



Response to the Request for Information on Specific Solutions to Improve Government Oversight from the House Budget Committee's Oversight Task Force

By Kurt Couchman, Senior Fellow in Fiscal Policy, Americans for Prosperity

December 19, 2023

We appreciate the invitation to make recommendations to improve congressional oversight of federal policies and those charged with faithfully executing the laws.

Americans for Prosperity is dedicated to empowering every American to pursue their version of the American Dream. We believe that Americans – including members of Congress – are capable of extraordinary things when freedom and opportunity exist.

We believe the following options would support robust oversight and multiply the ability of members of Congress to pursue priorities within a more bottom-up, more deliberative, and more productive legislature.

1. Establish an annual, comprehensive budget act

Annual appropriations encompass only about one-fourth of federal spending and no revenue. Significant numbers of members of Congress rarely study programs unless they expect to make decisions on them, and a partial budget process does not promote enough growth in institutional knowledge to oversee and improve many policy areas.

A [comprehensive budget](#) including not only appropriations but also direct spending and revenue programs would deepen committee and member knowledge of federal activities. That knowledge would enhance oversight and management within annual budgeting as well as, separately, in the authorization process. Non-appropriated policies would continue under current law unless and until Congress affirmatively changes them, but Congress would finally manage those programs in a regular, anticipated way and in a holistic context.

A complete budget would make tradeoffs within and across committee jurisdictions more feasible. It would enable the Budget Committees to design and oversee the process, precisely the mission for which Congress established them. The authorizing committees would have a concrete opportunity each year to manage their portfolios, and counterpressure from other committees' priorities would buttress the Budget Committees' budget enforcement activities.

A comprehensive budget would help committees and members check and balance each other and promote accommodation among competing uses of resources. An annual budget bill with all spending and revenue would give Congress the means – everything is there – and the motivation – reducing waste protects higher priorities – to evaluate programs and dial up or down, as appropriate. Expanding member and committee inputs and stakes in the annual budget would empower Congress to drive policy even if a president wants another outcome.

A comprehensive budget would repeal reconciliation, which has become a [polarizing and partisan tool](#) of unified government that usually increases deficits and debt. Reconciliation enabled the extraordinarily wasteful and damaging American Rescue Plan Act and so-called Inflation Reduction Act last Congress. That process provided the leverage to push through the unfocused and extravagant Infrastructure Investment and Jobs Act as well.

The legislation to enact a comprehensive budget mostly would be a perfecting amendment to the Congressional Budget Act of 1974. That Act has not produced the desired results, but it provides a solid foundation for the changes needed to fulfill its promise.

2. Publish direct spending line items by authorizing committee

The Budget Committee should publish a full set of direct spending program line items for the current year and the budget year for each of the 16 non-appropriations committees with spending authority. The Congressional Budget Office already produces “[Spending Projections, by Budget Account](#)” for appropriated and direct spending accounts. The non-public version for the Budget Committees is said to include committees of jurisdiction.

This transparency would help all members better understand committee jurisdictions and the volume of associated spending. It would aid efforts to oversee, coordinate, and otherwise manage connected programs across committees.

3. Develop a detailed revenue statement with Ways and Means and JCT

The Budget Committee should coordinate with the Ways and Means Committee and the Joint Committee on Taxation to develop a revenue statement that includes collections, bases, rates, credits, deductions, exclusions, and exemptions. JCT publishes [estimates of federal tax expenditures](#), which are “revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.”

This foregone revenue is a significant part of federal fiscal policy, and the Budget Committee can facilitate greater transparency and oversight. This and the prior recommendation would also support a comprehensive budget.

4. Fix the “tax expenditures” baseline

The [statutory definition of “tax expenditures”](#) from which JCT’s report is derived biases tax policy discussions against provisions that reduce multiple layers of taxation or move cost recovery toward expensing. Congress should amend the definition to reflect departures from “consumed income” rather than departures from “gross income.”

Economically, profit equals revenue minus costs, but that isn’t JCT’s standard. Aligning this concept with economic reality would [help Congress move](#) toward a cleaner, less complicated, more growth-supporting tax code.

5. Account for interest effects in CBO and JCT cost estimates

Excluding interest effects from CBO and JCT cost estimates hides the full impact of legislation. This distortion is greatest when giveaways are up front, but takeaways (offsets) are toward the end of the scoring window. CBO has already produced a related [interactive tool](#), and legislation from [Rep. Dan Meuser](#) and [Rep. Michael Cloud](#) would require CBO and JCT to include interest effects in cost estimates as a routine practice.

6. Establish reasonable, overall budget targets

Budget targets discipline allocations by institutionalizing scarcity. Weighing the relative value of various spending and revenue policies against each other requires judgment, judgement requires knowledge, and knowledge requires study and oversight.

House Republican Whip Tom Emmer and Senator Mike Braun have proposed the [Responsible Budget Targets Act](#), a gradual transition to structural primary balance that resembles Switzerland’s highly successful debt brake. Structural balance means balance over the medium term, not every year, and primary balance means between revenue and non-interest spending. After a transition period, the RBTA would keep the trends of revenue and non-interest spending together while letting yearly levels fluctuate with our dynamic economy. It would require subsequent offsets for emergency spending. This would allow immediate, un-offset responses to crises but without letting them become a budget loophole.

[Medium-term debt-to-GDP targets](#) could accomplish similar outcomes in theory. Yet the concept of balance is more intuitive, requires less explanation, and may therefore be more politically durable.

A [well-crafted constitutional provision](#) could strengthen statutory budget targets. The [Swiss debt brake](#), for example, pairs principles-based constitutional provisions with more detailed instructions in statute.

7. Enforce budget targets with automatic, incremental enforcement

An “incremental” approach to automatic enforcement could encourage responsible budgeting through politically sustainable budget savings in case of missteps. Moving from

the failed sequester model to [a viable alternative](#) has three pillars: 1) replace one-year savings with 10-year savings, 2) replace across-the-board cuts with small tweaks, and 3) share tolerable levels of pain. This could amend the enforcement provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 and the Statutory Pay-As-You-Go Act.

This and the prior recommendation could replace aspects of BBEDCA, its reaffirmation in 1987, and their revivals including through the Budget Control Act of 2011 and the Fiscal Responsibility Act of 2023, as well as parts of Statutory PAYGO from the Budget Enforcement Act of 1990 and its 2010 revival.

8. Automatically suspend the debt limit when the budget meets targets

Simplistic debt limit commentary often suggests a false choice between risking default now or risking default later. No default is acceptable. Instead, Congress should [avoid debt limit fights](#) as long as the budget is on a sustainable trajectory. Only if the budget gets off track would Congress have to affirmatively raise the debt limit, and then it would be clear how to get back on track subsequently.

9. Prevent shutdowns with automatic continuing appropriations

[Shutdown politics](#) usually lead to a late, bloated, pre-holiday omnibus appropriations act that only a handful of members can shape while ceding Congress' power of the purse to the executive branch. Legislation such as the Lankford-Hassan-Arrington-Panetta [Prevent Government Shutdowns Act](#) would keep D.C. dysfunction from interrupting important services for the American people. It would keep programs running while forcing Congress to remain in D.C. and focus on completing appropriations legislation. The need to update programs would provide strong additional reasons to finish appropriating, and ending shutdown politics would reduce bloat, shift power from the White House to Congress, and promote a more bottom-up appropriations process.

10. No budget request, no State of the Union speech

Congress needs agency-level details from the president's budget request to begin its budget process on time, but the requests usually come late. The Constitution does not require the president to "give to the Congress Information of the State of the Union" in a pomp-and-circumstance speech to a joint session of Congress. It could be a letter or report.

Presidents' strong desire to give the SOTU provides the incentive for Congress to get a timely budget request, however, and that context would make the SOTU more substantive. The National Security Strategy is supposed to accompany the budget request each year, since national security is among the federal government's most central priorities. Getting the budget and security information regularly and on time would support a predictable legislative agenda where budgeting, authorizations, and oversight reinforce each other.

11. Support the authorizing process

Among [many options](#), conference rules could make committee leaders explicitly responsible for managing the laws in their jurisdictions, while conference practices could ensure that committee rosters approximate microcosms of the conference overall. Leader protocols could guarantee floor time for each committee in turn and more explicitly instruct legislative support organizations to prioritize initiatives related to members' committee assignments. House and Senate rules could better align committee jurisdictions, and statute could require bills to be printed as “readable legislation” like nearly all state legislatures do.

12. Preserve an annual budget and appropriations process

Role changes and turnover among members and staff mean high depreciation rates for institutional knowledge: policy, procedural, and relationships. A biennial process would provide half as much opportunity to use the lessons of oversight and review to change policy.

Annual budgeting allows two chances per political landscape: an unsuccessful proposal in the first year can be revised for the second. An ideal annual process could be several times as productive as a biennial process. Getting the federal fiscal house in order in the coming years will likely require a highly adaptive system that harnesses widely dispersed information.

Conclusion

Each recommendation would help Congress manage federal statutes and ensure faithful execution of the laws. Collectively, these and other systemic fixes could make Congress a more effective legislature, which the American people deserve and desperately need. A stronger Congress would be more capable of addressing emergent and long-standing challenges through bottom-up solutions that draw on the vast collective knowledge and resources available to members of Congress.

Thank you for your commitment to oversight and effective legislating.