

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HM 189 Balancing the Federal Budget

SPONSOR(S): Sirois

TIED BILLS: IDEN./SIM. BILLS: SM 176

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Appropriations Committee	29 Y, 0 N	Willson	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. In December 2021, the debt limit was increased again to \$31.38 trillion, which is expected to be reached sometime in 2023. As such, the federal government is continuing to go further in debt rather than acting 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 federal 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.

The 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 Since 1960, Congress has acted 78 times to permanently raise, temporarily extend, or revise the federal 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. The limit was raised again in December 2021 to \$31.38 trillion, which is expected to be reached sometime in 2023. The Congressional Budget Office projects that the federal deficit totaled \$1.0 trillion for fiscal year 2022, and that the annual shortfall would average \$1.6 trillion between 2023 and 2032.³ As such, the federal government is continuing to go further in debt rather than acting 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 2031.⁴

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 federal 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:

¹ U.S. Department of Treasury, *Debt Limit*, <https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/debt-limit> (last visited Feb. 13, 2023).

² *Id.*

³ Congressional Budget Office, *The Budget and Economic Outlook: 2022 to 2032*, <https://www.cbo.gov/publication/57950> (last visited Feb. 13, 2023).

⁴ Committee for a Responsible Federal Budget, *Updated Budget Projections Show Record Debt by 2031*, <https://www.crfb.org/blogs/updated-budget-projections-show-record-debt-2031> (last visited Feb. 13, 2023).

None.

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. The 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