



Budget Digest – Week of December 5

A Plan to Fix the Broken Budget Process

The Committee released on November 30 a comprehensive plan to restructure the Federal budget process based on the following six principles, including a range of reforms offered by other Members of Congress. The complete plan is available at budget.house.gov/budgetprocessreform.



Enhance Constitutional Authority. The plan would reassert Congress's power of the purse. For example, Congress would precede the Administration with its budget resolution, the fiscal year would align with the calendar year, spending on unauthorized programs would be reined in, and a framework for biennial budgeting would preserve and expand the reconciliation process and prohibit long-term continuing resolutions.



Strengthen Budget Enforcement. The plan proposes to tighten adherence to budget rules and restrictions. For example, it would prohibit budget gimmicks, such as one-time savings from asset sales or timing shifts, to offset increases in spending.



Reverse the Bias Toward Higher Spending. The plan would address the subtle procedures and assumptions that encourage higher spending. Among the recommendations, the plan would reform the CBO and OMB baselines, allow for cost estimates prior to markup, require CBO cost estimates to show debt service costs, and repeal Statutory Pay-As-You-Go.



Control Automatic Spending. The proposal would create a process for setting budget limits that have the force of law, establish a commission and process to facilitate the transition of direct spending programs to discretionary appropriations, and restrict new direct spending unless it is accounted for in the budget resolution, among other policies.



Increase Transparency. The plan lays the groundwork for a regulatory budget. Key provisions would prohibit an agency from adding new regulatory compliance costs without eliminating existing costs by the same amount, require a Fiscal State of the Union, and require both Congress and the President to include a citizens' guide to the budget.



Ensure Fiscal Sustainability. The reforms offered would establish a process to set long-term, declining targets for debt as a percentage of gross domestic product, enforced by enhanced reconciliation. Additionally, the proposal would reform the debt limit to track the new targets and would restrict long-term spending.