
Budget Process Reform: Can a Better Process Lead to Good

Senator Michael B. Enzi, Senator Sheldon Whitehouse

MODERATOR: *John Harwood*

THE DAY'S next session featured a bipartisan panel with two key members of the Senate Budget Committee, Chairman Michael B. Enzi (R-WY) and Senator Sheldon Whitehouse (D-RI). In discussion with CNBC's John Harwood, Enzi and Whitehouse discussed their efforts to implement reforms to streamline and improve the annual budget process.

Enzi stressed that the budget process is “broken,” with too many procedures that “are just designed to embarrass each side” rather than result in a document that reflects our nation’s priorities. Whitehouse agreed that the budget process status quo results in “a highly partisan environment, [which] opens itself up to just pot shots back and forth.” Although the budget should set “the high point of congressional responsibility,” he said, it instead “turns into a comedy of mutual insults and demeaning behavior.”

Whitehouse suggested more communication and cooperation between the executive and legislative branches would improve the outcome. He proposed involving the president earlier in the process in order to avoid a last minute standoff under threat of government shutdown, adding that this approach should apply “whether it’s [a] Republican or a Democrat.”



John Harwood
*Chief Washington Correspondent, CNBC;
Political Writer, The New York Times*

Policy?

Enzi noted that increasing mandatory spending will begin to crowd out priorities in the discretionary budget, limiting the ability of his committee to chart a more sustainable fiscal course. He said that the budget is being overtaken by spending on entitlement programs and interest, which is crowding out important investments in our economy.

Enzi and Whitehouse emphasized the need to examine the tax code—particularly tax expenditures—as part of improving our long-term fiscal outlook. Both noted that although discretionary spending is reviewed on an annual basis, changes to the tax code are essentially permanent and removed from year-to-year scrutiny. Whitehouse said, “If you are a special interest and you have the choice between pulling

strings to get an appropriation in a particular year versus pulling strings to get an equivalent value tax benefit that then gets baked into the tax code and is yours year after year after year, clearly, your incentive is to bake your goodies into the tax code.” This practice has been taking place for years, he said, “leav[ing] us a rich mine of really unjustified tax spending to look at.” Enzi added that we need to look at every tax expenditure and determine whether it is “justified or not.”

Calling for strong presidential leadership and a bipartisan approach to our budget challenges, Enzi highlighted what is at stake for the future of the country: “I think it is possible for people to work together if both sides can be involved, and [we] can start to solve some of the really big problems that our country has.”



Senator Michael B. Enzi
(R-WY) Chairman, U.S. Senate Committee on the Budget

Senator Sheldon Whitehouse
(D-RI) U.S. Senate Committee on the Budget and Committee on Health, Education, Labor and Pensions