

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HM 523 Balancing the Federal Budget

SPONSOR(S): Sirois and others

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Appropriations Committee	18 Y, 7 N	Harrington	Pridgeon

SUMMARY ANALYSIS

The debt limit is the total amount of money that the United States government is authorized to borrow to meet its legal obligations. The United States reached its debt limit of \$22 trillion at the end of July 2021. Rather than immediately working to reduce the federal debt, the limit was increased to \$28.4 trillion on August 1, 2021. On October 8, 2021, the Congressional Budget Office reported that the federal deficit for fiscal year 2021 was \$2.8 trillion. As such, the federal government is continuing to go further in debt rather than taking action to reduce the national debt.

The memorial urges Congress to take immediate action to begin reducing the federal debt and to enact legislation requiring a balanced budget.

Legislative memorials are not subject to the Governor’s veto power and are not presented to the Governor for review. Memorials have no force of law, as they are mechanisms for formally petitioning the federal government to act on a particular subject.

This memorial does not have a fiscal impact on state or local governments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Federal Debt

The debt limit is the “total amount of money that the United States government is authorized to borrow to meet its existing legal obligations, including Social Security and Medicare benefits, military salaries, interest on the national debt, tax refunds, and other payments.”¹ Congress has acted 78 separate times to permanently raise, temporarily extend, or rives the debt limit.²

The United States reached its debt limit of \$22 trillion at the end of July 2021. Rather than immediately working to reduce the federal debt, the limit was increased to \$28.4 trillion on August 1, 2021. On October 8, 2021, the Congressional Budget Office reported that the federal deficit for fiscal year 2021 was \$2.8 trillion. In December 2021, the debt limit was increased by \$2.5 trillion, to approximately \$31.4 trillion. As such, the federal government is continuing to go further in debt rather than taking action to reduce the national debt. The Committee for a Responsible Federal Budget estimates that the federal debt limit could reach close to 110 percent of the gross domestic product by 2031.³

Legislative Memorials

Legislative memorials are not subject to the Governor’s veto power and are not presented to the Governor for review. Memorials have no force of law, as they are mechanisms for formally petitioning the federal government to act on a particular subject.

Effect of the Memorial

The memorial signals the Florida Legislature’s support for Congress to take immediate action to begin reducing the federal debt and to enact legislation requiring a balanced budget. Upon adoption by both chambers, copies of the memorial will be sent to the President of the United States, the President of the United States Senate, and the Speaker of the United States House of Representatives, and each member of the Florida delegation to the United States Congress.

B. SECTION DIRECTORY:

Not applicable.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

¹ *Debt Limit*, U.S. Department of Treasury, found online at: <https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/debt-limit> (last visited January 26, 2022).

² *Id.*

³ *Updated Budget Projections Show Record Debt by 2031*, Committee for a Responsible Federal Budget, found online at: <https://www.crfb.org/blogs/updated-budget-projections-show-record-debt-2031> (last visited January 26, 2022).

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This memorial does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The memorial neither authorizes nor requires executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

Not applicable.