

Budget Process Reform Proposal Offered by Co-Chair Nita Lowey

I. Switch to biennial budget resolutions, to expedite the appropriations and budget process.

A budget resolution would be required only in the first year of each Congress, and would include appropriations allocations for both the first and second years of the biennium. The biennial budget resolution would be allowed to generate one reconciliation bill per topic (spending, revenues, or debt limit), unless it is revised.

Congress would be free to adopt a revised resolution in second year if it chooses to do so. For years when resolution isn't revised, provision would be made for updating aggregates, allocations, etc. in the second year to reflect the current CBO scoring baseline and new 10-year budget window.

II. Don't allow special expedited treatment under the budget reconciliation process to be used for legislation that increases the deficit. The Senate 60-vote point of order against deficit-increasing reconciliation bills (the "Conrad Rule") would be reinstated, and a new 60-vote point of order would be added against reconciliation instructions in a budget resolution that call for a net deficit increase.

III. Restore pay-as-you-go rule in the House. This would restore the House point of order against mandatory spending or revenue legislation producing a net increase in the deficit over 6- or 11-year periods. The House adopted this rule in 2007 but amended it in 2011 to apply only to spending increases and not to revenue losses. A similar rule currently exists in the Senate.

IV. Facilitate timely enactment of appropriations.

The biennial budget resolution in item I above would be a first step, as appropriators would not have to wait for a 302(a) allocation in the second year of a biennium. In addition . . .

A. Deal with existing Budget Control Act (BCA) appropriations caps. The Joint Committee would strongly recommend that Congress enact legislation as soon as possible to raise the 2020-2021 BCA caps (separate from Joint Committee package) and that the BCA caps be allowed to expire after 2021. "Cap adjustment" items (such as OCO and disaster relief) would be retained after expiration (as adjustments to the 302 allocations).

B. Facilitate action on appropriations even if a budget resolution is not adopted. To deal with situations where a budget resolution is not adopted by both Houses by May 15, there would be a procedure allowing adoption of a concurrent resolution dealing only with 302(a) allocations for the Appropriations Committees for the biennium. This resolution would be under the jurisdiction of the Budget Committees and considered under expedited procedures in the Senate similar to those for budget resolutions (though with less debate time). The resolution would be similar in effect to a "deeming resolution" in the House except that its purpose would be to produce a common allocation applicable in the Senate as well as the House.

V. Improve transparency by requiring the Appropriations Committees to adopt full “302(b)-type” allocations showing how funding is being divided among their subcommittees before reporting any general appropriations bills for a year. This would be required even if Congress has not agreed on a budget resolution or a special resolution only setting a 302(a) allocation (see item III.B. above). In that case, absent other direction from the House and/or Senate, the committees would decide on the total to allocate and the allocations would be informational only rather than enforceable through points of order.

VI. Regularize the process for adjusting the debt ceiling to reduce brinksmanship and threats to federal credit standing and the economy.

The best course would be to repeal the debt ceiling entirely (while continuing authority for Treasury borrowing). Alternatively, the following procedures should be adopted:

a. Upon adoption of a budget resolution, provide for spinning off and sending to the President a joint resolution suspending the debt ceiling (and containing no other provisions). The ceiling would be suspended through the end of the biennium covered by resolution (i.e. through September of the first year of the next Congress) and upon reinstatement the ceiling would increase to match level of debt then outstanding. (Basically this is a modified and bicameral “Gephardt Rule”.)

b. Grant authority to the President (or the Treasury Secretary) to suspend the debt ceiling if it is within 30 days of being reached, subject to a fast-track congressional disapproval process, with the suspension lasting until June 15 of the first year of the following Congress and the ceiling automatically increasing upon reinstatement to equal the level of debt outstanding. This mechanism could serve as fallback if the budget resolution option fails because no resolution is adopted.

VII. Miscellaneous and technical improvements.

a. Eliminate the House rule which generally limits service on the Budget Committee to no more than four terms in any six consecutive Congresses. The Senate has no comparable rule.

b. Provide a better mechanism for handling appropriations “cap adjustment” items (e.g., OCO, disaster relief, emergencies) for congressional budget enforcement purposes, so that 302(b) allocations remain comparable to the actual content of the bills being considered and passed. Best approach is probably to give the Appropriations Committee chairs authority to make corresponding adjustments to the 302(b)’s when the Budget Committees adjust the 302(a)’s, as the Senate currently does.

c. Modify the law governing CBO baseline projections of emergency spending so that projections are based on multi-year averages of past spending rather than just the most recent year. (This change is designed only to improve baseline projections, and would have no effect on the rules for considering and enacting emergency spending.)

d. Ask OMB and Treasury to expedite providing full prior-year budgetary data to CBO (a measure suggested by CBO as a way to help speed up production of CBO March baseline, which is needed for development and scoring of appropriations bills).