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Budget Conference Report Ducks Tough Decisions April 29, 2015

Maya MacGuineas, president of the Committee for a Responsible Federal Budget, made the following statement after budget conferees announced an agreement today on a concurrent budget resolution:

“Congress should be commended for actually having a budget this year and for proposing to put the debt on a sharp downward path relative to the economy. Unfortunately, the budget fails to give lawmakers the tools to accomplish this important goal, and in some areas actually facilitates higher deficits.

“Nowhere is this more clear than in the use of reconciliation – a potentially powerful tool to help achieve deficit reduction and entitlement reform. While the budget calls for deficit reduction in many areas of the budget, it includes only limited reconciliation instructions -- intended to be used solely for changes to the Affordable Care Act – which makes it unlikely Congress will act on the other savings assumed in the budget. Indeed, it doesn't even provide for action on offsets for the \$140 billion increase in the deficit from the recent "Doc Fix" legislation. By comparison, the House budget resolution had included reconciliation instructions to all committees with jurisdiction over mandatory savings.

“Meanwhile, the budget actually allows for significant *increases* in defense spending – without providing for any real offsets. Specifically, the budget resolution allows Congress to spend \$96 billion this year under the OCO designation meant for war spending, a \$38 billion increase over the President's request. These funds are designed to pad regular defense spending levels in excess of current law spending caps without offsetting the costs of that increased spending, and they represent backpedaling from limits in earlier versions of the budget.

“To be sure, the conference agreement does contain some useful budget enforcement provisions and reforms. It would provide increased information about the long-term impact of legislation and make it harder to pass legislation that damages the long-term fiscal outlook, limit the use of phony savings known as [CHIMPs](#), and restrict unpaid-for transfers into the Highway Trust Fund. Although the CHIMP limits are weaker than in an earlier version of the budget, the attention on this gimmick will begin an important conversation on how to crack down on its use. These



improvements, however, give little comfort in the context of a resolution that so blatantly circumvents the Budget Control Act spending caps.

“A budget resolution is only as good as the enforcement tools it contains and the willingness of Congress to follow through. With the recent [enactment](#) of the \$140 billion unpaid-for “Doc Fix” bill, and over \$400 billion of unaccounted for tax cuts already passed in the House, the gap between words and deeds appears to be quite large.

“Instead of bragging about a plan to balance the budget on paper, Congress should work toward achieving that claim. The first step would be to ‘do no harm,’ by sticking to existing budget rules and fully paying for any new spending or tax breaks. Ultimately, policymakers need to enact real deficit-reducing tax and entitlement reform. This will require action, not just rhetoric.”

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