



Budget Process Reform Options April 18, 2016

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The Committee for a Responsible Federal Budget's Better Budget Process Initiative has published several papers on reforming the budget process. Below are the options for reform released to date. To read the full papers visit crfb.org/better-budget-process-initiative

Strengthening the Budget Resolution

Change the process for adopting a budget resolution

1. Make the Budget Committee a leadership committee
2. Change to a joint budget signed by the President
3. Divide the budget resolution in two parts: fiscal goals and an enforceable legislative framework
4. Implement a biennial budget with off-year amendments
5. Provide for more informed consideration of amendments to the budget resolution

Strengthen enforcement of the budget resolution

6. Enforce deficit reduction assumptions in the budget resolution through reconciliation
7. Make it harder to consider legislation violating spending or revenue levels in the budget resolution

Modify the contents of the budget resolution

8. Include enforcement provisions in the text of the budget resolution
9. Reinforce pay-as-you-go rules
10. Link the debt limit to the budget resolution
11. Include Social Security in the budget resolution
12. Provide for long-term savings targets
13. Limit the use of reserve funds
14. Show all budgetary resources in budget functions and committee allocations

Strengthening Statutory Budget Enforcement

Strengthening enforcement of existing rules

1. Establish a separate point of order against provisions to exclude costs from PAYGO
2. Prohibit legislation blocking any sequester enforcing statutory PAYGO or discretionary caps

**Restrict the use of phony offsets**

3. Prohibit the use of spending cuts with no real savings
4. Restrict the use of timing gimmicks to claim savings within the budget window
5. Prevent the use of artificially inflated baselines to claim savings
6. Prohibit double-counting of increased revenues and spending cuts involving trust funds

Ensure all costs are subject to budget discipline

7. Limit the use of Overseas Contingency Operations as a slush fund
8. Expand the deficit-neutrality requirement in PAYGO to apply to debt service

Improving the Debt Limit**Link changes in the debt limit to achieving responsible fiscal targets**

1. Presidential authority to increase the debt limit if fiscal targets are met
2. Presidential authority to increase the debt limit if accompanied by a plan to put debt on a declining path as a share of GDP
3. Suspend the debt limit automatically if fiscal targets are met

Incorporate the debt limit into Congress's fiscal decision making

4. Automatically increase the debt limit upon passage of budget resolution
5. Require reconciliation instructions to increase the debt limit to accommodate debt levels in the budget resolution
6. Require legislation with significant net costs to include an increase in the debt limit

Apply the debt limit to more economically meaningful measures

7. Subject debt held by public instead of gross debt to the debt limit
8. Index the debt limit to GDP growth, effectively capping debt-to-GDP

Replace the debt limit with limit on future obligations

9. Apply the debt limit to future liabilities and unfunded obligations
10. Replace the debt limit with a "debt cap"

Improving Focus on the Long Term

1. Require long-term estimates for significant legislation
2. Codify rules prohibiting legislation from increasing long-term deficits
3. Allow long-term savings targets for reconciliation
4. Establish a second-five-year test for PAYGO
5. Require annual budget documents to include long-term information
6. Expand the use of accrual accounting where appropriate