

Chairman Price, Ranking Member Van Hollen, and members of the Committee, thank you for holding this hearing today and thank you for giving me the opportunity to testify. As a former member of this Committee, I am happy to be back today to express my views on Congress' current budget process and how I believe we can improve it to make Congress work better, smarter, and more efficiently.

As you know, I am a proponent of biennial budgeting. I have authored the Biennial Budgeting and Enhanced Oversight Act with my Democratic colleague, Kurt Schrader, in each of the last three Congresses.

### **Legislative Background**

Support for my biennial budgeting legislation (H.R. 1610) has grown considerably, increasing in each successive Congress. Last year, this very Committee adopted my bill on a bipartisan vote of 22-10.

This year, a majority of the House, as well as a majority of this Committee, has signed onto my bill as cosponsors. In total, my bill has 226 cosponsors, including 175 Republicans, a clear majority of the majority, and 51 Democrats, nearly one third of the Democratic Caucus.

The members on my bill range from the House's most conservative to the most progressive, with representation from the Tuesday Group, the Republican Study Committee, the House Freedom Caucus, the Blue Dog Coalition, the New Democrat Coalition, and the Progressive Caucus. A majority of the House Rules Committee, including Chairman Sessions, has signed onto my bill, as have five members of the House Appropriations Committee, including one Cardinal.

In the Senate, Senators Johnny Isakson and Jeanne Shaheen have amassed a quarter of the Senate on a bill similar to mine, and two years ago, the Senate voted to support biennial budgeting on a supermajority vote of 68-31. The Senate Budget Committee held a hearing on this issue two weeks ago under the leadership of Chairman Mike Enzi, a strong proponent of biennial budgeting.

Now I come before you today to continue this important work. Biennial budgeting is not a new concept, but as I sit before you today and recite these statistics, I think one thing is clear: biennial budgeting is an idea whose time has come.

### **Why the Current Budget Process Needs Reform**

It is not difficult to understand why my bill has so much support. It's because the current budget process has simply not worked the way Congress intended it to and as time goes on, it has only gotten worse. Every year, Congress is required by law to agree on a budget resolution by April 15<sup>th</sup> and sign 12 spending bills into law by September 30<sup>th</sup>. Since the Congressional Budget Act was enacted in 1974, Congress has never passed both a budget resolution and all of its appropriations bills on time in the same year. Never.

The process is even worse in election years. In the 40-year history of the current budget process, only once has Congress enacted a budget resolution on time in an election year. That was in 1976, just two years after the 1974 Budget Act was signed into law.

Now that's got to tell us something. The process is so cumbersome that just a few short years after the Budget Act was enacted we failed to complete our work on time. To make matters worse, since enactment of the Budget Act, Congress has passed fewer and fewer appropriations bills on time each year. On average, only 3.6 spending bills are signed into law on time each year, barely 25 percent of what we are required to do by law. Since 2001, less than ten percent of spending bills have been passed before the beginning of the new fiscal year.

Because of Congress' failure to complete its work, we are forced to rely on short-term spending bills, commonly known as continuing resolutions, that are hastily passed, usually without improvements to programs that could come from effective oversight.

### **Why Biennial Budgeting Would Improve the System**

Biennial budgeting will provide greater certainty within the budget process by reducing the need for frequent stopgap measures like continuing resolutions. Election year politics often get in the way of a successful budget and appropriations process, despite the good work of the Appropriations and Budget Committees. As a result, in most election years, Congress "kicks the can" into the next Congress with a stopgap measure of some length, foregoing its constitutional prerogative to provide agencies with clear directives on how to allocate funds. Then, the new Congress typically passes another CR just to tide everything over for the rest of that fiscal year.

This isn't just bad government; it's also a missed opportunity for Congress to put its stamp on how the executive branch should operate.

Additionally, because Congress is required to pass both a Budget Resolution and all twelve appropriations bills each year, we inevitably dedicate little time to oversight of federal programs. Moving to a biennial process would free up more time on the House floor to tackle mandatory spending and tax policy. It would also free up the Appropriations Committees to spend more time scrutinizing the work of agencies and making sure that congressional intent is being honored, without the constant crunch of needing to prepare new bills.

Not only will biennial budgeting tilt Congress' focus to oversight, it will also reduce the "use it or lose it" mentality that wastes precious taxpayer dollars at the end of every fiscal year. Two years ago, the Washington Post conducted an in-depth analysis of federal agencies' spending that yielded remarkable results. For Fiscal Years 2010 through 2012, the study found that roughly 20 percent of all federal funding was spent in the last five weeks of each fiscal year. Biennial budgeting would cut this "use it or lose it" mentality in half and would therefore help agencies dedicate funds to more important priorities.

Very simply, a two-year budget process will give the federal government and the American people greater certainty regarding how we are spending our money. Ask any business, large or small, and they would agree that instilling certainty into the economy is one of the best things we

as policymakers can do. I can attest to this after spending nearly 30 years in the private sector running my own commercial roofing company.

### **What Biennial Budgeting Opponents Get Wrong**

When any reform proposal is put forth, some will favor the status quo. However, relying simply on the statistics about our federal budget process that I outlined earlier, nobody should believe that the process is working as well as it could.

Critics of biennial budgeting will say that Congress will become too reliant on supplemental appropriations bills, or that politics, not the process is to blame for the gridlock facing Congress. I do not argue that my bill is a panacea, but I offer a few responses to these critiques.

First, that supplemental appropriations bills will be needed too often.

As history has shown us, Congress tends to write supplemental appropriations bills sparingly. When they do, they are not wholesale rewrites of current appropriations bills. Instead, these bills are done to respond to specific needs arising from unforeseen circumstances. If and when they would be used under a biennial system, it's easy to extrapolate that Congress would use them to respond to emergency situations – which could also be planned for in the budget in advance to eliminate any concerns about the need for supplemental appropriations.

Second, critics argue that politics is to blame, not the annual budgeting process.

Some will argue that today's problems stem from today's politics, not the budgeting process, and that opinion is not without merit. But that isn't a critique of biennial budgeting, that's a problem with Congress as a whole right now. Congress and its members can and should work together more often, not less.

Biennial budgeting will give us the ability to sit down with each other, prioritize the budget process at the beginning of each Congress, and work together to provide certainty for the American people. Once that process has been completed, Congress would be able to turn its attention to other pressing policy matters.

While any budgetary system will inevitably have a flaw or two, these critiques don't prove that biennial budgeting would not make significant improvements over the current system, and I believe it is a chance worth taking. We should not let the perfect become the enemy of the good. Nor should we let comfort with the status quo become a barrier to trying to fix a broken system.

### **Outside Support**

A number of national organizations that focus on fiscal issues – from both sides of the aisle – have recognized this need and voiced their support for my legislation. My bill is supported by Americans for Tax Reform, the Bipartisan Policy Center, the Committee for a Responsible Federal Budget, the Concord Coalition, the Council for Citizens Against Government Waste, the National Taxpayers Union, No Labels, and Third Way.

## **Conclusion**

The American experiment is one built on taking smart people, putting them in a room, and allowing them to innovate to overcome the challenges that our society faces. We no longer use the original Apple Computer from the 1970s. We build better, faster, and more powerful computers to meet the challenges of today and tomorrow.

The lawmakers who crafted the 1974 Budget Act drafted the bill to try to improve a process that wasn't meeting the needs of their time. But 40 years after its enactment, our current budget process doesn't work, and now it's time to upgrade to a new system for the 21<sup>st</sup> century.

That said, I know that any bill as drafted may have unintended consequences, or could use some tweaking. I want all of you on this Committee to know that I am happy to work with you to improve this bill as it moves forward, and I am eager and ready to do exactly that.

Once again, thank you for giving me the opportunity to testify here today. I look forward to working with you to improve the budget process, and I will be happy to answer any questions you may have.