



The Daily Dish

Is Budget Process Reform the Answer?

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One often hears the assertion that “the budget process is broken.” And there is often the implication that this is somehow the explanation for the pitiful state of federal finances. Let’s look at the issues.

Is the budget process broken? Absolutely. As outlined in the 1974 Budget Act that created the House and Senate Budget Committees, the Congressional Budget Office (CBO), and the modern budget process, the timeline is as follows:

- January – CBO puts out the Budget and Economic Outlook summarizing the budget outcomes if current law is put on autopilot.
- February – In the first week of February, the president submits his proposals for changes to current law.
- March – The House and Senate pass their separate budget resolutions that outline the spending, taxes, and borrowing they desire, and then agree on a joint budget resolution that governs the budgetary legislation of both houses of Congress.
- April-July – Appropriators pass legislation to make spending move from current law to the budget resolution levels. Authorizing committees pass tax and mandatory spending legislation to hit targets.
- July-August – The Office of Management and Budget and the CBO report on updates to the budget outlook based on legislation action.
- September 30 – By the end of the fiscal year, all legislation is passed and the new fiscal year begins on October 1.

Nothing like this ever happens. This year CBO won’t release its Outlook until February 15, and the administration will not submit its budget until a month after the statutory deadline. Budget resolutions are rare and joint resolutions are rarer – usually achieved only when reconciliation powers are needed to meet partisan objectives. A complete set of individual appropriation bills *never* happens, and the resultant omnibus legislation often happens after October 1 and the utilization of one or more continuing resolutions.

The budget process is absolutely broken.

The broken process is not the source of budget problems. In the famous words of former CBO Director Rudolph Penner: “The process isn’t the problem, the problem is the problem.” Congress routinely wants to spend more and tax less without regard for the implications for the future. That is the problem. How those laws get enacted and along what timeline is a secondary issue.

Nevertheless, budget process reform might help. Why? If Congress reformed the budget process, at least for a

few years the process would be *its* process – not some relic of the 1974 Act, but something current members had agreed was a good and valuable idea. It would be harder, then, to ignore budget matters, and more deliberation might go into budget decisions. No guarantees, but it wouldn't hurt.

So, three cheers for fiscal sanity. One cheer for budget process reform.