

109TH CONGRESS
2^D SESSION

H. R. 5788

To amend the Congressional Budget Act of 1974 to increase awareness of accrual and long-term budgeting, and to express the sense of Congress that the President’s annual budget submissions should consider accrual and long-term budgeting.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 2006

Mr. COOPER introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Congressional Budget Act of 1974 to increase awareness of accrual and long-term budgeting, and to express the sense of Congress that the President’s annual budget submissions should consider accrual and long-term budgeting.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Honest Deficit Rec-
5 ognition Act of 2006”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) accrual accounting is accepted in the busi-
4 ness community as the most honest and realistic way
5 to account for revenues and expenses;

6 (2) the budget of the United States Govern-
7 ment is currently formulated using cash accounting,
8 which provides an inaccurate view of the United
9 States' true financial position;

10 (3) the coming generational shift in the United
11 States creates dire need to reconcile spending and
12 tax programs;

13 (4) since 1997, the Department of Treasury, in
14 cooperation with the Government Accountability Of-
15 fice, has produced an independently audited state-
16 ment for the United States Government, which pro-
17 vides a more accurate view of the financial position
18 of the Government than does the current congress-
19 sional budget resolution;

20 (5) the honest deficit for the United States
21 Government in fiscal year 2005 was \$760 billion,
22 over twice the \$318 billion cash deficit reported by
23 the Office of Management and Budget and the Con-
24 gressional Budget Office;

25 (6) although the cash deficits of the United
26 States Government have been widely reported by the

1 Office of Management and Budget and the Congressional Budget Office, the actual net operating cost
2 for the each of the past nine fiscal years have been
3 as follows:
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5 (A) 1997: \$2.6 billion;

6 (B) 1998: \$110 billion;

7 (C) 1999: –\$101 billion (surplus);

8 (D) 2000: –\$40 billion (surplus);

9 (E) 2001: \$515 billion;

10 (F) 2002: \$365 billion;

11 (G) 2003: \$668 billion;

12 (H) 2004: \$616 billion; and

13 (I) 2005: \$760 billion;

14 (7) according to the “Fiscal Year 2005 Financial Report of the United States Government”, the
15 total liability of the United States Government, explicit and implicit, was nearly \$50 trillion at the end
16 of fiscal year 2005;

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19 (8) according to the testimony of the Comptroller General of the United States Government,
20 David Walker, February 15, 2006, before the Committee on the Budget of the House of Representatives,
21 the total liability of the United States Government, explicit and implicit, increased over \$3 trillion
22 during fiscal year 2005, more than the entire budget
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1 of the United States Government for fiscal year
2 2007; and

3 (9) it is imperative that the congressional budg-
4 et resolution and the President's budget request
5 both consider these important facts if the United
6 States is to stay the world's strongest nation.

7 **SEC. 3. RECOGNITION OF HONEST DEFICIT.**

8 Section 301(e)(2) of the Congressional Budget Act
9 of 1974 is amended by striking "and" at the end of sub-
10 paragraph (E), by striking the period and inserting ";
11 and" at the end of subparagraph (F), and by adding at
12 the end the following new subparagraph:

13 "(G) information discussing the most re-
14 cent financial report of the United States Gov-
15 ernment prepared pursuant to section 331(e)(1)
16 of title 31, United States Code, including a
17 summary of the net operating cost, net position,
18 and long-term liabilities of the Government as
19 described in such report."

20 **SEC. 4. SENSE OF CONGRESS.**

21 It is the sense of Congress that, in the preparation
22 of the annual budget submission under section 1105(a)
23 of title 31, United States Code, the President should take
24 into account the most recent financial report of the United
25 States Government, especially any information regarding

- 1 the Government's net operating cost, net position, and
- 2 long-term liabilities, and that the President should include
- 3 a discussion of this information in each such submission.

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