

**Statement of Joseph White Before the  
Joint Select Committee on Budget and Appropriations Process Reform  
Hearing on  
*The Budget Resolution – Content, Timeliness, and Enforcement***

**May 24, 2018**

Distinguished Committee Co-Chairs and Members of the Committee:

Thank you for inviting me to contribute to your deliberations by participating in today's panel. Improving budget processes is difficult for many reasons.

Sometimes, as with the Congressional Budget Act of 1974, improvements on some dimensions nevertheless disappoint those who care more about other goals. Sometimes, as with Gramm-Rudman-Hollings, the new mechanisms only make both the results and experience of the budget process worse on virtually all dimensions. Therefore I urge you to beware of two kinds of errors.

The first error would be to lose sight of and do damage to some of the major purposes of budgeting because of fixation on others. Please consider goals fully and carefully. The second would be to misjudge how a process change would work in practice, which tends to happen due to biased or uninformed theories about how Congress or particular public policies work. Both risks are especially great for proposals to create some sort of binding targets for budget totals far in the future, an idea that has been promoted by the Committee for a Responsible Federal Budget and many other advocates. I have explained the many reasons those proposals would do more harm than good in a paper for the National Budgeting Roundtable project and a forthcoming article in the *OECD Journal on Budgeting*, and will briefly summarize the problems in this testimony.

At the same time, the fact that budgeting is HARD, and processes can be based on misunderstandings, also means that any process probably could be improved. I think that is especially true of the current schedule for budget resolutions. I will explain why biennial could be better than annual budget resolutions. But that is not true of appropriations. Resolutions and appropriations involve different purposes of budgeting that involve different preferences and different information. Annual appropriations should be based on two-year 302(a) allocations made in biennial budget resolutions.

*Thus I have three recommendations: Do move to a biennial budget resolution and reconciliation process. Don't change from an annual appropriations process. And please, please, do not imagine you can do "long-term budgeting."*

## **Goals for Budget Processes and Their Reform**

Budgeting involves legislation, and any legislation is difficult in our Madisonian political system that is designed to increase conflict. Conflict is increased both by the separation of powers – House vs. Senate, Congress vs. President, and in some ways states and the national government – and the fact that this is a huge country divided into many contradictory interests. As Madison might say, there are two ways to significantly reduce conflict in the budget process. One would be to give people much more similar opinions – which he wisely dismissed as both impossible and undesirable. The second would be to cut some portion of the nation and its political institutions out of the decision-making process. Ideas to give Presidents much more power are an example of this approach, and I hope most members of Congress would agree they are no more desirable. As one Democratic legislator said long ago, "imagine Lyndon Johnson with an item veto." No thanks. At the same time, please remember that the President is part of budgeting, and there is only so much that can be accomplished by changing only congressional procedure.

Intense conflict and difficulty resolving it are the major reasons for the timeliness issues that are one concern for this hearing. There *can be* less conflict if there is a lot of money available – though that didn't help as much as it normally would in the late 1990s, due to intense partisan disagreements about what to do with the budget surpluses.

The basic conflict that you may try to manage better through budget process reform involves more, however, than the current partisan disagreements about what is good for the economy and what the government's priorities should be. Over the past forty years, going back to the later years of the Carter Administration, it also has been related to beliefs about deficit totals. People who think of themselves as non-partisan centrists have continually made budgeting more difficult by promoting targets for totals that are, to put this gently, less obviously justified than their proponents believe.

I began studying federal budgeting when President Carter and many economists associated with the Democratic party were convinced a projected \$15

billion deficit for FY 1981 had some meaningful relationship to inflation. There was no normal economic theory to support that view, but this did not prevent major economists from promoting it, on the theory that "the markets" demanded a balanced budget (Aaron Wildavsky and I tell the story in our book about budgeting during the 1980s). In the late 1980s, such arguments were re-cast into the claim that budgeting must promise balance many years in the future, again because "the markets" demand it. In one extreme version of this view, in 2011 Ms. MacGuineas and the Committee for a Responsible Federal Budget claimed that adopting a \$4 trillion dollar long-term deficit reduction package was just as important, economically, as avoiding immediate default on the federal debt due to failure to raise the debt ceiling. Many distinguished economists made similar arguments. The only excuse for such claims is as a political tactic to promote the CRFB's policy position; as a matter of simple logic, claiming that uncertain market effects in the future should be given the same weight as definite immediate effects is just wrong.

So I'd like to recommend that your views about the goals for budget totals be more reasonable than those promoted by some of your other witnesses. I do not mean to suggest current trends are advisable. A sound policy about totals would involve a stable ratio of debt to GDP, so as not to either commit a growing share of resources to interest payments or make it too difficult to engage in counter-cyclical fiscal policy when needed. The Organization for Economic Co-operation and Development (OECD), in its 2015 "Principles of Budgetary Governance" (<https://www.oecd.org/gov/budgeting/Recommendation-of-the-Council-on-Budgetary-Governance.pdf>), and the European Union in its Maastricht standards, promote prudent standards for budget totals that are less stringent and more practical than the "balanced budget" that your witnesses and many legislators may prefer. I have commented elsewhere on both the strengths and the weaknesses of the OECD recommendations (<http://policy.case.edu/BudgetingPurposesGood.pdf>), and while I disagree with some of its emphases anyone interested in budget process reform should review the document.

Views about process reform should begin with economically and politically plausible goals for budget totals, but should also acknowledge that totals – whether of spending, revenues, or their difference – are not the only important part of budgeting. The OECD's recommendation, as well as many textbooks about public budgeting, identify other goals that include, but are not limited to: encouraging democratic accountability, promoting efficiency in the delivery of individual programs, and enhancing national macroeconomic performance. In considering

budget process reforms, it should be useful to think about how the current process relates to each of these goals.

**Democratic Accountability:** Relatively few voters will pay much attention to the details of what governments do. Budget processes cannot make voters pay attention. But those voters who care should be able to see what agencies are planning to do and what they did, as best as possible.

Elections, also, should matter. That does not mean the new government has a mandate to do anything its leaders want. Many times, legislators and the president were chosen based on images on a few issues, or identity politics, and majorities of voters may object to some of the issue positions favored by the governing party. Nevertheless, elections by changing office-holders reflect some changes in the balance of preferences about more general concerns such as overall program priorities (e.g. defense vs. domestic spending), and economic policy (e.g. whether tax cuts for corporations would improve economic performance). As OECD argues, budget processes should allow those changes to be reflected in government decisions.

**Efficiency:** Efficiency is value for money. It is not the same as economy, which means simply limiting spending. If the benefits of a program exceed the costs, maybe we should do more of the program. But getting the most value for a program, relative to its costs, requires information about how much a program "really needs" and how it could do better.

The line between choosing policy goals and deciding how much an agency should receive to pursue agreed goals is easily blurred because allocating money shapes ability to achieve goals. Yet the core questions for authorizing and appropriating are different, as was explained to me long ago by a Republican ranking member of a House Appropriations subcommittee. He explained that appropriations were simpler because they involved three questions: "What is it?" "Why do you need it?" And, "If it is so important, how did you do without it last year?" Traditional appropriating is about relating inputs, what is requested and given, to outputs: what is promised and perhaps achieved. It is fundamentally skeptical both about claims that new inputs will produce better results, or that there are "harmless" ways to cut inputs. Budgeting should encourage similar analyses, with similar skepticism, about revenue law (such as the ratio of revenue foregone to social achievement from a tax expenditure) and entitlement law (such as how much Medicare should pay for certain services).

**Macroeconomic Performance:** All policy-makers believe that budget policies affect economic performance. Yet the economy may affect budget totals more than vice versa, and many views of budgetary effects on the economy are exaggerated. There is also great disagreement about the causes and effects. Keynesian economists believe that budgets influence aggregate demand, and should lean against the economic wind. From this view what matters most is the change in each year's deficit or surplus. Economic contraction should be met by larger deficits or smaller surpluses; an overheating economy by smaller deficits or larger surpluses. Most Republican policy-makers at the moment, however, seem to care less about the difference between spending and revenues and more about limiting both: they think both lower spending and lower taxes are generally desirable, and will take whichever they can get. Some economists argue that the main economic purpose of the budget should be to increase national savings, or to meet whatever they claim "the markets" demand so as to increase "market confidence."

These disagreements mean that budget rules designed to favor any particular theory could seem perverse according to the others. They also mean that the choices about economic approach are basically ideological or partisan. A good budget process, therefore, should be one that allows an explicit choice about which theory to follow – rather than one that biases the choice. The standard of democratic accountability suggests that it should be possible to change economic policies in response to an election, and that voters should be able to see what economic policy the congressional majority is following.

**The Current Budget and Appropriations Processes:** *If majorities of the House and Senate can agree on a budget resolution, and majorities of both plus the president can agree on appropriations and reconciliation legislation, the current budget resolution, reconciliation, and appropriations processes are reasonably appropriate for these purposes.*

The internal work of the appropriations process still provides detailed review of agency needs. The system is not perfect. Legislators, and presidents, sometimes are more interested in showing that they care about a goal than in whether a policy achieves it. Appropriations staff and even some members will describe programs as "turkeys" that they cannot cut because of that symbolic politics. But, on the whole, the traditional process develops information that can be used to better relate inputs to outputs. Appropriations bills, when political conditions allow passing individual

bills rather than formulaic continuing resolutions, improve government by incorporating that information.

Budget resolutions are designed as statements of economic policy – levels of spending, revenue, and their balance – and of broad policy priorities in the form of amounts for each budget function. They are debated in these terms and the statements are quite visible for anyone who wants to see. Ironically, the frequent failure to pass budget resolutions may happen precisely because they can help make legislators accountable: sometimes no majority wants to declare responsibility for any particular budget plan.

Both the distribution among functions in the budget resolution and the 302(b) allocations made by appropriations committees establish broad priorities. More importantly, the reconciliation process, as adapted for use first in 1980, provides a way to encourage, though not guarantee, action to change revenue or entitlement law. This was a significant advance over the previous process, which put all of the burden of adjusting budget details to change budget totals on the appropriations process.

How to make programs like Medicaid and Medicare more efficient is controversial in part because of ideological disagreement about how programs work. For example, conservatives tend to believe health care spending should be reduced with higher cost-sharing that gives enrollees more "skin in the game," while liberals tend to believe such policies simply impose pain on those who are sickest. One cannot expect any budget process to settle such disagreements. Yet Congress has extensive sources of advice, both from CBO and from other agencies such as the Joint Committee on Taxation, MedPAC, and MACPAC. Reconciliation provides a process through which information can be turned into legislation, and even without reconciliation legislation about entitlements may still be enacted. For example, legislation affecting Medicare was enacted at least 17 times in the 19 years from 1997 through 2015, as described in the annual reports of the Medicare trustees.

It may be hard to remember, but for the first quarter century of the Congressional Budget Act, and in particular from 1980 through 1993, the budget process was used to inhibit legislation that would increase the deficit and to enact meaningful deficit reductions, especially the packages in 1982, 1990, and 1993. Since the turn of the millennium, the most significant applications of reconciliation have been to increase deficits, in the tax cuts of 2001 and 2017. Nevertheless, that simply reflected the beliefs of congressional majorities supported by the president,

and expecting procedures to prevent that kind of agreement is asking a lot. In short, the current rules allow visible public consideration of the key questions that budget processes should address, and do not in themselves prevent action. So why are there continual delays and process breakdowns?

The most obvious reason is current partisan polarization, both within Congress, and sometimes between Congress and the President, about which I hardly need to tell you. This committee is a rare attempt at collaboration across party lines, and I hope you can find some points of agreement. Agreement across those lines does happen sometimes, as with the repeal of No Child Left Behind. People can agree on the same policy for different reasons – as happened, in fact, with the Congressional Budget Act of 1974, and the Tax Reform Act of 1986.

Yet there have been periods of great strife and breakdown without the partisan polarization we have today. The 1974 Act followed what Allen Schick, in *Congress and Money*, called a "seven year budget war." The basic problem is NOT that the "guardians" don't have enough power vis a vis the "claimants." That wouldn't create process breakdowns. The problem is more fundamental.

The core challenge of budgeting is how to match social preferences about budget totals to preferences about budget details. Deficit hawks almost universally assume away this problem. They proclaim that totals – some goal for the deficit or even a surplus – are so important that how they are achieved is not so important. That just isn't true.

It is perfectly reasonable to believe, for example, that the benefits for the economy from reducing the deficit by the total amount spent on the EPA do not justify abolishing the EPA. It is reasonable to believe that the increase in national security from spending an extra \$50 billion on the military is worth the economic effects of higher deficits. It is reasonable to believe that slashing disability insurance would make ours a poorer and less fair nation regardless of the economic effects of deficit reduction. Beliefs about the evils of tax increases have their own logic. I am not saying I agree with particular positions. But you are elected to represent legitimate public preferences about budget details, not just budget totals. At any given time budget decisions involve myriad details, and those details have just as much or more effect on our country as the budget totals have.

Some people have inconsistent preferences: for example they want a balanced budget but not any tax and spending combination that will produce it. But even if

most legislators had consistent preferences, the Congress as a whole often would not.

You can see why by looking around. Historically, many on the left have wanted lower deficits, but to achieve them through higher taxes on the wealthy and lower military spending. On the right, many have wanted lower deficits through cutting programs for poor people or social insurance for everyone. Rural legislators might happily cut programs for cities; urban legislators might cut programs for the countryside. As Anthony Downs explained long ago, everybody can think of programs they would cut – and I'd add many can imagine taxes they might raise – in order to reduce the deficit. Therefore everybody can self-righteously assume that some level of deficit (macroeconomic considerations aside) is due to the bad behavior of other people who promote unnecessary spending.

The trouble is, only minorities normally support most spending cuts or revenue increases. So agreeing on how to reduce deficits is much harder than agreeing that they should be cut and are somebody else's fault. Budget procedures under this circumstance can make it harder to dig the budget hole deeper – as PayGo procedures have, to some extent. But they cannot force agreement unless they somehow short-circuit representation on the details.

Recommendations for some sort of automatic procedures to attain long-term budget targets all involve either ignoring or misrepresenting the details. I will explain why below. But first I want to emphasize the implications of my analysis for what we might call normal budget procedures.

### **Budgetary Purposes and Budget Schedules**

No budget process can force agreement. No budget process can *enforce* agreement on details that does not exist. Many of the complaints about budget "enforcement" involve situations in which the budget resolutions set targets without underlying agreement about how to achieve them. The classic example was the hard-won compromise on a budget resolution in 1983. It assumed that the Ways and Means and Finance committees would find a large amount of savings. But there was no agreement on how to do that; Chairman Dole described the reconciliation instructions as a dead cat left on his doorstep and ignored them.

In practice, reconciliation worked best when either committee leaders already had developed menus for possible deficit reduction or, in 1993 or for spending alone

in 1981, when the President provided a detailed proposal that added up to his total as a starting point from which Congress could work. Throughout the period of deficit panic that Aaron Wildavsky and I analyzed in our book, deficit-reduction targets were adjusted to fit plausible details, and details tried out to fit targets, in a process of iterative adjustment. That is how budgeting is supposed to work: a process in which totals and details are proposed, as in OMB guidance and agency submissions, and then consequences for both are assessed and a compromise developed on both dimensions. The budget resolution process was designed with this mutual adjustment in mind, as in the call for committee "Views and Estimates" early in the process. A good budget process creates time for this kind of back-and-forth and considers the values served by both details and totals.

Therefore you should expect the process to be complex and time-consuming. Responsible decision-making about both details and totals requires developing information about both and working out the right balance over a period of time. Yet three aspects of the budget schedule should be emphasized.

First, annual appropriations for discretionary programs serve the goals of accountability and efficiency. Some considerations, such as fuel costs for the military, are volatile enough that they cannot be projected far in advance. Agency leaders might prefer to only have to report how much money they think they need and what they did with the last installment every two years, but the congressional role in making agencies accountable fits better with annual review. The process of iteration within the presidential budget process and appropriations cycle does not require more time: the work of appropriations subcommittees can be completed by the beginning of the fiscal year. If the bills do not pass, changing the schedule won't make passing them easier.

But there is less reason to expect significant changes in entitlement and revenue law every year. After the first burst of use from 1980-1984, serious reconciliation legislation has been rare, and not remotely annual. Major changes in both tax and entitlement law are more complex and controversial than the core decisions made for discretionary appropriations. I discussed the difference between budgeting for entitlements and what I call bureau programs, such as the FBI or NASA or EPA, in a chapter in the *Handbook of Government Budgeting*. Allocations to bureau programs do not immediately change the promises agencies make or how they relate to citizens; they are mediated through management decisions. Entitlement or revenue law changes directly affect services to or demands made on citizens. In general people rely on and want some stability in both kinds of law. In

short, the policies reconciliation has been used to address do not call for an annual cycle.

Moreover, the basic policy choices in practice are strongly related to partisan preferences. Again, in the past there have been examples of policies on which members of both parties agreed, as with creation of Medicare's prospective payment system for hospitals. But at present the main driver of change in both entitlements and taxes will be elections that change preferences in the House, Senate, or White House. And this is just as true of basic economic policy – the leaning towards higher or lower deficits, spending, or taxes.

These are (or should be) the decisions made by budget resolutions, and there is little reason they would change in the course of a Congress. If you would like to somewhat simplify the schedule, therefore, you should make the budget resolution, and reconciliation instructions, biennial. The situations in which a Congress will have different basic preferences in its second year than in its first will be quite rare. I assume members of the budget committees will fear this reform would reduce their influence. But those committees are not the primary assignments of any members, except perhaps their chairs. And, since it is so hard to pass budget resolutions, they would not be giving up much influence they already have. In general, rank-and-file members of Congress appear to see budget resolutions as dangerous votes, and so having to do it half as often should be attractive. Annual budget resolutions make legislative life more difficult in return for hardly any, if any, policy benefit.

Some may object that annual resolutions allow adjustment to changes in economic conditions. That is not a sufficient objection for three reasons. First, many members of Congress don't believe in annual adjustment of the budget to shape aggregate demand. Second, a progressive income tax and programs such as unemployment insurance, SNAP and Medicaid provide "automatic stabilizers" that adjust spending or revenues in a countercyclical way, though not enough to deal with really extreme circumstances such as in 2008. Third, under such extreme circumstances adjustments can be made without regard to the budget resolution process: in 2008, for example, TARP was not contemplated by the resolution passed that June.

The OECD suggests that new governments create "medium term budget frameworks" to orient decisions through the term of a government. That can be unrealistic for a four- or five-year term in some political systems. But the effective

term of a government in our separation of powers system with a powerful Congress is the two years of a Congress, and the budget resolution is very similar to the kind of framework OECD suggests.

## **The Dangers of Long-Term Budgeting**

Whatever you do, I urge you not to recommend further moves down the road to long-term budgeting. Budget resolutions already probably ask too much when they purport to cover up to ten years. The idea that they should cover longer periods, with some sort of "enforcement" of totals built into their terms, is badly misguided.

As OECD argued in its ninth of ten principles, budget processes should include "publishing a report on long-term sustainability of the public finances, regularly enough to make an effective contribution to public and political discussion on this subject, with the presentation and consideration of its policy messages – both near-term and longer-term – in the budgetary context." The United States is a world leader in production of such reports, both for the major social insurance programs through the reports of the Medicare and Social Security trustees, and in frequent reports by CBO and GAO. This information is highly publicized and available to anyone who wants to use it. Opponents of spending or tax cut proposals frequently refer to the possible long-term disadvantages.

But many of the leading figures in debate about federal budget procedures call for far more. They say that instead of being judged by the prospective deficit in the next year, each year's federal budget decisions should be judged by estimates of the deficits or debt they would produce decades into the future.

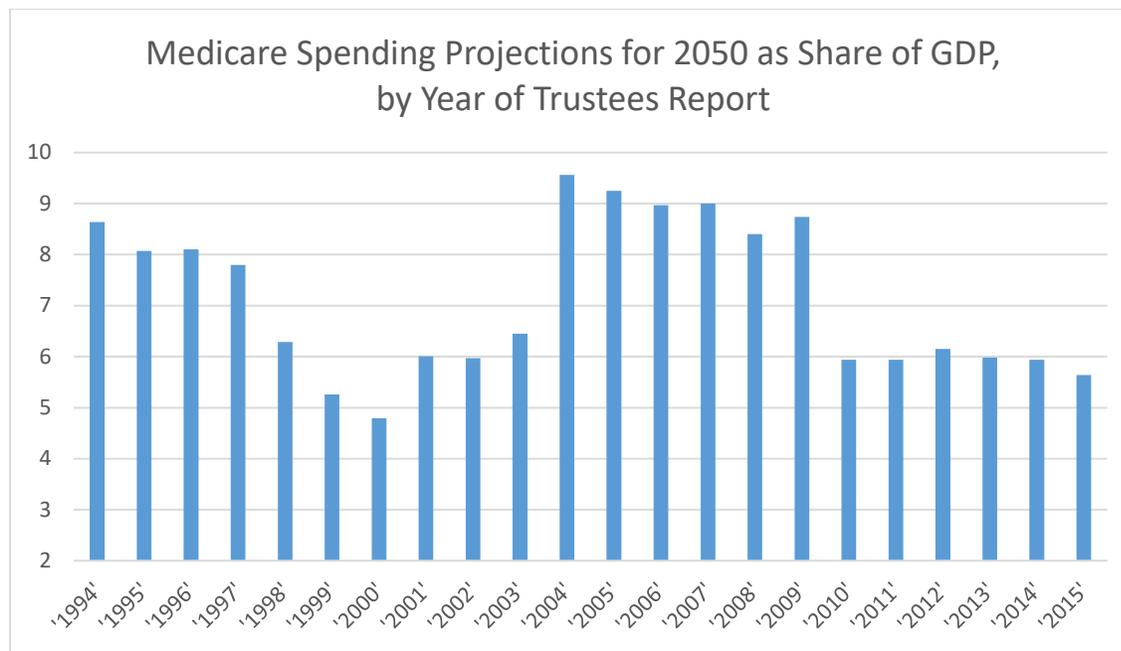
In order to make policy in this way, its advocates call for both long-term targets and "enforcement mechanisms" that generally involve some sort of automatic – that is, already legislated – responses. For example, both Stuart Butler and Phil Joyce produced such proposals for the National Budgeting Roundtable. Alice Rivlin and Pete Domenici proposed something they confusingly termed "pay-as-you-go-rules" to limit automatic growth of Medicare, Medicaid, and Social Security. In 2008 a group including three former CBO Directors proposed thirty-year budget caps for the same programs, enforced by some sort of "automatic adjustments."

And in 2011 Congress enacted, and the President signed, the "Budget Control Act, which promised legislation to hit deficit-reduction totals over ten years but directly included both ten-year limits on discretionary spending and the "backup" sequester process that made these limits much stricter when the further legislation did not pass. Although the BCA limits do not look quite so far in the future, they reveal some of the basic pathologies of claims to budget for the long-term.

There are far too many patterns and issues to consider in this testimony, and far too much evidence to review. But I ask that you consider the following points.

1) Long- or medium-term caps on discretionary programs not only usually ignore consequences on the details; they are attempts to avoid democratic accountability by not specifying details. This makes them easier to pass, but when the time comes to make details fit the caps, the result is intense conflict that has often been resolved either with budgetary gimmickry – going all the way back to how Congress and the president dealt with Gramm-Rudman-Hollings – or, eventually, busting the caps, as Congress and President Trump did earlier this year. Appropriating with unrealistic targets makes passing legislation extremely difficult, and limits attention to how programs actually operate. Under unusually favorable circumstances, as with the 1990 and 1993 five-year targets at a time when the most obvious reason for military spending had diminished dramatically, caps may be mostly enforced. But 1990 is the exception that proves the rule: the caps were designed based on a sense among the major negotiators (especially OMB Director Darman and Senator Byrd) about what combination of totals and details would be realistic. Both Gramm-Rudman's sequester process and the BCA are examples of longer-term discretionary spending targets being dishonest, unrepresentative, and nowhere near as effective in limiting totals as their advocates hoped.

2) Long-term budgeting presumes it is possible to make credible long-term budget estimates. It is not. Such estimates depend on many factors that cannot be known, and are highly sensitive both to shorter-term developments (because long-term trends compound on short-term experience) and arbitrary assumptions. I discuss the history of forecasts for both Medicare and Social Security in my roundtable paper and forthcoming article, but one figure dramatically illustrated the instability of such estimates. This chart shows Medicare spending as a share of Gross Domestic Product for the year 2050, as projected in the Trustees' annual reports from 1992 through 2015.



I explain the reasons estimates changed in my work, but the key thing to remember is something former CBO Director Rudy Penner explained long ago. He said that if the purpose of long-term estimates is simply to call attention to long-term concerns, then "the huge inaccuracies do little harm." But one should be very cautious about assuming any budget forecast is good information because, as he added, "it has been shown that forecasts become rapidly less reliable as the forecast period is extended."

In short, budget estimates for the short-run may be flawed – but long-term budgeting involves leaps of faith that would be a very strange approach to financial management.

3) In many cases long-term estimates do not even serve the goal of limiting spending or deficits. One reason is that they do not eliminate budgetary gimmicks or games; they just change the gimmicks. The ten-year budget horizon created by budget resolutions and various enforcement rules has provided many examples. Single-year delays in the Alternative Minimum Tax or Sustainable Growth Rate formula would be "paid for" by promising savings in year eight, nine, or ten. Legislation to reduce constraint from the BCA has used this tactic again and again: the caps being suspended for two years but that being "paid for" by extending them out a further two years, or with other largely mythical long-term savings.

But a longer-term focus is particularly unwise for Medicare, and for the U.S. health care system over all. The U.S. health care system is in a cost crisis now; it is even more severe for private insurance than for Medicare, as is shown both by the fact that spending per enrollee over the last three decades has usually risen more slowly within Medicare, and the continual erosion of employer-sponsored insurance. Health care needs fixing *for us* now, not, "our grandchildren" decades in the future.

From a budgetary perspective, also, there are two reasons to deal with costs for the immediate future, rather than pretending to constrain them in later years. First, costs for some of us are incomes for a whole lot of others – very smart people and firms with lots of resources that will work hard to bust any set of cost controls. Give them time, and they will find some way to weaken any system. So there is no such thing as legislation in 2020 that can credibly promise to work in 2040. Health care cost control, in every country, is a continual hard slog, year after year. Yet, second, whatever is done now may improve prospects for the future, by reducing the base on which later increases will grow. The chart's dramatic decline during the late 1990s in projected Medicare spending for 2050 was because a combination of legislation and an anti-fraud campaign equally dramatically reduced spending in 2000 far below what had been expected in 1992.

4) Directing attention to alleged long-term needs also does little to make budgetary conflict more manageable. The argument that, "we should cut the program now so it will be secure later" is not going to win over people who would prefer not to cut at all. Nor would arguments that taxes should be raised now so they do not have to be raised as much later. Why not wait and see if either is necessary later? In the case of social security there might be some legitimacy to the argument, if changes now built up the trust fund. Unfortunately budget hawks who claim there is a long-term emergency almost unanimously claim the Social Security trust funds are fake, so they cannot make the argument with any sincerity (though many make it anyway).

5) Sponsors of long-term targets may pretend not to make decisions about the budgetary details. They claim those can be decided later. But any "backup" or "enforcement" mechanism is a default set of details. Some sponsors of both Gramm-Rudman-Hollings and the BCA claimed that those laws' sequesters of discretionary spending weren't the intended result. They were supposed to be so bad that the rest of the political system would agree to cut entitlements and/or raise taxes instead. But what you are willing to put under a guillotine is a pretty good sign of your priorities, even before the blade is dropped. It never made sense to assume the sequesters would be avoided, and it makes no more sense to let sponsors

of long-term budget plans with totals and enforcement pretend that the enforcement is not supposed to occur.

In short, the case for longer-term budgeting is built on fallacy after fallacy: misjudgments about the importance of totals compared to details; about the information available to budget responsibly, relating means to ends; about any government's ability to specify effective health care cost controls for a period of decades; about the ability to "game" long-term targets; about the supposed difference between "backup enforcement" and "policies"; and most of all about the importance of short-term action for long-term results. People who are worried about limiting deficits should do a better job of focusing on the next few years' policies, not pretend to be able to make policy for decades in the future.

I see little evidence that the move towards even ten-year budget resolutions has done anything to encourage better control of budget deficits, make programs more efficient, or better represent public preferences. Any longer time frame will only make it harder to make honest and responsible budget decisions.

**Conclusion:**

Thank you for your interest in this testimony; I hope it has provided useful warnings and one useful proposal.