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U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON THE BUDGET

CHAIRMAN TOM PRICE, M.D.



Effective Budget Enforcement – Week of June 20th

Although various enforcement provisions exist under the Congressional Budget Act of 1974, House rules, and other laws, they have proven to be unnecessarily complex and ultimately ineffective in implementing Federal budgets and achieving budgetary goals. The failure of budget enforcement mechanisms has at least two major consequences: it significantly reduces the effectiveness of the budget resolution and congressional budgetary procedures resulting in uncontrollable fiscal policy, and it sacrifices some of Congress's constitutional "power of the purse," ceding greater authority to the Executive Branch. A budget left unenforced is not an effective budget.

This week, the House Budget Committee held a hearing to examine how Congress can more effectively enforce the budget. Topics of discussion included:

Current Rules Aren't Working – The Congressional Budget Act of 1974 has several enforcement provisions, and Congress has adopted additional rules and statutes over the years (See chart). Most of these have failed, however, due to poor design, needless overlap, or because they can be easily waived or circumvented. The result has been a cluster of ineffective budgetary rules that only make the budget process and enforcing the budget more complicated.

Developing Better Budget Rules – Enforcement regimes can be strengthened by streamlining rules, plugging loopholes, and changing defaults and incentives. Congressional authority and budgeting would be far better served by a tighter set of enforcement measures that work than by a web of rules that do not. Some mechanisms we explored included prioritizing budget rules, best practices of enforcing budget rules, and statutory versus congressional budget enforcement.

KEY BUDGET RULES

CONGRESSIONAL BUDGET ACT

- 303(a)** Prohibits spending & tax legislation before the budget resolution is adopted.
- 302(f)** Prohibits legislation that exceeds a committee's allocation established by the budget resolution.
- 311(a)** Prohibits legislation that breaches the budget resolution's spending ceiling or revenue floor.

HOUSE RULES

- CUTGO, clause 10, House Rule XXI** - requires new mandatory spending to be offset through mandatory spending reductions. Tax increases are not allowed as offsets.