sup> Christian Alexandersen, “Environmental Regulations Bring Stormwater Costs to Town, County.” Carroll County Times, August 4, 2013. Available at <http://www.carrollcountytimes.com/search/cct-arc-8b56dfe2-648b-5251-bf95-ea53338c8a8d-20130804,0,1521718.story>.

<sup>2</sup> Federal Highway Administration, “Evaluating the Performance of Environmental Streamlining: Development of a NEPA Baseline for Measuring Continuous Performance.” (n.d.) Available at <http://www.environment.fhwa.dot.gov/strmlng/baseline/section2.asp>.

<sup>3</sup> U.S. Chamber of Commerce, “Davis-Bacon Act: Background.” August 4, 2010. Available at <https://www.uschamber.com/davis-bacon-act>.

Cities that are economically depressed, in bankruptcy, or fiscally insolvent often experience deteriorating infrastructure. Every dollar that must be allocated to higher-than-normal union wages could be invested in improving the local infrastructure.

2) Economic Freedom Zone charitable tax credit. Americans are a generous and giving people. Last year, some statistics put the total U.S. philanthropic giving as high as \$315 billion.<sup>1</sup> However, the opportunity to deduct such donations is left to those who itemize their deductions, which is roughly only a quarter of U.S. taxpayers. Therefore, only a small number of individuals take advantage of the charitable deduction. The charitable tax credit offered in this plan would allow all Americans to reduce their tax liability by the amount they donate to any educational institution, religious organization, or homeless shelter that is located within Economic Freedom Zone areas. In general, donations to these areas would only be counted once—as either a charitable tax credit or deduction—but not both.

### **End the Federal Government Bailouts**

The plan will prohibit the use of taxpayer dollars to bail out any state or local government. In 2008, the government wrote a \$700 billion taxpayer-funded check to irresponsible Wall Street entities, under the narrative that it was necessary to avoid a major recession. However, Wall Street lived beyond its means, acted recklessly, and embraced the moral hazard mentality that the federal government would bail out their irresponsible actions.

The government shouldn't have bailed out Wall Street and shouldn't bail out irresponsible states or local bureaucrats either. Providing a blank check only encourages the behaviors

---

<sup>1</sup> Robert Frank, "Charitable Giving Hits \$316 Billion in 2012." CNBC News, June 20, 2013. Available at <http://www.cnbc.com/id/10831257>.

of the past, which ripened the problems of the present. The country can't afford any more bailouts—just as we cannot afford to stymie the power of free enterprise and capitalism.

### **State and Local Policy Recommendations**

- 1) Pension reform. State and local governments should reform any fiscal shortfall in pension funding based on market value of liabilities accounting methods utilized by the private sector. Pension funds deemed insolvent or underfunded should be restructured or renegotiated.
  - a) Defined benefit pension plans. States can significantly reduce their future pension problems, including alleviating skewed accounting problems, by moving to a defined contribution pension system.
- 2) Taxes. State and local governments should reduce jurisdictional tax rates below that of the national average in order to help facilitate capital investment and economic growth to work in tandem with the provisions of this act.
- 3) Education. State and local governments should begin to adopt school choice options to provide children and parents with more educational choices, including expanding charter schools.
- 4) Regulations. State and local governments should streamline the regulatory burden on families and businesses. One example would be streamlining the opportunity for occupational licenses.
- 5) Abandoned properties. The following should be considered to clean up and remove dilapidated and abandoned properties:
  - a) In the case of foreclosures, tax notifications should be sent to both the lien holder (if different than the homeowner) and the homeowner.
  - b) Where state constitutions permit, provide property tax abatement or credits for individuals who

purchase or invest in abandoned or dilapidated properties.

c) Allow or encourage nonprofit or charity demolition entities to help remove abandoned properties.

d) Government or municipality fees and penalties associated with late or delinquent tax payments should be limited and be proportional to the outstanding tax amount.

e) The sale of tax liens to third parties should be reviewed and, where available, should prohibit the selling of tax liens below a certain threshold (e.g., a prohibition of selling tax liens below \$1,000).

## **Strengthening the Middle Class Should Start with Strengthening Opportunity**

By Senator Mike Lee (UT)

Listening to the rhetoric coming from Washington today could easily leave the impression that the two political parties have found some common ground. Almost everyone seems to be talking about the same thing: helping America's working- and middle-class families.

This is a welcome, if overdue, development. Today, far too many moms and dads—married and single, all across the country—are working harder than ever to make ends meet.

But beneath the political spin are important differences in how exactly the left and right propose to reduce the burdens holding back American families. These are not just partisan disagreements; they reflect a deeper divide between how the two sides view the institution of family and the role it plays in our society and economy.

In his State of the Union address this past January, President Obama called for “lowering the taxes of working families and putting thousands of dollars back into their pockets every year.” As a proponent of tax fairness for families, I was encouraged to hear the president acknowledge the struggles of America's working parents.

But the policy the president proposed falls short of the standards I believe must guide all government reforms—standards that he set out in the same speech: that “everyone plays by the same set of rules.”

The problem with the president's proposal is that he wants to cut taxes for only one particular type of family.

Specifically, the president proposed a new \$500 tax credit only for families with two incomes, and he called for an increase in the child-care tax credit. That is, he wants to use the tax code to reward two-income couples who put their children

in commercial day care, while leaving behind couples who choose to have Mom or Dad stay at home.

The president is right that it takes a great deal of time, money, and energy to raise children. But why should politicians reward some family arrangements and penalize others?

Every family has to make its own tradeoffs when determining how to divide responsibilities inside and outside the home. Government shouldn't put its thumb on the scale one way or another. Rather, public policy should strive to treat all such choices equally, giving every family—regardless of its structure, income, and values—the flexibility to make the best choices for them.

That's the idea behind my own tax reform proposal, which would eliminate preferential tax benefits for this or that parental choice and replace all of them with a new tax credit of \$2,500 per child. Under my plan, families would be eligible for the credit regardless of whether they have one income or two, or whether they use commercial day care or choose to have Mom or Dad stay home with the kids.

What each family does with the money would be up to them, not the government, as it should be.

Just as my plan wouldn't give preferential treatment to one kind of parent over another, it also wouldn't privilege parents over taxpayers without children. On the contrary, it's designed to correct for the unfair overtaxation of parents in the current system.

Today, parents effectively pay into the senior entitlement programs twice: once through their payroll taxes and again in bearing the costs of raising their children—the next generation of payroll taxpayers. An expanded child credit would not create a new distortion in the tax code but correct an existing one.

In contrast, President Obama's plan would penalize those families who choose the breadwinner/homemaker model by narrowly tailoring the expanded tax credit to benefit only those parents who use commercial day care.

Rather than pitting different kinds of families against each other, real reform should guarantee all families an equal opportunity to pursue their happiness according to their own values and goals.

Regardless of how you view the ideal family structure—or whether you think there is an ideal family structure—the institution of the family is becoming more important to individual and national success than ever before.

In our globalized, technology-intensive world, gaining and maintaining a job requires more than access to physical or financial capital. We also need what economists call social and human capital: skills like empathy, self-restraint, and cooperation that we don't learn as adults on the job, but as children at the dinner table as well as in school.

Indeed, a good primary and secondary education is the cornerstone of the American dream. It prepares us for economic and personal success and facilitates our pursuit of happiness.

But too often the history of America's public school system has been a story of dashed hopes, deferred dreams, and unfulfilled promises. Hopes of parents that the local school system will prepare their kids to climb higher than they ever could. Dreams of students that their teachers will inspire and believe in them. And promises of policymakers that more money will fix a fundamentally broken system.

Millions of low-income families who are stuck in underperforming schools have no way out and no way to choose something better.

These families are not just let down by our nation's dysfunctional education policy. They are trapped by it.

Providing a solid education for the next generation is, as Abraham Lincoln once wrote, "the most important subject which we as a people can be engaged in."

Policymakers should aim, as Lincoln did, "to see the time when education, and by its means, morality, society, enterprise,

and industry, shall become much more general than at present.”

That’s why I introduced in the Senate a bill that would empower the people most acutely committed to the quality of our education system: America’s moms and dads. My colleague on the other side of the Capitol, Rep. Luke Messer, R-Ind., has introduced a companion bill in the House.

By giving parents more power to invest in their child’s education and to choose what school best meets their needs, the Enhancing Educational Opportunities for All Act takes an important step toward restoring accountability to our public education system—something that has been missing for far too long.

Under our current system, which has remained essentially unchanged since President Lyndon B. Johnson signed the 1965 Elementary and Secondary Education Act, most parents are powerless to influence the quality of their child’s education.

What occurs in public school classrooms around the country—what teachers teach and how they teach it—is the result of a long, convoluted, bureaucratic chain of command that zigzags its way from Washington to local school districts but never includes parents.

First, Congress passes legislation authorizing federal bureaucrats to establish rules, regulations, and standards with which states must comply to receive federal education funds.

Next, state officials refine—or, in some cases, distort—these Washington directives, writing narrower rules for their school districts, which then establish the specific policies for individual schools.

At no point in this decision-making process are parents consulted. Instead, they are left with a “take it or leave it” choice: Either accept the education offered at the local public school, no matter how bad it may be, or buy a better alternative by moving closer to a better school or paying private-school tuition.



For America's most affluent families, this is no big deal; they can afford private schools and therefore have the power to choose the school that is best for their children. For everyone else, it precludes parents from making choices about their children's education.

Our bill would expand school choice to all parents, regardless of socioeconomic status or ZIP code, by allowing federal Title I K-12 support funds to follow low-income students to any public or private school of their choice.

It would also remove the contribution limits on Coverdell education savings accounts and allow 529 college savings plan funds to cover K-12 education expenses. Thus, our bill would give working parents more opportunities to invest in a variety of learning services and products outside the classroom, such as tutoring, online courses, and textbooks.

The problem facing our public school system today is not a lack of money; we have nearly tripled our investments in elementary and secondary students since 1970. The problem is dysfunctional government policy, however well-intentioned, and a lack of accountability.

That's exactly what we should expect when Washington bureaucrats have more control than parents over a child's education. We have a moral and economic obligation to flip this equation and put parents back in the driver's seat.

When we tolerate a system in which the quality of a child's education depends on her parents' ZIP code, we fail to live up to the ideals at the heart of American exceptionalism.

And when millions of children learn from a young age not to dream big but to surrender to the hopelessness of low expectations, we will live in a society where upward mobility is no longer rule but the exception.

We can and we must do better.

## **Taxpayers Suffer When IRS Misplaces Priorities**

By Senator Chuck Grassley (IA)

Get ready for the credibility gap to vault north between the IRS and the taxpaying public. Right before tax season kicks into high gear, the National Taxpayer Advocate issued a scathing report that exposed the tax collection agency's misguided strategy to manage its core mission.

Just as the IRS saddles up to process approximately 150 million individual federal tax returns, the report suggests that taxpayers, especially those in need of assistance, may be in for a rough ride this season.

The IRS commissioner boldly forecast that of the 100 million phone calls the agency expects to receive during tax season, fewer than half would reach a customer service representative.

There's nothing like lowering the bar of expectations to rally the troops before the biggest event of the year. While it's true the IRS likely would never achieve 100 percent customer satisfaction, the agency's defeatist culture and lamentable mismanagement arguably prevents the IRS from restoring public trust, improving voluntary compliance, and narrowing the tax gap.

So instead of restructuring resources to strengthen customer service, the IRS stubbornly plows ahead, recycling a favorite excuse that will be used by Big Spenders from now until the end of time. It says budget cuts have forced the agency to reduce essential services and functions, including information technology, enforcement, and the most basic tax return assistance.

Let's be clear: The IRS received a hefty 64 percent budget increase from 1997 to 2012. As the federal debt climbs to infinity and beyond—now exceeding \$18 trillion—the IRS needs to understand that resources are scarce. And if the IRS is looking to assign blame, it should look in the mirror for a

moment. Some overdue self-reflection will show the IRS that its track record over the past year or so has prompted Congress to tighten the purse strings a bit. That doesn't mean, however, that the agency's belt-tightening must come at the expense of basic customer services, from processing refunds to answering the phones.

In case you missed it, let's review a few places where the IRS has made a mess.

From targeting taxpayers based on their political views and mishandling federal record-keeping protocols, the agency's missteps have undercut confidence in the IRS.

Just as taxpayers are expected to comply fair and square with the federal tax code, they have every reason to expect the IRS will function with integrity and competence. Politicizing the IRS risks harming our system of voluntary compliance, corrupting effective enforcement of federal tax laws, and undermining the financing of public works and services.

The agency needs effective leadership to shake up a bureaucracy mired in mismanagement. No doubt, it's a tough assignment. The complex tax code is burdensome enough even without the additional complications tacked on by the Affordable Care Act and troubled efforts to shut down identity fraud.

Last summer, the IRS tacked up a list of taxpayer rights that it says will "renew the focus on" protecting the rights of taxpayers. The list includes the right to be informed, to receive quality service, to pay no more than the correct amount, to challenge the agency's position, to be eligible for an impartial appeal, to know when an audit is final, to expect due process rights, to have tax matters treated confidentially, to retain representation, and to receive a fair and just tax system.

And yet the IRS isn't exactly blazing trails to satisfy its customers. Tellingly, the agency prioritizes resources when it comes to union activities, employee bonuses, and lavish conferences. The recent report from the National Taxpayer

Advocate and comments by the IRS commissioner instead suggest an underwhelming commitment to taxpayer rights.

As a longstanding taxpayer watchdog, I'll continue to keep the IRS on a short leash through robust oversight and legislative reforms. Building from bipartisan taxpayer-rights laws enacted in 1988 and 1996, I am drafting new legislation with Sen. John Thune of South Dakota to strengthen several provisions, including those that will root out misconduct and abuses of taxpayer rights by IRS agents and others.

Among other measures, my legislation would target unauthorized collection practices, improve tax administration, strengthen taxpayer protections, and shield private taxpayer information.

Putting the brakes on scofflaws within the IRS will help steer the agency toward a culture of integrity, service, and accountability.

Using the IRS as a political tool not only violates federal laws but also goes against the American grain. Stonewalling congressional oversight, politicizing the administration of tax laws, and using budget woes as a scapegoat for bailing out on taxpayer service flunks any measurement of managing the people's business.

Throwing a bone to taxpayer rights may look good posted on the IRS website, but a skeletal commitment to taxpayer rights misses the mark. Good government requires good services. The new Congress will not let the IRS off the hook for misplacing its priorities. From my leadership position in the U.S. Senate, I am working to put more meat on the bone that will beef up taxpayer and whistleblower rights so the people's business comes first.

## **Let's Reform the Budget Process**

By Congressman Louie Gohmert (TX-1)

The amazingly liberal, post-Watergate Democrat Congressional majority decades ago created the rules, entities and arena that insured any future Republican majority would have to play on Democrat turf. One such rule was an automatic increase in basically every federal entity's budget.

No individual, no family, no charity, no business gets an automatic increase every year, but the federal government does. And when the Republicans muster the nerve every now and then to try to SLOW the rate of growth, we're condemned for making "draconian cuts." The automatic growth of government must stop if we are ever to get government spending under control. If a department needs more money, such need should be proven with solid evidence, not be automatic. Continuing to overburden future generations with our own debt is despicably immoral.

In every session since I first got to Congress in 2005-06, I have pushed to end the automatic increases by advocating a "Zero Baseline Budget." Finally, in the summer of 2011, after telling the Speaker I did not care whose name was on the bill if he would just bring it to the floor for a vote, he promised that if Paul Ryan got the bill voted out of committee, he would bring it to the floor. Paul had already told me that he would push to get it out of committee. In fact, Rob Woodall put his own touches on it, marshaled it expertly through Paul's committee with his guidance and passing a floor vote in 2012. Naturally, Sen. Reid made sure the Senate never voted on it in the 112th Congress. But again in the 113th Congress, the House passed it only to have Senator Reid kill it without a vote.

Among the myriad of tragedies resulting from the loss of Romney-Ryan was that Paul Ryan, being a man of his word, had promised the Zero Baseline Budget would be one of the

first bills he brought to the Senate floor for a vote if he were President of the Senate. For those unaware, we did not get to see him in that role. Now that we have a majority in both Houses, the bill should be voted out and sent to the President's desk as many times as it takes until it is signed.

Another problem the post-Watergate Democrats created that must be undone is their spread of a massive number of welfare programs throughout the various federal department budgets. Robert Rector at the Heritage Foundation says it takes him nearly two years to find all the various forms of welfare or public assistance because of all the places it is hidden.

It took Congressman Dan Webster of Florida many months, but he was eventually able to find 87 different federal programs charged with getting people to and from appointments. If Republicans tried to cut the redundancy, Democrats would scream about Republicans hating women or seniors or veterans, etc. However, if every single form of public assistance were listed in the same subcommittee's budget, every duplication would be abundantly apparent. Only then could we streamline government, cut massive waste, and still provide the same or better services where they are actually needed.

Make no mistake. Changing committee structure is verboten among many longer-serving Congress members. Nonetheless, we have got to learn from the diabolical Democrat strategists who used rule changes to prevent limited-government reformers from streamlining the government. We must get back on the road to more liberty, more entrepreneurship, more movement out of poverty to the middle class and more upward movement from the middle class.

Additional reforms could include eliminating Carter creations such as the Department of Education and the Department of Energy, letting states keep all of their own tax dollars for education and returning energy decisions to state

government where appropriate or to federal pre-Carter departments when the feds are legitimately involved.

An idea for preventing Congressional power from all flowing to the Speaker would be requiring a vote of confidence or no-confidence within the majority party every two years. If the secret vote were “no-confidence,” then the Speaker would not be allowed to run for the position again.

Perhaps we should also look at a two-year budget in Congress instead of the one-year budget, thus allowing more methodical oversight in the second year.

Beginning a federal land divestiture program would help by returning property that is not truly national-park-distinctive or federally used back to the states from which it came for their use, supervision, or distribution. The amount of revenue and jobs that would be generated in the process would be breathtaking.

Simply getting the federal government out of our emails, phone calls, school cafeterias, and private lives would save unimaginable amounts of money.

My purpose in writing this is to stimulate the reader into thinking positively about reforms that bring about financial responsibility and, thus, freedom. You can think outside the box, but within the Constitution, and make it work far better. But, we can never do improve our government by playing in a 40 year old arena under socialist-trending rules. We can and must do better for the blessings we’ve enjoyed to be perpetuated into future generations.

## **Fixing Immigration Enforcement**

By Senator Jeff Sessions (AL)

President Obama's former ICE Director, John Sandweg, famously conceded: "if you're a run-of-the-mill immigrant here illegally, your odds of getting deported are close to zero."

Since entering office, President Obama has engaged in a sustained campaign to collapse immigration enforcement. My office has compiled a detailed timeline of his actions, including many dangerous directives not widely known to the public—a copy of which can be provided upon request.

Talk has surfaced in Congress of responding to this enforcement collapse by passing a "border security" bill. However, a conventional border security plan will do little or nothing to restore enforcement. As long as the President continues to ignore the law, order his officers to free illegal immigrants, and refuse to remove individuals who are here illegally, the problem will only get worse.

Consider the illegal immigration surge from Central America. Approximately 99 percent of those who arrived in that surge—whether minors or adults in family units—are still in the United States, according to DHS data.<sup>16</sup> Instead of removing illegal immigrants, the President has expended enormous time, energy, and resources into resettling newly arrived illegal immigrants throughout the United States. Any border security plan that leaves this resettlement operation intact is doomed to failure. Jessica Vaughan at the Center for Immigration Studies estimates that more than 100,000 illegal immigrants who showed up at the border this year have been freed into the United States.

Increasing the budget for DHS in the form of additional Border Patrol agents, vehicles, etc., will not stem the tide of illegal immigration as long as catch-and-release continues and as long as interior enforcement remains gutted. No amount of



additional resources will work if our law enforcement officers cannot carry out their duties. Absent such reform, we are just using those resources to facilitate the transfer of illegal immigrants from south of the border to north of the border.

Interior deportations have fallen 23 percent since last year alone, and have been halved since 2011—when then-ICE Director Morton issued the so-called Morton Memos exempting almost all illegal immigrants from enforcement and removal operations.

The effective result of the Administration's non-enforcement policy is that anyone in the world who manages to get into the interior of the United States—by any means, including overstaying a visa—is free to live, work, and claim benefits in the United States at Americans' expense. In particular, immigration benefits for illegal immigrant minors (and their relatives) has created an enormous enforcement loophole and magnet—what U.S. Citizenship and Immigration Services union president Kenneth Palinkas likened to birthright amnesty for any foreign-born youth in the world (and, in turn, their families) who can manage to enter the United States. He also issued this further warning:

*“The 9/11 hijackers got into the U.S. on visas and now, 13 years later, we have around 5 million immigrants in the United States who overstayed their visas – many from high-risk regions in the Middle East. Making matters more dangerous, the Obama Administration’s executive amnesty, like S. 744 that he unsuccessfully lobbied for, would legalize visa overstays and cause millions additionally to overstay – raising the threat level to America even higher. There is no doubt that there are already many individuals in the United States, on visas – expired or active – who are being targeted for radicalization or who already subscribe to radicalized views.*”

*Many millions come legally to the U.S. through our wide open immigration policy every year – whether as temporary visitors, lifetime immigrants, refugees, asylum-seekers, foreign students, or recipients of our ‘visa waiver program’ which allows people to come and go freely. Yet our government cannot effectively track these foreign visitors and immigrants. And those who defraud authorities will face no consequence at all in most cases. Our caseworkers cannot even do in-person interviews for people seeking citizenship, they cannot enforce restrictions on welfare use, and they even lack even the basic office space to properly function. Applications for entry are rubber-stamped, the result of grading agents by speed rather than discretion. We’ve become the visa clearinghouse for the world.”*

And because there is largely no consequence for overstaying visas, in 2012 alone 250,000 individuals are estimated to have overstayed their visas and remained in the country unlawfully. Overall, in 2014 only a miniscule 0.05% of the nation’s roughly 12 million illegal immigrants were removed who were not explicit agency “priorities.” If you don’t meet a “priority,” you are basically immune from enforcement. Even including “priority” cases, 99% of illegal immigrants were still placed beyond the reach of immigration law.

Even the removal of criminal aliens has continued to freefall, and has been cut in half since 2011. DHS documents show that the Administration freed 30,000 convicted criminal aliens into U.S. communities in 2014. Overall, there are about 167,000 convicted criminal aliens who were ordered removed that are now at large in the United States, and almost as many at large who were released before being ordered removed.

In recent months President Obama has also unilaterally removed restrictions on the admission of foreign nationals

with limited terror ties; increased the admission of foreign workers by 100,000; expedited chain migration from Haiti; extended amnesty provisions for Honduran and Nicaraguan nationals; and attempted to recruit illegal immigrants for military positions even as American service members are being laid off.

Chris Crane, president of the Immigration and Customs Enforcement Council, wrote one year ago of the “President’s continued demonstration of contempt for immigration officers and his blatant disregard for Congressionally-enacted law.” He continued:

*“ICE officers are forced every day to release violent offenders back into the streets; we are prohibited from enforcing immigration violations and document fraud and from cracking down on illegal employment; we are prohibited from enforcing public charge law to protect taxpayers; and we are forced to catch-and-release illegal aliens who are not ‘priorities’ even when officers believe there is a threat to public safety.”*

What then is the path forward? The GOP should focus on discrete, targeted enforcement measures designed to have an outsize effect on reducing illegality, empowering immigration officers, restoring enforcement, and putting a stop to catch-and-release. These could be isolated measures, or offered as amendments to any relevant business that comes before Congress:

- Mandatory E-Verify to protect American jobs and wages
- Ending tax credit and welfare payments to illegal immigrants
- Closing asylum and refugee loopholes
- Cancelling federal funds to sanctuary cities

- Empowering local officials to coordinate with ICE officers
- Establishing criminal penalties for visa overstays
- Ending catch-and-release on the border with mandatory detention and expedited deportations
- Suspension of visas to countries with high overstay rates or those that won't repatriate criminal aliens
- Mandating completion of the exit-entry system

## **Expand Opportunity Through Energy**

By Congressman Jeff Duncan (SC-3)

Over the course of the past six years, it's been easy to get discouraged with the direction the country is heading. As a movement of freedom-loving Americans, we often say we lost our way a decade ago and didn't offer the country a clear vision of what liberty means in the 21st century. But these years of having a contrasting vision for the country haven't gone to waste, and at the start of a new Congress, we are stronger, more focused, and more determined than ever to refresh the call to liberty.

As we govern, we often hear talk of creating jobs. But digging a little deeper, it's obvious what Americans still desire is the pursuit of happiness, and it's the pursuit of happiness that we've come to Washington to protect.

The beginning of this pursuit, in an economic sense, begins with energy production. Our way of life—from the jobs we have to the vacations we take and the communities where we live—requires reliable, 24/7 electricity. We have the natural resources within the United States and North America to become energy secure, but we need a clear plan to get there. Protecting the pursuit of happiness means Americans are free to develop and produce energy, and to achieve that goal, I have introduced the Energy Exploration and Production to Achieve National Demand (EXPAND) Act in Congress.

### **The EXPAND Act will:**

- Open for production more offshore areas in the outer continental shelf, because currently less than 3 percent has been leased.
- Open for production the Arctic National Wildlife Refuge (ANWR), where we could extract more oil in a day than we import from Saudi Arabia.

- Allow states to control energy production on federal lands; currently, the federal government takes about seven times longer than states to approve permits.
- Require congressional approval of new wilderness designations, because we already have 8.7 million acres of designated wilderness areas—that’s more land than the state of Maryland.
- Eliminate the requirement for the interior secretary to approve leasing of natural resources on tribal lands, because they are home to an estimated 15 million acres of undeveloped energy and mineral resources.
- Look at military installations for potential solar, wind, geothermal, and other sources of energy, because 24/7 power requires an all-of-the-above strategy.
- Approve the Keystone XL pipeline, because it could reduce the amount of oil America imports from unstable regions of the world by up to 40 percent.
- Reopen Yucca Mountain to begin receiving nuclear waste, because the federal government has failed to live up to its promise to open a permanent repository, costing taxpayers billions in legal fees.
- Repeal EPA climate change regulations, because they would shut down existing plants.
- Repeal the Renewable Fuel Standard, because it is a total disaster for many vehicles and gasoline-powered lawn and garden tools.
- Reform the tax code by reducing corporate and individual tax rates and eliminating credits.
- Update avian laws so wind and other energy companies aren’t held criminally liable for accidental bird deaths.
- And among many other provisions, EXPAND will expedite permitting processes for the construction of highly efficient nuclear power plants.

Energy production from every source can continue to lift people out of poverty so they can pursue their happiness not only at home but also around the world. Today, 1 billion people live without electricity in their homes.

We can produce enough energy to meet our own needs and strengthen freedom around the world. South Carolina receives more than 50 percent of its electricity from nuclear energy. Get this: Uranium mined in Wyoming can fuel nuclear power generation in South Carolina, turning on the lights in a tire manufacturing plant that sends its tires to work the oil sands in Canada. This creative pursuit of happiness doesn't end here, of course, and is more complex and interconnected than we will ever know.

While it's true that a complex, all-of-the-above energy market raises environmental concerns for clean air and clean water and public health, it's also true that energy production creates the only chance we have to maintain clean air, provide clean water, and improve public health for ourselves and the billion people who don't readily have each of these. Ultimately, when Americans are free to dream and innovate, to think of new ideas and pursue them, they will always find cheaper, cleaner, safer, and more efficient ways to use and produce energy. That is the heart of the free market and of our American republic.

## **Abolish the IRS, Enact the FairTax**

By Congressman Steve King (IA-4)

In recent years, Americans have watched as banks collapse, small businesses fail, homes are foreclosed upon, and friends and family lose their jobs. As we continue to move toward recovery, we must ensure that we take to heart an important lesson from this crisis: Big government is not the answer.

Each year, American taxpayers spend 6.1 billion hours and \$163 billion preparing their taxes. Small businesses spend 1.9 billion hours and \$19 billion complying with our income tax code every year. The IRS itself costs nearly \$12 billion to operate for a single year. Our corporate taxes are the highest in the industrialized world. Our tax rates and system hobble American business and diminish our competitive edge. What's worse, our current tax system perversely taxes (that is, punishes) all productivity and all Americans' earnings, savings, and investments. We have a tax code that is counterproductive, complex, and chaotic, and the U.S. taxpayers are paying the price. There is a far better solution.

The solution is HR 25, the Fair Tax, a national consumption tax placed on all new goods and services sold for personal use. The Fair Tax would completely replace the patchwork of federal income, excise, and payroll taxes currently used to collect revenue for the federal treasury. The Fair Tax would drive economic growth, quash tax evasion, empower taxpayers to determine how much they will pay in taxes each year, foster saving and investment, and enable American companies to compete fiercely in the global marketplace.

Our federal tax system has morphed beyond recognition or repair. Taxes are hitting productive Americans too hard. The current economic malaise cannot and will not be solved with tax increases and more government spending.



Years ago, I founded King Construction and spent 28 years operating my business. My experience with the IRS helped bring me to the point of working to abolish it. Other than the Fair Tax, no tax plan completely eliminates the IRS. What's more important—much more important—is that the Fair Tax does everything good that any tax policy does that is good. It does all of those things, and it does all of them better.

The Fair Tax eliminates the IRS and every other current form of taxation. It replaces the entire revenue stream with a consumption tax, which would lift the burden of taxation from American productivity and place the power to control how much we are taxed in our own hands. Because the Fair Tax empowers citizens instead of government, it is the most effective way to encourage positive, long-term economic performance, which will create millions of jobs across the country.

Replacing the current income tax with a consumption tax—the Fair Tax—will ensure that productivity in our country is not punished but rewarded.

The Fair Tax will free the economy from the self-imposed chains of the current tax code and unleash growth. It is the way to help unemployed Americans find new jobs and to help families pay their bills. Now is the time to position the Fair Tax in the center of the ongoing economic debate in Congress, the presidential races, and throughout America as the most effective way to empower Americans and foster the robust economy we need to remain the shining city upon a hill.

## **Patient-Centered Healthcare Works Best**

By Congressman Tom Price, M.D. (GA-6)

Obamacare's destruction of health care becomes more evident every day. The American people are now paying more for health care and getting less—less access, less quality, fewer choices—and a health care system that is responsive to Washington's needs at the expense of individuals and families. In my home state of Georgia, average premiums have risen by 110 percent. In the wake of this assault on quality care and family budgets, Democrats in Washington are doing everything they can to protect the president's legacy while telling the American people either to stick with this disastrous law or let insurance companies run the show. That's a false choice. Those of us who believe we can and ought to do better by the nation's patients, families, and doctors are fighting for a better, patient-centered approach.

A quality health care system requires us to focus on the principles of affordability, accessibility, quality, innovation, choices, and responsiveness—none of which are evident in Obamacare. Those principles form the foundation of the set of solutions I have introduced called the Empowering Patients First Act.

Our plan starts with a full repeal of Obamacare so that we may then turn to addressing the challenges in our health care system—many of which existed before Obamacare and many which have been made worse because of the law. At the heart of each reform is the insistence that patients, families, and doctors—not Washington, DC—make medical decisions.

First, we believe that increasing access to coverage begins with decreasing costs. The Empowering Patients First Act would allow for the purchase of insurance across state lines, a practice that is currently illegal. When companies compete across state lines, consumers have more and better coverage

options. This competition drives down costs and empowers families with more choices.

But a lack of competition is not the only obstacle to lowering costs. The practice of defensive medicine is another. In a study commissioned by Jackson Healthcare, “physicians estimate[d] the cost of defensive medicine to be in the \$650 to \$850 billion range, or between 26 and 35 percent of annual health care costs in the U.S.” That’s money wasted each and every year.

In the absence of meaningful lawsuit abuse reform, we are squandering hundreds of billions of dollars annually in America’s health care system. Thanks to an increasingly litigious society in which one in 14 physicians faces a malpractice suit every year, health care providers have an incentive to perform additional and perhaps unnecessary tests so that if they are ever called before a court of law, they can say they did anything and everything possible. The costs associated with this situation are passed on to patients or the health care system at large. Our plan reduces the need for defensive medicine while still protecting patients’ rights. The result would be lower medical bills for American families.

In a report released last year, Douglas Holtz-Eakin, former director of the Congressional Budget Office, estimates that the Empowering Patients First Act would save American taxpayers \$1.7 trillion while reducing health insurance premium increases. This is in stark contrast to the ironically named Affordable Care Act, which will cost American taxpayers trillions of dollars over the years to come.

However, reducing costs is just one component of reform. We must also enhance the quality of care. The Empowering Patients First Act does so by refocusing our attention on the needs of patients and their doctors. We can best accomplish this by removing governmental barriers to personalized health care.

Today, nearly half of all Americans rely on their employers for health insurance. If they change or lose their jobs, access to the insurance coverage they have—and may very well like—is lost. That could mean losing the ability to see preferred doctors and being forced to find new ones who may be unfamiliar with an ongoing treatment. This is particularly problematic given that the average American worker will have between 10 and 12 different employers in her lifetime. She shouldn't be required to have 10 to 12 different health plans.

Our bill would allow individuals to own their insurance plans—regardless of who's paying—and keep their plan even if they lose a job or change jobs. Building trust between patients and their physicians is vital to quality care. Insurance portability is critical to protecting that doctor-patient relationship.

To further expand access to more health care choices and affordable coverage options, the Empowering Patients First Act gives individuals and small businesses the opportunity to have essentially the same purchasing power that large corporations currently enjoy. We do this by allowing folks to pool together in association health plans and individual membership associations. No one should be priced out of the insurance market if they have a preexisting illness or injury, and we can decrease prices and alleviate the risks associated with covering these individuals by widening these sorts of pools.

Still, we know that even with lower health care costs and more affordable coverage options, many families will struggle to afford health insurance. These folks should not be left behind. What the president and Democrats have done under Obamacare is to push many Americans into poorly managed government programs, like Medicaid. A patient-centered solution, like the one we are proposing, would instead provide folks with the necessary resources and incentives to purchase a plan they choose for themselves, not the one that Washington forces them to buy. This ensures that all Americans will have

the financial wherewithal to afford the kind of coverage that's right for them. Remember, patients come first!

Conservatives have better solutions to solve the challenges in our health care system: patient-centered solutions that will improve our health care system, reduce costs for individuals and families, and save taxpayer dollars.

## **Food Stamps and the Forgotten Man: Fixing SNAP**

By Congressman Jim Jordan (OH-4)

Best-selling author Amity Shlaes chose a thoughtful and appropriate title for her 2007 work about the Great Depression: *The Forgotten Man*. The term originated from an 1883 article of the same name by scholar and author William Graham Sumner and was later used (or misused) by President Franklin Roosevelt in a 1932 fireside chat.

Though FDR used the term to describe folks in need of a handout, Sumner's original piece and his later speech on the topic used it to describe blue-collar workers whose labor and sweat helped pay for all the costly "reform" programs that seemed to benefit only others. More eloquently, Sumner stated:

*"Now who is the Forgotten Man? He is the simple, honest laborer, ready to earn his living by productive work. We pass him by because he is independent, self-supporting, and asks no favors. He does not appeal to the emotions or excite the sentiments. He only wants to make a contract and fulfill it, with respect on both sides and favor on neither side. He must get his living out of the capital of the country. The larger the capital is, the better living he can get. Every particle of capital which is wasted on the vicious, the idle, and the shiftless is so much taken from the capital available to reward the independent and productive laborer."*

It's sad to think this could happen in America, but how often do we see this play out today?

Imagine the second-shift worker pulling out of his driveway and heading to work one afternoon. He knows he might be missing his kids' soccer games or a school play, but he also knows that his steady work and sacrifice, day in and day out, is

helping his family make ends meet and will perhaps one day give his children a chance at a better life.

Imagine this man driving down the street to work and passing his neighbor a few doors down, sitting on his porch and reading the newspaper. He knows his neighbor is able-bodied and can work. But he also knows his neighbor chooses not to work, and that his neighbor, through the generous social safety net our nation provides, can live about the same type of lifestyle as those (like him) who get up and go to work every day.

Now imagine, as that second-shift worker drives out of his neighborhood, a second-grade teacher is driving in on her way home from a long day at school. She passes the same able-bodied neighbor on the porch and shakes her head in frustration. And as both workers are listening to the news on their car radios, they hear about Washington giving taxpayer bailouts to big banks, big corporations, and well-connected special interests while running up trillions in borrowed debt that these workers must pay back.

Indeed, the forgotten man might be a time-worn phrase, but many of the hardworking, middle-class folks I have the privilege to represent see this happening every day, and they feel much like the forgotten man that Shlaes and Sumner talk about.

The good news is that we can turn this around by restoring an incentive to work.

That's why I was proud to stand with my fellow conservatives to introduce a bill called the Welfare Reform and Upward Mobility Act, a bill that would use the federal Supplemental Nutrition Assistance Program (SNAP) to help Americans rise out of poverty. Modeled after the bipartisan 1996 welfare reform law, this bill would establish work requirements for the federal food stamp program. This change would encourage self-sufficiency, purpose, and dignity and help impoverished Americans find their purpose and see

beyond what the government can provide. It is a big dose of tough love, tempered with outside assistance, to help get Americans back to work.

Under this reform, able-bodied individuals between age 19 and 62 would have to be working or looking for work, volunteering in their community, enrolled in a job training program, or attending school to receive benefits. For those looking for work, professionals would supervise the search, thus improving the odds that the search ends in employment and not an endless string of rejection letters.

Requirements would vary depending on a person's situation. Single parents with dependent children would have less stringent requirements than individuals without dependents so they could spend more time taking care of their family.

The program would also empower states by incentivizing decreases in poverty and increases in self-sufficiency in the war on poverty.

From a fiscal standpoint, Americans deserve this reform. Work requirements help guarantee a return on the investment of our tax dollars to get people off the government rolls and onto a sustainable economic path. They also empower undereducated, unemployed Americans by giving them a game plan to achieving financial independence and the American dream. That way no one is forgotten—the unemployed or the middle class.



## **Let the American People Say No**

By Senator John Barrasso, M.D. (WY)

About the only thing in America less popular than Obamacare is the Internal Revenue Service. For millions of Americans, they are two sides of the same coin.

The president's health care law includes an individual mandate that people must buy health insurance. The federal government now requires every man, woman, and child to buy a product that had always been optional. Instead of being what families decided was best, buying health insurance is now what President Obama thinks is best.

For many Americans, this insurance is more coverage than they need, want, or can afford. The Washington liberals who decided everyone must buy a specific kind of health insurance also decided the IRS is just the right agency to enforce that requirement.

People who chose not to buy the Washington-mandated insurance in 2014 must pay a penalty this year when they send in their tax returns. The penalty works out to the higher of two numbers: either \$95 per adult and \$47.50 per child under 18, or one percent of yearly household income above the \$10,000 tax-filing threshold. This year, that means a woman earning \$50,000 will face a penalty of \$400. Fines could reach \$2,448 per person and \$12,240 for a family of five. Penalties double for those who don't enroll in Obamacare this year.

The individual mandate, enforced by the IRS, is among the worst ideas in that terrible law. Americans should be free to make the health care decisions that are best for them and their families. People should not face onerous government penalties if they make a choice Washington doesn't prefer. No American should be forced into the president's one-size-fits-all health care mandate.

That is why I introduced a bill called the Obamacare Opt-Out Act in the very first week of the new Congress. The same

bill has also been introduced in the House of Representatives. This legislation would take one simple and important step toward restoring the freedom that Obamacare took away from Americans. It would allow people to opt out of the individual mandate for health insurance coverage.

People could opt out of Obamacare by either indicating it on their tax filing or notifying their state or the federal health care exchange. They would not have to pay a tax penalty. They would not have to fill out endless paperwork and permission slips. No Washington bureaucrat would have the power to reject their application.

H&R Block estimates that 4 million Americans would take advantage of an offer like this if it were available this year. The number of families that would benefit from having the freedom to decide for themselves would be far greater.

After five years of Obamacare, hardworking Americans continue to see their health care costs rise while the quality of their care declines. It is well past time for American families to regain the freedom to make their own decisions.

This bill is one step toward restoring the freedom that Washington Democrats took away with Obamacare. It is not the only step. Obamacare is certainly not the only outrageous law that President Obama and his allies in Congress have inflicted on the American people over the past six years.

Conservatives in Congress will keep pushing to repeal Obamacare and replace it with reforms that would give Americans what they wanted all along: access to the care they need from a doctor they choose and at lower cost.

We will also push individual bills to repeal the worst parts of the law. We will support challenges to the law in court. We will work with our partners in governors' offices and statehouses around the country. We will stand with the millions of Americans who have had enough of Washington mandates.

The elections last November showed that the American people want a new direction for our country. If President Obama is finally ready to listen, we are eager to work with him to give Americans the health care they deserve.

## **States Have Rights, Leave Broadband Alone**

By Congressman Marsha Blackburn (TN-7)

The recent Federal Communications Commission decision to grant the petitions of Chattanooga, Tennessee, and Wilson, North Carolina, allowing the federal government to preempt municipal broadband restrictions in those states, is troubling. As a result, I filed the States' Rights Municipal Broadband Act of 2015 (HR 1106) with Senator Thom Tillis of North Carolina. States have rights. They should be free to exercise those rights, especially when it pertains to matters affecting their financial well-being.

Last September, Forbes ran a piece titled "Municipal Broadband: A Bad Deal for Taxpayers." The article noted that a failed municipal broadband network in Utah (appropriately named Utopia) had left taxpayers "over \$350 million in debt" and "\$146 million in negative assets as of July 2013." Municipal broadband projects have also left Memphis, Tennessee (\$27 million) and Burlington, Vermont (\$17 million) in debt. The list of project failures goes on and on.

Chattanooga is often hailed as a success story, but a different narrative emerges when the layers are peeled back. First, Chattanooga was propped up with \$112 million in stimulus money, courtesy of federal taxpayers. Second, the project will cost approximately \$550 million, according to a Washington Times report from September 2014. The Times also wrote that the actual number of customers using the network was between 58,000 and 64,000, far short of initial projection of 72,000. Third, Fitch Group downgraded the credit rating of Chattanooga's Electric Payment Board (EPB) on March 9, 2012, as a result of a \$200 million bond issued in 2008 to build the expensive fiber optic network. EPB president Harold DePriest offered interesting logic to explain the downgrade, saying, "It seems counterintuitive, but this is the

result of something positive,” adding that EPB is not a “typical utility company” and therefore should not be “rated like one.”

Municipal broadband advocates believe other motives are at work for wanting to prevent expansion of these networks. In an interview with Business Insider, Christopher Mitchell, director of the community broadband networks initiative at the Institute for Local Self-Reliance, said, “Ultimately, what it comes down to is these cable companies hate competition.” Mitchell added in the same interview that communities build municipal broadband networks because they create jobs and assist in attracting new businesses. He said arguments asserting that municipal broadband networks typically fail and put tax dollars at risk are “factually inaccurate.”

At the end of the day, municipal broadband restrictions affect communities differently. States and municipalities need the flexibility to address the impact of these restrictions and the financial consequences free from a one-size-fits-all regulatory scheme imposed by the federal government. The States’ Rights Municipal Broadband Act of 2015 is an important step in returning the power back to our communities and away from unaccountable D.C. bureaucrats.

## **American Energy Renaissance Act**

By Congressman Jim Bridenstine (OK-1)

An American energy renaissance not only will revitalize the U.S. economy but also could make the world a safer place. America has abundant energy resources, but federal government limitations hamper energy development that would benefit consumers and U.S. economic growth. This administration's misguided economic stimulus plans ignore genuine "shovel-ready" jobs in the energy industry, including the Keystone XL pipeline project. President Obama is, in fact, aggressively discouraging fossil fuel use to the detriment of consumers, economic growth, and national security. His policies block energy exports that could help break Russia's ability to use energy as a political weapon.

Vladimir Putin is controlling former Soviet satellite states by threatening to cut off their energy supplies. Currently, Europe is significantly dependent on Russian oil and gas. The European Union is the world's largest energy importer. BP estimates that Russia supplies one-third of Europe's natural gas and one-quarter of its oil and coal. Bulgaria, Sweden, Finland, and the Baltic states get nearly 100 percent of their natural gas from Russia. Seven other EU countries rely on Russia for at least 50 percent of their gas. Control a nation's energy and you control the nation.

The American Energy Renaissance Act (AERA), legislation I introduced with Senator Ted Cruz in both the 113th and 114th Congresses, will provide a real "reset" of U.S. foreign policy by increasing domestic energy security while utilizing American resources to provide energy freedom and independence to Eastern Europe. Energy security can not only unshackle America from Middle Eastern producers whose interests are not aligned with those of the United States but also better position us to counter threats of aggression toward our allies.

The Cruz-Bridenstine plan to enable and sustain a true American energy renaissance will have a far-reaching positive impact. Many benefits will come from freeing the energy industry from overreaching federal regulations that inhibit energy development and commerce and operate counter to consumer interests. AERA reforms include empowering states and tribes to oversee energy development on federal lands located within their borders, removing energy export barriers, ensuring access to the Outer Continental Shelf, and excluding carbon dioxide from regulation under the Clean Air Act. AERA will also streamline the approval process for energy infrastructure construction, empowering the private sector to create good-paying American jobs and spur economic growth.

U.S. domestic oil and gas production has increased dramatically over the past few years despite its producers being denied access to much federal land. Oil and gas production on private lands created the entire energy boom over the past few years. Crude oil production on nonfederal lands in the United States increased 61 percent from 2009 to 2013. During the same period, crude production on federal property *decreased* 6 percent, according to the Congressional Research Service (CRS). Natural gas production on U.S. private lands increased 33 percent while production on federal property *decreased* 28 percent from 2009 to 2013.<sup>1</sup>

Technology innovation, including horizontal drilling and hydraulic fracturing (“fracking”), has opened vast natural gas reserves found in shale formations. Small, independent companies operating on private land transformed the natural gas industry, resulting in a drop in the price of natural gas and making the United States the world’s largest producer. The independent producers created an oil boom as impressive as the gas boom. The U.S. was the third largest oil producer in

---

<sup>1</sup><http://www.crs.gov/pages/Reports.aspx?PRODCODE=R42432&Source=search#Content>

2013 and is expected to surpass Russia soon and possibly even Saudi Arabia within a decade.

Many contend that the most significant factor limiting petroleum production in federal areas is President Obama's declared war on fossil fuels. Candidate Barack Obama made his position clear, and his administration has aggressively tried to follow through. In 2007, Obama declared, "At the dawn of the 21st century, the country that faced down the tyranny of fascism and communism is now called to challenge the tyranny of oil ... For the sake of our security, our economy, our jobs, and our planet, the age of oil must end in our time."<sup>1</sup> In 2008, with regard to his plan to shut down cheap and efficient coal-powered electric generation, Obama famously promised, "Under my plan of a cap-and-trade system, electricity rates would necessarily skyrocket."<sup>2</sup>

Our proposed changes in law and policy will open federal lands and reverse policies that cripple the free market and inhibit innovation and private investment. In 2013, 23 percent of U.S. crude oil production and 15 percent of natural gas production were on federal leases. By comparison, federal properties held 43 percent of proved crude oil reserves and 25 percent of domestic natural gas reserves. Opening federal lands to oil and gas development, allowing exports and infrastructure improvements, and stopping regulatory overreach will greatly enhance U.S. energy production.

We can simultaneously spur American economic growth and deny Vladimir Putin the energy leverage and revenue he needs to threaten his neighbors. In 2012, over 80 percent of Russia's exported gas went to the EU or to former Soviet satellite countries, according to the CRS. Only 7 percent of Russian gas exports went to Asia. Vladimir Putin has confirmed that over 50 percent of his government's revenue comes from oil and gas. AERA will help the U.S. supply

---

<sup>1</sup> <http://www.presidency.ucsb.edu/ws/index.php?pid=77000>

<sup>2</sup> <https://www.youtube.com/watch?v=HlTxGHn4sH4>



European markets by expanding expedited approval to liquefied natural gas export permit applications, repealing antiquated prohibitions on crude oil exports, and shortening the environmental review process for coal exports. We are poised to develop and export energy to grow America's economy and permanently reduce Russia's control over European energy markets. At the same time, we can lower energy costs, sustain the drive toward U.S. energy security, and support a strong economy. The American Energy Renaissance will be a win on all fronts.

## **American Energy Renaissance Act Topline Summary**

### **I. STOP FEDERAL HINDRANCE OF AMERICAN ENERGY RENAISSANCE AND RELATED JOBS.**

#### Prevent Federal Regulation of Hydraulic Fracturing.

- Leave regulation of hydraulic fracturing in state hands

#### Improve Domestic Refining Capacity.

- Streamline the permitting process for upgrading existing and building new refineries
- Repeal (with phase out) the Renewable Fuel Standard

#### Improve Process to Develop Energy Infrastructure.

- Approve and allow private sector to build the Keystone pipeline
- Remove barriers to developing and approving additional national pipelines and cross-border energy infrastructure

#### Stop EPA Overreach and the War on Coal.

- Exclude greenhouse gases from regulation by EPA and other federal agencies

- Stop certain EPA regulations that will adversely impact coal and electric power plants

Force Congress and the President to Vote on EPA Regulations that Kill Jobs.

- Require Congress and the President to approve EPA regulations with negative job impacts
- Support passage of the REINS Act (not included in this bill) to require congressional approval of all major rules and regulations

**II. EXPAND ENERGY DEVELOPMENT TO ALLOW FOR MORE PRIVATE SECTOR JOBS.**

Broaden Energy Development on Federal Land.

- Expand energy development on federal lands by providing states the option of leasing, permitting and regulating energy resources on federal lands within their borders
- If states decline, reform federal leasing, permitting and regulating by:
  - Streamlining permitting and expanding development on federal lands
  - Improving certainty in the leasing and development process
- In addition, expand energy development in National Petroleum Reserve in Alaska and on Indian Lands and open up the Coastal Plain of Alaska (ANWR) for development

Open Offshore Exploration.

- Expand the offshore areas of the Outer Continental Shelf available for development

- Streamline the permitting process for additional offshore exploration

Expand U.S. Energy Exports.

- Expand LNG exports by facilitating permits
- End the crude oil export ban
- Prevent excessively broad environmental review of coal export terminals

Dedicate Additional Revenues to Debt Reduction.

- Direct all additional revenues generated by exploration and drilling on federal lands (excluding the share allocated to the states) exclusively to national debt reduction trust fund—“Debt Freedom Fund”

## **Consider the Possibilities of a Flat Tax**

By Congressman Michael C. Burgess, M.D. (TX-26)

I have introduced H.R. 1040, a measure that would create a single-rate tax, also known as the flat tax. I have introduced this legislation at the beginning of every new Congress since I came to Washington in 2003. But, the possibility of making the flat tax into law has never been closer to reality.

Consider that Russia, despite the terrible unrest occurring there, is one of the best examples of flat tax success. After it was enacted in 2001, the Russian economy rose 10 percent after just two years. Additionally, inflation-adjusted income tax revenue in Russia has grown by 50 percent.

If Russia can do it, so can the United States. At a time when even our President called for tax reform that would include flat-tax aspects and Republican control of both sides of Congress, the possibility of the flat tax has never been greater.

Looking at other countries that have instituted a flat tax, you'll see that it doesn't simply generate adequate revenue; the flat tax vastly increases economic growth as well. By lowering the tax rate, taxpayers become more productive and create more economic growth. In turn, businesses spend less time and money complying with tax systems and become more successful.

The concept of a flat tax is simple. Gone would be the days of decoding our convoluted tax code. Gone would be the days of spending even more money and time just to file your taxes. And gone would be the days of an unfair structure that stifles economic growth and individual prosperity.

Under my legislation, businesses and individuals could opt into a 17 percent flat tax, which is the figure historically shown to adequately fund the federal government. Americans who prefer to file their taxes as they did before would still have the option to do so. But, I believe that once people experience the simplicity and ease of filing their taxes on one page, rather than

navigating piles of documents, the old system would be a thing of the past.

Former Majority Leader Dick Armey, who previously served my district, was a champion of this idea in the 80s and 90s. Under his prototype, the filing form fit onto a single postcard. I completed this form as a personal exercise and finished my taxes in eight minutes. It only cost me the price of a ball-point pen and a 49-cent stamp.

By contrast, Americans each year spend 6 billion hours and about 30 percent of the total revenues collected by the IRS just to file. As we gear up for tax season, it's almost painful to consider what else you could be doing with the time you would save under a flat tax. You could be with your children, excelling in a project at work, serving your community, or simply enjoying the outdoors. Instead of paying an accountant and navigating IRS red-tape, you could be buying goods and services for your family that would stimulate the economy.

The benefits of a flat tax have been proven time and time again around the world and here at home on the state level. I will continue to work toward making my bill into law as long as necessary. As many people already know, the time for a flat tax is now.

## Let's Save

By Congresswoman Lynn Jenkins (KS-2)

People know more than the government about how to spend their own money. It seems obvious, but Washington steps in far too often, believing it knows more about your life than you do. I firmly believe that more savings means more control, and that can only be better for individuals, their families, and America in general.

That is why I introduced HR 529 for the third time and have been an advocate for college savings since my time as state treasurer of Kansas. The 529 college savings account—from which funds can be withdrawn tax-free for education expenses—helps families send their children to the higher-education institute of their choice. My bill would modernize these accounts by making computers a covered expense, because we all know a computer is an essential item for any 21st-century college student. Going further, the legislation would expand the 529 to allow funds to be redeposited if a student withdraws from college. It also updates the regulations to eliminate unnecessary and cumbersome paperwork.

Over the past decade, college costs have risen, on average, between 40 percent and 46 percent. That dramatic rise makes it hard for middle- and lower-income families to help their children get the education they need to find a good job in the modern economy. A 529 savings account is one way to combat the problem.

Since 2001, when withdrawing 529 funds became tax-free, 1 million accounts have grown to 12 million, with each account associated with a specific child. Research shows that any type of college savings account substantially increases a child's likelihood of attending college. That type of saving society will help America stay competitive in a global economy and ensure that the next generation can fight for high-quality, well-paying jobs.

That is the role the federal government must play: to encourage a savings society that allows people to take control of their own lives. I've long been a proponent of these ideas. This Congress, I also plan to introduce legislation promoting medical savings accounts, such as health savings accounts (HSAs) and flexible spending accounts (FSAs). Under the president's disastrous health care law, over-the-counter prescription purchases such as allergy or cold medicine, which these accounts previously covered, no longer qualify unless an individual first receives a physician's note.

My bill will restore access to this medication. Requiring people to get a prescription for aspirin only drives up costs for families already struggling with high premiums and creates more red tape. It's up to Congress to fight to reduce these burdens wherever possible.

These negative actions by the federal government discourage savers and result in higher medical costs in the face of already astronomical health care bills. Encouraging folks to cut out waste and take control of their personal finances and medical expenses helps build a healthy economy that's buoyed by consumer-driven spending decisions.

Families and businesses building savings and spending on what they know is necessary drive a robust economy. Washington must get out of the way and accept that a family in Pittsburg, Kansas, has different financial obligations than a family living in Washington, DC.

The key is to offer more common-sense, bottom-up solutions oriented toward encouraging savings and removing restrictions. Sensible steps like protecting 529 accounts and restoring the functionality of HSAs make life easier on families and show that not everyone in Washington has forgotten what real life is like for hardworking Americans.

I will continue to work every day to help people at the grassroots level. A savings society isn't created overnight, but each part of the process moves us closer to a strong, efficient,

and effective economy that places control back where it belongs: with the individuals who drive it.



## **Congress Can Eliminate Deficits Forever**

By Congressman Bob Goodlatte (VA-6)

March 2, 1995, was a pivotal day in American history. On that day, the U.S. Senate failed by one vote to pass a balanced budget constitutional amendment. The amendment had already passed the House by the required two-thirds majority; the Senate vote was the last legislative hurdle before ratification by the states. If the Senate had passed the amendment and sent it to the states for ratification on that date 20 years ago, we would not be facing the fiscal crisis we are today, and balancing the federal budget would be the norm rather than the exception. We would have nothing like the annual deficits and skyrocketing debt we currently face.

In 1995, when the balanced budget amendment came within one vote of passage, the gross federal debt stood at \$4.9 trillion. Today it stands at more than \$17.5 trillion. The debt of average Americans is on the rise as well. Unlike the past, when the debt spiked to pay for wars of finite duration and then gradually decreased after hostilities ended, the debt more recently has risen as a result of paying for entitlement programs of indefinite duration that are difficult to reform over time.

Our massive, multitrillion-dollar debt will have serious, negative consequences. It is particularly troubling that this debt will burden multiple future generations. A 2013 cross-national study found that the United States is the worst among 29 advanced countries in the degree that it imposes unfair debt burdens on future generations. We must consider the impact that reckless spending has on our nation's future and on future generations. We should not pass on to our children and grandchildren the bleak fiscal future that our unsustainable spending is creating.

For Congress to consistently make the tough decisions necessary for fiscal responsibility over the long term, it must have the external pressure of a balanced budget requirement.

Although persistent deficits threaten our country's long-term prosperity, experience has demonstrated time and again that Congress cannot for any significant length of time rein in excessive spending. Annual deficits and the resulting debt continue to grow due to political pressures that the Constitution's structure no longer serves to restrain, and statutory controls on federal spending have largely proven unsuccessful in limiting deficit spending.

Raising taxes is not the answer. To pay for entitlement spending solely by raising taxes, we would have to double marginal tax rates for all income tax brackets over the next 30 years. Indeed, even if the government confiscated all Americans' personal income for the entire year, we still could not pay off the national debt.

The Framers of the Constitution were familiar with the need for constitutional restrictions on deficit spending. Indeed, the Constitution was born out of the fiscal problems caused by the Articles of Confederation. Before the Constitution was ratified, the states exhibited out-of-control fiscal mismanagement by issuing "bills of credit," effectively to print money to fund projects and service debt. As a result of that lack of fiscal discipline, Article I, Section 10 of the Constitution specifically deprives states of the power to issue bills of credit. More than 200 years later, the federal government has proven its inability to adopt sound fiscal policies, and because of that, it is time to adopt a constitutional restraint on federal fiscal mismanagement.

Every Congress since 2007, I have introduced amendments that require Congress to balance the federal budget. Several versions of the balanced budget amendment have been introduced during this Congress, including two I introduced on the first day. H.J. Res. 2 is nearly identical to text that passed the House in 1995 and failed in the Senate by one vote. It requires that total annual outlays not exceed total annual receipts. It also requires a true majority of each chamber to

pass tax increases and a three-fifths majority to raise the debt limit. H.J. Res. 1, which I also introduced, goes further. In addition to the provisions of H.J. Res. 2, it requires a three-fifths majority to raise taxes and imposes an annual cap on federal spending. While my preference is to pass the stronger version of the balanced budget amendment, the two-thirds majority requirement for passing a constitutional amendment demands that we achieve bipartisan support for any approach.

We are at a crossroads. Our nation's extraordinary fiscal crisis demands an extraordinary solution. We can make the tough choices to control spending and pave the way for a return to surpluses and paying down the national debt, or we can continue down the road of chronic deficits, leaving our children and grandchildren with crippling debt that is not of their own making or choice.

Twenty-four states have requested, pursuant to Article V of the Constitution, that Congress call a convention of the states to propose a balanced budget constitutional amendment for ratification. More requests are surely on the way. But Congress should not wait for two-thirds of the states to request a balanced budget amendment convention. It is time for Congress to put an end to fiscal irresponsibility and stop saddling future generations with crushing debts to pay for our current spending. Now is the time for Congress to send a balanced budget constitutional amendment to the states for ratification.

## **Equal Opportunity for All, Here's How**

By Congressman Dave Brat (VA-7)

At a time when the economy is anemic, millions of Americans are jobless, and food stamp usage is at a historic high of 46 million people, it seems that all the White House and many in Washington appear to do is spend more money or create another program to stunt our growth potential even more.

We are at a time when, for the economy to grow, the government should be getting out of the way. Instead, politicians do the opposite of what the laws of economics would dictate: They increase taxes and fees, increase regulations on individuals and businesses, and saddle the economy with Obamacare. Crony politicians and bureaucrats with no business experience try to pick corporate winners and losers to receive taxpayer subsidization, often choosing the very ones the free market avoids and losing hundreds of millions of taxpayer dollars in the process. They spend without any controls, and to pay for it, they borrow from the communist Chinese government—a government that has turned to capitalism just as we have turned away from it.

As an economist, I can tell you unequivocally that history, mathematics, and common sense teach us that more taxes, more spending, and more debt only harm the economy and stifle job growth. Yet President Obama and many of his Democrat allies in Congress (and even some Republicans) insist that we need all three, putting ankle weights on an economy already struggling to keep its head above water.

The percentage of our population that's actually working is at a nearly four-decade low, and average family incomes are down more than \$4,000 since Obama came into office. They can't afford more government.

We need an economic formula to turn this economy around. That's why, as an economist, I propose a prescription

of initiatives that are absolutely critical to getting this country back on the road to greater freedom and prosperity.

**End the cronyism and slash the corporate income tax.**

Government has no business picking winners and losers. That's the job of hundreds of millions of consumers making hundreds of millions of buying decisions daily. There's no way any government agency can predict those hundreds of millions of buying decisions to decide which products or services will be hits with consumers and which will be dogs. This is what the great economist Friedrich Hayek called the "fatal conceit"—the thinking that the government knows better than the citizens of a free country.

Moreover, Americans have a basic belief that everyone should be treated equally under the law. When a company or an industry gets taxpayer subsidies or favored legislation over others, Americans see that as blatantly unfair and an unlevel playing field. In my short time in Congress, I've already seen how industry groups lobby for some special tax break or some waiver from a regulation. But the real answer is to lower corporate taxes and trim back regulations for everyone.

The United States has the highest corporate tax rate in the industrialized world, and it's chasing businesses overseas. If we lowered the corporate income tax—or even eliminated it entirely—domestic companies could compete on price with more foreign companies, American businesses that had moved overseas to avoid onerous taxes here would find it attractive to move back, and more money would be available to reinvest into growing businesses rather than growing the government. All that would mean more jobs and higher pay for American workers.

The Tax Foundation has shown that, contrary to the arguments of the Left, reducing or eliminating the corporate income tax wouldn't "cost" the government anything in the long run. For example, completely eliminating the corporate

income tax would grow the American economy by 6 percent in about 10 years, which is enough to raise income, payroll, and other tax revenues and make the corporate tax cut revenue neutral.

Finally, another way to end cronyism is to end the incentive for politicians to make their careers in Congress, where they can accumulate power and dispense favors to those who bankroll them. That's why I support 12-year term limits for every member of Congress. We need to get back to the Founders' vision of citizen legislators who go to Washington to serve others, not themselves. I think this is the move that would give us the biggest bang for the buck. No other remedy comes close.

### **End ineffective, punitive regulations.**

According to the House Small Business Committee, on which I serve, the cost for a small business to follow government regulations is about \$10,500 per employee per year. And that was in 2010, before the enormous costs of Obamacare were added. According to the Cato Institute, the total annual regulatory burden imposed by government is more than \$1.5 trillion. Communist China has nothing like this drag on its economy.

Approximately 3,300 new regulations are set to drop in 2015, adding to the tens of thousands of rules already on the books. Too many of these regulations are created without any real cost-benefit analysis of how effective they are at accomplishing their goals versus how much they actually cost businesses, individuals, and the economy. Those increased costs don't hurt the so-called greedy, polluting, worker-abusing CEOs as much as they mean fewer jobs, lower wages for workers, and higher prices for consumers.

Since 2008, the number of business closures in America has outpaced the number of business startups by about 70,000 per year. According to Gallup, 400,000 new businesses are being

started annually, while 470,000 per year are closing their doors. Before 2008, startups outpaced closures by about 100,000 annually.

This decline is due in no small part to tens of thousands of regulations that tie the hands of businesses and cost huge sums of money and staff resources to comply with. Businesses can spend more time and money complying with tedious and unnecessary regulations to keep a government agency in business than they spend keeping themselves in business. When that happens, businesses close their doors, workers lose their jobs, families lose their incomes, taxpayers fund more unemployment checks, new products and innovations are never created for consumers, and there's less tax revenue to fund roads, schools, and national defense.

Congress must shrink the regulatory state. One way to do that is with the REINS Act, which would give Congress oversight to stop any regulation that would have more than a \$100 million annual impact on the economy. Another way is to simply defund agencies that overreach their legal authority, which seems to be a regular occurrence in the Obama administration.

No one wants dirty water, dirty air, or dangerous work conditions for employees. But the federal government has gone far beyond regulating these basic things.

### **Repeal Obamacare.**

One of the most punitive regulations on both individuals and businesses is Obamacare, which is piling on even more costs in the form of health insurance mandates and skyrocketing premiums and deductibles. Those costs are also still largely unpredictable as the federal Department of Health and Human Services continues to write thousands of pages of new regulations to implement the law.

Obamacare is discouraging small businesses—the largest employers in America—from expanding and hiring more than

50 employees, because when they reach that threshold, they are mandated to buy costly Obamacare-approved health insurance for employees. Some businesses that have slightly more than 50 employees are laying people off to get under the threshold.

The number of small business startups is at its lowest point in decades. That mirrors our experience as we knocked on thousands of doors in Virginia while campaigning and met these small business owners for ourselves.

Larger companies are shifting full-time workers to part-time so they don't have to provide benefits, which means salaries are often being cut by 25 percent or more.

Republicans are working together to replace Obamacare with patient-centered, free-market solutions that actually lower costs, improve quality, and increase access to care. Some of those reforms include allowing individuals to buy insurance across state lines to have a choice of plans that best suit their needs and budgets. Currently, buying health insurance outside your home state is illegal. Opening up our state borders (which we seem to do more easily with our national borders) would create more competition among insurance providers and therefore reduce prices and increase choices for consumers.

Another reform would involve giving individuals the same tax breaks that companies get when they buy insurance. As with buying across state lines, this is currently illegal under federal law, but changing the law to make premiums for individuals tax deductible would effectively lower the cost of those premiums. It would also mean that employees could own their health insurance plans and take their plan from job to job, rather than remaining in jobs they don't like simply because they need the health coverage.

### **Balance the budget.**

We need to stop government's insatiable appetite to spend more than it takes in. One of the most effective ways to accomplish this is with a constitutional amendment that will



force Congress to balance the budget and rein in out-of-control spending.

There are plenty of areas where we can cut discretionary spending:

- The Government Accountability Office reports that unnecessary duplication of federal programs costs taxpayers \$45 billion per year.
- The CATO Institute estimates that corporate welfare costs \$92 billion per year.
- Then there are the billions in pure waste, like when the National Institutes of Health spends almost \$400,000 to study effects of Swedish massage on rabbits. And that's merely the tip of the iceberg; Senator Tom Coburn puts out an annual "wastebook" with an entire list.

There's also a dire need to reform mandatory spending—the spending that's already written into law and can't be changed unless Congress decides to rewrite the law. These programs include Social Security, Medicare, and Medicaid. Two-thirds of our \$3.5 trillion annual budget automatically goes out the door by law, without Congress voting to spend it. If you think the \$18 trillion debt is a frightening figure, these mandatory programs currently have about \$127 trillion in unfunded expenses that we owe by law. Some Harvard economists even put the number at more than \$200 trillion. Boston University economist Laurence Kotlikoff agrees with them and is part of the Purple Plans, which is a proposal he believes both Republicans and Democrats could agree upon. When even the "purple" folks cite these numbers, we are in big trouble.

Social Security's and Medicare's own trustees say both programs will be bankrupt in about 15 to 18 years if we don't reform them immediately. Minimum reforms to keep these

programs solvent include raising the eligibility age for those who are 10 or more years from receiving benefits, as well as cutting benefits for future generations who haven't started putting much into the system (and who already don't expect to get anything out).

### **Enact true tax reform.**

While I have cosponsored the Fair Tax—a simple national sales tax to replace the income tax and the IRS—I support either a flat tax or a fair tax (whichever one can pass Congress) to reform our punitive, invasive, complicated tax code.

Hardworking Americans pay enough in taxes. Yet the president and his allies continue to call for more taxes to feed Washington's insatiable spending appetite. Increasing taxes on anyone—whether the wealthy or the middle class—only slows the economy down. Higher taxes discourage people from saving, investing, and buying things. That means businesses don't grow, they don't create more jobs, and they don't increase their workers' wages. That hurts everyone. It's Economics 101.

If we want to turn our economy around and create more jobs and higher wages, history shows we should be cutting taxes and letting people spend that money to build the economy, rather than turning it over to the government to put us further in debt. When Ronald Reagan lowered income tax rates in the 1980s, it created the largest sustained period of economic growth in U.S. history. When George Bush lowered the capital gains tax rate in the 2000s, it actually increased taxes coming into the U.S. Treasury. Because people invested more, they made more money and paid more taxes. Finally, research by Reagan's economist Art Laffer gave us the Laffer curve, which shows that raising taxes can actually lower the amount of tax revenues coming into the government.

Either a flat tax or fair tax would leave more money in people's pockets for saving or buying more goods and services.

The resulting increase in economic activity would lead to more jobs, higher wages, and a growing economy.

Complying with either tax would also be less onerous and time consuming. Filing taxes currently costs America an alarming amount of lost productivity, as the time it takes for individuals and businesses to comply with filing requirements is the equivalent of almost 4 million people working full-time for an entire year. That's basically time we donate to the government to fill out paperwork rather than building, inventing, or working more.

Finally, both taxes are fairer to all Americans, leaving few to no loopholes or tax incentives to be handed out by politicians to favored groups for the purpose of gaining votes. The government would treat every person equally—something that has unfortunately become a novel idea these days.

### **Conclusion**

Currently, America is still experiencing poor economic and job-growth numbers. Top economists have tried to temper our expectations of a real recovery by telling us to expect low economic growth as “the new normal” from now on.

But I'm thankful that Americans are not content with any of that, because there is a solution.

We need to stop the “Washington knows best” mentality. Instead, we need to get government out of the way as much as possible. We need to rein in federal spending and debt and create a tax and regulatory environment that allows good companies to thrive. As they grow, so do the number of jobs and the level of wages. And as people's incomes grow, their demand for goods and services grows, and then businesses grow to accommodate that demand—and so the upward cycle goes.

Just a side note: The left always misses the first part of that story, which focuses on business and the supply side of our economy. The right calls businesses the good guys: By growing

themselves, they help grow the economy and create jobs and hire people, enabling those of us who work for them to support ourselves and our families. The left often demonizes businesses and spends a lot of time trying to indoctrinate kids with the same outlook. As a result, students graduate from high school or college and don't know how a business operates, nor do they know what courses they should take to learn valuable skills and become competitive in the job market.

We also need to reject the false populism of President Obama and many of his Democrat colleagues. Their brand of populism is defined as giving away "free" stuff to the lower and middle classes—free phones, community college, day care, and more. But it doesn't take an economist to tell you these giveaways aren't free. They're merely hiding the true cost from the American people, just like they did with Obamacare. We all pay for these programs in the end through more government borrowing and spending, and then eventually a bankrupt economy and higher taxes on all of us to pay it back. And by the way, we are giving the bill to the kids I just mentioned. That is unethical and unjust.

Mr. Obama and his allies can't call themselves populists when they're not looking to empower the American people but are instead looking to increase their concentration of power in government. True populism is what conservatives are trying to do: break up the accumulation of power in Washington and give it back to the American people.

As an economist, I want to reassure you that there can be a better tomorrow. We already have the tools to make that happen—slashing the corporate income tax, ending cronyism, instituting congressional term limits, passing a balanced budget amendment, adopting the flat tax or fair tax, and shrinking the regulatory state and repealing Obamacare. Those tools just have to be explained and given to the American people so they can see that there's a clear path back to the prosperity and freedom that have been America's promise since our founding.

*Note: Several other members of Congress who have contributed to this policy report have written about individual bills they are sponsoring. As a new member, I have not yet introduced any bills, but as an economist who has studied world economies and has advised governors and other public policy officials, I come to this report offering not new legislation, but rather a prescription consisting of several existing pieces of legislation that will turn America's economy around.*

## **Strengthen America Through Opportunity, Not Dependency**

By Congressman Tim Huelskamp (KS-1)

Nearly 47 million Americans are recipients of one of America's largest welfare programs: food stamps. This year, more than \$81 billion will be spent on food stamps, adding to the more than \$18 trillion in federal debt burdening current and future generations. Over the past 10 years, we have witnessed a shocking 160 percent increase in spending on food stamp programs, with no plans in sight to control costs.

On top of this, only 62.7 percent of all able-bodied adults are in the labor force, the smallest share in more than a generation. Millions of Americans can't find a full-time job despite all of President Obama's attempts to pour billions of federal taxpayer dollars into the economy through Obamacare, a massive stimulus, and government bailouts.

Those suffering from Obama's failed policies are put on the welfare rolls and federal welfare programs like food stamps, which only encourage government dependence. The Obama White House has repeatedly tried to throw more taxpayer dollars at problems like poverty and joblessness. By encouraging this vicious cycle of joblessness and bigger government, Washington is only leaving more individuals dependent upon the federal government for food and shelter.

Instead of offering another government handout and more debt, I have proposed legislation to build upon the successful 1996 welfare reforms by empowering those looking for opportunity and a hand up. By establishing work, volunteer, and job training requirements for food stamp recipients who are able-bodied and have no dependents, I believe we can help transition individuals from dependence to independence, from a welfare check to a paycheck.

I put forward a common-sense solution to preserve food stamp assistance for those truly in need—mothers, children,

the disabled, elderly, and families fallen on hard times—and encourage able-bodied adults seeking benefits to engage in volunteer work and job training to qualify. Let's give these folks the tools and training to get a job and back into the workforce.

These changes are included in the State Nutrition Assistance Flexibility Act (HR 1355), which I introduced during the previous Congress—and will introduce again this year. This bill would return food stamp and nutrition program spending to pre-Obama (Fiscal Year 2008) levels, provide states and local governments with flexibility in the form of fixed funding, and implement a work-activation program for 1.5 million able-bodied adults without dependents.

My legislation would merge six public food-assistance programs into a single block grant. It would incentivize states to take a more proactive role in monitoring recipients and protecting against fraud and abuse. This would give states flexibility to better manage benefits distribution and adapt to the unique needs of their specific populations. By managing this program and helping people in need with the government that's closest to the people, we can not only save money but also, and most important, better protect people's lives, dignity, and families.

No one wants to rely on Obama and his big-government cronies to feed their families and heat their homes. No one wants to climb down the economic ladder. And no one wants to be locked into multigenerational welfare reliance. Now, with Republican leadership in the Senate and a historic Republican majority in the House, it is time for Washington to stop borrowing billions of taxpayers' dollars each year to fund a growing welfare state. The elections in November were a clear mandate from the American people. It is time we start advancing conservative reforms in Congress.

The best way to affirm the inherent value of every human life is not with another government handout, but by

encouraging self-sufficiency and the talents and abilities each individual has to offer our communities. Policy changes to the food stamp program promote not only a more secure financial future for our country but also thriving, self-reliant families and individuals.



## **We Need to Change How Much—and How—Washington Spends**

By Senator Mike Enzi (WY)

Free college, free child care, free phones, free health care, basically free lunches for America. That's what some in Washington promise. It's a popular message. Everyone likes free stuff, especially when someone else is paying the bills.

Unfortunately, not enough people understand the cost of these free lunches.

Recently the Congressional Budget Office projected our nation's debt will grow by \$9 trillion over the next decade. Interest alone, which provide no services to Americans, is expected to cost \$5.6 trillion and account for 11 percent of total spending. That's paying for something and getting nothing. It's not good policy and as the new chairman of the Senate Budget Committee in a new Senate, I hope to make some changes. I propose changes in not only how much we spend, but how we spend.

A debt this large doesn't develop overnight. We make promises we pay for with gimmicks and IOUs. It will be a challenge, but I want to get out of the habit of spending now and paying later. As a country we aren't paying it forward. We ask the forward—the future—to pay for what we want now. But we can do better. That starts with being honest with ourselves.

Accounting is part of my formal education. It's also part of my real-world education. I ran a small business in Wyoming for many years and worked to keep my books balanced. I served as a mayor of my hometown, and later as a state legislator. In both roles, one of my key jobs was making sure my city budget, and then my state budget, balanced every year.

I want to pass a budget in the Senate by April 15 and I want it to balance within 10 years using honest accounting. Part of how we'll get there is by getting rid of the worst programs first,

through consolidation and smaller cuts everywhere, because a little pain now is better than a lot later.

That's why I've introduced my Penny Plan and am supporting biennial budgeting and appropriations efforts that would require Congress to provide balanced funding for a two-year period. Both work together to rein in out-of-control spending and reform our broken budget and appropriations process.

Under the Penny Plan, we could balance the budget in just three years by cutting one penny from every dollar the government spends. This would put our country back on the fiscal path to prosperity. No fudging numbers, no smoke-and-mirrors accounting—it's that easy.

Also known as the One Percent Spending Reduction Act, the Penny Plan doesn't mandate any specific cuts. Congress would have the authority to make targeted cuts and focus on the worst first, but would be required to meet the 1 percent overall cut. When we achieve a balanced budget, the bill would place a cap on total spending each year at 18 percent of gross domestic product.

Over a 10-year budget window, the bill would cut spending by about \$7.6 trillion. Living with 1 percent less and a spending limit is sustainable and a small price to pay to help bring this country back from the brink of catastrophic fiscal failure. We will all need to sacrifice something. The longer we wait, the greater that sacrifice will be. When the Penny Plan is combined with my Biennial Appropriations Act, which would reform our budget process, we could reap even more savings.

The biennial appropriations bill would allow for each of the 12 appropriations bills to be taken up over a two-year period, with the more controversial bills taken up in a non-election year and the less controversial bills taken up in an election year. The defense appropriations bill would be taken up each year.

These are just a couple of ideas. I know my colleagues on the Budget Committee have more. I intend to explore them as we do our job and complete a balanced budget on time.

Presidents and members of Congress keep coming up with brilliant new ways to spend to fill in gaps and give gifts to people, but the elected leaders don't look at what they have already approved and evaluate whether these things work. We pretend everything we do in Washington is perfection and with a guilty conscience we try to do more. Instead of just always doing more, we should do better.

## **National Regulatory Budget**

By Congressman Steve Scalise (LA-1)

Unnecessary regulatory costs place American businesses and innovators at a competitive disadvantage within the global economy. Since I was elected to Congress in 2008, one of my top priorities has been reining in regulations and cutting red tape. Washington's out-of-control federal regulations not only strangle small businesses and job creators but also stifle economic opportunity and increase the costs of everything Americans purchase, including food, gas, and, of course, health care.

Too often, these regulations are crafted by unelected bureaucrats, are written in a broad, blunt manner that sets unachievable standards, and are ineffective in achieving their desired benefits. With no incentive to fix past measures, federal regulations pile up fast and high.

The annual cost of excessive regulations created by unelected Washington bureaucrats adds up to approximately \$1.86 trillion. Broken down, that equates to approximately \$15,000 in regulatory costs per American family each year. That represents nearly 30 percent of the average household income, which is unacceptable. Our government should be empowering individuals, providing families peace of mind, and creating the right environment for businesses to thrive and create jobs, not burdening them with excessive regulations.

Unfortunately for families and businesses, the government is riddled with examples of these regulations. From the Environmental Protection Agency (EPA) limiting our energy industry to the Department of Health and Human Services implementing Obamacare, regulations are coming out of Washington at a hurried pace, and their effects are being felt across our country.

In my home state of Louisiana, the U.S. Army Corps of Engineers (Corps) has imposed unrealistic wetland-mitigation

regulations. Radical environmental regulations developed by unelected Corps bureaucrats threaten communities throughout south Louisiana and increase the cost of critical hurricane protection projects. There is no doubt that wetland mitigation is crucial to the survival of south Louisiana, but mitigation policies need to be realistic and should not be mutually exclusive to economic development and the protection of life and property. The Corps must be aware of the impact its regulations have on local communities and work with Congress and local officials to ensure that they are brought forward responsibly and with accountability.

In some instances, multiple agencies have jurisdiction over an issue or industry, creating a multilayered regulatory structure and driving up compliance costs, which are passed along to hardworking taxpayers. For example, the EPA, the Department of Energy, the Nuclear Regulatory Commission, and the Federal Energy Regulatory Commission are tasked with implementing the wide array of regulations that affect the electric utility industry. Ultimately, these regulations affect the cost of every American's electricity bills.

I have also vehemently opposed the repeated attempts by the Federal Communications Commission (FCC) to regulate the Internet through so-called net neutrality regulations. This is yet another example of this administration's radical effort to have the government take over more aspects of our economy where there is no justification.

There is no market failure to justify Internet regulation, and the FCC has never conducted a cost-benefit analysis to support its efforts. Regulation based on speculation should not happen, and certainly not to one of the most successful sectors of our economy. Regulating the Internet would send the wrong message—regulation trumps innovation—in the Internet ecosystem. The best way to guarantee a vibrant Internet economy is by keeping the federal government out of the way, not getting it more involved.

Now, no one is arguing that there should be zero regulation. Regulations serve a purpose when protecting the health and well-being of individuals and our environment. For example, we want to know that the cup of water we get from our kitchen sink is safe to drink. But the power to regulate should not be all encompassing and, just as important, should not be abused.

Congress must keep federal agencies in check and prevent them from issuing excessive regulations. We must also ensure that regulations are transparent, based on facts, and issued only after a thorough examination of the potential costs and benefits. It is for these reasons that I introduced the National Regulatory Budget Act of 2014 (HR 5184), legislation that would reform the estimation and reporting of the economic costs of existing and new federal regulations and establish an annual cap of regulatory costs for each federal agency.

Specifically, the National Regulatory Budget Act would establish the Office of Regulatory Analysis (ORA), which would be required to provide an annual regulatory analysis of federal rules for the upcoming fiscal year and their estimated cost on the economy. The legislation would also create a National Regulatory Budget, which would allow Congress to set a cap on the total economic cost of new federal regulations to be implemented in the coming fiscal year.

The legislation would require all newly proposed regulations to receive an ORA estimate before being implemented. Agencies that fail to comply with the ORA will be subject to a 0.5 percent reduction in their appropriation based on their previous budget amount. By analyzing regulations, the ORA would bring much-needed oversight to the regulatory process and make regulations more efficient and less costly.

I was proud to team up with Senator Marco Rubio of Florida, who introduced similar legislation in the Senate, on this innovative reform effort. This much-needed legislation

makes unelected, unaccountable bureaucrats in Washington think twice before proposing job-killing rules and regulations by increasing transparency and accountability. If our economy is to recover from six years of the president's failed economic policies, we must rein in the out-of-control costs of this administration's radical regulations.

We must also make sure that, whenever possible, regulations include clear guidance. To better protect our booming energy and manufacturing sectors, I introduced the Promoting New Manufacturing Act (HR 4795) in the 113th Congress. This legislation requires the EPA to issue guidance for industry compliance when it proposes new rules setting air quality standards. The EPA has provided this guidance in the past after issuing new standards. HR 4795 simply makes that guidance a prospective requirement; if it is not issued, the rules have no force or effect. This legislation makes the EPA accountable to those it regulates and brings certainty to businesses that must comply with the new standards.

The 2013 Federal Register contained nearly 3,500 regulations totaling 79,000 pages—the fourth-largest Federal Register in history. Clearly, Congress has ceded a great deal of authority to agencies and entrusted them too often to implement legislation through regulation. Congress must not allow this to trump our responsibility to ensure that regulations are based on common sense and sound analysis and not created to serve political goals. We also have a responsibility to prevent regulations from creating uncertainty and driving up the costs of services, like electricity bills and broadband Internet.

That is why I believe we need new, bold solutions to fix our broken regulatory process. Those solutions do not exist in our current system, but I have introduced two bills that would help change that. The National Regulatory Budget Act of 2014 would establish an incentive for federal agencies to reform the regulatory process once and for all by eliminating the hurdles

and barriers that are holding back our economy and ultimately resulting in better government. The Promoting New Manufacturing Act would ensure that our energy and manufacturing industries are not subject to vague regulations that create uncertainty and hinder compliance.

By eliminating burdensome, costly regulations, we can put more money back into peoples' pockets so it can be spent on things like housing, groceries, and education, rather than fees and compliance costs. By requiring Washington bureaucrats to find more cost-effective, common-sense ways to implement laws passed by Congress, Congress can protect the wages, pocketbooks, and opportunities of hardworking Americans. Simply put, we can make the American dream easier to achieve.



## Reform Transportation by Empowering States

By Congressman Tom Graves (GA-14)

I'll start with a bold claim: I can guarantee better roads without the federal government raising taxes.

Why am I making this claim? To explain, I'll give a brief history of federal funding of the interstate system. The original proposals were simple: build six major interstate highways. Three highways would run north to south, and three highways would run east to west.<sup>1</sup>

Over several years of discussion and debate, these proposals expanded to form the basis of the 40,000-mile interstate highway system the House Ways and Means Committee debated in 1956.<sup>2</sup> The plan was to pay for the entire system with a federal gas tax of three cents per gallon over 15 years. In Fiscal Year 1972, the tax was supposed to drop to 1.5 cents per gallon.<sup>3</sup> At the time, congressmen Hale Boggs and George Fallon noted that once the interstate system was built, there was no need for the government to continue imposing the tax on the American people.<sup>4</sup>

Surprise! The gas tax never dropped. Instead, it went up and up to the 18.4 cents per gallon we have today. What happened?

Well, part of the story is that we went from six interstates to more than 75.<sup>5</sup> You might think that with more than 75 interstates, the highway system is complete and the gas tax can be lowered, right? Wrong.

---

<sup>1</sup> "Toll Roads and Free Roads: Message from the President of the United States.", 1939, p. 1.

<sup>2</sup> See "Highway Revenue Act of 1956: Hearings Before the Committee on Ways and Means, House of Representatives, Eighty-Fourth Congress, Second Session, on H.R. 9075."

<sup>3</sup> "Highway Revenue Act of 1956: Hearings Before the Committee on Ways and Means", p. 8.

<sup>4</sup> *Ibid*, p. 66.

<sup>5</sup> <http://www.fhwa.dot.gov/reports/routefinder/table1.cfm>.

In recent years, highway legislation has moved well beyond highways, spending tax dollars on bike paths, flowers in medians, museums, and other projects.<sup>1</sup> And when the federal government is focused on highways, the money is not spent efficiently. The Davis-Bacon wage laws, duplicative federal studies, permitting, and red tape drive up costs and slow down projects.<sup>2</sup> Over the past 50 years, the loss of time and money on road projects across the country has snowballed.

You might say to yourself, “Well, I pump my gas and pay my taxes, and the money comes back to me in better roads. After all, it costs money to fill all the potholes I see on the way to work.” But the opposite is probably true. You see potholes and unfixed roads because the tax dollars you pay are not all going back into your roads.

Let’s imagine what we could do with the money we’re losing this year. With less red tape, construction would move faster and cost less. With more funding, we could expand and build roads and connect new communities to each other.

What does that mean for everyday life? With that extra money, your commute might be a little shorter. Maybe you’d make it to a few more of your kid’s soccer games. You could spend more time running errands for your family instead of staring at brake lights. Better highways could also mean access to more affordable housing, helping you connect where you want to live with where you want to work.

You see, when conservatives try to stop wasteful spending and cumbersome government programs, it’s not just about debt and balance sheets. It’s about helping people have a better life.

---

<sup>1</sup> See, for example, the Transportation Alternatives Program - <http://www.fhwa.dot.gov/map21/guidance/guidetap.cfm>

<sup>2</sup> See, for example, “Repealing the Davis-Bacon Act Would Save Taxpayers \$10.9 Billion.” [http://www.heritage.org/research/reports/2011/02/repealing-the-davis-bacon-act-would-save-taxpayers-\\$10-9-billion](http://www.heritage.org/research/reports/2011/02/repealing-the-davis-bacon-act-would-save-taxpayers-$10-9-billion)

Here's where the Transportation Empowerment Act comes in. It's based on a proposal first crafted by John Kasich, now the governor of Ohio, and was supported by a bipartisan group of Democrats and Republicans. The Transportation Empowerment Act is a plan to reform the bankrupt, messy, and unfair federal highway program into an efficient, locally controlled system that improves the quality of life for every driver and commuter in America while reducing gas taxes and increasing spending on highways at home.

The bill transfers almost all authority over federal highway and transit programs to the states over a five-year period. During this phase-out, states receive block grants that come with vastly fewer federal strings attached and the federal gas tax is lowered to 3.7 cents from the current 18.4 cents. This gives states more flexibility to determine the tax structure that best fits their unique transportation needs.

State dollars would go much further. You would not have unreasonable federal red-tape delays. You would not have the extra 10 percent cost that Davis-Bacon rules are estimated to add. States could learn from each other and find the most efficient and effective systems. In the end, you'd have fewer Washington strings attached and more cash going to roads, bridges, or whatever a particular state wants to build.

I'll close with this: I think some in Washington are opposed to this idea because of fear. They are afraid that this might actually work.

And if it works, let's be honest: Their power and relevancy is diminished while the power and relevancy of states is renewed. We would set the precedent for transferring more power to the states. What agency would be next?

Like you, I want to see just how much we can do without Washington. This is just the first step.

## **Balancing the Budget Must be a Priority**

By Senator Rob Portman (OH)

There are different approaches to getting to a balanced budget, but one thing is abundantly clear: We're never going to get there if leaders in Washington insist on ignoring the problem.

Unfortunately, policymakers in the Obama administration aren't even talking about balancing the budget, much less making proposals about how to do it. I was the last director of the Office of Management and Budget to propose a balanced budget, and that was more than seven years ago.

President Obama's budgets have looked much like the one he released in early February of this year. They are packed with new spending, more debt, and higher taxes. His latest budget would increase government spending by \$1 trillion, your taxes by \$2.1 trillion, and the national debt by \$8.5 trillion. And it never balances. Not in five years, not in 10 years, not ever. Meanwhile, our \$18 trillion debt grows, smothering an economy that continues to putter along with sluggish growth, more part-time jobs, and falling wages for middle-class Americans.

These problems aren't going to fix themselves, and it's time for Washington to get serious about balancing its budget. We can start by ensuring that every dollar the government takes in taxes is spent efficiently and effectively. The best way to do that is to shine a light on wasteful spending.

Last year, I was able to get one of my bills, the Digital Accountability and Transparency (DATA) Act, passed through Congress and signed into law by the president. This law has a very simple premise: The American people should be able to track how the federal government spends their money. The DATA Act requires the reporting of federal spending to a single website that is accessible by all. This will give government officials, watchdog groups, and everyday citizens a

powerful tool to hold Washington accountable for how it spends our money.

Of course, cutting waste, fraud, and abuse is just the start. Every American who has ever sat down to create a budget knows you can't balance it without making some tough choices. President Obama hasn't just refused to make those choices; he's refused to even consider them. His latest budget was an opportunity to lay out policies that would put us back on track to balanced budgets and more economic growth. He could have cut waste, made our government more efficient and effective, and done all in his power to ensure that every single dollar of the taxes we pay is spent wisely. But he didn't.

That's a shame. But it's also a call to action. Where the President won't lead, Republicans must.

In the coming weeks, Republicans will unveil a very different budget. It will be a budget that recognizes that every dollar the government spends comes out of the American people's pockets, either in the form of today's taxes or debt borrowed from the next generation. Our budget will cut waste. It will spend smarter, putting efficiency and effectiveness of government at the top of the agenda. It will recognize that you already pay enough in taxes and will instead propose pro-growth policies that create an environment where good-paying jobs can thrive.

It will put us back on the path toward the kind of balanced budgets people have the right to expect. American families have to balance their budgets. American businesses do too. There's no reason the American government shouldn't have to do the same.

Balancing our nation's budget should be a core principle of the Republican Party and the conservative cause. By holding Washington's feet to the fire and demanding fiscal responsibility, we move closer to the day when a balanced budget becomes a reality.

## **Kill Waste by Ending Program Duplicity**

By Congressman John Fleming, M.D. (LA-4)

Congress and the White House are very good at starting or expanding federal agencies and programs, but they are not good at all when it comes to cutting, sunseting, or ending them. One recent inventory identified more than 1,500 programs spread across two dozen federal agencies. Then there are the endless presidential councils, commissions, and task forces, like the White House Task Force on New Americans, which Obama established last fall.

Far too often, new federal creations result in overlap, duplication, and wasted tax dollars. And yet they stay in business. As Ronald Reagan said, “Government programs, once launched, never disappear.”

The government’s own watchdog agency, the Government Accountability Office (GAO), produces an annual duplication report. Over three years, the reports have found approximately 400 areas that, if cut, would produce a total savings in the billions of dollars. Too often, however, Congress has lacked the will and the White House has lacked the desire to follow through and make the cuts.

We need a way to depoliticize the process of closing and downsizing federal agencies. The parochial interests of 535 members of Congress must be blunted if we are ever to truly downsize the federal government. That’s why I’ve written the REDUCE Government Act—the Realign and Eliminate Duplicative Unnecessary Costly Excess in Government Act.

REDUCE is based on a successful model: the Defense Base Closure and Realignment (BRAC) Commission. For more than 20 years, the Defense Department has successfully used the BRAC process for the difficult task of closing military bases that outlived their usefulness. If the process had been left entirely in the hands of Congress, most of the 350-plus installations that have been closed—and often repurposed and

redeveloped for civilian uses—would not have been touched and would remain an unnecessary drag on the federal budget.

The BRAC Commission works. It has saved taxpayers hundreds of billions of dollars by cutting Congress out of the process and delegating an independent panel to perform a careful nonpartisan analysis and judgment. The panel presents its list of recommended closures to the president, who may approve the list in its entirety or disapprove it with comments. Once the president approves the list, Congress has the option of allowing it to become binding or disapproving the list—but only in its entirety, not picking winners and losers.

REDUCE would follow the BRAC pattern by creating an independent, bipartisan panel that would systematically identify federal programs and agencies that are duplicative, wasteful, or failed. Once identified, these entities would be recommended for closure or elimination. The president would be given an opportunity to comment on the list, and Congress would have 45 days to disapprove of the entire list. Barring such an act, the REDUCE list would be enacted and the programs closed down, and the taxpayers finally would begin to see a savings.

The REDUCE Act is an innovative turn on a tried-and-proven method of reducing government waste. Our federal government is \$18 trillion in debt. We need serious actions to cut spending. REDUCE deserves a hearing and a vote in the House.

## The Clean Air, Strong Economies Act

By Congressman Pete Olson (TX-22)

Over the past few years, we've seen the Obama administration issue regulation after regulation that may seem subtle one by one but cumulatively hit the American people like a ton of bricks. Every corner of our lives has been affected by proposals coming out of the White House. This president has sought to regulate everything from our health to our wealth to our Internet and our farms. As the vice chairman of the House Energy and Commerce Committee, I have had a front-row seat to what the Environmental Protection Agency is doing to our economy.

There has been a tidal wave of regulations coming out of the EPA. Most have benign-sounding acronyms—like MATS, CSAPR, and CPP—that make the average person's eyes glaze over. But in reality, their impact is a full assault on our economy and power grid.

The most impactful—and maybe the most expensive rule EPA has *ever* proposed—is called the ozone rule. When we talk about ozone, we're really talking about smog—the kind that used to blanket major American cities like Houston with yellowish haze. These days, we usually see it in Chinese cities like Beijing. That's because America has spent an enormous amount of time and money to slash ozone levels across the country.

Ozone's ingredients come from almost everything human beings do in the modern economy. Factories, power plants, and car exhaust have smog ingredients. But most of America's ozone at this point is outside our control.

The reality is that over half of our ozone is what is called background ozone. That's the smog that pours into America from as far away as China or from next door in Mexico—countries that haven't put in modern facilities and power plants that keep the air clean. The rest is actually naturally



occurring—even trees and lightning emit ozone ingredients. That’s where the Great Smoky Mountains got their name—from natural smog!

Yet the EPA fails to acknowledge that most of our smog is beyond our control. The EPA set a strict ozone standard in 2008 that it is only now implementing. And yet, they have decided in recent months to ratchet it *even lower*. And right now, the EPA is trying to lower the current standard, set even lower in 2008, that cities have been working to achieve. Cities like Houston worked at great cost to achieve cleaner air standards, and just when we near the finish line, the EPA moves the goal post. Any city or county that fails to achieve the new lower standard will pay a heavy price. And according to the EPA’s own estimates, hundreds of American counties will violate their new proposal. Very few cities or their suburbs will be on EPA’s “nice list.”

So what does violating this sweeping new proposal mean? It means new jobs will be stuck behind a wall of red tape. To build a new factory or power plant, someone else’s factory must clean up or close down. Highway projects, if they happen at all, will take months longer. Cities will be forced to increase use of public transportation to reduce driving, and there could be restrictions on things like highway projects through lower construction hours across the country. The National Association of Manufacturers says that if the EPA goes to the lowest possible standard it is considering, it could cost our economy more than \$2.5 trillion.

Even all that might not get us across the line, and what’s worse, the EPA itself admits that almost half the work needed to meet this regulation will come from technology that doesn’t exist yet.

That is why my colleague Rep. Bob Latta (R-OH) and I have re-introduced H.R. 1388, the Clean Air, Strong Economies Act, which says that the EPA can’t ratchet down the current ozone rule until we meet the existing one. It also

says that the EPA must consider whether its rules can be met, and met affordably. It also requires the EPA to better explain the costs and benefits of its work and how it decides who is violating its rules.

I'm proud that this bill was re-introduced with two dozen co-sponsors in the House and a companion bill authored by Senators John Thune (R-SD) and Joe Manchin (D-WV) has been introduced in the Senate. I fully expect hearings and legislative action as the EPA works to finish this sweeping "mega-rule."

While I work to protect the economy at large with this bill, I am also advancing a bill designed to protect the power grid specifically from all of the EPA's other rules.

Coal power plants form the backbone of our grid. They are what we call base-load power—the type of plant that runs when you need it and can ramp up and down whether the wind is blowing or the sun is shining. I'm proud that my home state of Texas has an enormous amount of wind and solar power options, but they certainly couldn't be called base load.

And yet these most reliable plants are being forced to shut down because of the EPA's regulations. In fact, one of its most recent rules on global warming has essentially banned the construction of new coal power. Regulators charged with guaranteeing that the lights stay on—a matter of life or death—are starting to raise the alarm.

Regulators in states like mine are getting louder in proclaiming that the EPA's actions could push us to the edge of blackouts in some parts of the country. The entire nation won't go dark, but there could be pockets of America where closing a power plant might leave little standing in the way of a power crisis.

Luckily, there is a process where energy regulators are able to keep plant that's shutting down because of environmental regulations up and running long enough to bring in reserve

power. This emergency authority is the last resort, but it is a useful resource to have.

Disturbingly, however, the few times it has been used have resulted in environmental regulators fining the power plants for saving the day and continuing to operate in a crisis. Private companies have been forced to choose between one Washington bureaucrat saying one thing and another saying the opposite. They must decide between keeping the lights on or avoiding enormous fines.

That's unfair, and that's why I wrote a bill to prevent those choices from being made. Saving our grid should not be controversial, and so far it hasn't been. My grid bill has now unanimously passed the House of Representatives—twice. Without a word of opposition. Now we just need Senate action.

Protecting our economy and protecting our electric grid should be easy in Washington. That isn't always the case, but my hope is that the 114th Congress will prove to be two years when we can get real legislation enacted.

## **Helping our Veterans Gain Access to Care**

By Congressman Markwayne Mullin (OK-2)

Our country has a rich tradition of loyal men and women who are willing to stand in defense of our freedoms and our liberties.

In exchange for this service, we promised our veterans that we would provide them with access to quality health care—a promise this nation has not always kept.

For veterans living in rural areas, like those in my district in Oklahoma, access to care is especially challenging. Earlier this year, I was introduced to an issue surrounding a law designed to reduce these difficulties.

A 2014 law passed in the wake of the appalling wait-list scandal established the Veterans Choice Program for beneficiaries nationwide to access private care if they live more than 40 miles from a U.S. Department of Veterans Affairs (VA) medical facility. Veterans may also use their Choice Card when their appointment wait time is more than 30 days.

While VA medical hospitals and clinics offer services designed to address the specific needs of veterans, rural veterans must often travel incredible distances to access these facilities. Even worse, the long waiting times can make appointments impractical.

In theory, the underlying law would give veterans much better options.

The reality is that the law was written to calculate the distance from a veteran's residence to a VA facility using a straight line, not the actual travel distance. In rural areas like eastern Oklahoma, it is not always possible to drive straight between one dot on a map to another.

Another issue with the law is that veterans are unable to use their Choice Card if any VA medical facility is located within 40 miles, regardless of whether that facility offers the type of care the veteran needs.

As a result, a large portion of veterans who desperately need the relief offered by the VA Choice Program are left out.

My office was first made aware of this problem through conversations with district veterans. For example, one veteran who lives in the same community as a VA medical center but whose condition requires treatment not offered there must drive more than two hours to a different VA facility for care. Common sense says this veteran should be able to use the Choice Program to get the treatment he needs that is not available in his local community.

I brought these concerns to Washington and teamed up with Senator Jerry Moran (R-Kan.), who serves on the Senate Committee on Veterans' Affairs, to create a legislative fix for the problem.

We introduced a bill that would rewrite the law to use actual travel distance—not just “as the crow flies”—to calculate if a veteran is eligible for private care. Additionally, our solution would take into consideration whether a facility offers the appropriate care.

By doing this, we can ensure that veterans who need the Choice Program are included.

Senator Moran has been a champion for veterans across the country. It has been a privilege to join his fight to help many of our nation's greatest heroes living in rural America.

My office teamed up with the VA Regional Medical Center to hold public meetings throughout my district to help clear up confusion with the program criteria. While these meetings were helpful, veterans who attended them said they want the Choice Program fixed so it truly serves rural veterans.

Addressing the challenges facing our veterans must remain a top priority. I'll continue to get behind good, conservative solutions that remove the many bureaucratic hurdles that plague our veterans' care system.

## **Need a Hero? Hire One!**

By Congressman Rodney Davis (IL-13)

As we begin this new Congress, we have an opportunity to put an end to the gridlock in Washington and work together to grow our economy and put our nation on solid footing for a greater future. This doesn't mean compromising our principles or abandoning our conservative values, but rather getting things done for the American people. We will start by building on the work already done in the House: debating and voting on the many House-passed bills that received bipartisan support but were never considered by a Democratic-run Senate.

In fact, the first bill that the House considered during this Congress provides an exemption to Obamacare and passed with unanimous support. My legislation, the Hire More Heroes Act, inspired by the superintendent of the Veterans Assistance Commission in Madison County, Illinois, makes a commonsense change to Obamacare that will encourage small businesses to hire more of our nation's veterans.

In just a few months, Obamacare will mark its fifth anniversary—five years of delays, canceled policies, costly website glitches, and increased out-of-pocket expenses for families. Unfortunately, the law's problems don't end there. We continue to see its lingering impact on our economy as many small businesses delay hiring, cut hours, and, in some cases, reduce payroll.

In fact, the National Small Business Association found that 91 percent of small businesses have seen increases in their health care costs. Two-thirds of its members listed Obamacare as the reason for holding off hiring new employees.

The Hire More Heroes Act exempts veterans who are already enrolled in health care plans through the Department of Defense or the VA from counting toward the employee limit as part of the employer mandate required under Obamacare. By making this commonsense change to the law,

we will not only provide small businesses with much-needed relief from Obamacare but also help more of our veterans find work.

Despite receiving some of the best training in the world, post-9/11 veterans are consistently faced with higher unemployment rates than that of other veterans. As more and more of our veterans return home, the Hire More Heroes Act will give those who have served and sacrificed for our country a leg up in a competitive job market.

Whether it's considering bills directly inspired by constituents such as the Hire More Heroes Act or others, the 114th Congress will focus on furthering the priorities of the American people. With a new year and a new Congress, we have an opportunity and commitment to end the stagnation in Washington and make our government work for the people again.

## **Balanced Budget Accountability Act**

By Senator Steve Daines (MT)

The American people deserve a balanced budget. Unfortunately, Washington remains unwilling to take the steps needed to get our country back on solid fiscal ground.

President Obama's latest budget calls for more of the same: endless deficits and an ever-increasing federal debt. It is unacceptable to continue down this dangerous path, and the American people deserve real solutions to our escalating debt crisis.

Washington's refusal to balance the nation's budget only drives us deeper into debt—threatening economic growth, our nation's security, and the hope we have for an opportunity-filled future for our children.

Washington must be accountable to the American people. That's why I've introduced the Balanced Budget Accountability Act to bring fiscal responsibility to Washington by instituting the principle "No Balanced Budget, No Pay."

Under this important piece of legislation, my fellow members of Congress would be denied their pay unless their respective chamber passes a balanced budget.

This commonsense legislation strengthens accountability and demands results. It is what Washington needs to finally balance the budget.

In business, if you don't do your job, you don't get paid. We need to bring that same accountability in Washington.

The Balanced Budget Accountability Act helps achieve that.

The Balanced Budget Accountability Act reflects core principles that work: commonsense business principles that protect hardworking taxpayers and make elected officials accountable for delivering results to the people they serve.

By establishing the principle "No Balanced Budget, No Pay," the Balanced Budget Accountability Act encourages the Senate and House to commit to the annual budget process as



required by law and pass budgets that will put our country back into the black.

The measure cuts off member salaries after April 15 unless their respective chamber has passed a budget that balances within 10 years (by Fiscal Year 2025). Member pay would be suspended until their chamber passes a budget that meets the balanced budget requirement, or until the end of the Congress.

This bill takes other important steps to enforce fiscal responsibility in Washington and ensure that Congress fully measures the economic impacts of tax and spending policies on the American people.

In addition to requiring a balanced budget, the Balanced Budget Accountability Act prohibits tax increases unless three-fifths of each chamber vote in favor of them.

The legislation's balanced budget requirement also prohibits spending as a percent of GDP from exceeding 18 percent by FY 2025.

Additionally, the measure locks into place the last permissible year to achieve balance (FY 2025) such that subsequent budgets would need to likewise achieve balance by that year. In other words, the legislation bars a rolling 10-years-to-balance metric.

Pursuant to the 27th Amendment, the bill holds members' salaries in escrow until the end of the current Congress if their respective chamber does not meet the balanced budget requirement. Starting in 2017, members would receive only \$1 per month after April 15 if their respective chamber doesn't meet the requirement.

The nonpartisan Congressional Budget Office recently reported in its 2015 Budget and Economic Outlook that if the federal government remains on its current path, our national debt will rise from \$18 trillion to more than \$25 trillion by the end of 2025.

This unsustainable course must be reversed immediately.

The Balanced Budget Accountability Act will establish commonsense, much-needed accountability in Washington and take concrete steps to address our nation's debt crisis. My bill will also ensure that members of Congress do the job they were elected to do.

It's simple: No balanced budget, no paycheck.

The American people deserve results—the Balanced Budget Accountability Act helps achieve that.

## **Put Education Decisions into the Hands of Parents, Not Bureaucrats**

By Congressman Ted S. Yoho (FL-3)

Every American benefits from a quality education. Every person—from rural counties or urban cities, those in poverty or with disabilities—should have access to a quality education.

It is essential for their personal growth and success, and an enlightened citizenry creates a solid foundation for the country. Thomas Jefferson said, “An enlightened citizenry is indispensable for the proper functioning of a republic. Self-government is not possible unless the citizens are educated sufficiently to enable them to exercise oversight.” With this in mind, the education of our children is a national priority of the highest importance. Without them, America’s foundation is weak and therefore our country is weak.

Our education system was the envy of the world throughout much of the 20th century. Unfortunately, over the past few decades, its quality has seen a slow and steady decline. Despite doubling our spending for K-12 education over the past 40 years, the system is failing students and has fallen further behind the international competition. I feel it is unacceptable for a country like ours, with the resources we have at our disposal, to allow this to happen.

There are clear differences of opinion on how best to educate the future of America. Some say it rests upon the states and the individual at the local level, while others believe the federal government is best suited to draw the road map to an enlightened mind. I believe the former is the best course of action for our children and the country.

The federal government, in an effort to improve our failing schools, has become increasingly involved. The byproduct of increased government intervention is that students have become statistics rather than individuals, and federal involvement has only hampered schools’ ability to address the

unique needs of each student and school district. The combination of No Child Left Behind (NCLB) and Common Core mandates have further stymied meaningful reform, and the grant programs administered by the Department of Education have only made the problem worse.

This is why I have introduced the Transform Education in America Through Choice (TEACH) Act. The bill will accomplish two goals. First, power will be returned to the states by eliminating incentives through competitive grant programs for states and educational institutions to adopt top-down mandates, terminating the administration's Race to the Top program that requires adoption of Common Core State Standards. For years, Congress has opted not to fund some competitive grant programs and greatly reduced funding for others. While this has served well as a short-term fix, my bill provides a permanent solution by repealing the programs entirely, saving more than \$3 billion annually.

Second, my bill amends the Individuals with Disabilities Education Act (IDEA) and Title I of the Elementary and Secondary Education Act (ESEA) to provide portability, allowing parents and students to have choice in the education they receive. A student should not be trapped in a failing school because he has the misfortune of living in the wrong ZIP code.

The building blocks of a quality education begin at the state and local level, absent overarching government controls emanating from Washington, DC. Concerned parents taking an active role and working in coordination with local school districts to tailor the curriculum to their child's needs is more effective than a centralized bureaucracy far removed from local education.

Everyone I have spoken to—state and local officials, parents, other members of Congress—agrees that our education system needs to be reformed. By doing so, we will

regain our competitive edge and remain the entrepreneurial hub for innovation.

Milton Friedman said, “I blame only those well-meaning persons who, while sending their own children to private schools, self-righteously lecture the ‘lower classes’ about their responsibility to put up with government-supplied pabulum in the ‘public interest.’”

The power of education and the advancement of knowledge open and elevate the mind. It is time we put the power back into the hands of parents, along with state and local officials, to educate our children. Our kids are our future. Setting up a system for them to succeed will create not only a bright future for them but also a strong foundation for America. That is why I have introduced the TEACH Act.

## **REINing in the Federal Bureaucracy**

By Congressman Brad Wenstrup (OH-2)

Contrary to what many liberals think, the Constitution wasn't an accident or mistake, nor is it an outdated instrument to be ignored in the 21st century. Our founders laid out a specific framework for our federal government that is balanced on three separate but equal branches. This was a careful, deliberate design to ensure proper voice of the people. These branches are familiar to any high school civics student—well, at least before Common Core.

And it has worked for nearly 230 years.

But in recent years, a fourth branch has sprouted up, throwing our whole system out of balance. New rules and regulations carry the force of law but don't pass Congress. Executive departments issue decrees that threaten fines and prison, but their bureaucrats are unelected. Regulatory fines reach into the millions of dollars but with no judicial ruling.

We are at the point where an unannounced, unplanned, and largely unconstitutional fourth branch of government has taken root. Dominated by unelected bureaucrats, these federal departments and agencies are churning out rules and regulations at an unprecedented pace.

As these agencies and departments continue to proliferate, a simple solution has emerged, rooted in our Constitution's guiding principle of "we the people."

Just across the Ohio River from my district, a frustrated citizen proposed a rule of thumb: Congress should vote on all the regulations these bureaucrats are promulgating.

Pretty simple.

This simple idea caught the attention of his congressman, and the REINS Act was drafted: Regulations from the Executive In Need of Scrutiny. It proposes that any proposed federal regulation or rule with an economic impact of more

than \$100 million (a “major” regulation) would require congressional approval. And really, can you name a federal regulation that doesn’t have a negative economic impact?

The REINS Act puts the brakes on bureaucratic sprawl. It increases accountability for and transparency in the federal regulatory process. It restores Constitutional balance.

Since 2008, this legislation has been introduced in every Congress. Repeatedly, it passed the House of Representatives with bipartisan majorities, only to be ignored by Harry Reid’s Senate. We are undeterred. This year, Senator Rand Paul is leading the effort in the Senate and Congressman Todd Young in the House of Representatives.

The fourth branch isn’t a new development during the Obama presidency; it has been growing for decades. But we’ve recently reached an exponential tipping point. President Obama, while failing to work with Congress in any capacity, continues pushing a big-government agenda. He’s turned to his pen and phone to go around not only Congress but also the Constitution.

From climate regulations that will kneecap our energy sectors to intrusive workplace rules, the White House is going it alone to place more government control on our lives.

The hardworking American people, from small businesses and hourly employees to middle-class families and aspiring entrepreneurs, are feeling the impact squarely in their pocketbook. The economic burden weighs on the economy as we continue to recover from the depths of the recent recession.

The National Association of Manufacturers recently pegged the total cost of federal regulations in 2012 (measured in 2014 dollars) at \$2.028 trillion. A separate report from the Competitive Enterprise Institute (CEI) estimates the 2015 total to be around \$1.882 trillion.

As the CEI report notes, this would measure as the world’s 10th largest economy, bigger than India’s.

These costs are pervasive, affecting virtually every American family and business. These regulations affect the ability to hire, promote, and train workers. They affect the availability and cost of consumer goods. They intrude more and more government into our daily lives.

The same CEI report highlights that “in 2013, 72 laws were passed by Congress, but 3,659 agency rules were established—a ratio of 51 rules for every law”—a clear imbalance.

But 2013 wasn’t a fluke. According to a different study, federal agencies finalized nearly 3,000 rules and more than 60 major regulations in 2007. That same year, Congress enacted 138 public laws.

The REINS Act would introduce the needed congressional throttle on these out-of-control rules and regulations.

As President Obama has expanded this power, he’s seemingly lost control of it, and with that the trust of the American people. This is the chief executive who wasn’t aware of the IRS, “Fast and Furious,” and VA scandals until he heard about them on the news.

That’s because these regulators and their mandates are not a result of the legislative process, with public hearings, vigorous debate, and recorded votes. They’re dreamed up by unelected bureaucrats and released in the towering tomes of the federal registrar that often number in the thousands of pages on a daily basis and have no ownership save for a president who often claims to hear about his administration’s actions in the news.

We face a government so vast that those who are in charge claim that full accountability is impossible. They claim that government is too vast to hold it accountable! We cannot let the very people who support and promote the rampant growth of government abdicate responsibility for scandals that are produced within this bureaucratic sprawl. I think it’s time to make it a bit smaller.



The REINS Act is a strong step toward restoring accountability among broken public trust and heightened suspicion. Bureaucratic actions cannot be checked only after the fact amid public outrage. They must be met head-on.

When Congress does its job as a check and balance on the fourth branch, the Constitutional balance that our Founders deliberately drafted can be restored.

The REINS Act isn't a partisan ploy, as big-government advocates decry, but a rebalancing of power between the legislative and executive branches that would last well beyond any Obama presidency or Republican Congress. We can never give up the constant vigilance required to safeguard our liberties and restore our trust in government.

## **The Government is Watching You, but Who's Watching Them?**

By Congressman Jim Sensenbrenner (WI-5)

Implicit in the Constitution is the authority of Congress to conduct oversight on the executive branch. As the direct representation of the American people, members of Congress are tasked with ensuring that public policy is appropriately implemented and that Washington is held accountable. Congress has an obligation to monitor the size and scope of the government and be responsible stewards of the taxpayers' money. With more than 400 federal agencies and a national debt surpassing \$18 trillion, Congress has clearly fallen short.

As former chairman of the Judiciary Committee and current chairman of the Subcommittee on Crime, Terrorism, Homeland Security, and Investigations, I know aggressive oversight is the primary tool to prevent the government from encroaching upon our civil liberties.

Proper oversight of the Department of Justice (DOJ) in 2013 led us to investigate the botched "Fast and Furious" operation. After a series of hearings that determined Attorney General Eric Holder's lack of accountability, I called for his resignation, and he was held in contempt of Congress. Later that year, the subcommittee held a hearing to investigate the DOJ's extravagant spending amid sequestration, like \$116,000 to provide a law enforcement agency with high-end sunglasses and the provision of government cars for the daily commutes of hundreds of Washington bureaucrats. While the DOJ fulfills the critical mission of administering justice and enforcing federal law, its actions cannot go unchecked at the expense of American taxpayers. Nor should they be politically motivated. But unfortunately, DOJ has become a partisan weapon, too

often driven by media headlines and playing defense for the administration.

From 2013 to 2014, I led the Over-Criminalization Task Force to tackle our broken criminal justice system through a series of oversight hearings. It is no secret that our jails are overcrowded, our criminal code is convoluted, and federal regulations are outdated. Our laws are meant to keep us safe, not weaken our individual freedoms vis-à-vis the government.

One of the most troubling examples of government overreach in criminal justice is the practice of civil asset forfeiture. I sent oversight letters to the Drug Enforcement Agency and the Immigration Customs Enforcement regarding their involvement in the DOJ's program that allows—and even incentivizes—seizure of private property from someone suspected of a crime without requiring proof of guilt. Additionally, I sent two letters to Attorney General Holder asking him to take a close look at the practice and provide evidence justifying its most concerning aspects.

In response, Holder took an important first step and suspended federal adoption of state and local seizures, which allowed police to ignore state restrictions by working with the federal government. I look forward to introducing legislation in the 114th Congress to fully address civil asset forfeiture, reform our sentencing laws, and scale back the federal government's role in our justice system.

In this post-9/11 era, the balance between privacy and national security is fragile. Our intelligence agencies serve an indispensable purpose in thwarting terrorist threats and protecting our great nation. However, revelations of the bulk collection of Americans' phone records by the National Security Agency (NSA) raised a cry for better oversight and comprehensive reform. In response, I met with President Obama to raise my concerns about the NSA's program, wrote multiple letters to Attorney General Holder about the DOJ's

involvement, and filed an amicus brief in a civil liberties lawsuit against the agency.

These oversight efforts culminated in legislative action when I introduced the USA FREEDOM Act to rein in the NSA. The House of Representatives passed the bill in the spring of 2014, but the Senate failed to pass a procedural measure to bring it to the floor, allowing the NSA's blatant misuse of the law to continue.

It is not too late to do the right thing and pass the USA FREEDOM Act. I have spent two years urging my colleagues to support these necessary reforms and will continue to do so until the bill is signed into law. Warrantless surveillance stands in direct opposition to our Founding Fathers' visions of limited government and individual liberty. By conducting oversight and implementing reform into the NSA and other intelligence agencies, Congress can begin to restore the people's trust in government without sacrificing the intelligence-gathering authorities that protect us from terror threats.

I am hopeful that with a Republican-led Congress, we can enact real reforms that protect Americans' individual rights, stop spending money we don't have, and preserve the American dream for future generations without burdening them with debt. We live in the greatest country in the history of the world, and it's worth fighting for.

**A Declaration for Economic Liberty:  
23 Years And Counting – It's Still The Economy!**

By Congressman Curt Clawson (FL-19)

The Tea Party built itself from the ground up with an inspiring cross-section of America that is simply fed up with the way Washington operates. When I ran for office over a year ago, I had never been to a Tea Party rally of any kind, and I did not enter my race for Congress as a member of the Tea Party. I came into politics after a long business career. Much of what I ran on, like my economic plan, became attractive to many in the Tea Party movement who identified with the need to grow our economy by 5% annually to bring about long term relief, done the right way, to better our nation.

What the political left and right can honestly still agree on is that it's still the economy. During the Reagan Presidency, between 1983 and 1987, the United States averaged annual GDP growth of 5.04%. During this time, unemployment fell by 4.6 million; the unemployment rate was cut by 45% (dropping from 10.4% to 5.7%); the United States created 11.0 million jobs; and the size of the United State workforce grew dramatically. During the Clinton Presidency, similar growth occurred. Between 1996 and 1999, the United States averaged annual GDP growth of 4.78%. During this time, unemployment fell by 1.8 million; the unemployment rate was cut by 30% (dropping from 5.6% to 4.0%); the United States created 11.5 million jobs; and the size of the United States workforce grew dramatically.

Under the Obama Presidency, the economy has only averaged annual growth of 1.8%. Since 2009, unemployment has remained high; moving downward in percentage largely because people stopped looking for work. Today there are 1.2 million fewer Americans employed than at the January 2008 peak of 138 million.

Adding to the problem of stagnating growth are shortsighted policies to manipulate the market. The bottom line is that printing more money, or increasing the money supply, to keep interest rates down, hurts those on fixed-incomes who rely on interest-derived income. The danger of an over supply of currency in our system is that the government is essentially taking fragile income away from the elderly, who often live from fixed-income savings, in order to manipulate a temporary, unsustainable market situation. Short-term political fixes are no way to manage our economy and can have dangerous consequences.

The reason that we have not seen comparable growth to the Reagan and Clinton years in the last decade is because Washington has not focused on pro-growth economic policies. With the right policies, we can create similar economic growth to what we saw in the pro-growth Reagan and Clinton years. We can put people back to work, with good-paying jobs. If we cut the unemployment rate like we did under Reagan, the unemployment rate would fall below 4.0%. If we create good-paying jobs like we did under President Clinton, we could create 11.5 million jobs in a little over 3 years. And the reality is, that if we do all of this, tax revenues will increase, decreasing the tax burden on our citizens.

There are many ideas as to how we can best fix the economy. Any notion that we can spend our way to prosperity, through more government programs and corporate subsidies, is misplaced. This has never worked in the private sector and it will never work with government spending. The world's economy is not static. It's capital that creates jobs, businesses, economic growth, and the tax revenues that follow new opportunities. With corporate inversions taking American companies overseas, our government can serve best by using its resources to streamline, downsize and create the environment that global capital seeks in a vibrant economy. We need to get past the idea that Washington can solve all of

our problems and ensure economic liberty here at home. What Washington can do best is to ensure favoritism for none, opportunity for all.

The Tea Party Express and I see an America where solutions rest not in big government, but in personal liberties, in free enterprise, and in the opportunity for all to pursue their own American Dream, regardless of race, creed, or conditions of birth. Economic liberty and opportunity for all.

It's really odd to me that these basic principles have somehow become "outsider," or even radical views, as some suggest. How radical can a pro-growth, former business executive be after all?

In 2014 our economy continued sluggish growth, and millions of Americans are still out of work. As described in my economic plan ([www.curtclawson.com](http://www.curtclawson.com)) we should target growing our economy by 5% annually.

To secure a strong economy, we must enable American companies to compete fairly in a global market. Our government has to reduce burdensome regulations and reduce the business tax rate, currently the highest in the developed world.

To begin with, we must cut the corporate tax rate in half to 17.5%. At 39.1%, the United States has the highest statutory (federal plus state) corporate tax rate in the world. The average statutory rate among developed countries is 25%. The U.S. statutory tax rate is 56% higher than the average in developed nations. U.S. companies pay an average effective corporate tax rate of 27%, 35% above the average of 20% that their foreign competition pays.

Recent federal income tax changes have dramatically increased taxes on income. According to The Tax Foundation, top earners face a top federal rate of 39.6%, Congress imposed caps on the personal exemption and itemized deductions, and Congress imposed a 0.9% tax on Medicare wages on anyone making more than \$200,000. As a result of these changes,

many Americans now face a top marginal tax rate of 42.8% and might also lose various deductions that were previously available to them. Adding insult, many small businesses are “pass through” entities, meaning that the owners of these small businesses pay the business’s income taxes on their individual income tax return.

We must reduce the top marginal tax rates to free up more investment capital into our economy, which result in good-paying jobs.

Make no mistake, equal opportunity does not mean equal outcomes. But what the political left and the political right must agree on is that growing government and creating more government programs is as wrong as crony capitalism. Our financial mess cannot be overcome as long as liberals in Washington try to spend our way to prosperity and some Republicans cut deals for corporate interests, at the expense of new businesses entering the marketplace. A government should not pick winners and losers on either end of the spectrum.

Further burdening the economy with more taxes will not create the good-paying jobs so many seek. Destroying wealth in the marketplace removes the assets necessary to create good-paying jobs and produce the new businesses that create those jobs. Equally, the use of government assets to the benefit of some in the marketplace, keeps our marketplace protected for the few, and deprives access and opportunity for new start-ups and small businesses. Our government must stop the practice of manipulating the marketplace; it stifles the opportunities people seek that will heal our economy for the long term.

In 1962 – John F. Kennedy said, “There is no need for us to be satisfied with a rate of growth that keeps good men out of work and good capacity out of use.” A year later President Kennedy added, “The final and best means of strengthening demand among consumers and businesses is to reduce the



burden on private income and reduce the deterrents to private initiative which are imposed by our present tax system.”

President Kennedy was right. We need to begin by cutting the small business and corporate tax rates in half, to 17.5%, and take out the loopholes.

We also need to lift the economic shackles of ObamaCare. It makes us uncompetitive – and has not let us keep our plans, as we were promised. We need to replace ObamaCare with a fair, patient-focused, market-based system.

Long-term sustainable solutions require an empowered private sector, led by small businesses and American innovation. To lock in the changes we need, we must also cap federal spending at no more than 18% of economic output and look seriously at solutions like the Penny Plan to curb federal spending.

The Penny Plan cuts federal spending by 1% annually, while capping federal spending at the historical average of 18% of GDP. That 1%, equal to one penny out of every federal dollar, can be cut from all of the wasteful government programs that exist in Washington. It can also include the defunding of ObamaCare, without jeopardizing Social Security and Medicare. Such an idea forces the Congress and the President to make the tough decisions necessary to insure the fiscal integrity and fiduciary responsibility of our government to the taxpayers.

Success for our nation also means embracing diversity, including legal immigrants, and the millions waiting in line legally to begin their own American Dream. Legal immigration has long been and remains a key to America’s greatness.

As we respect our immigration laws, we also need to be fair to the more than 18 million Americans currently struggling to find good-paying jobs. Those 18 million unemployed and underemployed are the reason we need to grow the economy, not unilateral action to pile on another 5 million individuals to compete with them. This was the travesty of the President’s

recent executive orders on immigration; the economic impact of adding more unemployed individuals into our fragile economic condition.

Remember, it's still the economy.

After nearly a year being in public life, I still see a divided America and a divided Washington. By growing our economy we can ensure a better life for all within our borders and those goals are not beholden to any one political party. The movement of an economically focused Tea Party can help keep those goals on the front burner.

## **The 10<sup>th</sup> Amendment is the Cure for Bad Government**

By Senator Mike Rounds (SD)

The 10th Amendment was ratified on December 15, 1791.  
It states:

*“The powers not delegated to the United States by the  
Constitution, nor prohibited by it to the States, are reserved  
to the States respectively, or to the people.”*

The Founding Fathers believed in a limited federal government, but the erosion of the 10th Amendment is undermining the foundation of our republic. They understood the potential for a power struggle between the federal and state governments, and they were keenly aware of the dangers inherent in centralized government. Further, they may have envisioned what America would be dealing with 222 years later. As a 10-year veteran of the South Dakota state legislature, serving six years as Senate majority leader and two terms as governor, I am a strong and unwavering advocate of the 10th Amendment.

The U.S. Constitution should be the guide for creating and continuing our federal-state relationships. It provides a clear and principled framework for the federal government. Each amendment was considered and added for a specific reason. The document is intelligently designed to restrict and define the federal government’s role in an individual’s life. It is intended to contain and restrain the federal government’s insatiable desire to grow and expand. When elected officials and the courts ignore or misinterpret the Constitution for the sake of convenience, they are damaging the very foundation of our country. For the sake of future generations, the premise of the Constitution must be upheld.

Several states, including South Dakota, have introduced statutes or resolutions in an effort to assert their 10th Amendment rights and reaffirm the states' sovereign standing. Many states, including South Dakota, have sued the federal government to protect their 10th Amendment rights.

In South Dakota, our citizen legislature has rightfully become wary of federal intrusion and encroachment. Furthermore, we understand that federal nominations, appointments, and ultimately the balance of political power at the federal level have a direct impact on governance in our state.

National politicians and federal bureaucrats have relied on the Supremacy Clause, which established not only the U.S. Constitution but also federal statutes as "the supreme law of the land." The concern is then validated when federally appointed judges ensure that federal policy directives take legal precedent over states and rely on the Supremacy Clause in their interpretation. If federal judges are subject to adherence and executive branch employees are compelled by the philosophy of the executive, then federal appointments by politicians who discount or wish to erode the powers reserved to the states matter not only in South Dakota but all across the nation.

Congress has extensively used the Commerce Clause to get around the 10th Amendment and further exert federal power over the states. Under the broad interpretation of the courts, the Commerce Clause has been used to justify much of the massive expansion of the federal government over the past century. A change in direction is necessary.

South Dakota joined the Florida multistate lawsuit in 2010 to challenge the Affordable Care Act (ACA, aka Obamacare) and prevent the federal government from exceeding its authority through the ACA. The states argued that the Commerce Clause has never before been interpreted to expand Congress' authority to require individuals to purchase a specific product, such as health insurance, or face a penalty.

Unfortunately, the states lost, and the Supreme Court again ruled to expand federal authority over the states. It will be up to Congress to fix its own mistakes.

The federal funding system further tightens the federal stranglehold on states. Today, the federal government is attempting to use state governments as its tool to enact policy. Of course, financial penalties result if states choose not to participate. The Congress seeks influence by encouraging, through financial incentives, the enactment of federal programs. In *South Dakota v. Dole*, 283 U.S. 203 (1987), the state of South Dakota sued the federal government to challenge the National Minimum Drinking Age Act. South Dakota lost the case, and the U.S. Supreme Court held that Congress did not violate the 10th Amendment because it merely exercised its right to control its spending. The implications of that decision and the authority granted to the federal government go much further than a drinking age for alcohol.

Over the past six years, states have experienced a massive increase in this so-called cooperative federalism, which is basically the federal government's ability to require that states conform to federal guidelines or risk financial repercussions. Religious freedom, Obamacare, Medicaid expansion, education standards, speed limits, environmental regulations, firearms controls, and many more laws, mandates, rules, and orders—all coming from the executive, legislative, or judicial branches of the federal government—are being thrust upon the states and, more important, our citizens.

As a former governor, I believe many decisions are best made at the state and local level. I will work to reduce or eliminate the federal government's role in these types of policies. I will work to send more policy and parameter decisions to the state and local level, where decisions to govern are more responsibly and appropriately made.

The Founding Fathers understood that local governments are in the most qualified position to address issues that affect their constituents. Over the course of time, particularly since President Obama took office, we have witnessed a continued erosion of the 10th Amendment.

The original purpose of the 10th Amendment was to memorialize our belief in the limited nature of the powers delegated to the federal government and states, and the people are the final decision makers. The first and primary purpose of the federal government is the security of our country. Everything beyond that is secondary.

As governor, I answered thousands of personal letters and phone calls. I was able to visit every county in my state and nearly every community. On a daily basis, I was able to converse freely with my fellow South Dakotans without the red tape that is typical of the bureaucratic gatekeepers we find in Washington, DC. We govern best when we are close to our fellow citizens, which is why a distant bureaucracy should not make these decisions

A federally centralized government, operating with diminishing restraints, should concern every American regardless of political persuasion. Liberty can be sustained only through the decentralization of government decision making, adherence to the 10th Amendment, and trust in the people who govern best—those at the local level.

## **We Must Balance Our Budget—Period**

By Congressman Scott Perry (PA-4)

One of our greatest national security threats is our ever-growing national debt. Failure to reduce the debt and rein in spending will render us incapable of properly defending ourselves against a wide range of security threats. With the burgeoning costs of Social Security and Obamacare, we simply won't be able to afford vital defense and homeland security programs. Our staggering debt—due in no small part to what we owe other nations—already has diminished our standing as the world's greatest power and threatens our interests both here and abroad.

Yet President Obama and much of the media recently celebrated that our annual budget deficit is expected to be “only” \$468 billion this year. How is this good news?

Hardworking people and businesses throughout our nation know what it's like to live on a budget. They make tough decisions every day to live within their means. Washington should have to do the same. We must stop spending money we don't have. As such, my first bill of the 114th Congress is a balanced budget amendment to the U.S. Constitution that would confront the debt crisis threatening the economic security of every American.

Forty-nine states currently are required to balance their annual budgets; however, this won't be an easy task at the federal level. To secure passage of a constitutional amendment, a bill must pass the full Congress by a two-thirds vote, and then three-fourths of all state legislatures must ratify the amendment.

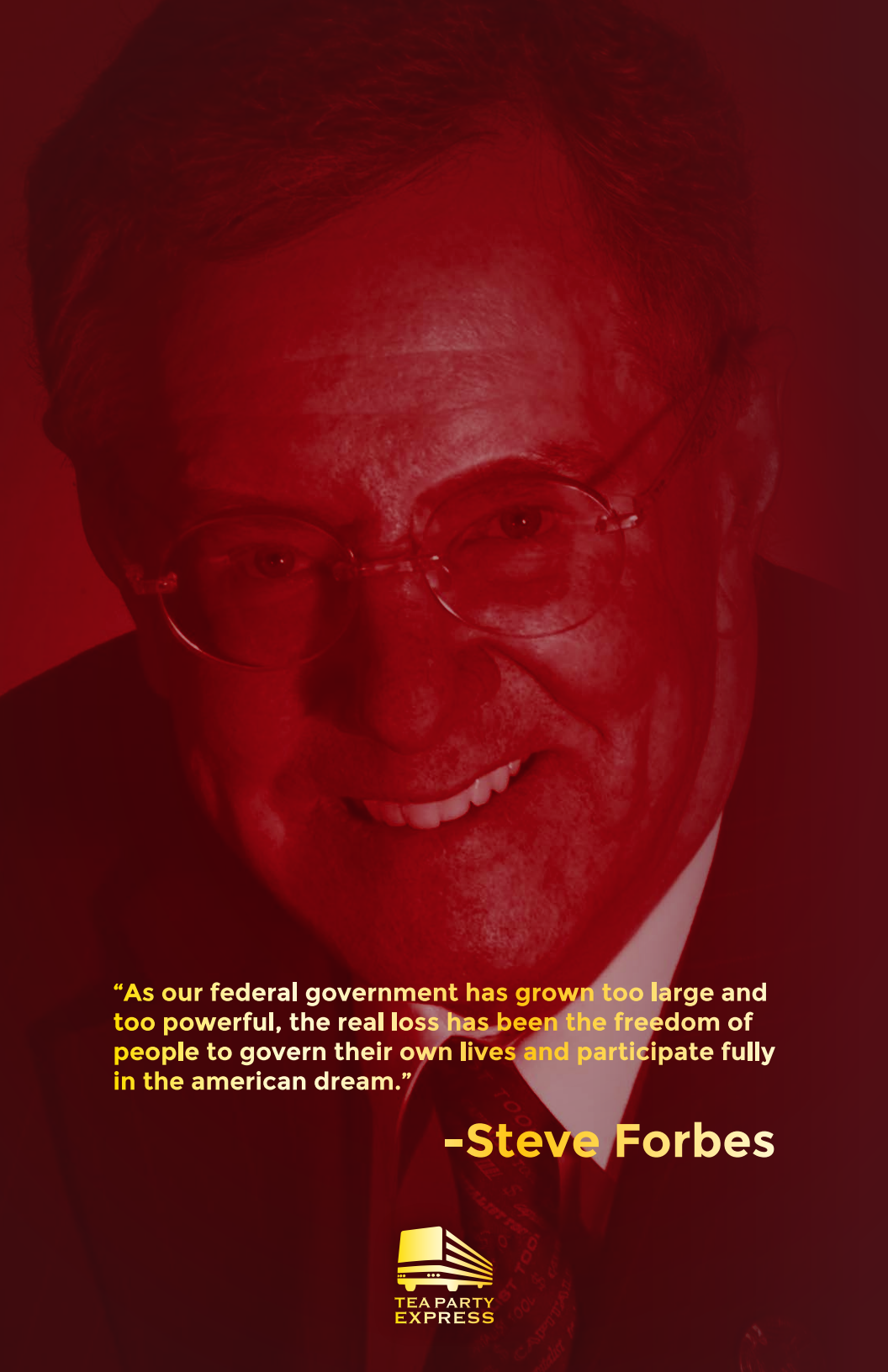
The federal government has accrued an unsustainable debt of more than \$18 trillion. Interest payments alone are expected to hit \$227 billion this year, more than double to \$480 billion by 2019, and more than triple to \$722 billion by 2024. If we keep ignoring our debt crisis out of political expediency, Social

Security, Medicare, and other programs simply will go bankrupt. Congress must ensure that these reforms aren't put on the backs of taxpayers by requiring a three-fifths vote in the House and Senate to raise taxes. My legislation contains a provision that eventually would bring down federal spending to its lowest level in about 60 years. The bill also places additional pressure on agencies to justify their funding and both find and address waste in their departments.

President Obama's recently released Fiscal Year 2016 budget calls for increasing federal government spending by 65 percent over the next decade—and never balances. He has yet to offer a balanced budget during his presidency. Leadership calls for making tough decisions. The FY 2015 budget passed last spring by House Republicans did balance over the next decade, and the upcoming FY 2016 House budget is expected to do the same.

We must end the practice of kicking these difficult issues down the road for "someone else" to address. Our debt not only is crushing our ability to create family-sustaining jobs, but it's also creating a national security threat and making us globally uncompetitive. Before President Obama and his allies criticize our plan to balance the budget, they need to get out of the cheap seats and offer their own.





**“As our federal government has grown too large and too powerful, the real loss has been the freedom of people to govern their own lives and participate fully in the American dream.”**

**-Steve Forbes**

