The congressional budget resolution should establish the nation’s priorities, the approach to financing them, and a plan to ensure the nation is on a fiscally responsible track. We recommend that Congress adheres to the following principles when crafting a budget resolution:

**Set a meaningful fiscal goal, and put forward a plan to achieve it**
- Aim for specific debt, deficit, and other budgetary targets. The goal should result in a falling debt-to-GDP ratio over the budget window.
- Set revenue and spending levels to meet the fiscal goal, backed by achievable policies, realistic assumptions, and reconciliation instructions.

**Propose specific plans to address mandatory spending and revenue**
- Advance detailed reforms to slow the growth of Medicare, Medicaid, and other direct spending programs.
- Propose specific policies to increase revenue and responsibly address expiring tax provisions.
- Include reconciliation instructions for assumed mandatory savings and revenue.

**Set responsible, achievable, and enforceable discretionary spending levels**
- Set realistic and affordable discretionary spending levels, offsetting any increase relative to current law.
- Limit abuse of the Overseas Contingency Operations (OCO) designation and of Changes in Mandatory Programs (CHIMPs).

**Enforce the PAYGO requirement that legislation does not add to the deficit**
- Require full offsets for any bill that reduces revenue or increases mandatory spending.
- Maintain and strengthen PAYGO and other rules prohibiting legislation that would increase the deficit over the medium or long term.

**Rely on credible and realistic assumptions**
- Use economic assumptions based on Congressional Budget Office estimates.
- Require current law baseline rules for evaluating costs of legislation.

**Improve the budget process and budget enforcement**
- Ensure strict enforcement of spending and revenue levels in the budget resolution.
- Adopt budget process reforms such as those considered by the joint committee on budget process reform.

**Anticipate negotiating with the other chamber**
- Recognize divided government as an opportunity for bipartisan reforms.
- Prioritize governance and our fiscal future over partisan messaging.