

A PROPOSAL

Unified Budgets Can Help Revive Congress

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INTRODUCTION

Congress does not budget effectively.

Deficits and debt are growing. Duplication and fragmentation are ignored. Most members are excluded from making meaningful contributions, which disenfranchises those they represent and inflames inter- and intra-party conflict.

Fortunately,
Congress can fix its
own dysfunction.



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UNIFIED BUDGETS ARE AN IMPORTANT WAY TO DO THAT.

The idea is simple: put all spending and all revenue in the same annual budget bill. Most organizations—and many states—do this. Congress should too.

Each authorizing committee would report levels and proposed changes to direct spending and revenue policies, similar to reconciliation, but to the Appropriations Committees. The Appropriations Committees would bundle these submissions—without substantive revision—with the appropriations bills in the full committee markup into a single package.

After being reported, this unified budget would move to the House floor, where amendments could cover any part(s) of the entire budget. This holistic approach would help shift resources toward higher valued activities and increase opportunities for members to be engaged.

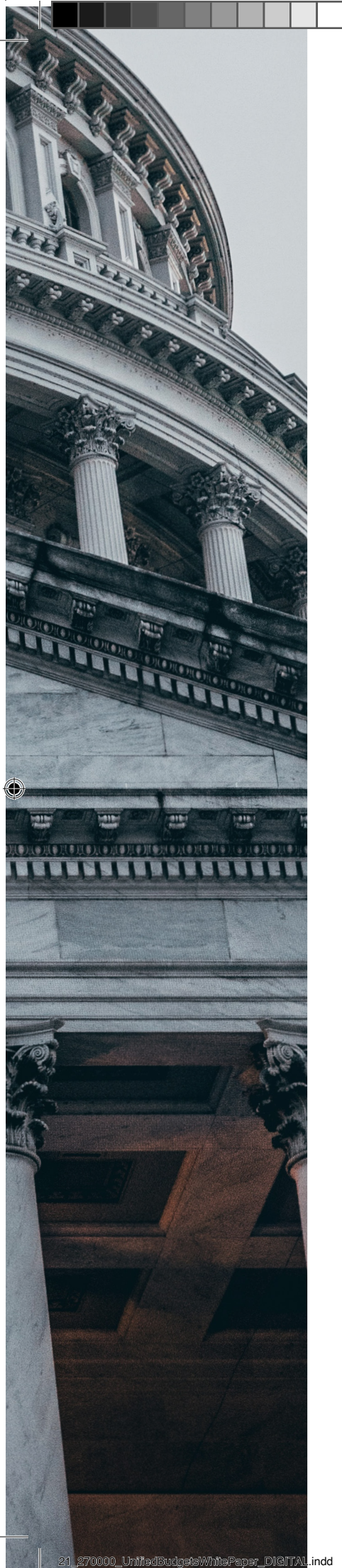
The first section outlines the dysfunction of the current process. The second describes a new vision for healthy congressional budgeting. The third section explains unified budgets' benefits and how to get from here to there. The appendix includes further details.

THE PROBLEM

Today's
congressional
process
yields poor
outcomes.



AMERICANS FOR PROSPERITY | UNIFIED BUDGETS



The congressional budget process fails to control deficits and debt, limit overlap and fragmentation, or check overreach into state and local government responsibilities or private domains.

It does not create space to update and reauthorize programs (or to terminate them), and it doesn't harness the substantial talents of most members of Congress within committees or in ad hoc coalition-building on the floor. The congressional budget process now tends to collapse into an overdue, undisciplined, uncoordinated leadership deal that almost no members have enough time to review or the opportunity to seek changes.



DEFICITS & DEBT

The U.S. Government's deficits and debt are growing unsustainably. Roughly speaking, the annual deficit is the difference between spending and revenue, while the debt is the accumulation of prior deficits. As *Figure 1* shows, recent deficits as a share of gross domestic product (GDP) have been larger and growing compared to previous decades.

Looking forward, the Congressional Budget Office (CBO) reported in March 2021 that the U.S. government's debt held by the public would be about 202 percent of GDP by the end of 2051. Using more realistic assumptions, the nonpartisan budget watchdog Committee for a Responsible Federal Budget (CRFB) estimates it could be closer to 259 percent. (See *Figure 2*.)

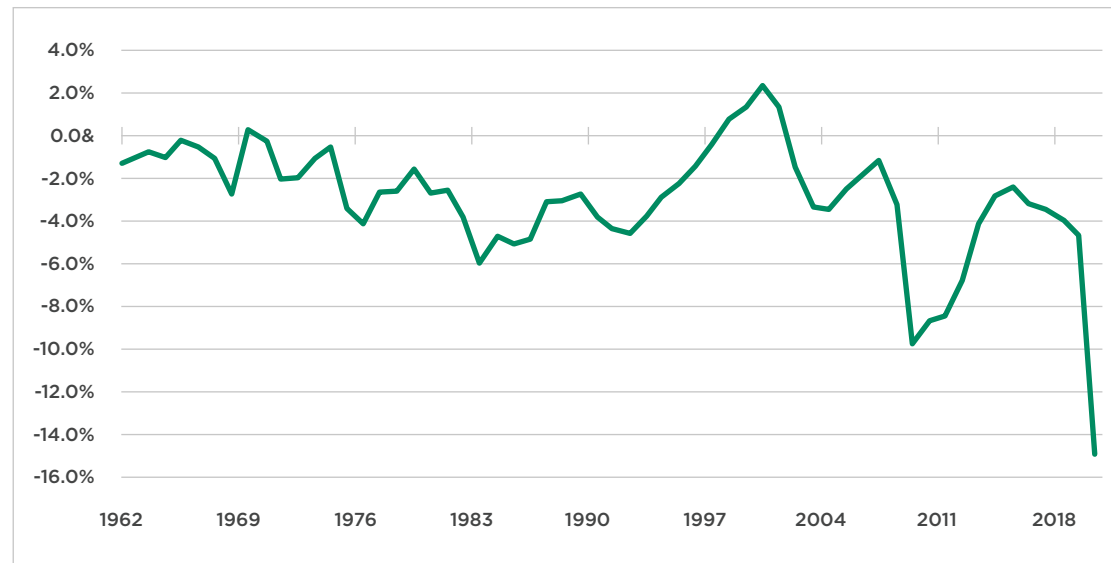
The Organisation for Economic Co-operation and Development (OECD) estimated in 2015 that higher-income countries like the U.S. would start to experience "negative effects of debt on the economy" when the debt passes a "range of 70 to 90 percent of GDP." U.S. government debt is already well above that range.

As the post-pandemic rebound recedes, the growing debt will be an increasing drag on the economy. The U.S. dollar's status as the main reserve currency for global commerce provides advantages, but that dominance may be eroding. The International Monetary Fund (IMF) notes that "the share of U.S. dollar assets in central bank reserves dropped by 12 percentage points—from 71 to 59 percent—since the euro was launched in 1999."

CBO, CRFB, the IMF, the OECD, the Government Accountability Office (GAO), and every other independent analyst recognizes that a high and growing debt burden carries risks and is likely to provoke a fiscal crisis eventually. Even without a fiscal crisis, high indebtedness has serious costs including fewer creative solutions to social problems and slower improvements in our quality of life.

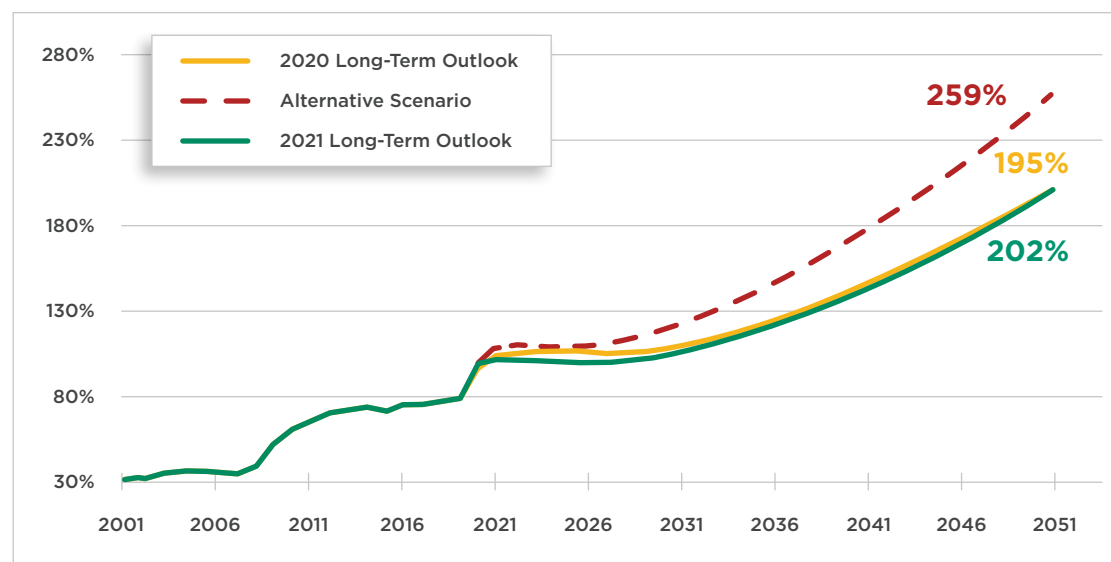
Several major trust fund programs face reckonings on a predictable schedule (*Figure 3*). Social Security Old Age and Survivors Insurance, Social Security Disability Insurance, Medicare Hospital Insurance, and Highway Trust Funds are on course to run out of reserves in the next decade or two. If Congress lets that happen, beneficiaries will face large and sudden payment cuts.

Figure 1: Deepening Deficits, 1962–2020 (Percent of GDP)



Source: [Congressional Budget Office](#)

Figure 2: Federal Debt Held by the Public, 2021–2051 (Percent of GDP)



Source: [Committee for a Responsible Federal Budget, CBO and CRFB calculations](#)



OVERLAP, DUPLICATION, & FRAGMENTATION

The federal government spent \$6.8 trillion through 1,960 mandatory and discretionary spending accounts in FY 2021. *Figure 4* shows recent changes in the number of accounts and total outlays.

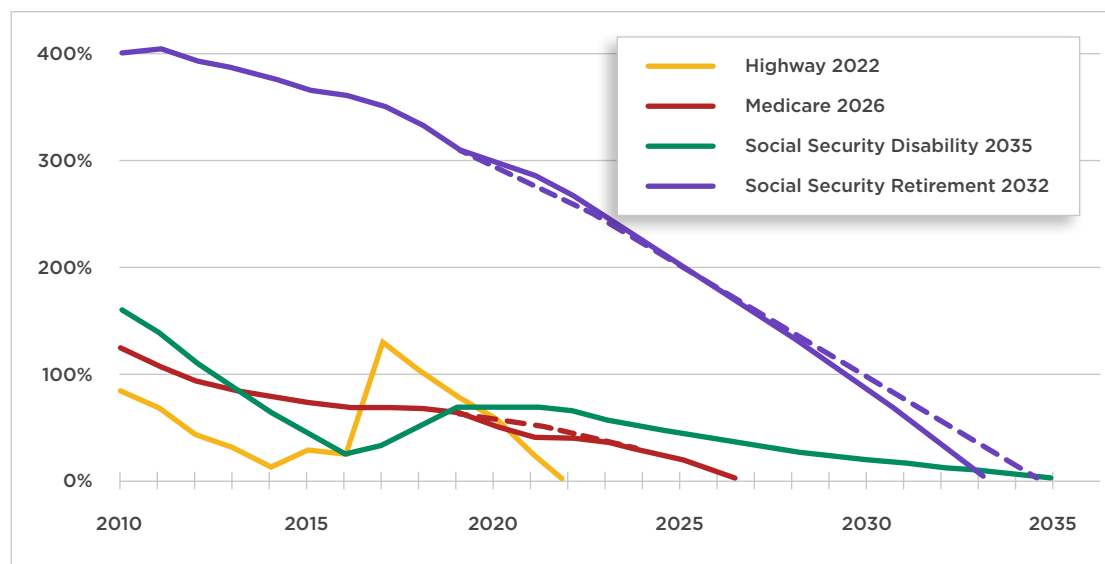
Tax expenditures—spending through the tax code—add nearly 200 more provisions, according to the Joint Committee on Taxation (JCT). They collectively reduce revenue collections by well over \$1 trillion and often support similar objectives to spending programs.

The disjointed process can lead to a proliferation of related programs. For example, former Senate Budget Chair Mike Enzi (R-WY) published a review of 160 housing programs administered by 20 federal agencies. They collectively spend more than \$50 billion each year, guarantee \$2 trillion in home loans, and provide billions more in subsidies through the tax code. As he put it, “this byzantine system is failing the neediest Americans.”

In the Bipartisan Congressional Budget Process Reform Act with Senator Sheldon Whitehouse (D-RI), Sen. Enzi proposed portfolio budgeting to review related programs together, among numerous other provisions. The current budget process provides little opportunity to make productive use of portfolio budgeting, however. Unified budgets, on the other hand, would facilitate that deliberation and create a venue to consider proposals that cross categories.

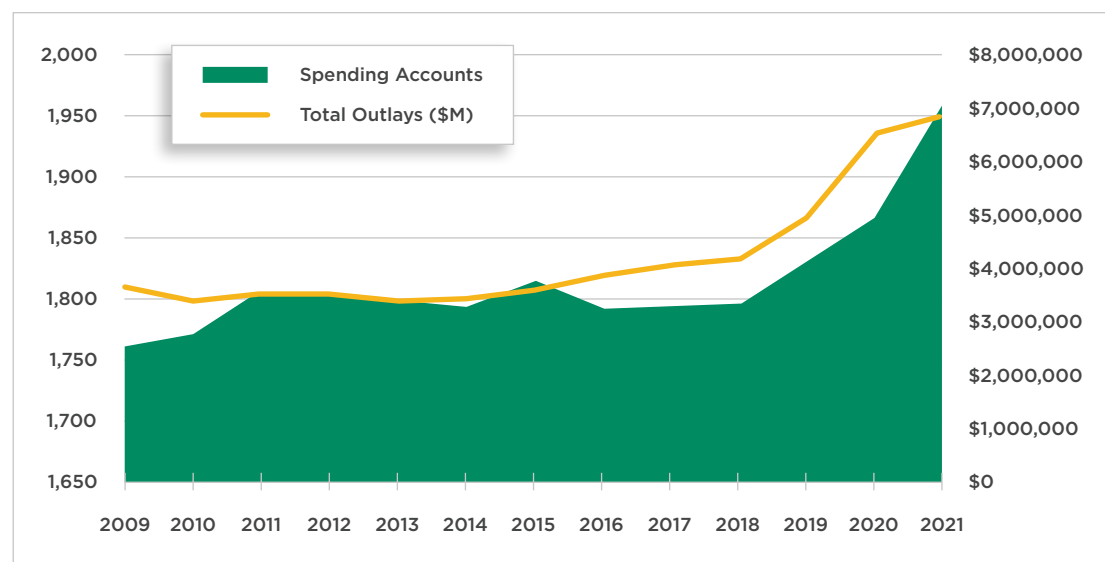


Figure 3: Trust Fund Balances (Percent of Annual Spending)



Source: Committee for a Responsible Federal Budget, based on CBO, Social Security and Medicare Trustees, Social Security Chief Actuary. Solid lines represent CBO; dashed lines represent Trustees or Chief Actuary Estimates.

Figure 4: Number of Federal Spending Accounts & Total Outlays



Source: Congressional Budget Office





OUTDATED PROGRAMS & LAPSED AUTHORIZATIONS

Related, congressional committees have fallen behind on reauthorizing and modernizing programs. [CBO reports](#) that 1,068 authorizations from 274 laws have expired, and \$432 billion in identifiable current spending lacks a current authorization of appropriations. Most of these accounts are within non-defense discretionary spending, as Congress generally reauthorizes defense-related programs each year.

Figure 5 shows unauthorized spending as a dollar amount and as a percentage of the total discretionary spending for programs within the jurisdiction of each Appropriations subcommittee. (See also *Appendix A*.)

Yet authorizing committees—not the Appropriations Committees—are responsible for reauthorizing and updating programs. Authorizing committees with more than \$30 billion in expired authorizations include the House Committees on Education and Labor; Energy and Commerce; Financial Services; Foreign Affairs; Judiciary; Science, Space, and Technology; and Veterans' Affairs, as well as the Senate Committees on Banking, Housing, and Urban Affairs; Commerce, Science, and Transportation; Foreign Relations; Health, Education, Labor, and Pensions; Judiciary; and Veterans' Affairs.

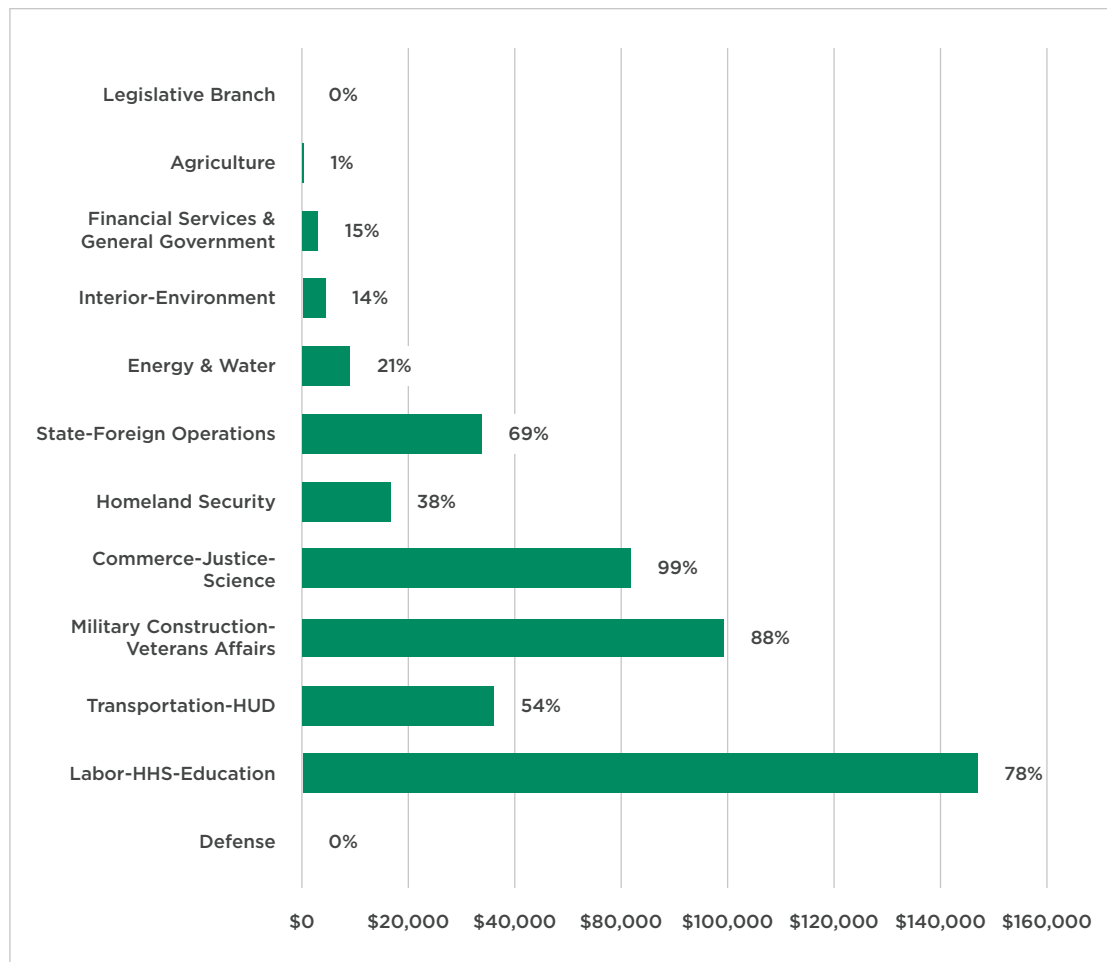
Authorizing committees design programs whether they have permanent appropriations (direct spending) or annual appropriations (discretionary spending). Many need to be reauthorized and updated. Some programs can be merged into others or transferred to states.

The laws should at least reflect current policy. As an egregious example, a [provision](#) of the Arms Export Control Act of 1968 gives preference to financing weapons sales to our good friends in...Iran. That hasn't been policy since 1979, of course, but Congress still hasn't updated the law.

In any case, authorizing committees have limited involvement with appropriations legislation or the annual budget and appropriations process in general. Members of those committees—other than a few of the most senior members—typically have no opportunity to weigh in at all.



Figure 5: Unauthorized Spending by Appropriations Subcommittee



Source: Congressional Budget Office, House Committee on Appropriations



APPROPRIATIONS COLLAPSE & LEADERSHIP-DRIVEN OMNIBUS LEGISLATION

The appropriations process doesn't work well. Congress increasingly fails to enact any appropriations by the start of the fiscal year, let alone every appropriations act (which it hasn't since FY1997). Many members and staff believe that all 12 appropriations bills should move separately, yet common practice is to combine them into a single omnibus or several large packages at the end of the calendar year, several months into a fiscal year.

It doesn't make much sense to consider each appropriations subcommittee's bill separately. They provide vastly different amounts (see *Figure 6*), and members often resist approving some bills without also guaranteeing passage of others. Defense Appropriations, for example, has the most spending and is the highest priority for many Republicans. The bill with the second-highest spending, which funds the Departments of Labor, Health and Human Services, and Education, is the top priority for many Democrats. Legislative Branch Appropriations spends less than 1 percent of the Defense Appropriations Act but is vital for Congress to fulfill its proper constitutional duties.

This discretionary spending remains substantial at \$1.65 trillion in FY2021, yet it is now less than one-third of total spending. Direct (or "mandatory") spending has grown more than twice as large (*Figure 7*). Social Security and major health care programs are the major components of that growth, which is expected to continue, especially in health care. Net interest is also expected to grow as the debt-to-GDP ratio and interest rates increase, but controlling it requires reducing the non-interest budget imbalances.

The collapse of a regular appropriations process has put congressional leaders in a difficult position. They have to negotiate with other leaders and the White House, not always knowing what their colleagues would have supported if they would have had a chance to vote on amendments in a serious process. This weakens them against the executive branch and exposes them to accusations of "caving" or otherwise selling out various constituencies. Excluding most members from the process intensifies inter- and intra-party conflict and weakens Congress as an institution.

Figure 6: FY2021 Appropriations Subcommittee Allocations (Outlays, \$M)

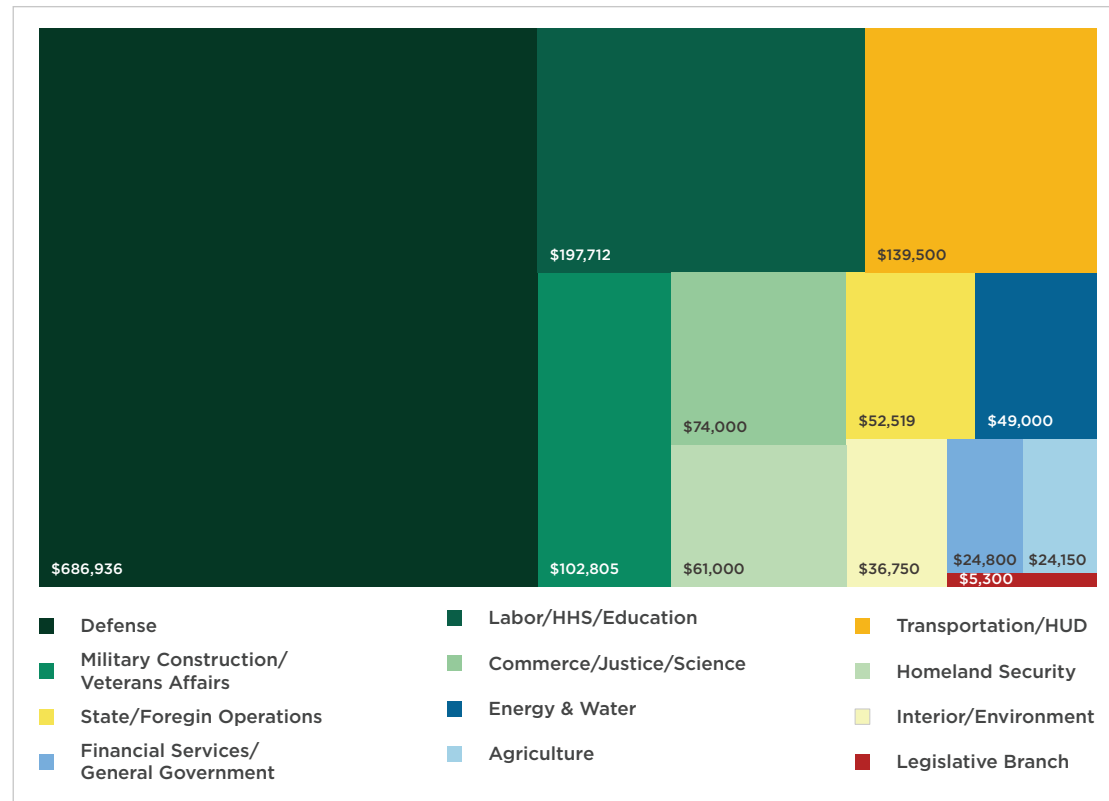
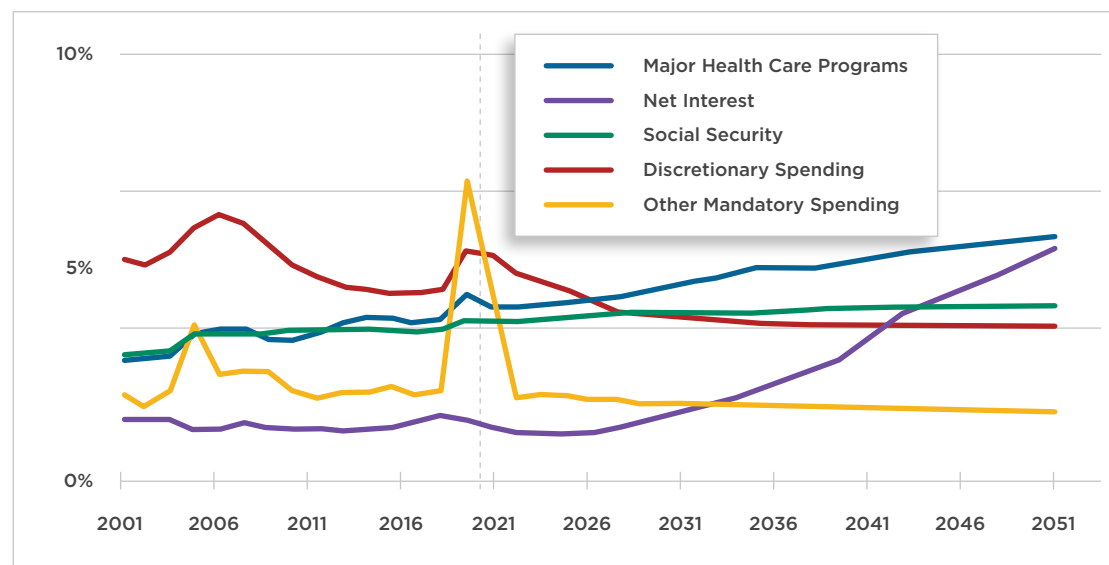


Figure 7: Long-Term Outlays, by Component (Percent of GDP)



Source: Congressional Budget Office, March 4, 2021 (pre-ARP)



SIDELINING MEMBERS & STAFF WASTES ENORMOUS TALENT

Many of today's congressional budget practices are faulty and produce poor outcomes. They do not effectively control deficits and debt, they have limited ability to control fragmentation and waste, and they are not conducive toward updating programs.

Most damaging to a legislative body, the budget and appropriations process provides few opportunities for members and staff to make substantive contributions as legislators. Members of Congress need to show that they are doing something. If shaping policy isn't an option, they'll focus on shaping the narrative and building their profiles around messaging. Many find that they can get more attention by playing to their base with simplistic "us versus them" narratives instead of negotiating careful and nuanced policy changes. This makes intra- and inter-party conflict worse by reducing the penalties that would otherwise result from obnoxious behavior, such as the reduced willingness of other members to engage with them.

The shift from legislating to messaging wastes enormous time, talent, and treasure by members of Congress and their staff. The American people expect those resources to be used to solve problems and improve quality of life. Leadership-driven budget deals cannot possibly harness the collective knowledge, experience, and judgment of members, nor can they effectively assert Congress' institutional prerogatives without a public demonstration of members' collective choices on various subjects. No wonder that the public holds Congress in such low regard.



“The job of
the majority
is to govern.
The job of
the minority
is to become
the majority.”

REPRESENTATIVE TOM COLE (R-OK)

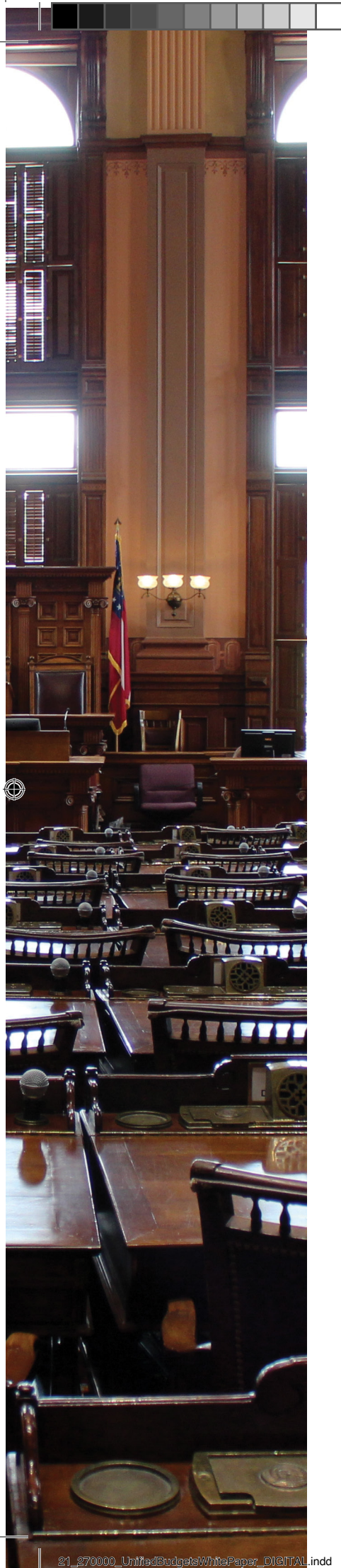
NOVEMBER 2020



THE SOLUTION

Unified
budgets
can engage
members
and improve
outcomes.

The Georgia House of Representatives chamber, where members adopt a unified budget each year.



Improving budget processes & outcomes begins with seeing what works in comparable organizations.

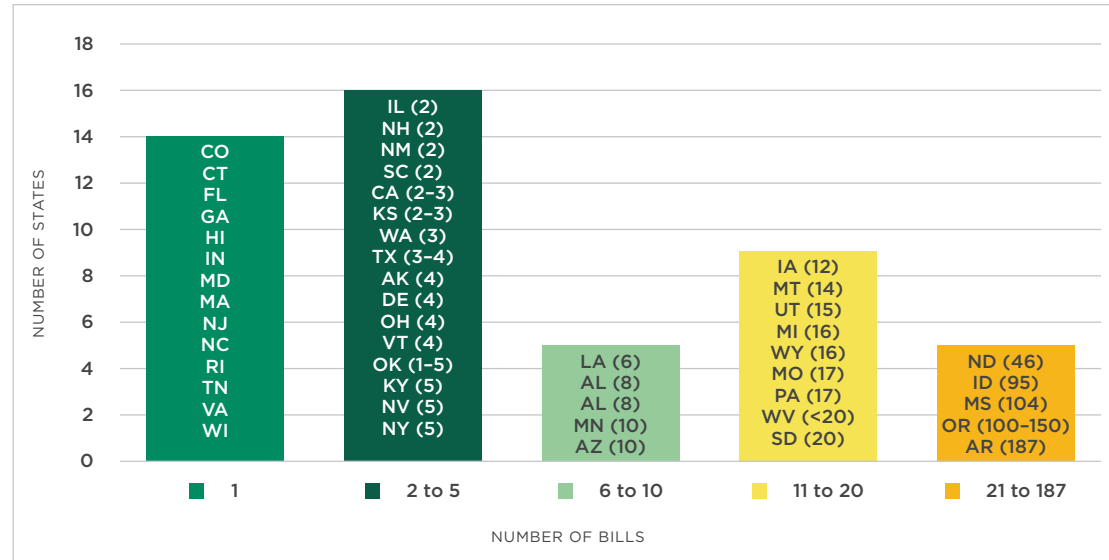
Most state legislatures enact each cycle's (annual or biennial) budget process with unified budgets—all spending and revenue considered together—or something close to them. Fourteen states pass a single bill to complete their budget cycle, while another sixteen do so in five or fewer bills (and Maine “varies”), as *Figure 8* indicates. Nearly all begin with a revenue statement comparing current law with the chief executive's proposals (see *Appendix B* for a federal version).

Congress can adopt comprehensive, unified budgets without any changes to the current committee structure. Only modest process changes are needed.

Congress set up the modern budget process in the Congressional Budget Act of 1974 (“Budget Act”), which also created the Congressional Budget Office and the House and Senate Budget Committees. It is generally well-written and improved significantly on prior congressional budgeting practices.

The Budget Act's error was an economic mistake, in the sense of recognizing the incentives facing members of Congress. It separated the annual appropriations process from management of the rest of the budget while reducing the threshold to enact changes to direct spending and revenue laws. More discussion of this occurs below.

A unified budget would include all spending and revenue levels, whether or not the legislation envisions changing them, as well as any proposed changes. This comprehensive accounting of funds into and out of the federal government not only provides the context for evaluating priorities and relative value against related and competing programs. It also provides a venue for members to propose reallocating resources in pursuit of a more effective, more efficient, more responsible federal government.

Figure 8: Number of Bills Making Up States' Enacted BudgetsSource: [NASBO](#)

THE PROCESS FOR UNIFIED BUDGETS

Again, unified budgets do not require changing the organization of Congress or of committees in either house. They would simply channel their contributions into a more productive, more comprehensive budget process.

FLOOR AMENDMENTS

Working backwards, amendments on the House and the Senate floors would enable deliberation across budget areas, whether programs are discretionary spending, mandatory spending, or revenue provisions. The House would move first due to the Constitution's origination clause that "All Bills for raising Revenue shall originate in the House of Representatives, but the Senate may propose or concur with Amendments as on other Bills." In addition, the Constitution does not explicitly require it, but the House traditionally advances appropriations legislation before the Senate does.

The floor is the most representative body within each house of Congress. A floor amendment process allows ad hoc coalitions of members to educate their colleagues and build support for what they believe to be improvements.



Amendment proposers could include party and committee leaders of one or both parties as well as rank-and-file members. Changes from the base bill would of course require agreement from the majority of members. This collective choice exercise would enable Congress to discover better ways to allocate resources and to pursue priorities.

Committees and other subdivisions of a party are not necessarily representative of the conference or caucus as a whole. The expertise, passion, and focus that members and staff of committees bring to issues are invaluable. Yet the reality that committees and chairs are not a microcosm of the overall conference means that committees must not have the final word in a system of representative government. Unified budgets would preserve the agenda-setting primacy of committees while giving other members the opportunity to propose amendments that may more accurately reflect the preferences of members as a whole.

Moreover, the threat of poison pill amendments would decline for at least two reasons. First, greater member and committee participation in the budget process would give more members a greater stake in its successful completion. This would increase peer pressure against proposing divisive amendments in the first place. In addition, the unified budget context makes it easier for members to oppose amendments that they might reluctantly support as isolated proposals—as they are often treated in the current dysfunctional process. Second, and perhaps more important, giving members of the minority party the ability to propose and debate substantive policy amendments would reduce the unpleasantness of being in the minority. Minority party members would be at least somewhat less intent on attacking and undermining the majority party since they'd have to rely on the votes of majority party members to prevail on an amendment.

A “special rule” with a pre-printing requirement (modified open rule) could facilitate an orderly process. Appropriations bills could be the first twelve titles with authorizing committees contributions as subsequent titles. Amendment order would be based on the first page that an amendment would affect. Appropriations full committee and subcommittee chairs and ranking members could manage amendments related to their bills. Authorizing committee leaders could participate during appropriations-related amendments, and they could take the lead thereafter.

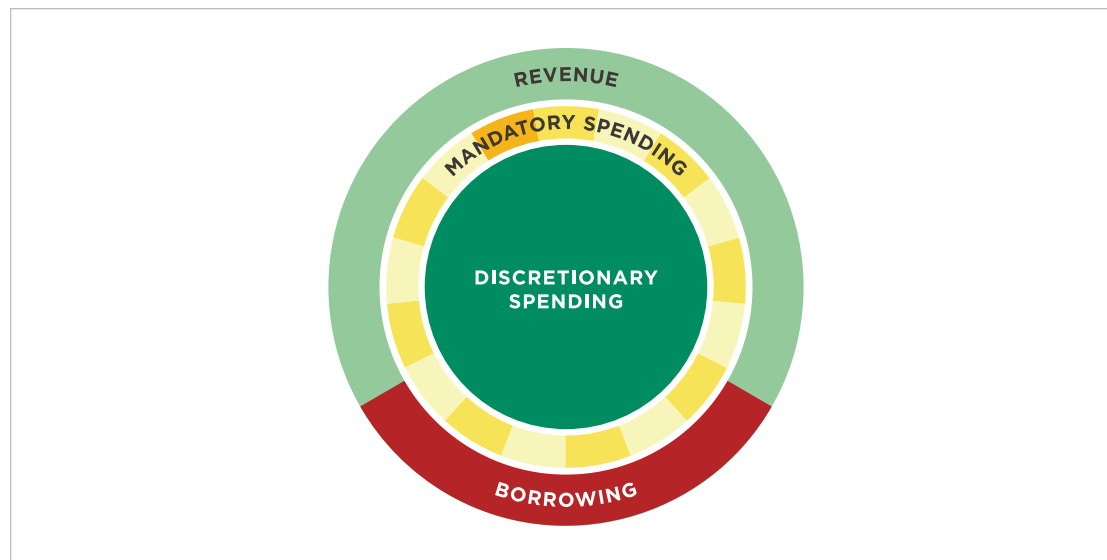
BASE BILL

The base bill would be a bundle of the twelve Appropriations bills for discretionary spending as well as submissions from the 16 House authorizing committees that receive allocations under section 302(a) of the Congressional Budget Act of 1974 for direct spending and revenue programs. The authorizing committee submissions would include line-items for all direct spending programs in their jurisdictions as well as legislative text to enact any proposed changes to current law. The Committee on Ways and Means would provide comparable information for revenue provisions.

These 29 components—12 appropriations subcommittee bills and 17 authorizing committee elements (two from Ways and Means)—would cover the entire federal budget. Or nearly so—the Social Security program and certain U.S. Postal Service payments are designated as “off-budget.” Congress could bring everything within the unified budget, though it may be reasonable to keep Social Security separate with its own process to address its imbalances.

Figure 9 illustrates the contributions of all House committees to a unified budget. Appropriations would remain the core of the annual process, and other committees’ components would give greater context, overall coherence, and a chance to manage non-discretionary allocations.

Figure 9: Appropriations is the Core of Unified Budgets



Source: Congressional Budget Office
Note: Not to Scale



APPROPRIATIONS ASSEMBLES

The House Appropriations subcommittees would continue marking up their appropriations bills as they currently do. They would simply be combined with the authorizing committee submissions—with no substantive changes—in the Appropriations Committee’s full committee markup into a single bill. The authorizing committee proposals not only facilitate management of the non-appropriated components of the budget, but they also involve the members of those committees more deeply in the annual process.

Including direct spending and revenue provisions in unified budgets does NOT affect their auto-pilot status. Only affirmative changes to those provisions would alter them. Merely including a line item without proposed changes would have no substantive impact whatsoever.

COMMITTEE COMPONENTS

All committees—authorizing and appropriations—would produce legislation to meet the allocations provided in the budget resolution from the Budget Committee and adopted concurrently by the House and Senate. Authorizing committees would develop their proposals to reconciliation-like standards, but the proposals would go to Appropriations (instead of Budget) to be combined with the appropriations bills. Authorizing committees would produce these recommendations every year, not only during unified government. In addition to proposals, authorizing committees would include line item amounts for all mandatory spending and revenue programs.

BUDGET RESOLUTION

The Budget Committees would continue to develop the budget resolution in consultation with all committees and using information from the Congressional Budget Office’s Budget and Economic Outlook as well as the President’s budget request. Committees’ “views and estimates” would play a more substantial role in shaping the budget resolution and would ideally include the line-items for direct spending accounts (and tax expenditures) in their jurisdictions along with information about proposed changes. Legislative language would not be needed for views and estimates, only when sending proposals to the Appropriations Committee later.

Unified budgets would strengthen every step of the process. From the final product to appropriations subcommittee bills to the budget resolution to views and estimates and to the President’s budget request, a legitimate governance process that includes contributions from many members and committees will demand more serious contributions all along the way.

PROPOSED CHANGES TO THE BUDGET ACT

Table 1 displays changes to the budget and appropriations timetable in the Budget Act to move from today's disjointed process to an effective unified budget. The "tracked-changes" or legal redline format shows the context for the proposed changes. (After all, 48 states publish bills showing proposed changes within the full text of existing sections of law that would be amended.)

Table 1: From Disjointed Budget to Unified Budget

ON OR BEFORE	ACTION TO BE COMPLETED
First Monday in February	President submits his budget.
February 15	Congressional Budget Office submits report to Budget Committees.
Not later than 6 weeks after President submits budget	Committees submit views and estimates to Budget Committees.
April 1	Senate Budget Committee reports concurrent resolution on the budget.
May 15	Committees submit recommendations to Appropriations Committees. Annual appropriation bills may be considered in the House.
June 15	Congress completes action on reconciliation legislation
June 30	House completes action on annual appropriation bills appropriations legislation.
October 1	Fiscal year begins.

Only a few small changes to the Budget Act are needed for unified budgets and the big improvements they would bring.

VIEWS & ESTIMATES

Most committees submit views and estimates to the Budget Committee to help them craft the budget resolution. Each committee should include all non-discretionary line items in its jurisdiction—CBO’s baseline updates include a spreadsheet with spending line items, and JCT reports on tax expenditures—as well as proposed changes. Proposed changes would be descriptive for views and estimates, not legislative text.

REDIRECT RECONCILIATION

Today’s dysfunctional reconciliation process involves stand-alone legislation that the Budget Committee assembles. Direct spending and revenue proposals would instead go to the Appropriations Committee to be bundled with the appropriations bills. As with today’s reconciliation rules, the Appropriations Committee could not make substantive changes to other committees’ recommendations and proposals.

ONE BILL

The Budget Act refers to multiple appropriations bills. To enact unified budgets, it should clarify that the expected outcome of the annual process is a single budget bill. This measure would include all twelve Appropriations subcommittee bills and submissions from the authorizing committees.

COST ESTIMATES

Legislation reported by the Appropriations Committee does not currently require a CBO score. Unified budgets would require CBO and JCT estimates so members and staff understand the legislation’s effects.

SOCIAL SECURITY (OPTIONAL)

Social Security outlays and revenues are excluded from the budget resolution’s overall levels, although it includes Social Security information as well. Social Security could be brought into the process—with or without proposing changes to Social Security policies—explicitly with a few small changes. No changes are needed to keep it off-budget, although improving the program’s solvency is necessary in any case.

REDIRECTING RECONCILIATION

Budget reconciliation on a separate track from appropriations has failed. It was designed to make deficit reduction easier for direct spending and revenue programs that would otherwise be on autopilot, outside of annual appropriations, by only requiring a simple majority in the Senate instead of 60 votes.

The Congressional Budget and Impoundment Control Act of 1974 was a major congressional reassertion of its power of the purse. Budget reconciliation was an improvement over prior practice, as no coordinated process to manage those programs existed then. It was a different time though, as *Table 2* shows.

Table 2: 45 Years of Budget & Social Changes Since the 1974 Budget Act

1974		2019
23.2% of GDP	Debt Held by the Public	79.2% of GDP
0.4% of GDP	Annual Deficit	4.6% of GDP
9.3% of GDP	Discretionary Outlays	6.3% of GDP
7.4% of GDP	Mandatory Outlays	12.9% of GDP
17.8% of GDP	Revenue	16.3% of GDP
10 to 28 years old	Baby Boomers	55 to 73 years old
Cold War (Bi-polar World), Post-Vietnam Democratic Dominance of Congress Traditional, Mainstream, Curated Media		Multipolar Geopolitics, Post-Iraq/Afghanistan Contested Control of Congress Social Media/Distributed (Mis)Information

Source: [Congressional Budget Office](#)



Over the last two decades, both parties have used reconciliation under unified government to enact sweeping legislation with little or no support from the minority party. Republicans used it for the Economic Growth and Tax Relief Reconciliation Act of 2001, the Jobs and Growth Tax Relief Reconciliation Act of 2003, and the Tax Cuts and Jobs Act of 2017. Democrats used it to enact the Health Care and Education Reconciliation Act of 2010 (to facilitate the Patient Protection and Affordable Care Act of 2010) and the American Rescue Plan Act of 2021. Republicans tried and failed to enact the deficit-reducing American Health Care Act of 2017, and as of this writing, Democrats are pursuing the (expected to be) deficit-increasing Build Back Better Act of 2021.

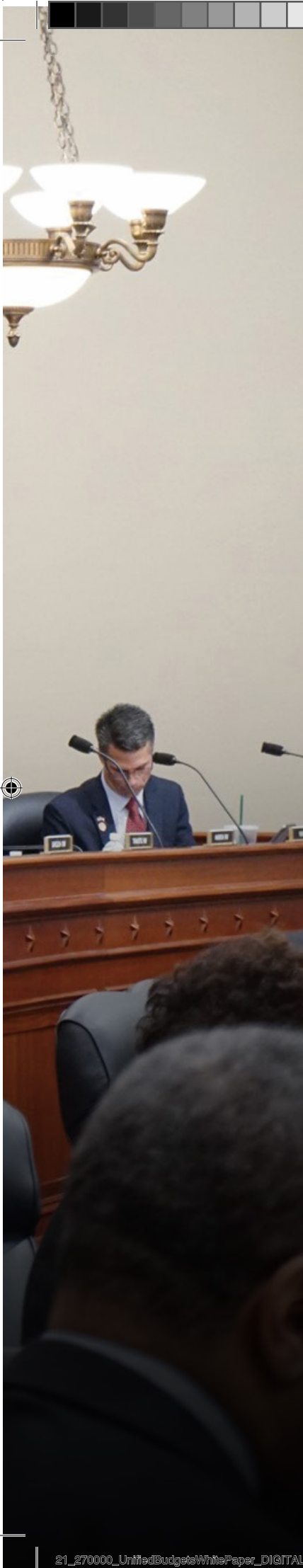
In other words, reconciliation has become a vehicle for partisan priorities during unified government. That means providing deficit-increasing benefits as tax cuts and/or spending increases, not deficit reduction, which implies taking stuff away from people. The pressure to “get while the getting’s good” is intense. But it’s polarizing and destructive.

For the good of the country and to improve congressional budgeting considerably, the management of direct spending and revenue policies should be combined with discretionary spending in unified budgets. Unified budgets would replace the Senate’s preferential vote threshold and vote-a-rama for reconciliation with management of all areas of the budget holistically at the standard threshold for enacting legislation.

BENEFITS OF CHANGE

Unified
budgets
foster an
active and
aware
legislature.

The U.S. House of
Representatives Committee
on the Budget convenes in
Washington, D.C.



Bringing all spending and revenue into the annual budget and appropriations process would have many benefits.

It can help Congress make regular progress toward correcting imbalances and coordinating related programs. It can give life to other budget reforms like targets and transparency. Most importantly, it can help shift the relative value for members of engaging in serious legislative deliberations compared to focusing on rhetoric and messaging activities.





THE BENEFITS OF UNIFIED BUDGETS

FURTHER BUDGET IMPROVEMENTS

Unified budgets may be a prerequisite for budget targets to be effective. Fiscal goals can focus on a destination, but without a functional vehicle—unified budgets—to get there, members will continue to be frustrated by Congress' inability to reach its objectives.

Likewise, unified budgets can make portfolio budgeting a reality. Portfolio budgeting simply means that related programs are considered holistically. In the 116th Congress, Senators Mike Enzi (R-WY) and Sheldon Whitehouse (D-RI) included this practice in the form of [CBO and GAO reporting in the Bipartisan Congressional Budget Process Reform Act of 2019](#). Having all spending and all revenue provisions in the same amendable legislation makes portfolio budgeting reports more useful in bringing coherence and coordination across programs.

That said, program consolidation and updates need not occur solely during the budget process. They can advance through authorizations or otherwise. Unified budgets provide a platform that can facilitate those discussions. After all, committee and party leaders are often willing to work with members who propose good faith amendments but that require more study and consultation than the amendment process can provide.

CORRECTING IMBALANCES

The federal government's deficits and debt are growing unsustainably. Several major trust fund programs face depletion and sudden cuts within 15 years. Members of Congress are putting their hopes into once-in-a-generation fiscal commission fixes for trust fund programs through the [TRUST Act](#) and for the overall budget through the [Sustainable Budget Act](#). Commissions can jumpstart progress, but they can be difficult to establish far enough in advance of when action is required.

Unified budgets let Congress chip away at imbalances, a little at a time, year in and year out. Many appropriations programs are popular—defense, veterans, health care, education, transportation, and more—so an overall package that includes them with more politically challenging but necessary budget management provides political cover to members. Unified budgets make tough calls politically survivable, as the states demonstrate.



On controlling deficits and debt, unified budgets are a separate reform from budget goals and targets. In theory, members could let overall imbalances grow under unified budgets. Yet by putting all spending and revenue together, members would have fewer excuses for deteriorating fiscal health. They would explicitly vote for the policies that add up to those outcomes. Most members may in fact prefer more fiscally sustainable outcomes, and the coherence provided by unified budgets as well as greater scope to earn trust and show achievement through substantive policy work could all pull in the same direction of responsibility.

REASSERTING CONGRESS

As discussed above, the modern appropriations process generally collapses into a deal between the top four congressional leaders and the White House. Without a serious floor amendment process, congressional leaders have a less firm foundation to assert the will of their chambers when it conflicts with the President.

Parallel to a coherent budget process, rejuvenation of the congressional authorization process goes hand in hand with reclaiming Congress' legislative powers. Authorizations are separate from the budget and appropriations process, but success breeds success. As members of Congress play a more active role in budgeting, they may have more appetite to update and modernize the programs that they fund.

ENACTING UNIFIED BUDGETS

Unified budgets grow the legislative pie to the benefit of appropriators, authorizers, leaders, rank-and-file members, and the American people. Still the question remains: how does Congress make unified budgets a reality?

CONGRESSIONAL BUDGET ACT OF 1974

Table 1 (page 28) and the subsequent discussion cover changes to this foundation of the budget process: strengthening views and estimates, redirecting reconciliation through the Appropriations Committee, adopting a single annual budget bill, perhaps bringing Social Security into the unified budget, and requiring CBO cost estimates for unified budgets. Conforming



changes to other laws may be appropriate as well. It may be possible to adopt unified budgets without changes to law, but then practice would depart from the letter of the law and unified government could resume partisan and deficit-increasing reconciliation.

HOUSE & SENATE RULES

Under current practice, if the Senate or the House have the votes to pass legislation, they have the votes to override any points of order that may lie against the bill under existing rules (directly in the Senate, if a senator raises a point of order; indirectly in the House through a “special rule” for considering the legislation). Even so, both houses should conform their rules to be consistent with the changes to the Congressional Budget Act of 1974 noted above, particularly strengthening views and estimates and including authorization committee recommendations in Appropriations legislation.

COMMITMENT BY LEADERS

Congress-watchers sometimes note that legislation can reinforce—but not force—a change in direction. Unified budgets can be piloted without changing budget laws or rules, but they cannot without at least the support of the House majority party’s leaders and most of the majority party’s members, especially the leaders of the Budget, Rules, Appropriations, and Ways and Means Committees. Ideally the House minority party, members of both parties in the Senate, and the White House recognize the benefits as well. Leaders—especially new leaders and those in new positions—can build their own brands through unified budgets that give greater voice to their members and those they represent.

As of this writing, roughly a year before the 2022 midterms, it is unclear which party is likely to control the House and the Senate in the 118th Congress (2023–2024). Even so, divided government is a low-risk opportunity to try a new and improved approach to budgeting.

In addition, both Republicans and Democrats in the House are expected to hold competitive leadership elections. Members with experience in state government and businesses that use unified budgets or something like them could be an important coalition for upgrading congressional budgeting. Would-be leaders can anticipate benefits from backing an approach that would give more opportunities to their members to be productive legislators.

CONCLUSION

Unified budgets are not a cure-all, but they would improve tremendously on the status quo.

The Congressional Budget Act of 1974 advanced Congress' power of the purse at the time it was enacted. Over the subsequent half-century, however, its shortcomings have become increasingly apparent. Deficits and debt are growing, programs are disjointed and uncoordinated, and most members of Congress are largely disenfranchised from substantive legislative work.

Unified budgets are not a cure-all, but they would improve tremendously on the status quo. Members of Congress and staff know that the current process isn't working. They want a better way. Fortunately unified budgets require few adjustments to responsibilities and expectations for members and committees.

Congress and the American people could benefit significantly from unified budgets. Members and staff would have far more opportunity to use their talents to improve public policy and increase the value that taxpayers get from the federal government. Congress could improve budget imbalances and other features a little at a time, year after year, until they are manageable once more. The annual appropriations process would be more likely to conclude on time, even giving agencies time to plan and prepare before the beginning of the fiscal year.



AMERICANS FOR PROSPERITY | UNIFIED BUDGETS

Appendix A: House Appropriations Allocations, FY2021 & FY2022

FY 2021 302(b) Suballocations				FY 2022 302(b) Suballocations			% Change from Prior			\$ Change from Prior			Expired Authorizations of Appropriations
\$, millions	Discretionary	Mandatory	Total	Discretionary	Mandatory	Total	Discretionary	Mandatory	Total	Discretionary	Mandatory	Total	% of Appropriations with Expired Authorization*
Agriculture													
BA	23,980	112,486	136,466	26,550	150,271	176,821	10.7%	33.6%	29.6%	2,570	37,785	40,355	1.4%
OT	24,150	92,902	117,052	26,000	137,918	163,918	7.7%	48.5%	40.0%	1,850	45,016	46,866	
Commerce, Justice, Science													
BA	71,473	342	71,815	81,315	326	81,641	13.8%	-4.7%	13.7%	9,842	-16	9,826	98.7%
OT	74,000	340	74,340	78,500	339	78,839	6.1%	-0.3%	6.1%	4,500	-1	4,499	
Defense													
Base BA	626,190	514	626,704										
Base OT	646,172	514	646,686										
OCO/GWOT BA	68,435	0	68,435										
OCO/GWOT OT	40,764	0	40,764										
Total BA	694,625	514	695,139	705,939	514	706,453	1.6%	0.0%	1.6%	11,314	0	11,314	0.0%
Total OT	686,936	514	687,450	699,803	514	700,317	1.9%	0.0%	1.9%	12,867	0	12,867	
Energy and Water													
BA	49,607	0	49,607	53,226	0	53,226	7.3%		7.3%	3,619	0	3,619	21.0%
OT	49,000	0	49,000	52,500	0	52,500	7.1%		7.1%	3,500	0	3,500	
Financial Services & General Govt													
Base BA	24,636	23,024	47,660	28,540	22,616	51,156	15.8%	-1.8%	7.3%	3,904	-408	3,496	15.0%
Base OT	24,800	23,016	47,816	29,700	22,610	52,310	19.8%	-1.8%	9.4%	4,900	-406	4,494	
Disaster Relief BA	143	0	143										
Disaster Relief OT	110	0	110										
Homeland Security													
Base BA	50,718	1,870	52,588	52,811	1,964	54,775	4.1%	5.0%	4.2%	2,093	94	2,187	37.5%
Base OT	61,000	1,863	62,863	70,000	1,955	71,955	14.8%	4.9%	14.5%	9,000	92	9,092	
OCO/GWOT BA	215	0	215										
OCO/GWOT OT	168	0	168										
Disaster Relief BA	5,060	0	5,060										
Disaster Relief OT	1,365	0	1,365										
Interior, Environment													
Base BA	36,760	64	36,824	43,400	64	43,464	18.1%	0.0%	18.0%	6,640	0	6,640	14.3%
Base OT	36,750	65	36,815	41,000	65	41,065	11.6%	0.0%	11.5%	4,250	0	4,250	
Wildfire Suppression	2,350	0	2,350	2,450			4.3%						
Wildfire Suppressio	1,722	0	1,722										
Labor, Health and Human Services, Education													
Base BA	182,914	907,880	1,090,794										
Base OT	196,200	907,266	1,103,466										
Program Integrity BA	1,881	0	1,881										
Program Integrity O	1,512	0	1,512										
Total BA	184,795	907,880	1,092,675	237,466	1,041,349	1,278,815	29.8%	14.7%	17.2%	52,671	133,469	186,140	78.1%
Total OT	197,712	907,266	1,104,978	329,500	1,042,082	1,371,582	67.9%	14.9%	24.3%	131,788	134,816	266,604	
Legislative Branch													
All except Senate BA	4,198	123	4,321	4,803	127	4,930	14.4%	3.3%	14.1%	605	4	609	
Senate Items BA	1,102	32	1,134	1,173	32	1,205	6.4%	0.0%	6.3%	71	0	71	
Total Legislative BA	5,300	155	5,455	5,976	158	6,134	12.8%	1.9%	12.4%	676	3	679	0.0%
Total Legislative OT	5,300	155	5,455	6,000	158	6,158	13.2%	1.9%	12.9%	700	3	703	
Military Construction, Veterans Affairs													
Base BA	102,648	126,202	228,850										
Base OT	102,800	126,202	229,002										
OCO/GWOT BA	350	0	350										
OCO/GWOT OT	5	0	5										
Total BA	102,998	126,202	229,200	124,500	138,638	263,138	20.9%	9.9%	14.8%	21,502	12,436	33,938	87.7%
Total OT	102,805	126,202	229,007	129,500	149,930	279,430	26.0%	18.8%	22.0%	26,695	23,728	50,423	
State, Foreign Operations													
Base BA	47,850	159	48,009										
Base OT	50,500	159	50,659										
OCO/GWOT BA	8,000	0	8,000										
OCO/GWOT OT	2,019	0	2,019										
Total BA	55,850	159	56,009	62,242	159	62,401	11.4%	0.0%	11.4%	6,392	0	6,392	68.9%
Total OT	52,519	159	52,678	58,000	159	58,159	10.4%	0.0%	10.4%	5,481	0	5,481	
Transportation, HUD													
BA	75,924	0	75,924	84,062	0	84,062	10.7%		10.7%	8,138	0	8,138	54.2%
OT	139,500	0	139,500	152,000	0	152,000	9.0%		9.0%	12,500	0	12,500	
Total													
BA	1,298,000	1,172,696	2,470,696	1,506,027	1,356,059	2,862,086	16.0%	15.6%	15.8%	208,027	183,363	391,390	32.6%
OT	1,410,172	1,152,482	2,562,654	1,672,503	1,355,730	3,028,233	18.6%	17.6%	18.2%	262,331	203,248	465,579	
Adjustments (Disaster Relief, OCO/GWOT, Program Integrity, Wildfire Suppression)													
BA	86,434	0	86,434										
OT	47,665	0	47,665										
Grand Total (Including Adjustments)													
BA	1,384,434	1,172,696	2,557,130										
OT	1,457,837	1,152,482	2,610,319										

Source: House Committee on Appropriations, Congressional Budget Office

Note: Columns C and G include only appropriated entitlements. The remaining mandatory spending is allocated to authorizing committees as direct spending.



Appendix B: Revenue Statement for the U.S. Government, FY 2022

\$ BILLIONS, BY CALENDAR YEAR	2020 (ACTUAL)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Individual Income Taxes (CBO)	1,609	1,952	2,328	2,334	2,353	2,383	2,586	2,792	2,871	2,979	3,091	3,209
President's Budget	1,609	1,7-5	2,039	2,242	2,288	2,436	5,676	2,896	3,044	3,194	3,354	3,526
Corporation Income Taxes (CBO)	212	238	317	379	390	402	401	391	393	393	393	397
President's Budget	212	268	371	577	649	673	644	666	679	678	681	693
SOCIAL INSURANCE & RETIREMENT RECEIPTS												
Social Security Payroll Taxes (COB)	965	979	989	1,085	1,128	1,168	1,211	1,258	1,306	1,354	1,402	1,451
President's Budget	955	944	1,033	1,072	1,118	1,159	1,207	1,252	1,311	1,361	1,417	1,474
Medicare Payroll Taxes (CBO)	292	300	308	335	349	362	376	391	407	423	439	455
President's Budget	292	287	359	383	400	418	436	453	476	496	518	540
Unemployment Insurance (CBO)	43	56	82	72	60	46	43	40	40	41	42	43
President's Budget	43	55	59	61	60	57	55	55	57	56	58	56
Other Retirement (CBO)	10	10	11	12	12	13	14	14	15	16	17	18
President's Budget	10	10	11	12	12	13	13	14	15	16	17	17
Excise Taxes (CBO)	87	75	86	88	91	91	91	92	92	93	94	95
President's Budget	87	74	84	89	93	94	95	96	96	98	101	102
Estate & Gift Taxes (CBO)	18	25	29	28	28	29	30	45	48	50	52	55
President's Budget	18	18	21	18	19	20	21	32	33	34	37	39
Customs Duties (CBO)	69	81	88	89	90	90	92	92	94	95	96	97
President's Budget	69	85	57	45	45	47	48	49	51	53	55	57
Deposits of Earnings, Federal Reserve (CBO)	82	93	119	141	131	113	103	98	88	83	86	92
President's Budget	82	97	102	103	99	77	68	65	71	75	75	79
Other Miscellaneous Receipts (CBO)	36	32	33	35	38	36	38	40	42	45	43	44
President's Budget	36	37	39	40	44	46	49	52	55	57	59	60
TOTAL RECEIPTS (CBO)	4,421	3,842	4,390	4,597	4,672	4,734	4,984	5,253	5,253	5,396	5,754	5,957
PRESIDENT'S BUDGET	3,421	3,581	4,174	4,641	4,828	5,038	5,332	5,632	5,632	5,888	6,370	6,643

Sources: U.S. Office of Management and Budget, Congressional Budget Office

ABOUT THE AUTHOR



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Kurt Couchman is senior fellow in fiscal policy for Americans for Prosperity. He develops and supports innovative solutions to federal and state budget challenges while promoting fiscal outcomes that expand freedom, prosperity, and opportunity.

He has previously held positions with the Committee for a Responsible Federal Budget, Defense Priorities, several members of the U.S. House of Representatives, and the Cato Institute. He is the author of numerous legislative proposals—including two bipartisan balanced budget amendments—and opinion articles, as well as chapters in several edited volumes.

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