



The Daily Dish

# Reconciliation and Budget Process Reform

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## Eakinomics: Reconciliation and Budget Process Reform

The federal budget is, charitably, a [mess](#), with the deepest problems located in fast growing mandatory spending (aka entitlement programs). So in thinking about any reforms to the budget process, one eye should be kept on ways to address unsustainable entitlement spending.

Such thinking is going on right now. The Bipartisan Budget Act of 2018 (BBA) created the Joint Select Committee on Budget and Appropriations Process Reform (“the Committee”), a bipartisan, bicameral group comprised of 16 members, equally divided between the House and Senate and Republicans and Democrats. The Committee is required to report its recommendations and legislative text by November 30, 2018.

One of the topics that has arisen consistently during the course of the Committee’s hearings is moving to a biennial budget. As I noted in my [testimony](#), Congress had passed Bipartisan Budget Acts of 2013, 2015, and 2018. There is reason to assume Congress will pursue another two-year agreement to cover 2020 and 2021. It strikes me as sensible for the Committee to consider building on Congress’s ability to reach these recent multiyear budget agreements, and for the Committee to institutionalize them appropriately. In practice, this means adopting a biennial budget.

But if Congress passes a two-year budget resolution every other year, what happens to other aspects of the process?

Given the name of the Committee, one thing that must be spelled out is the process for appropriations. It seems sensible to retain the ability of Congress to adjust appropriations to current priorities. In practice, that would mean that the biennial budget would contain a two-year profile of caps on defense and non-defense appropriations, but that specific allocations to the Appropriations subcommittees and the appropriations themselves would continue to occur annually within this framework. Public policy professor Joe White echoed this view in his [testimony](#) before the Committee.

Mandatory spending and taxes would continue to be dealt with by the authorizing committees on an ongoing basis. But what about [reconciliation](#) — the fast-track procedure that has the ability to change mandatory spending, taxes, and debt? This might be the key to getting mandatory spending under control. At present, reconciliation is possible only if the House and Senate agree on a single budget resolution that contains reconciliation instructions (and there is a single reconciliation bill for each of taxes, mandatory spending and debt). That should probably continue to be the case for a biennial budget resolution. And for symmetry with the appropriations process, it makes sense to permit a separate reconciliation bill for each year covered by the agreement, each of which could contain targets covering 1 year, 5 years, and the entire 10-year budget window.

Taking this approach would permit Congress to signal its plan over the two-year period, but the actual policy would require execution in each year. Longer planning should not be confused with putting policy on autopilot,

as the autopilot nature of continuing resolutions and large mandatory spending programs are at the heart of the failures of the current process.