# REPAIRING WASHINGTON'S BROKEN BUDGET PROCESS

*A COMPREHENSIVE APPROACH TO STRENGTHEN SPENDING CONTROLS, ENHANCE ACCOUNTABILITY, AND INCREASE TRANSPARENCY IN THE FEDERAL BUDGET PROCESS*

December 7, 2011

**KEY POINTS:**

- **The federal budget process is broken; Washington stumbles from budget crisis to budget crisis, with little to no oversight of how government spends hardworking taxpayers' money.**
- **The incentives currently favor those who seek to increase government spending, and the result is a crushing burden of debt that is hurting economic growth today and threatening economic prosperity tomorrow.**
- **The legislative action items detailed in this report would help lawmakers confront this crisis by:**
  - **Creating new tools to cut wasteful spending while strengthening caps on borrowing and spending;**
  - **Enhancing oversight while curbing practices that assume automatic spending increases; and**
  - **Increasing transparency by forcing government to account more fully for all taxpayer liabilities.**

## Introduction

The congressional budget process is broken and ineffective. The current budget process is intended to effectively prioritize taxpayers' dollars and provide rational controls over spending. Right now, it is not performing either function well. Over 60 percent of the budget is on automatic pilot and lies outside the regular control of Congress. The U.S. Senate has not passed a budget in over 950 days, while government spending continues to grow at a dangerously unsustainable pace. This year, Senate Democrats not only failed to pass a budget resolution: They failed to even *propose* one.

To address a broken budget process, members of the House Budget Committee are introducing a series of bills to reform the process and give Congress and the President new tools to bring spending under control; to get deficits and debt under control; to enhance oversight; and to increase transparency in the budget process (sponsoring members' names in parentheses):

**Spending Control**

I. **The Legally Binding Budget Act** (Rep. James Lankford of Oklahoma)
   - Gives the budget the force of law by converting it from a concurrent to a joint resolution, which requires the President's signature. Upon a presidential veto, the joint resolution automatically reverts to a concurrent resolution.

II. **The Spending Control Act** (Rep. John Campbell of California)
   - Establishes statutory caps or binding limitations on federal spending and deficits – all enforced by a sequester of no more than 1 percent of programs – within each category if the program is growing faster than inflation.

**III.** **<u>The Expedited Line-Item Veto and Rescissions Act</u>** (Chairman Paul Ryan of Wisconsin, Ranking Member Chris Van Hollen of Maryland)

- Provides for the expedited consideration by Congress of specific requests by the President to reduce discretionary spending in recently passed appropriations legislation.

**Enhanced Oversight**

**IV.** **<u>The Biennial Budgeting and Enhanced Oversight Act</u>** (Rep. Reid Ribble of Wisconsin)

- Establishes a biennial budgeting cycle where Congress adopts a budget resolution in the first session of Congress (i.e. odd-numbered year) and considers authorization legislation in the second session.

**V.** **<u>The Baseline Reform and Government Shutdown Prevention Act</u>** (Rep. Rob Woodall of Georgia)

- Reforms budget "baseline" to remove automatic inflation increases in discretionary accounts, and to require a comparison to the previous year's spending levels.
- If Congress fails to enact appropriations bills by the fiscal year (Sept. 30) deadline, provides automatic authority to fund programs at the previous year's level.

**VI.** **<u>The Review Every Dollar Act</u>** (Rep. Jason Chaffetz of Utah)

- Requires all transfers from the general fund to the highway trust fund to be offset or counted as new spending.
- Removes all direct spending provisions from Pell and moves all funding to discretionary.
- Any new rule or regulation promulgated by the administration that includes new spending must seek an appropriation approved by Congress before such regulations take effect.
- Provides a mechanism through which Members can devote savings from spending bills to deficit reduction.

**Full Transparency**

**VII.** **<u>The No More Empty Promises Act</u>** (Rep. Mick Mulvaney of South Carolina)

- Caps total spending to reduce the burden of government to no more than 20 percent of the economy by gradually reducing spending.
- Requires Congress to review long-term budget trends every five years to put federal spending on a sustainable path and provides a fast-track legislative process to bring spending under control.
- Authorizes reconciliation of long-term savings (beyond the current limit of the budget resolution's typical 10-year window, up to 75 years) in Social Security, Medicare, and Medicaid.
- Requires CBO long-term estimates beyond the 10-year window
- Requires President's budget to extend beyond the 10-year window
- Limits on the reauthorization of federal programs
- Requires a reauthorization of all federal programs to ensure that the programs are operating efficiently.
- Strengthens the statutory requirement directing the President to submit legislation to save Medicare if the general fund subsidy to the program exceeds 45 percent of the program's costs.
- Requires GAO and OMB to report annually on the federal government's unfunded obligations.

**VIII.** **The Budget Transparency Act** (Rep. Scott Garrett of New Jersey)

- Reforms the Credit Reform Act to incorporate Fair Value accounting principles.
- Recognizes the budgetary impact of the GSEs by formally bringing the entities on-budget.
- Brings Postal Service on-budget
- Requires a CBO & OMB study on offsetting receipts/collections/revenues

**IX.** **The Pro-Growth Budgeting Act** (Rep. Tom Price of Georgia)

- Requires CBO to provide an assessment of the macroeconomic impact of major legislation.

The following House Budget Committee report explores the sources of dysfunction in the federal budget process, while providing additional details on this series of legislative proposals that would give lawmakers more effective tools to repair this broken process, get government spending under control, and promote economic growth.

## How the Process Broke Down

The Senate's ongoing failure to fulfill one of the most basic responsibilities of governing could not come at a worse time for the nation. Rarely has the need for fiscal discipline and spending control been clearer. The nation's total debt recently surpassed $15 trillion – roughly the size of the entire U.S. economy. University of Maryland economist Carmen Reinhart, who is considered one of the nation's foremost experts on sovereign debt crises, testified before the House Budget Committee last spring that letting total debt rise above 90 percent of GDP creates a drag on economic growth and intensifies the risk of a major economic crisis.[1]

Furthermore, recent projections from the Congressional Budget Office (CBO) make clear that we face a spending-driven debt crisis.[2] Federal government revenues are projected to return to pre-crisis levels by 2021. But federal government spending is projected to rise far beyond its pre-crisis norm – to 25.9 percent of GDP by 2021, and to 33.9 percent by 2035.

It is this 70 percent increase in government spending as a share of the economy – not historically insufficient or falling revenue – that is driving the U.S. government and the U.S. economy to the crisis point. And the broken budget process deserves a large portion of the blame.

Despite the best intentions of budget reformers over the years, mechanisms for spending restraint have broken down over time, and the rules are currently stacked in favor of people who want to spend money. The federal budget process contains numerous structural flaws that bias the government toward ever-higher levels of spending. Large swaths of the budget are not held accountable on a regular basis, and federal budget rules, which are written by Congress, assume that taxpayer money belongs to Washington, not taxpayers. And the processes by which the federal government spends money lack the transparency that is needed for taxpayers to hold Congress accountable.

### A Failure to Control Spending

The worst failing of the current process is that it has discouraged spending controls while enabling higher taxes and the evasion of Congressional responsibilities.

This failure has several causes:

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[1] Reinhart, Carmen M. Testimony before the U.S. House, Committee on the Budget. *Lifting the Crushing Burden of Debt*. Hearing, March 10, 2011.

[2] Congressional Budget Office. *2011 Long-Term Budget Outlook.* June 2011. http://cbo.gov/doc.cfm?index=12212

*<u>The Budget's Fundamental Weakness:</u>* The current process produces one budget from the President, and one from Congress. There is no mechanism to encourage agreement between Congress and the President on overall budget goals. As a result, any agreements on spending and tax legislation are piecemeal and ad hoc, if they occur at all.

Too often, this process creates conflicts that make it more difficult to discipline spending and reduce deficits and debt. Furthermore, the congressional budget is a "concurrent resolution," binding Congress, but not the President. Neither Congress nor the President has a fundamentally compelling reason to adhere to the budget.

One reason government has lurched from one budget crisis to the next is that the current system has made it all too easy for policymakers to abandon responsible budgeting. The results – an administration that has not put forward a credible budget; a Senate that plans on going four years without passing a budget; and uncertainty about government policy weighing on small businesses and hampering job growth – speak for themselves.

*<u>Too Many Loopholes Allow Congress to Evade Spending Restraints:</u>* The budget process contains various loopholes that can be exploited to violate budget limits. The Rules Committee can waive Budget Act points of order on a given bill. But the biggest enforcement loopholes concern the treatment of emergencies and disasters.

Since the imposition of caps on discretionary spending in 1990, the budget process has included mechanisms to exceed those caps for spending designated as an "emergency." Exempting emergency spending is necessary, but the practice has been frequently abused to include extraneous items which do not meet any reasonable definition of an "emergency."

Under the existing budget enforcement rules, the spending and revenue effects that result from a provision designated as an emergency are exempted from budget caps and a number of other budget enforcement measures. The vast majority of supplemental spending has been designated as emergency spending, and the two terms are often used interchangeably.

Over the past ten years, the use of supplemental appropriations to enact emergency spending has increased dramatically. According to CBO, supplemental spending totaled $99 billion in the 1980s and $86 billion in the 1990s. By contrast, from 2000 to 2009, supplemental appropriations often exceeded $100 billion per year. According to the Peterson-Pew Commission on Budget Reform, emergency spending during FY2001-2010 was about $2 trillion. In FY2009 alone, emergency spending totaled $470 billion, *over 60 percent of which was attributable to stimulus measures.*

While there are legitimate uses of the emergency designation, in the current system, emergency spending has been used in order to get around budget plans, challenging the effective allocation of limited resources.

*<u>Failure to Secure Line-Item Veto Legislation:</u>* Budget reformers have long struggled with the problem of how to deal with the fact that large and necessary pieces of legislation often become vehicles for wasteful special-interest spending. In 1996, Congress passed the Line Item Veto Act (P.L. 104-130) allowing the President to cancel any dollar amount of discretionary budget authority, any item of new direct spending, or certain limited tax benefits contained in any law, unless disapproved by Congress.

However, on June 25, 1998, the Supreme Court, in the case of *Clinton v. City of New York*, held the law unconstitutional on the grounds that the law violated the presentment clause. Since that time, Congress has attempted to enact new legislation giving the President a precise tool to go after reckless spending without compromising Congress's constitutional authority to make spending decisions, but these attempts have not been successful.

**A Failure of Oversight**

Oversight of how taxpayers' dollars are spent by agencies of government is one of the most critical functions of Congress. Yet a number of structural flaws in the current budget process impede Congress from exercising diligent oversight in this critical area.

*Annual Budgeting Requirements Impede Oversight:* Under current budget rules, once a program is authorized, it goes on spending tax dollars forever; and there is no requirement for Congress to evaluate whether programs are achieving their goals or working as efficiently as possible. The problem is complicated by the annual budget process, which consumes a great deal of time that Congress might otherwise devote to oversight. In addition, the CBO has reported that unauthorized appropriations in recent years have ranged from $160 billion to $170 billion.

*Biased Baselines:* Under current budget rules, any increases or decreases in federal government agency budgets are judged against a "baseline" that automatically rises with inflation. This builds automatic spending increases into the budget every year while assuming that every agency will need more money this year than it needed last year, regardless of what the agency's mission might realistically require it to spend. Agencies are thus given an incentive to spend every dollar in their budgets so as to maintain their baselines.

This problem is especially pronounced in years when government cannot agree on appropriation levels and government is funded through a continuing resolution that funds agencies at the previous year's levels. Failure to agree on a budget in Washington leads in itself to automatic spending increases, not spending reductions, which gives those who favor higher spending an advantage in disputes over spending levels.

*Ever-Higher Autopilot Spending:* Before the Budget Act, Congress provided the majority of spending authority through appropriations bills. By the early 1970s, program reforms enacted by Congress caused this pattern to change. When Lyndon Johnson assumed the presidency in 1963, two-thirds of the federal budget was subject to regular appropriations. About 25 percent was mandatory spending, and the rest was interest.

By the time the Budget Act took effect, for FY1976, mandatory spending – spending not subject to regular appropriations – had nearly doubled as a share of the budget, to about 46 percent, while appropriated spending had fallen to 47 percent. In 2010 mandatory spending consumed 57 percent of all federal spending. This steadily increasing share of the federal budget, as a practical matter, avoids congressional control and scrutiny, because its spending continues without any need for further congressional enactments.

New York Governor Andrew Cuomo has noted the serious flaws with this approach at the state level: "It is dictated by hundreds of rates and formulas that are marbleized throughout New York State laws that govern different programs – formulas that have been built into the law over decades, without regard to fiscal realities, performance or accountability."[3]

An important concern about entitlement programs is the lack of regular oversight by the authorizing committees. With discretionary spending programs, an opportunity for oversight arises every year, when appropriations subcommittees review programs in their jurisdictions as they develop their respective spending bills. But once an entitlement is enacted, it generally continues permanently, regardless of whether Congress ever reviews it. As a result, authorizing committees have no incentive to revisit such programs unless they want to expand them.

**A Failure of Inadequate Transparency**

[3] Cuomo, Andrew. "The Real Albany Sham: The Budget." January 31, 2011. http://www.governor.ny.gov/therealalbanysham

For taxpayers to be able to hold government accountable, it is necessary for Congress to require full transparency regarding all taxpayer liabilities. Instead, current budget rules allow government to hide many of these liabilities by failing to fully account for them in the federal budget.

*Failure to Consider Long-Term Spending Challenges:* One weakness of the current budget format is its failure to reflect accumulating long-term obligations, especially in various government insurance or guaranty programs. A recent example is the Pension Benefit Guaranty Corporation (PBGC), which takes over failed defined-benefit pension plans. Even future budget estimates show only the projection of annual income and outgo for the PBGC, not the total obligations it has assumed.

This is only one relatively minor example of the unfunded long-term obligations of the federal government. The GAO has estimated that in total the federal government has a $99.4 trillion unfunded liability, primarily due to its Social Security and Medicare commitments. This unfunded liability is not reflected in the federal budget.

*Obligations Not Recognized:* The government faces numerous obligations that are not adequately acknowledged in the budget, including the cost of most credit and insurance programs. In the case of housing, under current accounting rules, the government generates income by expanding taxpayer liabilities for home mortgages. The taxpayer exposure is not recognized and the income from fees is used to offset other spending. Existing accounting procedures underestimate the full costs of these obligations, even though better means of accounting for them are available.

*Omitting Legislative Impacts on Economic Growth:* Under the current rules, the CBO provides Congress with estimates of how proposed legislation will affect revenue, outlays and deficits – but not economic growth. Because the federal budget affects the economy in important ways, not all forms of deficit reduction are created equal. Tax rate increases, which negatively affect incentives to work, save and invest, bring in less revenue than projected because these incentive effects hurt economic growth. Spending cuts, which can reduce fiscal pressure and bring down interest rates, can encourage private-sector economic growth and thereby reduce deficits by even more than projected. Yet the positive or negative effects on the economy that result from these kinds of changes in law, which are prime considerations for lawmakers, are not estimated by the office charged with providing this kind of information to Congress.

## Budget Process Reform: A Framework for Repair

At a recent hearing of the House Budget Committee, Alice Rivlin, the founding director of the CBO and a former budget director for President Clinton, testified that "Process reform is normally incremental, but the time for incremental reforms in the budget process is over. The Congress should blow it up and start over from first principles."[4]

What follows is an attempt to heed this call to action: a series of solutions proposed by current members of the House Budget Committee and offered as a good-faith effort to restore responsible budget and fiscal discipline to Washington.

### Spending Control

1. The Legally Binding Budget Act

This bill fundamentally reforms the budget process by establishing a mechanism at the beginning of the budget process to reach agreement among the House, Senate, and the President on the appropriate levels of budgetary

[4] Rivlin, Alice M. Testimony before the U.S. House, Committee on the Budget. *The Broken Budget Process: Perspectives from Former CBO Directors*. Hearing, September 21, 2011.

resources for the upcoming fiscal year. This mechanism is a joint resolution on the budget which would have the force of law and like all laws require the signature of the President (or a two-thirds majority of both chambers if vetoed) to be enacted. The contents of this legislation would be strictly limited to keep the joint budget resolution from becoming a vehicle for unrelated legislation.

Under the current budget process, the budget resolution is a concurrent resolution that is never presented to the President for his consideration. Instead, the resolution is solely an internal congressional document that governs the consideration of legislation with fiscal implications, but does not necessarily reflect an agreement between Congress and the President on the total levels of spending, revenue, deficits, and debt of the federal government.

In contrast, a joint budget resolution would require agreement between Congress and the President early on in the process. Once that agreement is reached, Congress can then pass implementing legislation that conforms to the framework established in the joint resolution.

If the President chooses to veto the joint resolution, the resolution would remain in effect for the purposes of governing congressional consideration of legislation with fiscal implications, thus ensuring that a veto would not unduly delay consideration of legislation by Congress.

<u>2. The Spending Control Act</u>

This bill establishes binding limitations on federal spending and deficits to provide Congress with a set of comprehensive controls as it addresses the nation's deficits and debt crisis. These limitations are in the form of statutory caps on the various categories of government spending and on deficits.

Specifically, the legislation would set statutory caps on discretionary spending (i.e., spending that is provided by Congress annually through appropriations bills) at the levels established in the House-passed budget resolution. These caps are stronger than those in existing law because they would include limits on the levels of outlays (the actual expenditure of funds by the federal government) for each year. Other than the Budget Control Act, all previous laws capping discretionary spending have also capped outlays.

The bill also removes the "firewall" in 2013 that limited Congress's discretion to determine the appropriate allocation of funds between security and non-security budgetary functions. Any discretionary spending above the levels established in statute would result in an across-the-board reduction in discretionary spending in order to bring the total level of spending back into compliance with the statute.

The legislation would also cap direct spending (i.e., spending that is on autopilot because it is not regularly reviewed by Congress and continues in amounts that are determined by permanent law). These caps are subdivided into three categories:

1. Medicare
2. Medicaid and other health-related spending; and
3. All other direct spending (excluding Social Security and net interest).

Any spending in a category above the levels established in statute would result in an across-the-board reduction within that category in order to bring the total level of spending back into compliance with the statute. Certain specified programs would be exempt from reduction under this provision, including Social Security. The legislation also establishes a special rule to protect Medicare beneficiaries from any across-the-board cut.

The legislation would also cap total spending (i.e. the sum of discretionary and direct spending). This total spending limitation would be set as a percentage of the total U.S. economy (GDP). This limitation on the size of the government as a share of the economy would be enforced through an across-the-board reduction in all spending categories subject to certain limitations and rules to protect Social Security and Medicare beneficiaries.

The legislation also provides for an expedited procedure to consider changes to these spending caps necessitated by emergencies, e.g. natural disasters. This procedure would ensure that the full budgetary and economic implications of such excess spending are considered as Congress responds to emergency needs.

The legislation also codifies the cut-as-you-go prohibition currently in House rules against legislation that would increase direct spending and repeals the ineffective Statutory PAYGO.

Finally, the legislation strengthens the enforcement of these caps by providing that no legislation that would break these caps can be considered unless a supermajority of members of Congress votes to do so.

3. The Expedited Line-Item Veto and Rescissions Act

The legislation would provide for the expedited consideration by Congress of specific requests by the President to reduce discretionary spending in recently passed appropriations legislation. Under the bill, the President would identify specific provisions that increase discretionary spending that he proposes to cancel. Congress would then have a limited period of time in which to consider and debate the President's proposal and must then have an up-or-down vote on whether to approve the proposal. Any proposals that are approved will result in lowering the discretionary caps by the amount of budget authority saved.

**Enhanced Oversight**

4. The Biennial Budgeting and Enhanced Oversight Act

This bill establishes a biennial budgeting cycle for the U.S. Government.

In the first session of each Congress (i.e. an odd-numbered year), the President would submit to Congress a budget resolution for each of the next two fiscal years, the biennium. During that session, Congress would consider and adopt a budget resolution covering both years of that Congress. The budget resolution would provide the framework for the consideration of legislation with fiscal implications over the course of the entire Congress. Also in the first session of each Congress and once a biennial budget resolution is adopted, the Congress would enact appropriations that would provide budget authority for each year of the biennium.

The second session of each Congress (i.e. an even-numbered year) would be reserved for congressional consideration of authorization legislation. Authorizing legislation would have to cover at least two years and no more than seven years.

By moving to a biennial process, Congress would have more time to conduct detailed oversight of the executive branch; a more orderly work process for considering appropriations and authorization legislation; and more budget stability as agencies would know a year in advance the resources they will have.

5. The Baseline Reform and Government Shutdown Prevention Act

This legislation would reform the baseline against which legislation is considered by removing the assumption that discretionary spending will increase by inflation in each year of the baseline.

The legislation also establishes authority to ensure that a lapse of annual appropriations does not result in the shutdown of essential government services. The automatic continuing resolution included in the legislation would provide authority for federal agencies to continue discretionary spending at a slightly reduced rate from the previous year.

6. The Review Every Dollar Act

This legislation reforms direct spending programs to provide greater congressional control over this category of "autopilot" spending.

First, the legislation establishes a budget rule that ensures the costs to the federal government are considered whenever transfers from the general fund are made to the highway trust fund, which is generally funded through federal gas taxes. Under current rules such transfers do not "score" for purposes of congressional budget rules, despite the fact that the transfers provide additional spending authority for the program.

Second, the legislation rationalizes the funding of the federal Pell Grants program. Pell Grants are federal assistance to students who fall below certain income thresholds. The program is currently funded through a mixture of annual appropriations and certain direct spending provisions. This legislation would remove the direct spending provisions and provide for an increase in the discretionary caps to accommodate the movement of those budgetary resources from direct spending to discretionary spending. This reform would simplify the program and give Congress greater control over the full costs of running this assistance program.

Third, this legislation would provide for greater control of increases in mandatory spending caused by administrative actions of the executive branch. Under current law, agencies that run programs funded through direct spending can take administrative actions, e.g. changing eligibility rules or changing services available through a program, in ways that increase the cost of that program to the federal government. This reform would require that any such administrative actions cannot go into effect unless Congress enacts new legislation to fund that action or unless the administration takes other administrative actions to offset the increased costs.

The legislation also requires periodic sunset reviews and reauthorization of all federal programs to ensure that the programs perform a necessary and appropriate federal role and are operating efficiently.

Finally, the legislation establishes "Deficit Reduction Accounts" into which funds can be transferred during congressional consideration of legislation. This reform would ensure that if an amendment is adopted that reduces the amount of budget authority provided in a bill, that budget authority is not merely shifted to some other part of the bill but is instead permanently unavailable and thus used to reduce the deficit.

**Full Transparency**

7. The No More Empty Promises Act

This legislation builds on the statutory spending controls discussed above and would require that Congress consider the long-term fiscal impact of legislation it considers.

The congressional budget resolution would be required to establish long-term levels (as a percentage of the size of the economy) for the budget aggregates (total spending, revenues, deficits and debts) for the next 40 years. The budget resolution could also include reconciliation directives to congressional committees to report legislation to achieve the levels set forth in the resolution.

The President's budget request would also be required to include long-term projections of the budget and of the policies proposed in that request.

Congressional consideration of the long-term implications of legislation would be further enhanced by the requirement that the CBO prepare estimates of the long-term implications of major legislation in time for Congress to consider that information during its debates. CBO would also be required to provide an assessment of the long-term macroeconomic impact of major legislation so that Congress can consider the impact on the jobs and the economy of proposed legislation.

The legislation also requires periodic sunset reviews and reauthorization of all federal programs to ensure that the programs perform a necessary and appropriate federal role and are operating efficiently.

The legislation also requires annual analyses by the Government Accountability Office and the Office of Management and Budget of the government's fiscal condition, specifically the long-term unfunded obligations of the U.S. Government.

Finally, the legislation reaffirms the requirement for the President to submit legislation to save and strengthen Medicare if the general fund subsidy to the program exceeds 45 percent of the program's costs.

8. The Budget Transparency Act

This legislation seeks to increase transparency in federal budgeting by reforming the way certain costs are calculated and requiring that certain costs incurred by the federal government are included in the budget.

First, the legislation requires that in calculating the costs of federal credit programs, the executive branch and Congress use so-called "fair value" methodologies that consider not only the borrowing costs of the federal government, but also the costs of the risk the federal government is incurring by issuing a loan or loan guarantee or by making an investment in a private entity. This reform would bring federal budgeting in line with private sector cost-estimating practices.

Second, the legislation would require the CBO and the OMB to conduct a study on extending this "fair value" methodology to federal insurance programs, which are currently accounted for on a cash-flow basis.

Third, the legislation would recognize the budgetary impact of the housing-related government-sponsored enterprises, Fannie Mae and Freddie Mac, by formally bringing these entities on-budget and requiring that their debt issuances be included in the calculation of the federal debt. Since the financial crisis these enterprises have become the explicit financial responsibility of the federal government and these reforms would ensure that the budgetary implications of that fact are reflected in the federal budget.

Fourth, the legislation would require the CBO and the Office of Management and Budget to conduct a study on the use of budgetary terms related to money collected by the federal government, which has become jumbled and inconsistent over the decades.

9. The Pro-growth Budgeting Act

This legislation requires the CBO provide to Congress analyses of the effect major legislation would have on economic growth so that such information can be considered by Congress during its debates.

## Conclusion

There is much that needs to be done and that Congress can do to fix the government's broken budget process. But process reform alone will not be enough to meet the nation's greatest fiscal and economic challenges. In order for budget process reform to work, members of Congress must have the will to make it work. Reform or no reform, it will take political courage and leadership to get the nation's fiscal house in order.

Americans deserve a real debate over the nation's fiscal future, and the budget process is an appropriate forum for that debate. Congress urgently needs to fix what's broken and build upon what's working. The solutions offered in this report point the way forward to a better process, but the nation's leaders owe it to the country to offer real solutions within that process to put the budget back on the path to balance and the economy on the path to prosperity.