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**Paying Lip Service to PAYGO Not Enough
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The Senate is again stumped over paying for legislation it supports. Senators could not agree on a one-month extension of expanded unemployment and COBRA benefits before leaving town for recess; the House has passed an extension without any offsets for the \$9.2 billion price tag. The benefits will expire at the end of this week.

This is yet another example of resistance to making difficult, yet necessary, fiscal decisions. Congress has already approved nearly \$30 billion in deficit-financed extensions.

“Democratic leaders touted the vote in January to restore statutory PAYGO as the beginning of a new era of fiscal responsibility; instead we see the continuation of borrowing unprecedented amounts,” said CRFB president Maya MacGuineas. “PAYGO will not work if lawmakers consistently declare legislation as ‘emergency’ spending in order to bypass it. Pretend-PAYGO will not do the trick.”

Even if measures to improve the jobs picture are deficit-financed in the short run to provide additional fiscal stimulus, longer term offsets should be identified so that they do not ultimately add to the debt.

“We need to be signaling to markets that we are serious about addressing the mounting debt. The whole idea of PAYGO is to create the mindset in Washington that what is worth doing is worth paying for. Paying lip service to PAYGO while circumventing it at every turn will do nothing to improve our plight,” added MacGuineas.

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