



The Daily Dish

Budget Process Reform

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The federal budget is a disaster. The substance features dangerously large deficits, explosive debt levels, and an unsustainable fiscal outlook. The process may be even worse. There is no regular budget resolution or budget planning. The appropriations process simply never gets completed on time and both parties have now enacted appropriations through reconciliation. And reconciliation is used for everything but what it was intended to aid: deficit reduction.

Eakinomics has always lived by the *dictum* of former Congressional Budget Office Director Rudy Penner: “The process isn’t the problem; the problem is the problem.” This prioritizes fixing the substance over fussing with the budget process.

This is still largely true, but events suggest there is a need for budget process reform. Simply put, Congress does not respect the decisions made by the long-gone drafters of the 1974 law. It is uninterested in having its rules constrain current actions in any way. If Congress were to adopt budget process reform – *any* budget process reform – it would own that reform and, hopefully, feel constrained to honor the process (at least for a while).

There are lots of possibilities for such a reform. Here are three quick suggestions. First, junk reconciliation. Reconciliation – the fast-track procedures that bypass the legislative filibuster in the Senate – is simply abused as much as the Senate parliamentarian permits in order to advance party-line agendas. It is time to insist on regular order.

Second, there should be targets in the budget resolution. Many have suggested a debt target, and others a deficit target. Any target would be better than nothing, but it is better to target something that Congress can actually control. It can’t control booms and busts in the economy, which makes deficits and debt problematic targets. Instead, one could target spending, which Congress can control, and which is, in fact, the big problem.

Third, Congress must have a way to enforce the target. Specifically, Congress needs to find

a way to control entitlement spending, so as to hit the spending target, if necessary. Putting Medicare, for example, on an enforceable budget would be a big step toward fiscal sanity.

The problem is still the problem. But Congress has demonstrated it needs to help itself deal with the problem. Budget process reform might be a way to get started.