

**TO: Chairman Arrington, members of the House Budget Committee**  
**FROM: Kurt Couchman, Senior Fellow in Fiscal Policy, Americans for Prosperity\***  
**RE: Request for Information on Improper Payments, Waste, Fraud, and Abuse**  
**DATE: March 11, 2026**

Congress should make waste, fraud, and abuse compete with everything else. Members will be able to – and will want to – root out nonsense while protecting useful activities.

Members of Congress and their advisors are creative. They can figure out better ways to prevent, deter, and prosecute misuse of taxpayer funds. How tragic, then, that members have limited legislative opportunities to spread their wings.

This response to the request for information focuses on upgrades to congressional budgeting that will improve incentives and help Congress control not only improper payments and fraud, but also low-value and extra-constitutional spending of all kinds. Members of Congress have introduced legislation to achieve most of these upgrades.

#### **A comprehensive congressional budget makes programs compete.**

Congress doing a real budget every year is a simple but powerful idea. The Comprehensive Congressional Budget Act<sup>1</sup> shows the way from today's incomplete, partial, fragile budgeting to a holistic, bottom-up, productive, and robust annual budget act. Truly budgeting would give members the means and the motivation to drive greater value across programs and do more with less. After all, sunlight is the best disinfectant.

The private sector already does this. Federal law demands proper accounting for tax and regulatory compliance. Even so, complete budgeting is a potent management tool to stay competitive as well. Close scrutiny of all income and expenses helps businesses find the innovations and efficiencies to stay afloat, thrive, and grow.

Adjusting for political leanings, U.S. states that get closest to a comprehensive legislative budget spend about 10 percent less as a share of personal income than those with less coherent budgeting. That is a big difference when states already have balance rules, bond market discipline, and interstate competition. As a lower bound for the federal government, a similar increase in efficiency is almost enough to stabilize the debt burden.

Sound budgeting is central to exercising legislative powers. State constitutions assign spending and revenue powers to the legislature. So does the U.S. Constitution, which mandates in Article I concerning Congress, “a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.” What is that, if not a budget?

With a comprehensive budget, the Budget Committees would coordinate and supervise a process that leads to all spending and all revenue in an annual budget act. Appropriators would keep managing discretionary

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\*Unless otherwise noted, I wrote the following citations.

<sup>1</sup> [“What is the Comprehensive Congressional Budget Act?”](#) AFP, March 9, 2026.

spending, and authorizers would finally get the same, regular opportunity for their direct spending and revenue programs.

Direct spending and revenue have not been as fully picked over as appropriations. The anti-fraud and program integrity reforms in the 2025 reconciliation act are just a taste of what Congress could do with an annual review of all programs together and without the strict rules of budget reconciliation.

Federal health<sup>2</sup>, pension, and income support programs are almost entirely outside of annual appropriations. Waste, fraud, abuse, improper payments, and poor program designs fester there.<sup>3</sup>

In a comprehensive budget, each authorizing committee would manage its direct spending, and if applicable, revenue programs within limits from the budget resolution. Each year, each committee would review its programs and consider how to increase the value created by its limited allocation. Cutting waste, fraud, and abuse – including by restructuring activities to reduce leakage – would let a committee use those funds for something better, whether that is other spending, deficit reduction, or tax relief.

Members hear constantly about problems in government programs. Imagine what Congress could accomplish if every member had a regular venue to do something about those concerns. Even more, several members might have the same general idea, craft responses differently, and then combine the best parts of each during committee markups or on the floor.

You can't beat something with nothing. But pitting high-value activities against waste, fraud, and abuse in a regular, robust, competitive, bottom-up budget will let the cream rise to the top. Members of Congress will trim the fat like it's their job, which it is.

### **Preventing shutdowns replaces bloat with bottom-up legislating to earn votes**

The federal government got shutdowns when the Carter Administration created them.<sup>4</sup> This failed experiment centralizes power and bloats the budget.

The Prevent Government Shutdowns Act would change the game.<sup>5</sup> Today, members either vote for a deal almost no one got to shape, or even read, or a shutdown is “their fault.” Support is fragile. Leaders cannot afford to give interest groups reasons to complain. Bloated oxen that should be gored plod on.

If, instead of shutdowns, program spending automatically continues at the same rate, new appropriations must earn members' support. New legislation must be better than what it replaces, in the subjective opinion of most members of Congress.

Participation is key. A more open amendment process – not necessarily fully open<sup>6</sup> – could uncover areas where most members want to change reported legislation. This may include cutting low-value programs. Even learning that your proposal lacks majority support is better than having no chance to try.

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<sup>2</sup> [“Only 11% of Federal Health Subsidies are in the Appropriations Bills,”](#) AFP, January 22, 2026.

<sup>3</sup> Editorial Board, [“The Medicaid Autism Racket,”](#) *Wall Street Journal*, March 8, 2026.

<sup>4</sup> Tom Shoop, [“That Time a Lawyer Invented the Government Shutdown,”](#) *Government Executive*, October 27, 2022.

<sup>5</sup> [“Congress should prevent government shutdowns,”](#) AFP one-pager, November 2025.

<sup>6</sup> [“Bottom-Up Filters for Floor Amendments in the House of Representatives,”](#) AFP, May 10, 2024.

Getting that buy-in matters. When continuity replaces shutdowns, votes must be earned. This strengthens members' commitment to the pending legislation, so interest group complaints about their line items will matter less.

This pro-efficiency, pro-democracy practice has served Wisconsin and Rhode Island in a comprehensive way for generations. North Carolina (2016) and Kansas (2025) joined the club more recently. Similar legislation is active in half a dozen more states today.

A 2007 book estimated that automatic continuing appropriations ("reversion budgets") reduce state per capita spending by \$64 each year.<sup>7</sup> Extrapolating to the federal government and adjusting for GDP growth implies annual savings of around \$50 billion.

### **Next-generation budget targets push Congress to refine programs**

Nearly every prosperous country and U.S. state has constitutional and/or statutory provisions to restrain borrowing. Balanced budget rules are now a standard practice, and the U.S. federal government is an outlier.<sup>8</sup>

Fiscal rules impose scarcity. Policymakers must weigh policies against each other and decide how to serve the people better. Rule-based restraint encourages shifting resources from the least valuable activities toward essential missions. Holistic budgeting (above) maximizes the opportunities to review and adjust programs.

Developing effective targets is a challenge that Congress has yet to complete. To get enacted and sustained, they must have broad support. Such rules must be neutral, practical, and comprehensive. They must allow near-term policy stability while promoting medium- and long-term responsibility, and they should accommodate emergency response, business cycles, and more.<sup>9</sup>

Two types of budget targets can succeed: medium-term debt-to-GDP targets and balancing over the medium term. Revenue is too volatile for annual balance.

Budget targets should include constitutional and statutory components. The Constitution is beyond the reach of normal politics, but provisions must generally be broad to obtain needed consensus. Statutes can provide details and mechanics, and they are more durable with a constitutional foundation.

Rep. Tom McClintock's proposed debt limit constitutional amendment could be quite practical with implementing legislation.<sup>10</sup> Similarly, Rep. Nathaniel Moran and Sen. Jon Husted's Principles-based Balanced Budget Amendment<sup>11</sup> would pair well with Rep. Tom Emmer and then-Sen. Braun's Responsible

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<sup>7</sup> David M. Primo, *Rules and Restraint: Government Spending and the Design of Institutions*, Chicago UP, 2007, pp. 101-103.

<sup>8</sup> ["Well-Crafted Balanced Budget Rules Support Sound Governance,"](#) House Judiciary Committee, December 4, 2025.

<sup>9</sup> ["Better budget targets can help Congress balance near- and long-term needs,"](#) AFP, July 2022.

<sup>10</sup> ["Implementing a Constitutional Debt Limit,"](#) AFP, January 21, 2026.

<sup>11</sup> ["Introducing the Principles-based Balanced Budget Amendment,"](#) AFP, November 24, 2025.

Budget Targets Act.<sup>12</sup> Chairman Arrington’s Business Cycle BBA<sup>13</sup> and Rep. Andy Biggs’ related BBA provide more details but would also benefit from statutory supports.

Targets can amplify savings noted above and can be dialed up or down: primary balance excludes interest and requires about half as much deficit reduction as full balance, and deficits or surpluses relative to either are possible. Debt- and deficit-to-GDP targets are flexible as well.

Meaningful targets will motivate members of Congress to reduce waste, fraud, abuse, improper payments, and other low-value items. In her final book, Alice Rivlin noted that the existence of statutory budget targets with bipartisan buy-in created a common standard for the Clinton White House and a GOP-led Congress.<sup>14</sup>

### **Sustainable automatic enforcement frames alternatives**

Familiar sequester models are ineffective, but politically sustainable automatic enforcement could reinforce Congress’ ability to find and eliminate low-value spending, especially waste, fraud, and abuse.<sup>15</sup>

“Incremental” automatic enforcement would address waste indirectly. It could, after a budget breach, impose targeted and reasonable consequences for annually appropriated spending, direct spending, and revenue policies. They would not be so draconian that Congress would routinely turn off.

This would encourage Congress to find other, more mutually attractive budget savings. Ideally, Congress would always pass adequate savings by cleaning up programs so automatic consequences never need to be triggered.

### **In conclusion, build up Congress to clean up the budget**

Each budget upgrade described here can improve Congress’ means and motivations to reduce waste, fraud, abuse, and improper payments. Together, and with additional supports,<sup>16</sup> they can make Congress the more productive legislature that the American people need and deserve.

Competition across the budget through an inclusive process fosters tradeoff conversations that protect the most valuable activities by cleaning up program delivery and otherwise reducing low-value resource use. Preventing shutdowns makes sure that all members can pursue better budgeting. Budget targets build on and support consensus, which encourages sound stewardship. A better approach to automatic enforcement is a backstop for assessing alternatives.

The United States faces many challenges. A Congress that unleashes members’ creativity can address them confidently. Everyone can contribute to finding the answers, and the competition of ideas is the surest way to bring forward the best solutions.

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<sup>12</sup> [“What is the Responsible Budget Targets Act?”](#) AFP, June 21, 2023.

<sup>13</sup> [“A Well-Designed BBA and Statutory Solutions Can Help Congress Address the U.S. Debt Crisis,”](#) House Budget Committee, December 11, 2024.

<sup>14</sup> Alice Rivlin, *Divided We Fall: Why Consensus Matters*, Brookings, 2022.

<sup>15</sup> [“Why Incremental Adjustments are a Better Approach to Automatic Budget Enforcement,”](#) AFP, March 23, 2023.

<sup>16</sup> [Building Up Congress: A Pocket Guide](#), AFP, November 6, 2025.