Insight

The House Dabbled in Governing, The Senate took a Pass

GORDON GRAY | JUNE 20, 2018

On Wednesday, the Senate considered one of the rarest policy proposals one can encounter on Capitol Hill – a spending cut. The Trump Administration submitted to Congress 34 proposed funding reductions, or "rescissions," totaling $14.8 billion. These funding reductions would have saved the federal government $1.1 billion in actual spending. In a close vote, the House of Representative passed the proposal two weeks ago, but the Senate couldn't find 50 votes to save taxpayers just over $1 billion

The politics of spending cuts have always proven difficult for policymakers, and that fact was no less true with the rescission package, which the Senate defeated on a close 48-50 vote. No Democrat could bring themselves to reduce federal spending by 0.03 percent, while two Republicans found their own reasons to oppose the measure. It seems that for a majority in the Senate, even those who proclaim to take seriously their role as stewards of the taxpayer dollars, this exercise in good governance was more than they could bear.

For some conservatives, the rescission package was too small to deeply satisfy,. while for some progressives there is no government funding, no matter how inefficiently targeted, that can't be justified. And for some, as always, the politics of siding with the administration in an election year are untenable. For those senators who routinely claim to value their role as responsible stewards of taxpayer dollars, however, the rescission package should have been an opportunity to demonstrate that they take seriously the power of the purse.

The particular power at issue here is not novel. Prior to the Trump Administration's proposal, presidents have proposed 1,178 rescissions, totaling $76,022,349,690 since 1974. Of these, Congress has accepted 461, totaling $25,006,704,717. From fiscal years 1974-2000, there was only one year, FY1988, where the president did not submit a rescission proposal. The practice had become routine, when it was halted by the Bush Administration and ignored under the Obama Administration.

Congress, on the other hand, never lost its appetite for rescissions, and it routinely includes rescissions in legislation. The key difference is that Congress typically employs the rescissions in appropriations bills to help offset more spending on other priorities. While rescissions are nothing special on Capitol Hill, not turning around and spending the savings on something else is rare indeed.

The bill that the Senate considered contained $14.7 billion in funding cuts to 34 programs, cuts that translated into just over $1.1 billion in actual savings over the next 10 years. The $13 billion difference stems from the fact that most of the funding proposed for rescission would never have been spent anyway. This rescission exercise was largely about identifying programs that have been over-funded for their mission, and right-sizing their federal allowance. One cut that was among the largest reductions, to the Children's Health Insurance Program (CHIP), will save precisely $0 and have no material impact on the program's operation. The only losers in that deal would be appropriators on Capitol Hill who frequently use similar rescissions to the CHIP program to spend money on other programs.

Senators who voted against the rescission bill plainly judged that the political upside just wasn't there. And that judgment is as sad as it is cynical. Spending cuts have no obvious (not to mention outspoken) constituency, whereas even the smallest federal program has a sponsor. The savings at issue here were small and wouldn't make a dent in the debt. But for senators on both sides of the aisle who have "fiscal discipline" somewhere in their storehouse of political talking points, the rescission package should have been a no brainer.

Presidents and Congress should be doing this exercise every year, as they did for 25 years. Who knows, if Congress got back to prioritizing federal spending – some might even call that responsible governing – they just might find they like it.