

Is the U.S. Congress an Insurmountable Obstacle to Any “Far-Sighted Conception of Budgeting”?

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In recent years, Congress has recurrently failed to meet its minimum responsibilities in federal budgeting. This article analyzes whether it is possible to repair this problem, using concepts popularized by Allen Schick in his influential article “The Road to PPB.” His article compared the PPB reform effort to the history of budget process reforms that started with the design of the executive budget. It publicized a logical sequence of budget process improvements that started with control and then advanced through management and planning. The article did not substantially address the role of Congress, but eight years after it was published, Congress reasserted its constitutional role in the budget process. Its record of performance since then has ranged from mixed to dysfunctional. The Congress has been criticized for budgetary delays, micromanagement, myopia, procrastination, indiscipline, and an inability to prioritize intelligently. If these faults are set in stone, then an integrated system of budgeting, as described in “The Road to PPB” and related work, is unattainable. On the other hand, if reform of Congressional budgeting is politically feasible, improvements to that system can utilize the unique contributions that a legislature can make to a good system of budgeting.

THE ROAD TO PPB, AND THE ROAD NOT TAKEN

Consider these facts: the United States Congress has the “power of the purse”; and also has abysmal public approval ratings. That they are simultaneously true is a paradox if one reasonably assumes that the ability to allocate government spending is a political power that is worth more than its associated drawbacks. It implies that the Congressional budget process is significantly flawed, and that it should be reformed.

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The budgeting field has not lacked suggestions for reform, or analyses of such suggestions. The phrase in this article's title—a "far-sighted conception of budgeting"—is taken from a classic article of this type: Allen Schick's "The Road to PPB: The Stages of Budget Reform" (1966). The recipient of the praise was the multifunctional system proposed by the pioneering Bureau of Municipal Research (BMR) in New York City during the early 20th century. The BMR was the most important intellectual force for adoption of executive budgeting.

A prominent rationale for the executive budget was the idea that only by empowering a chief executive would government be able to control expenditures. Centralized authority would overcome the strong centrifugal pressures to spend excessively that are routinely generated jointly by agencies with competing missions and legislators representing different districts. Failure to use centralized power to control these excesses would expose the chief executive to electoral punishment. A chief executive who desired re-election or the same for his party's successor would anticipate this risk, and budget with prudence in mind (Meyers and Rubin 2011).

Other causes of this reform were public pressures for greater government transparency and the development of scientific management. Early during the executive budget movement, New York and other cities ran widely attended public budget exhibits that displayed government activities and documented the cost savings generated by the professional managers who were displacing party machines (Williams and Lee 2008). But there was a split within the executive budget movement—those who wanted even greater public involvement in budgeting, as represented by budget exhibits, lost out to the forces voiced most effectively by Frederick Cleveland, the dominant force within the BMR. He emphasized how only an empowered executive, using economic and engineering analysis and top-down control, would produce the economy and efficiency that citizens deserved.

Schick's "The Road to PPB" article described the sophisticated budget system advocated by the BMR. That system would fulfill multiple functions through the means of three integrated documents.

Appropriations, in sum, were to be used as statutory controls on spending. In its "Next Steps" proposals, the Bureau recommended that appropriations retain "exactly the same itemization so far as specifications of positions and compensations are concerned, and therefore, the same protection."

APPLICATIONS FOR PRACTICE

- Among the most influential normative models for how government should budget is the work of Allen Schick, summarized here by drawing from his analysis of PPB and his work for the World Bank.
- Congress repeatedly falls short of meeting most of the standards that Schick posits.
- While political factors will always cause Congress to budget imperfectly, Congress can still provide a useful counterbalance to an executive budget process that is also flawed.
- The Trump Presidency has the potential of stimulating Congress to adopt some budget process reform proposals that it has recently considered.
- Congress should adopt reforms that would improve its capacity to allocate funds effectively across the range of government activities. This could increase the odds of attaining fiscal discipline while also helping legislators be more responsive to their constituents.

Budgets, on the other hand, were regarded as instruments of planning and publicity. They should include “all the details of the work plans and specifications of cost of work.” In addition to the regular object and organization classifications, the budget would report the “total cost incurred, classified by *functions*—for determining questions of policy having to do with service rendered as well as to be rendered, and laying a foundation for appraisal of results.” The Bureau also recommended a new instrument, a *work program*, which would furnish “a detailed schedule or analysis of each function, activity, or process within each organization unit. This analysis would give the total cost and the unit cost wherever standards were established.”

Truly a far-sighted conception of budgeting! [emphasis supplied] There would be three documents for the three basic functions of budgeting. Although the Bureau did not use the analytic framework suggested above, it seems that the appropriations were intended for control purposes, the budget for planning purposes, and the work program for management purposes. Each of the three documents would have its specialized information scheme, but jointly they would comprise a multipurpose budget system not very different from PPB, even though the language of crosswalking or systems analysis was not used. (pp. 247-8).

The context in 1966 for identifying this historical approach as far-sighted was that the federal government, in response to a presidential order issued August 1965, was in the midst of expanding the “PPB” system of budgeting to the domestic side of the federal government. PPB, for “Planning-Programming-Budgeting” system, was first installed at the Department of Defense (DoD) in 1961 by Secretary McNamara, in part to force the military services to compete with each other and thus reduce duplicative purchases. The approach also promised to assist in managing the department more strategically, in an era when national security strategy was widely viewed as existentially important to the nation. The expansion of PPB to domestic departments was particularly attractive to President Johnson because his inspired legislative leadership had created the massive challenge of implementing a wide range of new domestic programs.

In Schick’s article, the BMR’s idealized version of the executive budget became more than a historical curiosity. It was comparable to PPB in that it was ambitious, multifaceted, and integrated. And like PPB, it was complicated, and thus hard to understand. Schick’s solution to this problem, and his basis for a theory of the sequence of budget reform, was adapting the conceptualization by Robert Anthony that managers must run “three distinct administrative processes,” which are “strategic planning, management control, and operational control” (p. 243). Anthony’s work on this topic was published in the same year when he was Comptroller of DoD and working on realigning DoD’s accounting to meet the heavy demands of PPB (Anthony 1965).

As noted in the excerpt above, Schick described the BMR’s preferred approach as one in which there would be “three documents for the three basic functions of budgeting.” The article then interpreted the history of budgeting, from the innovation of the executive budget to the implementation of PPB, as having three distinct eras. In each era, one orientation to budgeting dominated—first control, then management, and finally planning. Each era emphasized different formats for budgetary information.

The logic for a sequential introduction of control, then management, and finally planning is strong. Without effective controls on the amounts and purposes of expenditures, managing to promote organizational efficiency is not possible. And it makes little sense to develop plans if managers can not be trusted to effectively run programs. Many failures of overly ambitious budget reform from developing and emerging economies confirm these ideas (e.g., see discussions in Andrews 2013; Schick 1998a). A related sequencing mistake may be found in rich countries that do not progress beyond control and management to plan strategically.

The widespread impact of Schick's analysis may also have been enhanced by its simplicity. As is well-known by many authors and management consultants, setting out three categories appears to make concepts memorable. This "rule of three" was also used by Schick in later work for The World Bank on the relationship between budgeting systems and economic outcomes. Building on work by Campos and Pradhan (1996), Schick described an ideal public expenditure management system as promoting three basic elements: aggregate fiscal discipline, allocational efficiency, and operational efficiency (Schick 1998b). (Schick later used the term effective allocations for the second category, a practice that is followed below.) Note that in this later work budgeting systems are hoped to simultaneously fulfill each of these elements, in contrast to the sequencing expectation that was featured in "The Road to PPB."

Both of these tripartite conceptualizations of good budgeting are influential today among theorists. On occasion, these ideas also have supported legislative reforms, such as the Government Performance and Results Act of 1993 and its Modernization Act of 2010 (GPRAMA). These laws require the executive to plan strategically, identify priority goals, measure performance, and then to allocate resources in light of that information. Arguably this is a realistic framework for intelligent budgeting, one that matches the aspirations of the BMR but does not repeat the overly optimistic ambitions held for a government-wide PPB approach.

Yet there is one respect in which the current budget process, as expressed by statutes, goes far beyond PPB. PPB was located in the executive branch and designed to strengthen the capacity of that branch. It did not involve the Congress except as the routine authorizer of programs and approver of appropriations requests. As the expansion of PPB failed, the inadequacies of Congress regarding budgets were becoming more apparent. By 1974, Congress had decided it would reassert its Article I authority, with the final straw being President Nixon's attempted theft of the same.¹

"The Road to PPB" predated these developments. But given the important role Congress plays in federal budgeting, utilizing the concepts in "The Road to PPB" requires an examination of how the legislature's behaviors relates to the article's insights.

1. This is a topic about which Schick also knows a great deal, having assisted legislators in the creation of the law, and for many years having studied its implementation and described its details (1980, 2007).

MYOPIA, DELAYS, OTHER CONGRESSIONAL FAULTS, AND STRENGTHS

Based on its current reputation, Congress appears incapable of living up to the “far-sighted conception” of budgeting. Following are some common criticisms of how the Congress budgets. Each criticism is related to one or more of the six values in Schick’s dual tripartite systems: control, management, and planning; and aggregate fiscal discipline, effective allocations, and operational efficiency.

The Congress Does Not Complete Its Basic Budgeting Responsibilities on Time

This criticism is unquestionably true. It applies to several critical actions that the Congress is supposed to take by certain times.

Pass a Concurrent Budget Resolution

Under the Congressional Budget Act, a concurrent resolution is supposed to be enacted by April 15 by both the House and the Senate. Over the past two decades, Congress has agreed to a concurrent resolution in only half of those years (Heniff 2015). Lacking a budget resolution, the Congress has no effective procedure for setting fiscal targets and promoting aggregate fiscal discipline.

Support in Congress for using the process for these purposes appears to be relatively weak, compared to the alternative of using the process to increase the odds of adopting specific legislative initiatives. This is illustrated by the “success” in passing a budget resolution for FY2017, which was finalized on January 13, 2017, nine months after the statutory deadline. Once President Trump was elected, Republican leaders in Congress decided that a budget resolution would enable a quick repeal of much of the Affordable Care Act through the reconciliation process. Yet because of the Byrd rule’s requirement that reconciliation apply only to budgetary provisions, the tactical benefit from passing a budget resolution was insufficient to guarantee speedy enactment of a very complicated and politically risky bill.

Congress has also periodically delayed increasing the debt ceiling, with some legislators arguing that refusing to authorize more debt is an effective method of setting a fiscal ceiling. This is false because the budgetary actions that necessitate an increase in the debt have already been taken, and because prospects for aggregate fiscal discipline would be greatly harmed by defaulting on debt.

Pass Regular Appropriation Bills

The Congress is supposed to pass, and the President to sign, twelve regular appropriation bills by the beginning of the fiscal year, October 1. That has become a rare result. When must-pass deadlines approach and appear likely to be breached, agency managers must plan for government shutdowns rather than do productive work. Extended concurrent resolutions leave agency

managers in the dark about their final appropriations, impairing their ability to promote operational efficiency (Joyce 2012).

Consider Authorization Bills According to a Varied Schedule, and Enact Them on a Timely Basis

These bills often contain revisions to mandatory spending or reauthorize specific amounts of discretionary spending. In recent decades, the National Defense Authorization Act has been considered each year, though in the last few years there have been concerns that this bill would not be passed. Selected other major authorizations are typically considered on a multiyear schedule; among the most important are the farm bill and the surface transportation bill, but recent reauthorizations of both were delayed by one or more years (Volden and Wiseman 2016). A Congressional Budget Office report showed in fiscal year 2016, about 310 billion dollars of authorizations had expired but were being funded through appropriations bills.² Failure to regularly consider authorization bills can prevent the Congress from effectively evaluating how funds should be allocated across programs.

Enact Emergency Budget Legislation Promptly So That Funds Can Be Expeditiously Applied to Critical Needs

In recent years, supplemental appropriations have been delayed for disaster assistance because of demands for deficit-neutral offsets. In 2016 the parties fought for months over a requested supplemental for controlling Zika disease; among the issues preventing agreement was a proposed rider that would overturn a recently enacted ban on flying the Confederate battle flag in military ceremonies. This is one of many cases where the budgetary control function has been used to highlight nonbudgetary issues, both large and small.

When It Does Pass Budget-Related Bills, Congress Often Micromanages

Congress demands extensive detail on agency spending in appropriations justifications books, and then requires agencies to either spend as those books project or as Congress directs otherwise. Reprogramming and transfers can be used to reallocate funds during the fiscal year, but agencies must usually receive explicit permission from Congress to make these shifts. These mechanisms, and routine postaudits, enable Congress to feel quite confident that funds will be spent according to legislative intent.

That Congress excels at controlling how funds are spent also increases the risk of operational inefficiencies, because detailed directives can reduce desirable managerial flexibility. Congress has responded selectively to this criticism by granting selected programs some flexibility, such as

2. Congressional Budget Office (2016). This report was one of an annual series, the findings of which are very similar from year to year. See also Reich (2016) and Tollestrup (2015).

by making funds available for obligation over multiple years. It has also, surprisingly, maintained a moratorium on explicit earmarks for the past five years. This has reduced the extent to which individual legislators can convince their colleagues to direct funds to specific recipients and locations, but it has not eliminated distributive allocations through other means. Renouncing earmarks has also reduced the incentives for legislators to support budget bills, and thereby weakened committee and party leaders when they desire to pass these bills.

What the Congress has not renounced is overseeing management to correct executive mistakes. A recent example of the benefits of such oversight was the exposure of excessive waiting times for veterans' health services (New York Times 2014). On the other hand, many oversight hearings are now primarily partisan exercises in blame generation (Kelly 2015). A particularly glaring recent example was the extended investigation of Internal Revenue Service Commissioner John Koskinen over the unjustified claim that he was responsible for destroying evidence of prejudiced reviews of conservative groups over their requests for nonprofit status (Ornstein 2016).

The Congress Is Myopic About Fiscal Risks, or It Procrastinates Rather Than Avoid Those Risks

Across democratic nations, the U.S. has the shortest period between scheduled legislative elections. This is widely believed to incentivize legislators to act myopically. They should shy from imposing visible costs on constituents who ask “what have you done for me lately” without recognizing the long-term costs of this standard. In contrast, a good budget process is foresighted—identifying risks that range from near-certainties to contingencies, and then either acting to reduce their chances of occurring or reserving funds to cover their costs (Redburn 2015).

In the current federal budget process a major exception to myopic behavior is accrual budgeting for credit programs, which estimates at the time of obligation the likely long-term budget outlays. It would be wise to expand this approach to programs offering insurance and relief for financial and physical disasters (Phaup and Kirschner 2010). To date, however, the Congress has only changed how it counts spending for physical disasters against budget enforcement limits.

Prominent deficit hawks have expressed most concern about myopic budgeting for the major entitlement programs of Social Security, Medicare, and Medicaid, often claiming that these programs are “on autopilot.” This metaphor is only partially accurate in what the metaphor implies, and in how applicable it is to various entitlement programs.

A well-functioning autopilot reduces the need for frequent actions by the human pilot, and is often capable of operating the craft more efficiently than a human could. The intended comparison to budgeting is in the purported lack of continual human involvement: programs in the “mandatory” procedural category, by definition, are not burdened with the need to receive annual funding through the regular appropriations process, as previous legislation has already given them permission to spend. In contrast, “discretionary” programs that fail to receive timely funding “crash.” Most tax preferences are also permanently authorized.

Successfully using an autopilot requires that the destination is well chosen, and that there is sufficient fuel to reach the intended destination. Critics such as Steuerle have questioned the destination, arguing that opportunities for the young are restricted because we spend so much on programs for the elderly (Steuerle 2014). Regarding fuel, if the benefits now promised to the elderly grow as scheduled under law, those benefits will eventually become unaffordable given the limited financing projected to be available under current law.

It is understandable that a metaphor intended to symbolize inaction would be attached to Congress, in that inaction has always been this institution's most common product. Interest groups that oppose change have excellent access to Congress, and there are numerous procedural opportunities within that decentralized body to block change. Government inaction in the face of changing societal conditions that indicate a strong need to change policy is sometimes labeled policy "drift" (Hacker and Pierson 2010). In this case, it is as if the autopilot has no correction mechanism to deal with mistakes in the inertia of the craft.

On the other hand, the intended meaning of the autopilot metaphor—continual inaction—is contrary to the actual autopilot-like effects of how some mandatory programs work. In the cases of Medicare and Medicaid, legislative action rather than inaction has been the norm, such as through adoption of Part D of Medicare, frequent adjustments stimulated by the Sustainable Growth Rate (SGR) procedure, adoption of the Affordable Care Act, the replacement of the SGR by the Medicare Access and CHIP Reauthorization Act, and adoption of the 21st Century Cures Act. Rather than Congress using an autopilot for the health entitlements, the more accurate metaphor is that Congress is the bridge of a supertanker, on which there are frequent political struggles for the helm. Whoever tries to shift quickly from port to starboard, or vice versa, understandably finds that the turn is slowed greatly by the huge vessel's inertia.

Congress Has Failed to Exercise Aggregate Fiscal Discipline

The debt held by the public is projected by the Congressional Budget Office to increase from 77.5 percent of GDP in FY2017 to 88.9 percent in FY2027 (Congressional Budget Office [CBO] 2017a). Its long-run outlook projection increases that amount to 150 percent of GDP in FY 2047 (Congressional Budget Office [CBO] 2017b). Such projections are cited by critics of the Congress as evidence that it does not value aggregate fiscal discipline. Given the wealth and relative political stability of the United States, the capacity to borrow at very low rates is viewed as an exorbitant privilege that ignores the risks of this behavior. When interest rates rise, government interest outlays will crowd out spending for other purposes, and government debt will crowd out financing for productive private investments. While there may not be an exact threshold above which the risks of economic shocks will cause serious problems, a growing debt with no plans either to reduce it or to stabilize it relative to the size of the economy will reduce the fiscal space to deal with such uncertainties. Demographic changes and global climate disruption also suggest the need for a more far-sighted approach to fiscal discipline.

But this criticism is highly contested. One counter is that some warnings about the debt are uninformed, akin to repeated Chicken Little exclamations, generated by any level of debt greater than zero and unrelated to any considerations other than moral objections to borrowing. Another counter is that the Congress should not yet be blamed for excessive debt, as low long-term interest rates and apparent secular stagnation in the world economy signal that federal debt will be manageable for quite some time (Elmendorf and Sheiner 2016).

History also shows that Congress has periodically taken the lead in debt reduction, and it may do so again. Congress attempted to reduce the deficits that resulted from the Reagan tax policies adopted in 1981, and in cooperation with Presidents George H.W. Bush and Clinton in 1990 and 1993 Congress adopted policies that eventually converted the deficit into a surplus.

Yet Congressional support for deficit reductions has also not always produced sensible reductions. The Budget Control Act of 2011 (BCA) established control rules that foolishly concentrated on capping discretionary spending to historically low levels. These caps were a failed attempt to stimulate a “grand bargain” of tax increases and broader spending cuts. Congress avoided changing the wider budget, and did not establish plausible aggregate fiscal targets, or a process for setting such targets (Meyers 2014).

The Congress Is Not Self-Disciplined; It Abandons Its Own Rules and Prior Commitments

Since the rules of budgeting are written by Congress, they can be changed by Congress. Rules will be broken, modified, waived, or ignored when they were originally intended to enforce agreements that have since become politically unacceptable. For example, in 2013 and 2015 the parties reached two, two-year agreements to increase the discretionary spending caps created by the BCA. In the eyes of many, this was a good outcome, as it relaxed a rule that was not actually intended to become effective; following it would have produced unwise budget allocations.

On the other hand, Congress has also jettisoned rules that did work and that continued to make sense had aggregate fiscal discipline been valued more. An example was the expiration of (most) PAYGO rules that could have prevented the deficit increases that result from tax cuts and creation of Medicare Part D. While (somewhat different) PAYGO rules have been reinstated, it is not uncommon for Congress to dishonor the spirit of these rules while apparently complying with them. A long-standing problem is passing legislation that would offset current deficit increases with future deficit reductions that are likely to be reversed when their times come. While controllers such as the House Budget Committee usually oppose such legerdemain, whether of the PAYGO variety or instead regarding discretionary spending caps, at other times they can also be complicit with it. A recent example is funding a portion of regular military spending in the additional amount for overseas operations that is not subject to budget controls (Hale 2016).

The ineffectiveness of legislative budget rules does not fit well with either of Schick’s conceptual sets, but it is reminiscent of the criticisms of PPB as overly complicated. The

continuing battle between spending advocates and budget controllers leads to an accretion of complex rules. That these rules are frequently waived may signal that they need to be revised.

It is also important to understand that Congressional willingness to comply with rules depends partially on the executive branch acting prudently. History has not verified the assumption in the executive budgeting approach that this will be the case, particularly with official budget projections, which must be honest in order for other budget rules to be effective. Administrations vary in how willing they are to play with the numbers, but it is worrisome that the Reagan “magic asterisk” now looks quaint when compared to the Trump FY18 budget’s extraordinarily large double-counting gimmicks (Summers 2016). Knowledge that the executive branch is willing to flaunt budget scoring encourages Congressional leaders to hold votes on important legislation, such as the American Health Care Act, without first obtaining a CBO cost estimate.

The Congress Fails to Make Sensible Decisions About Priorities

When the Congress reasserted its authority in 1974, it already had almost two centuries of experience with its Article I powers. These powers were institutionalized in a complicated committee structure and the related authorizations and appropriations processes. The powerful traditions and career investments in these institutions led the Congress not to reorganize them in 1974, but to supplement them with budget committees and the budget resolution and enforcement processes. So though the Congress aspired to write its own budget through the budget resolution, it did not intend to use this resolution to reallocate funds by dictating to the various committees exactly how they should write legislation.

The repeated failure to adopt a concurrent resolution shows that Congress now places relatively little value on making systematic allocations. However, the value of even enacted budget resolutions for this purpose is compromised by the misalignment of the different sectors of the budget (“budget functions”) with the committee structure. In most sectors of the budget, the government’s efforts are distributed across three categories that are based on committee jurisdictions: discretionary spending (the responsibility of appropriations committees), mandatory spending (of authorizing committees), and tax expenditures (of revenue committees). Should a budget resolution be enacted, enforcement procedures make strong distinctions between the discretionary and the mandatory/tax expenditure categories.

While a budget resolution appears to allocate its totals to the various budget functions, in practice those allocations are not determinative. Committees can shift funds granted to them for one function to programs that are in other functions. Budget resolutions have been increasingly used not for reallocations, but rather for symbolic messaging, as measured by “sense of the Senate” and “reserve fund” provisions (Reynolds 2017).

More importantly, programs and tax preferences that address related goals are often not regularly compared to each other. It is likely no coincidence that there are many fragmented,

overlapping, and duplicative efforts by the federal government, as the Government Accountability Office (GAO) has repeatedly found.³

No one should expect Congress to budget as a technocratic body would. Legislative budget allocations—decisions about “who gets what”—are in their very essence political, and will always be affected strongly by ideologies, partisan positions, committee turfs, and the district/state interests of legislators. That Congress is responsive to these various political forces is implied in the change of Schick’s criterion from “allocative efficiency” to “effective allocations.” The former is too ambitious a standard if it requires use of the standard assumptions of classic economics (see White 2014).

But that does not mean that “effective allocations” should be a standard that is completely open-ended. Arguably a legislature should use a transparent and deliberative process to arrive at allocations. That should include some identification of priority goals and some evaluation of the extents to which government efforts attain these goals. Steps in this direction were taken in 1993 when Congress passed GPRA and in 2010 when it built on this foundation by enacting GPRAMA. Yet support for neither bill was driven by a widely held and strong commitment among legislators to incorporate planning into the legislative process—both laws placed the main burden on the executive branch.

Following the department submission of strategic plans as required by GPRA, in 1997 House Majority Leader Armev (R-TX) issued a press release that awarded low to failing grades to these plans, primarily to generate partisan blame on the Democratic President. Armev complained that departments had failed to resolve conflicts among the many and sometimes competing strategic goals that they identified, but he ignored the fact that Congress assigned most of those goals to the departments, thus sharing some responsibility for clarifying them. In the next decade, Congress refused to use findings from the George W. Bush administration’s Program Assessment Rating Tool assessments.⁴ And though the recently enacted GPRAMA requires departments to report and consult with Congress (Brass 2012), Congress currently shows very low interest in ensuring that the executive fulfills the requirements of GPRAMA, and in using this process to inform how Congress allocates funds. The GAO has been silent about the low utilization its overseer, the Congress, has made of the often valuable performance information generated by the executive branch.

INSURMOUNTABLE?

This brief survey shows that many of the ideals of the “far-sighted conception” of budgeting are not being met by Congress. Unless there is reform, budgets will generally be late, impeding managerial efficiency. Legislative difficulties with self-control may periodically threaten

3. While some of those might be eliminated, not all should be, given the heterogeneity of the United States and the desirability of experimenting with different remedies for challenging problems.

4. Some research suggests that some PART evaluations reflected the President’s partisan bias, though not by large amounts (Gilmour and Lewis 2006).

aggregate fiscal discipline. Planning will be haphazard, and priority-setting will not be comprehensive.

This might be the best we can expect. A case against the far-sighted conception of budgeting was made by Aaron Wildavsky in his classic article “The Political Economy of Efficiency: Cost-Benefit Analysis, Systems Analysis, and Program Budgeting,” which was published in the same issue as Schick’s “Road to PPB” (1966). After arguing against the methods of cost-benefit analysis and systems analysis, Wildavsky made related criticisms of program budgeting: there will be no consensus about the best program structure, as programs are highly interdependent; PPB has a centralizing bias that is worrisome; and there is no proof that DoD PPB as practiced lives up to the claims for it. Wildavsky concluded by warning against accepting economists’ assurances that they can rise objectively above political concerns. As he restated the incrementalist view that political rationality was more realistic than the economists’ preferred comprehensive approaches, the most credit Wildavsky was willing to offer his targets was statements such as “studies based on efficiency criteria are much needed and increasingly useful” (p. 309).

A related rationale for accepting the current level of Congressional performance is that it is a design feature of our constitution. It is not normal for separated institutions that share powers but have different electoral bases—a bicameral legislature, and an executive that is distinct from the legislature—to quickly and easily resolve difficult issues. This difficulty is magnified when partisan control of the branches is divided, and when the ideological distance between the parties is large. Over recent decades, the polarization of the parties has greatly increased, with Republicans moving farther to the right than Democrats have moved to the left. Beginning in the late 1980s, House Republicans also dropped a strategy of occasional cooperation with the Democrats; this helped them gain and then keep majority status (Mann and Ornstein 2012). In the Senate, the Republican leader pledged at the beginning of the Obama administration to be a constant obstructionist. Yet these strategies have not produced consistent majoritarian results. Strong partisanship in the House has not been matched by party unity, and in the Senate, the tradition of individualism, while weakened, is still influential (Binder 2015).

In Federalist #10, James Madison argued that elected officials would prevent unfair dominance by a majority faction not only because of structural checks and balances, but by their adherence to the idealistic norms attached to their roles. They would be expected to

refine and enlarge the public views, by passing them through the medium of a chosen body of citizens, whose wisdom may best discern the true interest of the country, and whose patriotism and love of justice, will be least likely to sacrifice it to temporary or partial consideration.⁵

Without adopting an overly rosy view of American history, it is worth asking whether current legislative problems result just as much from the weakening of important norms as from party polarization. William Muir translates Madison’s “love of justice” in the legislative context as “an ability to play the broker’s part and negotiate a fair give and take with guarantees of due process to all interests” (1982, p. 3). Adherence to these norms is now hard to observe.⁶

5. For an especially insightful commentary on this text, see Wilson (1990).

6. Price (2010) and Green and Burns (2010).

Given these institutional features, the prospects for moving Congress in the direction of the “far-sighted conception” of budgeting seems “insurmountable,” the other adjective used in this article’s title. This word matches the image in this cartoon of Sisyphus by Honoré Daumier (Figure 1).

Daumier’s intended commentary was about the difficulty of financing the military in France’s conflicts with Prussia.⁷ The cartoon is reprinted in budget texts instead because it symbolizes how the myth’s story of punishment by repetitive and always unfruitful hard labor can feel like the activity of budgeting. Passing a bundle of hard choices is a heavy lift. Extending the Sisyphian metaphor, its difficulty is positively related to the slope and height of the hill, or as argued here, the Hill. Though on the Hill, unlike with Sisyphus’s effort, the pushes from the Congress on the budget boulder do not all go in the same, uphill direction.

MODERNIZING THE “POWER OF THE PURSE”

If Congress is now an insurmountable barrier to an effective budget process, converting it into an indispensable element of one will require organizing many more legislators to push together from the bottom.

During 2016, the House and Senate Budget Committees separately held series of hearings on budget process reform.⁸ While such activity can sometimes reflect a reluctance to make budget decisions under the current system (“talk process when policy is hard”), in this case it appeared to reflect some serious concern about Congressional dysfunction. When such concerns become widespread among legislators, the window may open for Congressional reform (Dodd 1977).

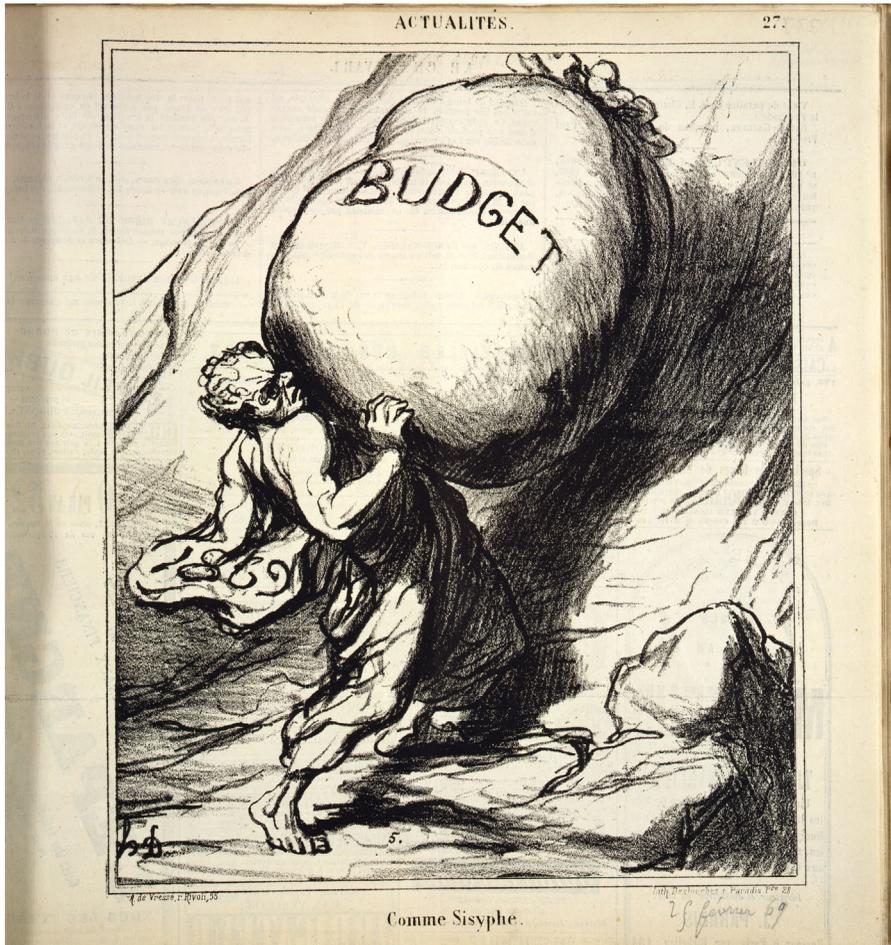
In the Senate, Senator Budget Committee Chair Enzi reached some tentative agreements with Democrats on minor changes to the process, such as limits on the the long string of symbolic amendments to the budget resolution that is known as “vote-a-rama” (Enzi 2016). His more ambitious proposals, such as biennial budgeting and establishing a fiscal target, were not the subject of fruitful negotiations with Senate Democrats, who in turn found that their requests for reforms such as greater attention to tax expenditures did not receive sufficient support from Republicans.

The partisan divide was much wider in the House than in the Senate. Speaker Ryan’s GOP agenda series “A Better Way” included a June 2016 publication on “The Constitution” with proposals to “overhaul the outdated and needlessly complex Congressional Budget Act” and “pass all annual appropriations bills”—though the credibility of the latter pledge was reduced by the simultaneous refusal of the House leadership to issue “302b” enforcement ceilings for the regular appropriations bills and its failure to bring half of the FY17 appropriations bills to the floor (Ryan 2016). Then after the Trump victory, and just prior to his nomination as Secretary of Health

7. Thanks to Delphine Moretti and Jon Blondal for clarification on this point.

8. <http://www.budget.senate.gov/hearings> and <http://budget.house.gov/hearingschedule/>. See also Everly (2016) and Rivlin and Domenici (2015).

FIGURE 1
Budgeting is ‘Like Sisyphus,’ According to Daumier



(source: Harvard Art Museum/Fogg Museum, Gift of Carl Pickhardt, Class of 1931).

and Human Services, House Budget Committee Chair Price released a 25 page, single-spaced discussion draft for a comprehensive rewrite of the Congressional budget process. Some of its minor proposals were included in rules changes adopted by the House at the beginning of the 115th Congress.⁹ Other provisions were notably bold, particularly its first, listed under the title “Asserting Article I Congressional Powers,” a phrasing that was repeatedly used by Republicans in response to the Obama administration’s actions. Price’s proposal would have postponed submission of the President’s budget to April 30, to be bracketed by the budget committees passing a budget resolution by April 15 and Congress adopting that resolution by May 15.

The House Budget Committee produced a series of working papers after its 2016 hearings; these showed that reaching a bipartisan agreement on budget process reform was very unlikely. An example is its reaction to “portfolio budgeting,” which as suggested by Redburn and Posner would have the Budget Committees periodically conduct comprehensive reviews of spending and tax preferences in sectors of the budget (2015). The majority staff’s criticism of this reform matched the anti-tax “pledge” to which almost all Republicans have committed:

Another risk lies in the portfolios’ inclusion of both spending and tax provisions (known as “tax expenditures”). This would increase the temptation to treat tax provisions as identical to spending, so that eliminating a tax “expenditure”—a revenue increase—would be viewed as a spending reduction to offset higher spending elsewhere in the portfolio. This would be an out-and-out “tax and spend” result (House Budget Committee 2016).¹⁰

Not surprisingly, committee Democrats, who generally downplayed the potential for budget process reform, responded with:

Myth: Republicans are pushing bipartisan, neutral budget process changes.

Reality: Republicans’ budget process proposals only support their own extreme agenda (House Budget Committee Democrats 2016).

Under divided government, successfully negotiating agreements is extremely hard, but it is not impossible. Each party may be willing to support a reform package if the resulting improvement in Congressional performance is not detrimental to their electoral prospects (Meyers 2016). But the divided government reform road, as bumpy as it is likely to be based on this recent history, was blocked, at least for the time being, by the 2016 election.

If there is any consensus adjective to describe that result, and the style of governing that has followed, “abnormal” is likely it. On some issues, candidate Trump took moderate positions that had previously been opposed by mainstream Republican legislators. During the campaign many of those legislators downplayed Trump’s stances in anticipation that under unified government the party’s factions would coalesce to pass major changes, including tax cuts and the repeal of the Affordable Care Act. Once Trump took office, though, differences within the party on a range of policy issues were on full display.

In a quick reversal of some of his moderate electoral stances, Trump’s first budget, which drew heavily from previous suggestions by the Heritage Foundation, included cuts to domestic spending that were far larger (rather than smaller) than many Republican legislators had ever proposed. Not only were the cuts even more concentrated on means-tested programs for the poor and middle class than in previous Republican plans, but now they also targeted programs that had extensive support in Republican districts. Many Congressional Republicans clearly said that they did not intend to rubber stamp such proposals—they would be foolish to do so, given the electoral

9. <http://budget.house.gov/uploadedfiles/bpr-longsummary-30nov2016.pdf>

10. The November 2016 Price proposal did propose a Budget Concepts Commission, the agenda of which would include an analysis of the potential implementation of portfolio budgeting.

risks. Instead, they promised to “return to regular order,” by which they meant drafting appropriations bills that reflected their priorities.¹¹

Just as the Nixon Presidency stimulated a Congressional assertion of authority, it is possible that the Trump Presidency will have a similar effect. If so, then the goal of modernizing Congressional ability to live up to its Article I responsibilities should not just mean passing appropriations bills that reflect Congressional priorities, as important as that is.

Congress recognized in 1974 that the appropriations process covered only part of the budget—and this portion of the budget has continued to shrink relative to mandatory spending and tax expenditures. Yet Congress’s recent reluctance to pass annual budget resolutions show that the process is not effective at setting goals for aggregate fiscal discipline. Congress instead continues to vote on debt ceiling increases, even though this procedure is a perfectly ineffective method for promoting fiscal responsibility. Voting down a debt ceiling increase would be equivalent to standing at the bottom of the Sisyphean hill while the unimpeded boulder rolls down.

The Republican budget process reform proposals mentioned above included new procedures to set long-term debt targets, enforced by automatic spending reductions when those targets were not met. It is not clear that such delayed actions would be acceptable then—and it is clear that this approach is now unacceptable to Democrats. This is a topic where Congress needs to review the experiences of other countries with aggregate fiscal limits, and consider whether there is an approach that could be successfully imported into the United States.

Another feature of current budgeting where performance is farthest from the ideal is making effective allocations. Again, merely passing appropriations bills, as desirable as that would be, is far from what is needed to allocate funds well.

In the “Road to PPB,” Schick quoted from a 1949 article by Edward Banfield, who as a self-described planner at this stage of his career criticized the traditional system of budgeting:

Congress does not view the budget as a means of effecting a rational distribution of limited funds among alternatives. Instead, Congress sees the budget as an instrument for exerting managerial control over the executive and (here the essential nature of the budget process is neatly reversed) as a means of establishing the supremacy of private and local interests over the national interest (p. 1220).

Informed by the first Hoover Commission, he instead wanted the Congress:

... to leave the mechanics of plan-making to the agencies qualified for that function. The role of Congress would be to lay down the basic structure of value judgments upon which

11. Note that the concept of “regular order” typically has referred to a broader aspiration: passing twelve appropriations, separately, with open rules that allow amendments, and that have been preceded by bills that authorize all of those appropriations. Congress has not followed this practice for a long time, so it is no longer “regular.”

the plan would be reared; to debate and criticize the plan; and to suggest changes in it (p. 1227).¹²

GPRAMA is consistent with the executive-led approach that Banfield outlined. But as described above, Congress has not yet done much with GPRAMA, in part because many legislators have been more interested in partisan position taking. We may be close to another “death in the bureaucracy,” which was the title of Schick’s analysis of the demise of PPB (1973). If history repeats itself, to reverse the order in Karl Marx’s comment on the rise of Louis Napoleon by military coup, the first death (of PPB) was the end of a farce, and the second death (GPRAMA) will be tragedy (Mazlish 1972).

The latter is still preventable. If Congress wants to modernize Article I, it should insist that departments document priority goals and results within the GPRAMA framework. But more importantly, Congress should utilize that information as it legislatively establishes missions for departments and designs programs, funds these efforts, and then oversees accomplishments or lack thereof.

The idea here is not that more performance information will provide definitive guidance to Congress; this is an entirely unrealistic expectation (Joyce 2008). Rather it is that Congress, and its members, should prefer a process where conflicting positions can be compared to each other in something resembling a “fair fight.” Donald Moynihan has argued convincingly that the true value of performance information is along these lines, where a dialogue about reported results can enable learning about program effectiveness and about which goals should take priority (Moynihan 2008).

Relying more on performance information to evaluate existing spending and tax preferences will increase these programs’ exposure to cuts, which legislators should oppose lest they want to risk the wrath of the programs’ supporters. And utilizing a portfolio approach to make these comparisons would reduce the importance of traditional committee jurisdictions and devalue legislators’ positions on their current committees.

On the other hand, adopting a reformed process for setting allocations would recognize, as many legislators already understand, that setting missions and designing programs is as important as funding annual appropriations. If Congress truly wants to control the executive, it needs a process where it can better connect planning, management, and control. And to the extent it can allocate funds more effectively—thereby reducing waste and focusing limited funds on priority goals—it will increase the odds of sustaining aggregate fiscal discipline. Recent support for “evidence-based policy-making” suggest that Congress could become more attracted to this approach (Bipartisan Policy Center 2017).

In conclusion, rather than emphasize the limitations of Congress, it may be more useful to think about how to “make Congress great again” (Stid 2017).¹³ The prospects for Congress realizing more of the “far-sighted conception of budgeting” thus depend on whether this approach can be viewed by legislators as an aid their political fortunes, and also as a boost to the

12. Banfield would soon become very pessimistic about the capacity of government to improve society.

13. <http://www.rstreet.org/make-congress-great-again/>

capacity of the institution where they have personally invested so much to serve. The obstacles to this are not insignificant, but neither are they insurmountable.

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