

OFFICES:
Gillette 307-682-6268
Cheyenne 307-772-2477
Casper 307-261-6572
Cody 307-527-9444
Jackson 307-739-9507
D.C. 202-224-3424
website enzi.senate.gov

United States Senate
WASHINGTON, DC 20510-5004

MICHAEL B. ENZI
WYOMING

COMMITTEES:
Finance
Health, Education,
Labor and Pensions
Homeland Security and
Governmental Affairs
Budget
Small Business

August 7, 2014

Dear Colleague,

I write to invite you to cosponsor S. 2495, the *One Percent Spending Reduction Act of 2014*, also known as the “Penny Plan.”

Our country is more than \$17 trillion in debt. The federal government consistently spends billions more than it takes in, and the Congressional Budget Office (CBO) reported in July that if current laws remain unchanged, growing budget deficits will push the debt above its current level. Moreover, CBO projects that in 25 years, federal debt held by our constituents would exceed 100 percent of Gross Domestic Product (GDP). The CBO notes that this trend “could not be sustained indefinitely.” If we as individuals adopted the same spending habits held by the government, over the long-term we’d all likely be bankrupt.

But understanding how to reach financial health is not rocket science. It merely requires exercising common sense and commitment. We learn to live within our means. If we spend too much, we tighten our belts, and work hard to ease our financial situation. The government should and can do the same.

The Penny Plan is a simple and straightforward way to put our country on the right fiscal path. It reduces discretionary and mandatory spending (less net interest payments) by one percent (*or one penny from every dollar*) for each year of three years (FY2015 through FY2017) until total spending has reached approximately 18 percent of GDP. Based on figures from CBO’s April 2014 baseline report, reducing spending this way would result in a balanced budget in FY2017. Total spending would then be capped at 18 percent of GDP for FY2018 and subsequent fiscal years, based on the historic average levels of government spending.

The Penny Plan does not identify the specific cuts that are necessary to achieve the one percent reduction in savings. Instead, such decisions are left for us to make. Absent Congressional action, however, mandatory cuts would ensure that a penny is cut from every dollar we spend.

It’s time for us to put our fiscal house in order. We need to stop ignoring or disguising the risks and dangers down the road. Please join me by cosponsoring the Penny Plan, a simple, no-nonsense plan that every citizen and member of Congress can understand without becoming an inside-the-beltway policy wonk. The Penny Plan will place our country on the path to restore a safe, secure future for our children and grandchildren and help to ensure America’s economic vibrancy into years ahead.

Re: sponsoring the Penny Plan
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To cosponsor the bill, or if your staff has any questions regarding the Penny Plan, please have them contact Bart Massey from my office, (202) 224-3424.


Michael B. Enzi