



The Daily Dish

A Troubling Administration Decision on the Budget

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Eakinomics: A Troubling Administration Decision on the Budget

There is, on paper, a methodical annual budget process. The Congressional Budget Office (CBO) produces an economic and budget outlook, the president proposes a budget, Congress adopts a budget resolution, Congress produces legislation dictated by the budget resolution, and, along the way, the Office of Management and Budget (OMB) produces by July 15 a Mid-Session Review of the Budget and CBO publishes its August Update. The latter documents are, obviously, needed to track the changes in the budgetary outlook as a result of legislation that has been passed and fluctuations in the economic outlook.

As you may have noticed, the economy has fluctuated a bit of late. In light of this, CBO put out a [revised economic projection](#) to more accurately reflect the recession reality and will still do its summer Update. In this way, CBO added to the information needed to understand the budget outlook. It also makes more sense to look at the [budgetary impact](#) of legislation such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act in the context of the downturn that necessitated it.

With that prelude, I am sad to report that the administration will pretend to do a Mid-Session Review of the budget using the economic assumption from its February submission of the president's budget. AAF's Gordon Gray has all the [details](#) on how it can violate the spirit of the law while adhering to the letter of it.

Of course, this also allows the administration to avoid taking a firm, numerical stance on the outlook for the economy in advance of the election. Such a forecast *would* be inconvenient and uncomfortable to formulate. But many a Mid-Session has been inconvenient and difficult, and past administrations of both parties have done their best to delay and bury the release of the document. But they have never simply punted this important job.

The budget process is, if not actually a fairy tale, a lot like a fairy tale. As the author Neil Gaiman put it, "Fairy tales are more than true: not because they tell us that dragons exist, but because they tell us that dragons can be beaten." The budget process is important not because it is obeyed to the letter of the law, but because adherence to its spirit generates information about the budgetary outlook that allows us to address budgetary challenges. The decision by the administration undermines this valuable enterprise.