

BUDGET REFORM IDEAS – DISCUSSION DRAFT

May 19, 2016

The following ideas stem from the questions senators have raised during our budget process reform hearings. This list is meant to encourage open conversation among committee members.

President's and Congressional Budgets

Make the Budget a Law - Allows Congress to pass a budget that is enacted into law. This 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 just discretionary caps at the beginning of the budget process through Gephardt auto-enrollment procedure.

Biennial Budget - Congress adopts 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.

Reform the President's Budget - The President's budget should be a four-year plan that shows the new chief executive's vision for the country during his or her tenure. The report would be submitted in the first year of the President's term, and annual progress reports would be submitted in successive years. Appropriations requests and other supporting documents would be submitted separately by OMB.

Reform Vote-a-rama - Curtail deficit neutral reserve funds and establish a filing deadline for new amendments for budget resolutions and reconciliation legislation. At the end of debate, allow the majority leader and minority leader to each choose a specified number of amendments to be voted on, plus additional side-by-sides. Once votes on those amendments conclude, consideration of the measure ends.

Add Mandatory Program Revenue to Budget Resolution - Match dedicated revenue to mandatory programs in the budget resolution to show program sustainability.

Add Tax Expenditures to Budget Resolution – Provide tax expenditures levels separate from the overall revenue totals.

Debt Management Policy - Require short and long-term debt (% of GDP) and interest (% 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.

Increase Votes Needed 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 proposal would raise the number of votes needed for waiver to make it harder to pass legislation that violates the budget.

No De Minimis Points of Order - 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 - Prevent consideration of reconciliation legislation that increases the deficit within the 10-year budget window.

Consequences for Failure to Pass a Budget – If Congress does not adopt a budget resolution, withhold member pay, cancel congressional recesses, and/or reduce committee budgets.

Appropriations

Include All Spending in the Budget - All government spending must be provided regularly. However, if a program has a dedicated revenue source, then its funding can be appropriated automatically for longer periods.

Biennial Appropriations - Congress enacts appropriations legislation that establishes funding for two years instead of one. Consideration of appropriations legislation would be split up so that half are enacted one year and half the next year. During the off years, Congress may consider expedited legislation that makes perfecting changes to off-year accounts but does not increase spending overall.

Consequences for Late Appropriations - If appropriations are not completed by the beginning of the fiscal year, the 302(a) allocation is automatically reduced by a certain percentage each month until full-year appropriations are enacted.

Appropriations Floor Time - Dedicate a portion of the congressional calendar for floor consideration of appropriations measures. No other measures may be considered during that period without unanimous consent.

Align Fiscal Year and Calendar Year - Change the appropriations calendar so that the fiscal year begins on January 1. Appropriations are often enacted using the Christmas and New Year holidays as a backstop already.

Congressional Review

Portfolio and Outcome-Based Budgeting - Provide the Budget Committee authority to create temporary sub-committees 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 cross committee and agency jurisdictions and be informed by GAO and CBO analysis. Completion of the process could trigger directives to authorizing committees to enact legislation improving program performance related to a policy goal, similar to reconciliation.

Require Authorizations - Establish a 60-vote, surgical point of order against appropriations provisions that provide unauthorized funding.

Authorization Sunset - All authorizations must have an expiration date and dollar amounts tied to specific, measurable outcomes.

PAYGO For Authorizations - Any new program authorizations, or increases in existing authorization levels, would need to be accompanied by offsetting reductions in authorization levels under the jurisdiction of the same committee. Once the rule went into effect, no new “such sums” authorizations would be allowed.

Pilot Programs - Congress should 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 - Match each appropriations sub-committee with an authorizing committee and combine them into one committee.

Executive Committee - Create an executive committee composed of chairs and ranking members of standing committees, chaired by the Majority Leader. 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 - Rename the budget committee the "Committee on National Priorities." This is where Congress will prioritize tax and spending policies by economic sector. If it cannot be repurposed, eliminate the budget committee.

Budget Rules and Scoring

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

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. A commission of budget experts would update these rules using modern accounting and financial techniques so that estimates reflect the true cost of policies proposals.

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

Conservative Revenue Estimates - When JCT projects future revenues, it should use 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 Government Budgets for Disasters - Congress calls too many things emergencies just to avoid spending constraints. A separate spending allowance should allocate a reasonable amount of money to disaster spending to prevent consistent overages.

Regulatory Reform

One-In, One-Out Regulatory Budgeting - Create a regulatory budget with a credit system that caps the amount of new regulations that can be issued. Apply a similar system to executive orders.