CRFB Launches Series with Paper on Budgeting with a Long-term Focus

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The Committee for a Responsible Federal Budget today released a paper - the first in a series of solution papers outlining potential reforms of the budget process - that suggests ways for Congress to focus on long-term budget issues.

The solution papers follow up CRFB's earlier report on The Budget Act at 40: Time for a Tune Up?, which laid out the problems in the Budget Act. The solution papers will offer remedies to the problems identified in that report.

The series of solution papers stems from a growing consensus that the budget process is broken. The Better Budget Process Initiative will put forward specific options to improve the process: increasing focus on long-term fiscal outlook, reforming how Congress approaches the debt limit, strengthening statutory budget enforcement, revising the content and structure of the budget resolution, moving to biennial budgeting and addressing treatment of tax expenditures in the budget process.

This first solution paper argues that the short-term focus in the budget process leads to many poor outcomes, such as emphasis on short-term deficit reduction with little improvement in the long-term fiscal outlook and the use of "timing gimmicks" designed to obscure the budgetary impact of policy choices. The current budget process often causes policymakers to undervalue policies that will have a significant positive impact on the long-term fiscal outlook but produce little or no savings in the ten-year budget window.

Click here to read the paper.

The solution paper recommends modifying the rules that govern the budget process that will encourage a long-range perspective while cracking down on budget gimmicks that exploit over reliance on ten-year budget windows for scoring and to circumvent budget rules. Options for reform outlined in the paper include:

1. Requiring long-term estimates for significant legislation
2. Codifying rules prohibiting legislation from increasing long-term deficits
3. Allowing long-term savings targets for reconciliation
4. Requiring legislation to be deficit neutral in second five years of ten-year budget windows
5. Requiring annual budget documents to include long-term information
6. Expanding the use of accrual accounting where appropriate

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Click here to read the paper.

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