

Congressman David E. Price
Testimony as Prepared for Delivery
House Budget Committee Hearing on Biennial Budgeting
November 18, 2015

Good morning Chairman Price, Ranking Member Van Hollen, and other Members of the Committee. Thank you for inviting me to testify today.

I first testified about biennial budgeting more than 15 years ago before the House Rules Committee, which was considering legislation to transition Congress to a biennial budget and appropriations process. Then, our nation's fiscal situation was quite different: the enactment of multi-year budget agreements in 1990, 1993, and 1997, coupled with a growing economy, had produced several years of balanced budgets and allowed us to pay down more than \$400 billion of the national debt. The consequences of the George W. Bush Administration's fiscal policies—which plunged us back into deficit financing—were not yet foreseen.

Since then, we've had trillions of dollars in lost tax revenue, two unpaid-for wars, a necessary but expensive countercyclical response to the Great Recession and, most recently, five years of extremely partisan and largely dysfunctional congressional budget politics. So it is understandable that that the idea of biennial budgeting would once again hold some appeal for Members in search of solutions to our current woes. But this is truly a case in which the remedy would be worse than the disease.

I am the first to agree that the congressional budget and appropriations processes have eroded significantly in recent years. The pressures of divided government and a polarized electorate, the increased use of the Senate filibuster, and the general subjugation of Congress's constitutional "power of the purse" to partisan political considerations have greatly delayed the enactment of our annual spending bills and have increased our reliance on continuing resolutions and omnibus packages. Not to mention the damage that has been done by the consolidation of power within leadership circles at the expense of Appropriations and other committees.

But biennial budgeting, by which I mean biennial appropriations, would do nothing to address the underlying *causes* of this dysfunction—and would likely make matters worse by weakening congressional oversight of the executive, jacking even more decisions up to the leadership of both parties, and increasing our reliance on supplemental appropriations bills considered outside of the regular order.

I should stress that the same argument does not necessarily apply to a multi-year budget agreement or to a two-year budget resolution of the sort Congress passed a few weeks ago. Annual appropriations work, including thorough review of individual agency programs, must have year-to-year flexibility and is distinct from determining top-line funding levels. My argument this morning applies to the twelve appropriations bills that must be passed under any budget agreement, regardless of its duration.

Proponents of biennial budgeting claim that it would “free up” Congress to conduct oversight in the off-year. That claim is supremely ironic, for the most careful and effective oversight Congress conducts is through the annual appropriations process, when an agency’s performance and needs are reviewed program by program, line by line. Off-year oversight would be less, not more, effective because it would be further removed from actual funding decisions, reducing Congress’s leverage.

Supporters sometimes note that four recent presidents—George W. Bush, Bill Clinton, George H.W. Bush, and Ronald Reagan—all favored biennial appropriations. Why should that surprise anyone? If this suggests that the proposal is not a *partisan* issue, it should warn us that it is definitely an *institutional* issue. It should be obvious why presidents would support a free pass every other year from an appropriations process that could make or break an administration’s agenda—just as they tend to support the line-item veto, a ban on congressional earmarks, and other measures aimed at weakening Congress’s authority vis-à-vis the Executive Branch.

It is often asserted that opponents of biennial budgeting are merely defenders of Appropriations Committee turf. As a senior appropriator, I am naturally sensitive to these charges. But the annual work of appropriations serves the entire institution and its place in the constitutional

balance of power, regardless of who is President. That is why appropriations has historically been relatively bipartisan, and it is why the Congress's place in the constitutional order is compromised to the extent appropriations is swamped by partisan maneuvers—whether they be poison-pill riders or ideological budget resolutions that don't leave room for workable funding bills.

However, I agree that the appropriations process also needs to be accountable to Congress as an institution and to the country. Here, too, biennial budgeting would more likely do more harm than good.

Under the existing annual appropriations cycle, federal agencies typically begin formulating their budgets in the summer of the year *before* the President submits his budget request to Congress in February—a full 14 or 15 months in advance of the start of the actual fiscal year in question. Asking agencies to put forward a budget request for the second year of a two-year cycle as many as 28 months in advance would require a level of advance planning and foresight that may not be possible or realistic, especially given the uncertainty of revenue and expenditure projections and the constantly evolving challenges the federal government must tackle.

Faced with outdated and unworkable funding levels for individual programs in the second year of a biennial appropriation, each federal department would be forced to present the Appropriations Committees with countless requests to reallocate, or “reprogram,” their annual budgets. Typically, those requests are granted or denied solely by the Appropriations Subcommittee Chairmen and Ranking Members without debate, amendments, or votes—and without public scrutiny.

Off-year budget problems that could not be handled through reprogramming requests would necessitate supplemental appropriations bills. We already enact supplemental bills when unforeseen emergency needs crop up after an appropriations bill has been enacted. Budgeting two years in advance will only lead to a greater mismatch between the country's needs and agency budgets. In fact, the whole purpose of a biennial budget could be undermined by the proliferation of supplementals in the off-years.

Perversely, we would have replaced the deliberative and democratic process of annual appropriations with supplemental bills that are sporadic, rushed, and heavily controlled by leadership.

One recent example may prove particularly instructive, especially since it involved the Department of Veterans Affairs, which already receives advance appropriations from Congress for its health care programs. As I'm sure most of you recall, Congress had to scramble this past summer when the VA realized it was facing a \$2.5 billion budget shortfall due to an unanticipated increase in demand for veteran health care services and rising drug costs. Congress passed new legislation to allow the VA to shift funds from other accounts, ensuring that tens of thousands of veterans could continue to receive access to vital care.

Granted, the VA faces an especially urgent and difficult mission. But shifting the entire government into a two-year budget and appropriations cycle would only lead to more episodes like this one, not fewer. Even if Congress determines that additional agencies would benefit from advance appropriations, these decisions could be made on a limited, case-by-case basis.

For reasons practical as well as institutional, biennial budgeting isn't any better an idea today than it was fifteen years ago. It would be a mistake to allow recent budget disagreements to lure us toward a supposed "remedy" that would make the appropriations process less systematic, less flexible, and less potent.

We all know that the congressional budget process has broken down. For years, we have passed unrealistic, ideologically driven budget resolutions that not only made bipartisanship impossible; they virtually made appropriations itself impossible. This year, once again, it is only in the face of a government shutdown that we have revised the budget resolution, so as to enable us to stitch the twelve appropriations bills together into an omnibus bill almost three months into the fiscal year. And that is currently a best-case scenario!

But biennial budgeting would fix none of this and might well make it worse. What we must do is muster the political will to make difficult and politically costly decisions, including a comprehensive budget plan that addresses the main drivers of our deficits and debt: tax expenditures and entitlement spending.

I urge my colleagues to reject the siren song of biennial budgeting and redouble their efforts to address the underlying causes of our long-term fiscal challenges.