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# Long-Term Budgeting within the Congressional Budget Process: In Brief

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## Long-Term Budgeting within the Congressional Budget Process: In Brief

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the Legislative Process

Members of Congress, the Administration, and outside groups have expressed concern over long-term projections of deficits and debt levels. The Congressional Budget Office (CBO) has stated that federal deficits and debt held by the public, which are higher than average, are projected to increase sharply over the next 30 years.

Some have argued that the current congressional budget process has created, or at least exacerbated, the projected long-term deficit and debt challenges. It has been said that the current process does not encourage or require the consideration of long-term budgetary outcomes. Some argue that the lack of a formal requirement for Congress to consider long-term budget outcomes discourages long-term planning and encourages policy outcomes that are desirable in the short term at the expense of the long-term budget situation. It has therefore been suggested that Congress adopt a long-term budget focus.

In considering budget or budget process reform, it may be useful to review current congressional tools that may be used for long-term budgeting. For example, information and data are publicly available that project spending, revenue, deficit, and debt levels in the long term, and in some instances, data evaluating the long-term outlook of specific programs are available. Congressional committees are useful resources for long-term budgeting as they gather information and make policy recommendations on individual programs, as well as the budget as a whole. In addition, Congress is able to develop and consider a multiyear budget plan in the form of a budget resolution. The budget resolution may also trigger the budget reconciliation process, which has been used to make legislative changes addressing long-term budgetary levels. Also, the House and Senate have internal rules that restrict or prohibit consideration of legislation that would have certain long-term budgetary effects (e.g., the PAYGO rule and the long-term deficit rule). And lastly, there are laws that restrict or prohibit the enactment of budgetary legislation that would have certain long-term budgetary effects (such as 10-year discretionary spending limits and statutory PAYGO).

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The Constitution grants Congress enormous power and freedom to engage in what we now refer to as budgeting. First, the Constitution grants Congress the power of the purse but does not prescribe or require any specific budgetary legislation or budgetary outcomes. Further, the Constitution allows the House and Senate to determine the rules of their internal proceedings but does not prescribe or establish any budgetary rules or restrictions. Congress has thus developed certain types of budgetary legislation as well as rules and practices that govern the content and consideration of that budgetary legislation. This collection of budgetary legislation, rules, and practices is referred to as the congressional budget process.

Some have criticized the current congressional budget process and the budget outcomes that it has produced and have suggested that Congress adopt a more long-term budget focus. There is no consensus on what is meant by *long term*. For example, advocates of biennial budgeting (i.e., two-year budget resolutions, two-year appropriations legislation) sometimes characterize a two-year cycle as long-term budgeting. Some view the current 10-year budget window (described below) as being a form of long-term budgeting, while others consider long-term budgeting to span a lengthier period, such as 30 years or 50 years.

There is also no general consensus on what is required by long-term budgeting. Would it simply require Congress to stay informed of the long-term projections for spending, revenue, deficits, and debt? Would it require Congress to affirmatively vote annually on policies that are projected to continue year to year? Would it require Congress to adopt a long-term budget plan or long-term fiscal targets (e.g., debt-to-GDP ratio limits)? And if targets were agreed upon, would it require automatic triggers to enforce fiscal targets (e.g., automatic spending cuts or automatic tax increases)?

## Rationale for Long-Term Budgeting

Members of Congress, the Administration, and outside groups have expressed concern over projected levels of deficits and debt. The Congressional Budget Office (CBO) recently stated that federal deficits and debt held by the public, which are higher than average, are projected to increase sharply over the next 30 years.<sup>1</sup> CBO states that deficits would rise from 4.2% of gross domestic product (GDP) in 2019 to 8.7% in 2049. According to CBO, federal debt held by the public is currently 78% of GDP, significantly higher than the 50-year average of 42%. Under current law, budget deficits would cause the debt to be 92% of GDP by 2029 and 144% of GDP by 2049, which “would be the highest in the nation’s history by far.” If policymakers want debt in 2049 to equal its current share of GDP (78%), the deficit would need to be reduced by \$400 billion *every* year until then, CBO has projected.<sup>2</sup>

Some have argued that the current congressional budget process has created, or at least exacerbated, the projected long-term deficit and debt challenges. One recurring criticism is that the process does not encourage or require the consideration of long-term budgetary outcomes. Some argue that the lack of a formal requirement for Congress to consider long-term budget outcomes discourages long-term planning and encourages policy outcomes that are desirable in the short term at the expense of the long-term budget situation. Further, they argue that the current process does not even deter or prohibit Congress from enacting legislation that worsens the long-

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<sup>1</sup> CBO, *The 2019 Long-Term Budget Outlook*, June 2019, <https://www.cbo.gov/publication/55331>.

<sup>2</sup> Specifically, CBO states, “If lawmakers wanted debt in 2049 to match its current level of 78 percent of GDP, they could cut noninterest spending or raise revenues (or do both) in each year beginning in 2020 by amounts totaling 1.8 percent of GDP.... In 2020, 1.8 percent of GDP would be about \$400 billion, or \$1,200 per person.” CBO, *The 2019 Long-Term Budget Outlook*.

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term deficit and debt projections. They argue that Congress needs to adopt a long-term budget focus. This report provides information on existing resources and congressional rules related to a long-term budget focus.<sup>3</sup>

## Challenges Associated with Long-Term Budgeting

There are potential challenges or obstacles associated with the adoption of a long-term budget focus within the current congressional budget process.

Many think of the budget as being decided annually, but most policies that dictate how much will be spent and collected are fixed. Mandatory spending makes up 70% of total spending, is generally set by laws enacted years or decades ago, and remains in effect without the need for annual congressional approval. (Mandatory spending includes Medicare, Social Security, Medicaid, and interest on the debt.) Likewise, the collection of revenue as prescribed by the tax code continues without the need for legislative action. These mandatory spending and revenue policies change only if Congress and the President enact legislation making such changes. Under current law, these fixed spending and revenue policies are projected to result in increasing deficits and debt.<sup>4</sup> Many argue that addressing rising deficit and debt in the long term would require policy changes. Another challenge associated with long-term budgeting is that any projected levels of spending and revenue are inherently uncertain. The further out spending and revenue are projected, the more uncertain they become. For example, within CBO's long-term budget projections (referenced above), the agency notes that such projections are "very uncertain."<sup>5</sup> CBO concludes that while debt as a percentage of GDP in 2049 would likely be much greater than it is today if current laws remain unchanged, many factors (e.g., labor force participation, productivity in the economy, interest rates on federal debt, and health care costs per person) may alter actual outcomes.

Other challenges associated with long-term budgeting include the difficulty of budgeting for unforeseen events (such as military engagements, natural disasters, and downturns in the economy); underlying projection assumptions; and the problem of setting fiscal policy or establishing long-term goals that a future Congress may not support.

## Information Available to Congress on the Long-Term Budget Outlook

Information and data are publicly available to assist Congress in understanding the projected long-term budget situation. Projections are available that show spending, revenue, deficits, and debt in the long term, and in some instances, data evaluating the long-term outlook of specific programs are available. Selected examples of that information are described below.

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<sup>3</sup> For information on policy approaches to address long-term deficits, see CRS Report R45717, *Addressing the Long-Run Deficit: A Comparison of Approaches*, by Jane G. Gravelle and Donald J. Marples; and CBO, *Options for Reducing the Deficit: 2019 to 2028*, December 13, 2018, <https://www.cbo.gov/publication/54667>.

<sup>4</sup> CBO, *Options for Reducing the Deficit: 2019 to 2028*.

<sup>5</sup> CBO, *Options for Reducing the Deficit: 2019 to 2028*.

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## General Budgetary Projections for the Upcoming 10-Year Period

CBO regularly publishes budgetary and economic projections, which are formally known as the annual *Budget and Economic Outlook* but are often referred to in Congress as the annual baseline.<sup>6</sup> These baseline projections cover a 10-year period, which is often referred to as the budget window. These projections are based on the assumption that current laws regarding federal spending and revenues will generally remain in place.<sup>7</sup> The *Budget and Economic Outlook* includes information on projected spending, revenue, deficits, debt, economic growth, and alternative fiscal scenarios. Congress typically uses this baseline as a benchmark against which it measures legislative proposals.

The Office of Management and Budget (OMB) also publishes budgetary and economic projections.<sup>8</sup> As required by law, OMB includes information in the President's annual budget request on projected spending and revenue. Such projections typically span 10 years.

In addition to the information provided on the 10-year budgetary outlook under current law, CBO provides Congress with cost estimates of certain proposed legislation. The Congressional Budget Act of 1974 (the Budget Act) requires that the CBO provide an estimate for any bill reported from committee. These cost estimates provide information on how the legislation would affect spending, revenues, and the deficit over the next 10 years relative to the baseline. Such cost estimates assist Congress in adhering to the budget resolution and other points of order, described below.

## General Budgetary Projections for the Upcoming Decades

Each year, CBO provides Congress with its *Long-Term Budget Outlook*, which shows the effects of demographic trends, economic developments, and rising health care costs on federal spending, revenues, and deficits over the next 30 years. The report also shows the long-term budgetary and economic effects of some alternative policies.

In addition, in its cost estimates, CBO is required to note whether the underlying legislation would increase deficits in future decades.<sup>9</sup> To assist the Senate in complying with its “long-term deficit rule” (described below), CBO notes whether the legislation would increase on-budget deficits in any of the four consecutive 10-year periods beginning with 2030.

OMB provides long-term projections in the President's annual budget request in a section titled, “Long Term Budget Outlook.” These projections recently spanned a 25-year period and include projections under different fiscal scenarios.<sup>10</sup>

The Government Accountability Office also provides information and interactive tools on projected spending, revenue, deficits, and debt over the next 70 years.<sup>11</sup>

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<sup>6</sup> For example, CBO, *The Budget and Economic Outlook: 2019-2029*, January 2019, <https://www.cbo.gov/publication/54918>.

<sup>7</sup> CBO calculates the baseline in accordance with the rules specified in Section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (Title II of P.L. 99-177, 2 U.S.C. §§900-922). CBO makes its own economic and technical assumptions.

<sup>8</sup> For example, OMB, *President's Budget FY2020*, March 2019, <https://www.whitehouse.gov/omb/budget/>.

<sup>9</sup> This requirement exists in Section 3010 of S.Con.Res. 11 (114<sup>th</sup> Congress).

<sup>10</sup> For example, OMB, *President's Budget FY2020, Analytical Perspectives*, ch. 3, March 2019, <https://www.whitehouse.gov/omb/analytical-perspectives/>.

<sup>11</sup> Government Accountability Office, *America's Fiscal Future, Fiscal Forecast*, <https://www.gao.gov/>

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## Spending Projections for Individual Programs

Long-term information and projections are available for some individual programs. For example, the Social Security and Medicare Trustees issue respective actuarial estimates of each trust fund for the next 75 years.<sup>12</sup> These reports contain both short- and long-range projections of annual program expenditures and payroll tax receipts. There are also estimates of the actuarial deficits over the next 75 years that represent the shortfall between the program's projected expenditures and income.

In addition, the CBO provides long-term projections on specific programs. For example, CBO publishes recurring reports on the long-term projections for Social Security, the long-term implications of the Future Years Defense Program, and 10-year costs of U.S. nuclear forces.<sup>13</sup>

## Current Congressional Tools for Long-Term Budgeting

The Constitution grants Congress the power of the purse.<sup>14</sup> In carrying out such duties, Congress has developed budget-related rules and legislation as well as committees to carry out this responsibility. Some of these tools might be used in long-term budgeting.

### Congressional Committees

Congressional committees serve Congress by specializing in particular policy areas. They do this by gathering information, making policy recommendations, and performing oversight. In the course of this work, committees study and make recommendations related to the long-term implications of the specific programs within their jurisdiction. For example, the Senate Finance Committee and the House Ways and Means Committee may hold hearings on the long-term outlook for Social Security.<sup>15</sup>

In addition, the House and Senate each have a Budget Committee, established by the Budget Act. They enjoy jurisdiction over the budget resolution, the budget reconciliation process (described below), and the budget process generally. As stated by the Senate Budget Committee, “The [Budget] Committee, the budget resolution and reconciliation process, and enforcement authorities were created to enable Congress to create, enforce, and manage the annual Federal budget, including all types of Federal spending and revenues.”<sup>16</sup>

The Budget Committees may impact the budget and the budget process in many ways. They are responsible for developing and drafting a budget plan in the form of a budget resolution. A budget resolution agreed to by the House and Senate may trigger the budget reconciliation process,

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<sup>12</sup> The most recent report from the Social Security Trustees can be found at <https://www.ssa.gov/oact/TR/>. The most recent report from the Medicare Trustees can be found at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/index.html>.

<sup>13</sup> To access such reports, see <https://www.cbo.gov/about/products/major-recurring-reports#2>.

<sup>14</sup> U.S. Const. art I, §9, cl. 7: “No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law.”

<sup>15</sup> See for example, U.S. Congress, House Committee on Ways and Means, *Hearing on Social Security's Solvency Challenge: Status of the Social Security Trust Funds*, 115<sup>th</sup> Cong., 1<sup>st</sup> sess., July 14, 2017.

<sup>16</sup> U.S. Congress, Senate Committee on the Budget, *Committee on the Budget, Unites States Senate, 1974-2006*, 109<sup>th</sup> Cong., 2<sup>nd</sup> sess., 2006, S. Doc. 109-24.

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which has been used to make legislative changes reducing future deficits (described below). During the development of the budget plan, the Budget Committees gather information on the budget from many sources. They review the President's budget submission, and the director of OMB typically testifies before each Budget Committee. Additionally, the committees closely review CBO's annual budget and economic outlook for the upcoming 10 years, and the director of CBO testifies before the Budget Committees to answer questions.

The Budget Committees also hold hearings and consider legislation related to the budget process and the budget as a whole. This has included examining the long-term budget outlook and the potential for a more long-term budget process. Since the Budget Committees enjoy jurisdiction over the budget process generally, they would likely be involved in any efforts to alter the current process.

## **The Budget Resolution and the Budget Reconciliation Process**

The budget resolution reflects an annual agreement between the House and Senate on spending and revenue levels for the upcoming fiscal year and at least four additional years. The budget resolution does not become law. Therefore, no money is spent or collected as a result of its adoption. Instead, it is an agreement between the House and Senate meant to assist Congress in considering an overall budget plan. Once agreed to by both chambers in the exact same form, the budget resolution creates parameters that may be enforced in two primary ways: (1) by points of order and (2) by using the budget reconciliation process.

### **Enforcement through Points of Order**

Once the budget resolution has been agreed to by both chambers, certain levels contained in it are enforceable through points of order. This means that if legislation is being considered on the House or Senate floor that would violate certain levels contained in the budget resolution, a Member may raise a point of order against the consideration of that legislation.<sup>17</sup>

The Budget Act requires that the budget resolution include the following budgetary levels for the upcoming fiscal year and at least four additional years (often referred to as out years): total spending, total revenues, the surplus/deficit, new spending for each major functional category, the public debt, and (in the Senate only) Social Security spending and revenue levels. The Budget Act also requires that the aggregate amounts of spending recommended in the budget resolution be allocated among committees.

### **Enforcement through the Budget Reconciliation Process**

While points of order can be effective in enforcing the budgetary goals outlined in the budget resolution, they can be raised against legislation only when it is pending on the House or Senate floor. Moreover, points of order cannot limit direct spending or revenue levels resulting from current law. Often, for the budgetary levels in the budget resolution to be achieved, Congress must pass legislation to alter the levels of revenue and/or direct spending resulting from existing

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<sup>17</sup> Points of order are not self-enforcing, meaning that if no Member raises a point of order, a chamber may consider and pass legislation that would violate levels established in the budget resolution. In addition, either chamber may waive the point of order. Most points of order can be waived in the House by a simple majority of Members and in the Senate by three-fifths of all Senators. Points of order can be raised against bills, resolutions, amendments, or conference reports. If such a point of order is raised against legislation for violating levels in the budget resolution, the presiding officer makes a ruling on the point of order based on estimates provided by the relevant Budget Committee. While the Budget Act states that estimates used for determining points of order are to be provided by the Budget Committees, those estimates are typically provided by CBO and the Joint Committee on Taxation.

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law. In this situation, Congress seeks to *reconcile* the levels of direct spending and revenue under existing law with those budgetary levels expressed in the budget resolution. To assist in this process, the budget reconciliation process allows special consideration of legislation that would accomplish those budgetary levels expressed in the budget resolution.

If Congress intends to use the reconciliation process, reconciliation directives must be included in the annual budget resolution. These directives instruct individual committees in the House and Senate to develop and report legislation that would change laws within their jurisdiction related to direct spending, revenue, or the debt limit. Such reconciliation legislation is then eligible to be considered under special expedited procedures in both the House and Senate. These procedures are especially important in the Senate as they include a limit on debate time. This means the legislation does not require the support of three-fifths of Senators to bring debate to a close.

Since 1980, Congress has sent the President 25 reconciliation acts, 21 of which were signed into law. Reconciliation has most often been used to enact legislation that was projected to reduce deficits. For example, between 1981 and 1984, four reconciliation bills were enacted that were each projected to decrease the deficit. Reconciliation legislation can be used to make policy changes that are temporary or permanent, therefore affecting the long-term budget. For a brief description of each reconciliation bill enacted into law, see CRS Report R40480, *Budget Reconciliation Measures Enacted Into Law: 1980-2017*, by Megan S. Lynch.

While the reconciliation process has been used to enact legislation that was projected to increase the net deficit, a Senate rule (known as the Byrd rule) prohibits reconciliation legislation from increasing the net deficit outside the “budget window.” (The budget window is the period covered by the underlying budget resolution and recently has spanned 10 years.<sup>18</sup>)

## Additional Rules and Points of Order

The House and Senate have many additional budget-related points of order that seek to restrict or prohibit consideration of different types of budgetary legislation, some of which have long-term implications. These points of order are found in various places such as the Budget Act, House and Senate standing rules, and past budget resolutions.

For example, the House and Senate have pay-as-you-go (PAYGO) rules that prohibit the consideration of direct spending or revenue legislation that is projected to increase the deficit in either of two time periods: (1) the period consisting of the current fiscal year, the budget year, and the four ensuing fiscal years following the budget year and (2) the period consisting of the current fiscal year, the budget year, and the ensuing nine fiscal years following the budget year.<sup>19</sup>

Additionally, in the Senate, a rule exists that is often referred to as the “long-term deficit point of order.” It prohibits the consideration of legislation that would cause a net increase in deficits of

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<sup>18</sup> The Byrd rule was first adopted in 1985 in response to concerns that committees were including recommendations in their reconciliation submissions that were extraneous to achieving the budgetary goals established in the budget resolution. The Byrd rule generally prohibits the inclusion of material considered extraneous to the purpose of a reconciliation bill. It may be waived by three-fifths of Senators chosen and sworn. For more information, see CRS Report RL30862, *The Budget Reconciliation Process: The Senate’s “Byrd Rule”*, by Bill Heniff Jr.

<sup>19</sup> The Senate PAYGO rule also prohibits consideration of direct spending or revenue legislation that would increase the deficit during either the current fiscal year or the budget year. The Senate PAYGO rule may be waived by three-fifths of Senators chosen and sworn. The Senate rule applies to the on-budget deficit, which excludes the off-budget entities (Social Security trust funds and the Postal Service fund). The Senate rule has been articulated in past budget resolutions dating back to the 104<sup>th</sup> Congress and has no expiration per H.Con.Res. 71 (115<sup>th</sup> Congress). For the House, the PAYGO rule may be waived by a simple majority of Members. The rule exists as House Rule XXI, clause 10.

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more than \$5 billion in any of the four consecutive 10-year periods beginning after the upcoming 10 years.<sup>20</sup> Previously, the House had a similar rule that prohibited consideration of legislation that would cause a net increase in mandatory spending in excess of \$5 billion during the same period. The House rule is no longer in effect.<sup>21</sup>

## **Additional Budget Enforcement Mechanisms Currently in Effect**

In addition to points of order, there are other types of budget enforcement mechanisms that seek to restrict or prohibit the enactment of budgetary legislation over the long term.

### **Legal Limits on Annual Discretionary Spending**

The Budget Control Act of 2011 (BCA; P.L. 112-25) established statutory limits on discretionary spending for a 10-year period (FY2012-FY2021). (Similar discretionary spending limits were in effect between FY1991 and FY2002.) The BCA sets separate annual limits for defense discretionary and nondefense discretionary spending. The defense category consists of discretionary spending in budget function 050 (national defense) only. The nondefense category includes discretionary spending in all other budget functions. If discretionary appropriations are enacted that exceed a statutory limit for a fiscal year, across-the-board reductions (i.e., sequestration) of nonexempt budgetary resources are triggered to eliminate the excess spending within the applicable category.<sup>22</sup>

### **Statutory PAYGO**

In February 2010, the Statutory Pay-As-You-Go Act of 2010 (P.L. 111-139) was enacted establishing a budget enforcement mechanism commonly referred to as “Statutory PAYGO.” Statutory PAYGO is generally intended to discourage enactment of legislation that is projected to increase the on-budget deficit over five and 10 years.

To enforce Statutory PAYGO, OMB is required to record the budgetary effects of newly enacted revenue and direct spending legislation over the course of a year. After the end of a congressional session, OMB is required to issue an annual PAYGO report noting whether a debit has been recorded for the current budget year. If no such debit is found, no action occurs. If a debit is found, however, the President must issue a sequestration order, which automatically implements across-the-board cuts to non-exempt direct spending programs to compensate for the amount of the debit.<sup>23</sup>

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<sup>20</sup> Specifically, the rule applies to any of the four consecutive 10 fiscal year periods “beginning with the first fiscal year that is 10 fiscal years after the budget year provided for in the most recently adopted concurrent resolution on the budget.” The rule may be waived by three-fifths of Senators chosen and sworn. The rule applies only to the on-budget deficit, which excludes the off-budget entities (Social Security trust funds and the Postal Service fund). The rule has no expiration and exists in Section 3010 of S.Con.Res. 11 (114<sup>th</sup> Congress).

<sup>21</sup> This was first included in H.Res. 5, the House rules package for the 112<sup>th</sup> Congress. During the 113<sup>th</sup>, 114<sup>th</sup>, and 115<sup>th</sup> Congresses, the provision was included in H.Con.Res. 96 (113<sup>th</sup> Congress), S.Con.Res. 11 (114<sup>th</sup> Congress), and H.Res. 5 (115<sup>th</sup> Congress). The last iteration of the rule (H.Con.Res. 71, 115<sup>th</sup> Congress) reduced the permitted amount from \$5 billion to \$2.5 billion.

<sup>22</sup> The BCA specifies that the statutory limits may be adjusted for specific purposes, such as to provide for disaster relief and the global war on terrorism. For more information on discretionary spending limits, see CRS Report R44874, *The Budget Control Act: Frequently Asked Questions*, by Grant A. Driessen and Megan S. Lynch; and CRS Report R45778, *Exceptions to the Budget Control Act’s Discretionary Spending Limits*, by Megan S. Lynch.

<sup>23</sup> For more information on Statutory PAYGO, see CRS Report R41157, *The Statutory Pay-As-You-Go Act of 2010*:

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## Selected Budget Enforcement Related Mechanisms No Longer in Effect

While the following budget related mechanisms are no longer in effect, they provide insight into Congress's past budget process reform efforts and the desire for long-term budgeting.

### Statutory Deficit Limits

In 1985, the Balanced Budget and Emergency Deficit Control Act (P.L. 99-177)—referred to as the Gramm-Rudman-Hollings Act—employed budget process mechanisms in an attempt to force Congress and the President to balance the budget within a six-year period by specifying annual deficit limits for each fiscal year (1986-1991).<sup>24</sup> The act required that both the President and Congress adhere to the deficit limits when developing their budget plans. The act did not specify what policy changes should be made to achieve deficit reduction, leaving Congress and the President to negotiate over possible revenue increases and spending decreases. To enforce the specified deficit limits, the act set forth a specific process for the cancellation of spending by sequestration in the event that the deficit limits were breached.

These deficit targets and related enforcement mechanism were amended by the Balanced Budget and Emergency Deficit Control Act of 1987 (P.L. 100-119) and then were fundamentally revised by the Budget Enforcement Act of 1990 (P.L. 101-508), which replaced the focus on deficit targets under Gramm-Rudman-Hollings with a two-pronged approach to budgetary enforcement: the implementation of PAYGO procedures to control new direct spending and revenue legislation and discretionary spending limits to control the level of discretionary spending. For more information, see CRS Report R41901, *Statutory Budget Controls in Effect Between 1985 and 2002*, by Megan S. Lynch.

### The Joint Select Committee on Deficit Reduction (111<sup>th</sup> Congress)

The BCA created a Joint Select Committee on Deficit Reduction. The committee comprised 12 Members from the House and Senate—three chosen by each of the chambers' party leaders. The committee was instructed to develop legislation to reduce the budget deficit by at least \$1.5 trillion over the 10-year period FY2012-FY2021.<sup>25</sup> Legislation reported by the committee would then be eligible to be considered under special expedited procedures in both the House and Senate. These procedures are especially important in the Senate since they include a limit on debate time. This means the legislation does not require the support of three-fifths of Senators to bring debate to a close.

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*Summary and Legislative History*, by Bill Heniff Jr.

<sup>24</sup> This idea of employing budget process mechanisms to force subsequent legislative action on deficit reduction was not entirely new. During the 97<sup>th</sup> and 98<sup>th</sup> Congresses (1981-1984), several House and Senate committees demonstrated an interest in budget process reform as a way of dealing with growing deficits. These included standing committees—such as the House Government Operations Committee, the Senate Governmental Affairs Committee, the Senate Rules and Administration Committee, and the House and Senate Budget Committees—as well as special groups such as the Senate's Temporary Select Committee to Study the Senate Committee System (also known as the Quayle Committee) and the House's Task Force on the Budget Process of the House Rules Committee (also known as the Beilenson Task Force). The work of these committees is given credit for shaping and adding momentum to the budget process discussion, which ultimately led to the enactment of budget reform in 1985 and beyond.

<sup>25</sup> BCA, Title IV.

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The BCA stipulated that if a measure meeting specific requirements was not enacted by January 15, 2012, then an automatic process would be triggered to enforce the budgetary goal established for the committee. The committee did not reach agreement on such legislation, and while the committee is no longer in effect, the automatic process triggered by the lack of enactment still remains. This comprises annual downward adjustments of the discretionary spending limits (described above) and sequester of nonexempt mandatory spending programs through FY2027.<sup>26</sup>

## **The Joint Select Committee on Budget and Appropriations Process Reform (115<sup>th</sup> Congress)**

The Bipartisan Budget Act of 2018 (P.L. 115-123) created the Joint Select Committee on Budget and Appropriations Process Reform. The committee comprised 16 Members from the House and Senate—four chosen by each of the chambers’ party leaders. The committee was tasked with formulating recommendations and legislative language to “significantly reform the budget and appropriations process.”

The committee held a markup on draft legislation that concluded on November 29, 2018. The principal recommendation in the draft provided that the budget resolution would be adopted for a two-year cycle rather than the current annual cycle. The committee ultimately did not vote to report the bill as amended, and it was never considered by the full house.<sup>27</sup>

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<sup>26</sup> For more information, see CRS Report R44874, *The Budget Control Act: Frequently Asked Questions*, by Grant A. Driessen and Megan S. Lynch.

<sup>27</sup> For more information, see CRS Report R45111, *The Joint Select Committee on Budget and Appropriations Process Reform*, by Megan S. Lynch and James V. Saturno; and U.S. Congress, House Committee on the Budget, *Legislative History of the Joint Select Committee on Budget and Appropriations Process Reform*, committee print, 115<sup>th</sup> Cong., 2<sup>nd</sup> sess., December 19, 2018, H. Prt. 115-15.

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