



DOUGLAS HOLTZ-EAKIN | NOVEMBER 30, 2018

Eakinomics: JSCBAPR RIP

Recall that the Bipartisan Budget Act of 2018 (BBA18) created the Joint Select Committee on Budget and Appropriations Process Reform (JSCBAPR), a temporary committee consisting of eight members each from the House and Senate, equally divided between the parties. The JSCBAPR held its requisite five public hearings and held a vote on legislative language to implement its recommendations by the deadline of November 30. Unfortunately, yesterday the vote failed to garner the requisite supermajority of 5 Democrats and 5 Republicans — meaning there will be no votes on proposed budget process reforms by this Congress.

Is this a big deal? No, and yes.

No, because the famous words of former CBO Director Rudolph Penner remain true to this day: "The process isn't the problem. The problem is the problem." The federal budget is characterized by high levels of spending, exploding deficits, and rising debt (even relative to gross domestic product, or GDP) as far as the eye can see. That is the problem. No change in the process of preparing congressional budgets can substitute for the political willingness and skill to pursue pro-growth policies with a laser-like focus, continue the process of base-broadening and tax reform, and modernize and make sustainable the social safety net. To date those ingredients have been missing.

Yes, because the JSCBAPR spent nearly a year considering a wide variety of proposals and many — biennial budgets, improved reconciliation procedures, a special process for debt reduction, a target debt-to-GDP ratio, and others — appeared to have bipartisan support. Partisan politics from the recent midterm elections seems to have trumped the policy agreements. But those ideas will not disappear. As fleshed out by the process, they will be available for future reform efforts.

And especially yes because if the next Congress were to pass into law <u>any</u> budget process reforms, there would then be enormous pressure to adhere to the budget process. At present, the budget process is seen as an easily ignored nuisance inherited from some unknown congressional forefathers. Passing a new law would mean that <u>this</u> Congress thinks it is important. That would make it much harder to ignore, and that is the greatest missed opportunity.