



Budget Digest – Week of May 16th

Time to Reform the Budget Act

A broken budget process. There is near universal agreement that the Congressional budget process is broken and badly in need of reform. Perhaps the most visible sign of failure is that Congress has reached a budget conference agreement only once in the past 5 years and zero out of 60 appropriations bills were passed on time during this period (see chart). More recently, it has become routine for both the House and Senate to not even pass budgets in their respective chambers, and Congress is once again on a path to fail to adopt a budget for the next fiscal year. More worrisome still, the budget process has been ineffective at controlling spending, specifically mandatory spending, and keeping the government on a sustainable fiscal path. The process is overly complex, its rules are not well understood, and budget recommendations are largely ignored.

What should be done? The House Budget Committee has called for a comprehensive rewrite of the 1974 Budget Act. Last year, the Committee held two hearings: *First Principles of Congressional Budgeting* and *Does Biennial Budgeting Fit in a Rewrite of the Budget Process?* This year, the Committee will explore new areas such as:

Time Period	Budget Conference Agreements	Appropriations Completed on Time
Last 5 Years	1	0 out of 60
Last 10 Years	4	7 out of 120
Last 25 Years	16	48 out of 314

- How Congress is ceding its Article I constitutional “power of the purse” to the Executive Branch and how that power can be reclaimed;
- Whether fiscal targets or goals are appropriate, what goals make the most sense, and how Congress should set them;
- Ways to control mandatory spending;
- Strengthening budget enforcement;
- New forms of budgeting such as regulatory, capital, and portfolio budgeting.

Next Steps. Over the next several months, the House Budget Committee plans to hold a series of hearings on these topics and other budget reform ideas. The Committee welcomes input from Members of Congress and those interested in improving the federal budget process (send ideas to Budget.Republicans@mail.house.gov). The Committee’s goal is to bring forward a proposal that overhauls the budget process and ensures Congress is equipped with better tools to govern effectively and return the government to a sound financial footing.