



BUDGET BULLETIN

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Options to Fix the Broken Federal Budget Process

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The last two issues of *Budget Bulletin* provided an overview of the Senate Budget Committee's ongoing effort to reform the federal budget process. The [April 28 Bulletin](#) recounted witness testimony during the Budget Committee's recent series of process reform hearings, while the [May 12 Bulletin](#) outlined Senate proposals to improve certain areas of the process. This *Bulletin* builds on this analysis, presenting reform ideas from senators and witnesses that remain under discussion as the committee continues its work toward producing legislation.

Everything that can help fix the broken budget system is on the table, including examining form and function of the presidential and congressional budgets, the regular appropriations cycle, congressional oversight, committee rules and structure – even repurposing or eliminating the Budget Committee.

The following list is not an outline of proposed legislation; rather, it serves as a menu of reform options for Congress to consider, reflecting thoughts from senators and witnesses.

Presidential and Congressional Budgets

Make the Budget a Law – This reform allows Congress to pass a budget that is enacted into law. It would bring the president into the funding process at the beginning by requiring his or her signature and allow enforcement procedures to be established within the budget. Alternatively, the concurrent resolution could set statutory discretionary caps at the beginning of the budget process through auto-enrollment procedures.

Adopt a Biennial Budget – This reform permits Congress to adopt the budget resolution biennially during non-election years, instead of annually. The resolution would set the appropriators' 302(a) allocations for the first two fiscal years. During the off-year, the Budget Committee would conduct additional oversight.

Encourage Bipartisan Budgets – The current budget resolution is a partisan document that requires only a simple majority to adopt in both chambers, so it rarely matches the revenue and spending legislation that must have broader, bipartisan support to enact. This reform encourages bipartisan budgets by making special fast-track procedures, like time-limited consideration or the auto-enrollment procedures above, contingent on bipartisan support in committee or on the floor.

Reform the President's Budget – This reform makes the president's budget a four-year plan that shows the new chief executive's vision for the country during his or her tenure. The president would submit the plan in the first year of his or her term, and annual progress reports would be submitted in successive years. The Office of Management and Budget (OMB) would submit appropriations requests and other supporting documents separately.

Reform Vote-a-Rama – This reform could curtail deficit-neutral reserve funds and establish a filing deadline for new amendments for budget resolutions and reconciliation legislation. At the end of debate, the majority leader and minority leader each would choose a specified number of amendments on which to vote, plus additional side-by-side amendments. Once votes on those amendments conclude, consideration of the measure would conclude.

Add Mandatory Program Revenue to the Budget Resolution – This reform matches dedicated revenue to mandatory programs in the budget resolution to show program sustainability.

Add Tax Expenditures to the Budget Resolution – This reform provides tax-expenditure levels separate from overall revenue totals in the budget resolution.

Make Debt-Management Policy Changes – This reform requires short- and long-term debt (a percentage of gross domestic product) and interest (a percentage of spending) targets in the president's plan and congressional budget. If those targets are met, the president would have the authority to increase the debt limit subject to a congressional resolution of disapproval. If targets are not met, Congress would have to vote to increase the debt limit to accommodate the tax and spending policies it enacted in violation of the budget.

Create a BRAC-Style Fiscal Commission – This reform allows Congress to create an independent commission instructed to produce legislation that will accomplish long-term fiscal targets, such as a certain level of debt or spending as a percentage of GDP. The proposed plan could be subject to fast-track consideration and an up-or-down vote in Congress.

Require More “Aye” Votes to Waive Budget Points of Order – Most budget points of order may be raised by a single senator and waived by 60 votes, the same number required for cloture. This reform raises the number of affirmative votes needed for a waiver to make it more difficult to pass legislation that violates the budget. The number of aye votes needed also could be changed based on the size of the budget violation. A de minimis, or insignificant, point of order may only require a simple majority to waive, while a significant violation could require a two-thirds vote.

End De Minimis Points of Order – This reform ensures when budget violations are considered insignificant (less than \$500,000), points of order will not lie against the legislation.

Prevent Reconciliation That Increases the Deficit – This reform prevents consideration of reconciliation legislation that increases the deficit within the 10-year budget window.

Impose Consequences for Failure to Pass a Budget – If Congress does not adopt a budget resolution, this reform withholds member pay, cancels congressional recesses, and/or reduces committee budgets.

Appropriations

Include All Spending in the Budget – This reform requires all government spending to be provided regularly. However, if a program has a dedicated revenue source, its funding can be appropriated automatically for longer periods.

Enact Biennial Appropriations – This reform allows Congress to enact appropriations legislation that establishes funding for two years instead of one. Consideration of appropriations legislation would be split, with half the bills enacted one year, half the next. During the off-years, Congress may consider expedited legislation that makes perfecting changes to off-year accounts but does not increase spending overall.

Impose Consequences for Late Appropriations – If Congress does not complete appropriations by the beginning of the fiscal year, this reform requires an automatic reduction in the 302(a) allocation by a certain percentage each month until full-year appropriations are enacted.

Dedicate Appropriations Floor Time – This reform dedicates a portion of the Senate congressional calendar for floor consideration of appropriations measures.

Provide Automatic Continuing Resolution – This reform provides for automatic enactment of a continuing resolution if any of the regular appropriations bills is not enacted by the start of the fiscal year. The automatic continuing resolution funds the unfunded portions of the discretionary budget at the previously enacted levels.

Align the Fiscal Year and Calendar Year – This reform changes the appropriations calendar so that the fiscal year begins on January 1. Already, appropriations are often enacted using the Christmas and New Year holidays as a backstop.

Congressional Review

Establish Portfolio and Outcome-Based Budgeting – This reform provides the Budget Committee authority to create subcommittees that apply measurable, objective standards to conduct oversight. These subcommittees would compare a policy goal and outcomes produced with all resources devoted to that purpose, including tax expenditures, discretionary spending, mandatory spending, and regulations. This comprehensive analysis would be informed by Government Accountability Office and Congressional Budget Office (CBO) analysis. Completion of the process could trigger recommendations to the full Budget Committee for assumptions in a budget resolution to enact legislation improving program performance related to a policy goal.

Require Authorizations – This reform establishes a 60-vote surgical point of order against appropriations provisions that provide unauthorized funding.

Sunset Authorizations – This reform requires all authorizations to have an expiration date and dollar amounts tied to specific, measurable outcomes.

Mandate PAYGO For Authorizations – This reform requires any new program authorizations, or increases in existing authorization levels, to be accompanied by offsetting reductions in authorization levels under the jurisdiction of the same committee. Once the rule goes into effect, no new “such sums” authorizations would be allowed.

Establish Measurable Outcomes for Pilot Programs – This reform allows Congress to set out measurable outcomes for new pilot programs when first established. The pilot programs must meet those performance requirements before being continued or enlarged.

Committee Restructuring

Combine Authorizers and Appropriators – This reform matches each appropriations subcommittee with an authorizing committee and combines them into one committee.

Create an Executive Committee – This reform creates an executive committee composed of chairs and ranking members of standing committees, chaired by the majority leader. The Joint Committee on Taxation (JCT) or the Finance Committee provides topline revenue numbers by category to the executive committee, which would then allocate spending limits across committees.

Reform or Eliminate the Budget Committee – This reform renames the Budget Committee the “Committee on National Priorities,” through which Congress would prioritize tax and spending policies by economic sector. Otherwise, the Budget Committee would be eliminated.

Budget Rules and Scoring

Create a Budget Concepts Commission – The statutory rules that guide CBO's and OMB's analysis are outdated and do not lead to accurate estimates or honest budgeting. This reform creates a commission of budget experts that would update these rules using modern accounting and financial techniques so that estimates reflect the true cost of policy proposals. The idea of a bipartisan commission also could be expanded to accomplish other goals, such as improving the congressional process or enacting policies to reduce future debt and deficits to sustainable levels.

Create a Capital Budget – A first step would be to require the executive branch to catalog all the assets government owns, along with life expectancy, repair intervals and cost, and replacement cost. OMB would coordinate the submission of agencies' long-term capital plans to Congress.

Eliminate Baseline Budgeting – Zero-based budgeting would obligate agencies and programs to justify all the funding they receive, rather than assuming an automatic increase for inflation.

Require Conservative Revenue Estimates – When JCT projects future revenues, this reform would require the use of conservative assumptions to take into account unforeseen downturns and emergencies. Out-year revenue projections are especially susceptible to variation based on underlying changes in the economy.

Change How the Government Budgets for Disasters – Congress calls too many programs emergencies simply to avoid spending constraints. A separate spending allowance would allocate a reasonable amount of money to disaster spending to prevent consistent overages.

Regulatory Reform

One-In, One-Out Regulatory Budgeting – This reform creates a regulatory budget with a credit system that controls the number of new regulations that can be issued and applies a similar system to executive orders.

BudgetSpeak

314(e) Point of Order – Emergency Designation

A section of the Congressional Budget Act that permits any senator to challenge whether an emergency-designated appropriation is in fact needed for an emergency. Section 314(e) gives members a procedural tool to prevent abuse of emergency-designated appropriations, which are exempt from budget enforcement and allowed under section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Reduction Act. The 314(e) point of order is “surgical,” meaning if successfully raised on the Senate floor and sustained by the presiding officer, only the offending provision(s) are removed from the bill or amendment, and the rest of the legislative text remains. This point of order can be waived with a three-fifths (60) vote.