



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

December 14, 2011
(Senate)

STATEMENT OF ADMINISTRATION POLICY

S. J. Res. 10 – Proposing a Balanced Budget Amendment

(Sen. Hatch, R-UT, and 47 cosponsors)

The Administration strongly opposes S. J. Res. 10. We do not need to amend the Constitution for only the 28th time in our Nation's history to do the job of restoring fiscal discipline. Instead, we must— as members of both parties have done in the past —move beyond politics as usual and find bipartisan common ground to restore us to a sustainable fiscal path.

S. J. Res. 10 would set a severe and unrealistic spending cap that would undercut the Federal Government's ability to meet its core commitments to seniors, middle class families and the most vulnerable, while reducing our ability to invest in our future. This cap could result in severe cuts to programs like Medicare and Social Security that are growing due to the retirement of the baby boomers, putting at risk the retirement security of millions of Americans, and it could result in significant cuts to education, research and development, and other programs critical to growing our economy and winning the future.

S. J. Res. 10 also would impose serious risks for our economy. It risks accelerating economic downturns by requiring the government to raise taxes and cut spending in the face of a contraction, which would accelerate job losses. The President proposed a balanced approach to restore fiscal sustainability and in a way that does not slow the Federal Government's ability to initiate actions that help stabilize the economy and keep future recessions from becoming worse. By contrast, under S. J. Res. 10, a minority in a single house of Congress could block the will of the majority and the Executive to waive its provisions when our country faces a downturn. If S. J. Res. 10 had been in effect in recent years, such a minority in one house would have been able to prevent efforts to override the requirement for tax increases or spending cuts, risking an even deeper contraction and pushing the economy into a second Great Depression.

Further, S. J. Res. 10 ducks responsibility and does not take the Nation's fiscal challenges head-on. Rather, it could result in handing the hard decisions that our elected representatives in the Congress should be making to the Federal Courts.

S. J. Res. 10 is not a solution to the Nation's deficits. The President has proposed a plan that cuts the deficit by \$4 trillion, including the deficit reduction already locked in by the Budget Control Act, and the Administration is committed to working with the Congress on a bipartisan basis to achieve real deficit reduction.

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