



Budget Digest – Week of June 6th

Controlling Automatic Spending and Unauthorized Programs

Automatic, or “mandatory,” spending robs Congress of its constitutional power to make *all* spending decisions. It cedes the “power of the purse” to the Executive Branch. The practice of appropriating for unauthorized programs also acts as a form of automatic spending. This Thursday, the Budget Committee will hold a hearing to examine how Congress can control automatic spending and account for unauthorized programs. Topics of discussion will include:

Runaway Automatic Spending. At more than two-thirds of the Federal budget, automatic spending programs threaten to crowd out discretionary spending – the part that Congress regularly approves – for activities such as defense, education, transportation, veterans’ hospitals, and many others. Mandatory expenditures are the sole cause of Federal spending growth as a share of the economy, and the main driver of the government’s rising debt.

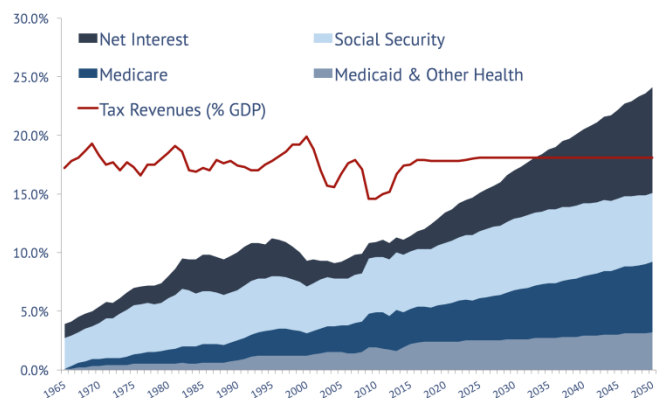
Unauthorized Programs. When Congress appropriates for programs that have not been authorized or whose authorizations have expired, it gives up control over the budget. It also forfeits oversight of Executive Branch agencies and the chance to examine whether programs are working. The Congressional Budget Office estimates that in fiscal year 2016, Congress appropriated \$310 billion, or about one-quarter of discretionary spending, for unauthorized programs.

Existing Tools Fall Short. Congress’s tools for reducing automatic spending are inadequate. Reconciliation is optional and used far too seldom. Pay-as-you-go procedures and sequestration only hold deficits constant; they do not reduce or eliminate deficits. Certain Congressional Budget Act limitations on spending are often waived or are rarely enforced.

The Solution. Rethinking programs with automatic spending, from Federal health, retirement, and income security to college student aid, is imperative. The House Budget Committee also intends to establish a new budget process that gives Congress better incentives and tools to control spending and more effective means to enforce the budget.

WHAT’S DRIVING THE DEBT

(Spending and Revenue as a Percentage of GDP)



Authorized by Chairman Tom Price, M.D., House Budget Committee

Source: CBO