

Budget Process Reform Principles

Undoubtedly, our nation is on an unsustainable fiscal path. On its current course, the national debt will equal the size of the entire economy within the next 10 years. Trillion dollar deficits are projected to return within the next year or two. Interest costs alone are rapidly rising to become the third largest category of the federal budget.

Our fiscal imbalance crowds out priorities, threatens our economic health, increases the likelihood of a fiscal crisis in the future, and will inhibit our ability to deal with such a crisis if it comes.

Our broken budget process adds to uncertainty and prevents meaningful progress in improving our fiscal outlook. While budget process reform alone cannot substitute for better decision-making on fiscal policies and priorities, there are many reforms that would help encourage fiscal sustainability.

The following are principles for reform to help ensure that our budget process is conducive to fiscally responsible policymaking.

Look Long-Term.

Give more visibility to periods past the current 10-year "budget window" to increase attention on our long-term fiscal challenges.

Set Fiscal Targets.

Requiring Congress and the president to set medium- and long-term fiscal goals, and then report on progress annually, would improve accountability and transparency on our fiscal condition.

Strengthen Enforcement.

Adding new or strengthening existing enforcement measures would help policymakers stay on the path towards their budget targets. Those reforms should be flexible enough to accommodate changing conditions, but strong enough to establish and reinforce the commitment to long-term fiscal sustainability.

Increase Transparency.

Lawmakers and the public alike should have clear and timely information about budget decisions and their impact.

Avoid Brinkmanship.

Governing from crisis to crisis with last minute, deadline-driven decisions often produces poor policy.

Lawmakers should design process reforms that ensure budget decisions can be considered responsibly with adequate time for review.

Budget Comprehensively.

Set rules and targets that apply to all components of the federal budget — including both discretionary and mandatory spending as well as revenues.

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