

Congress of the United States

Washington, DC 20515

February 12, 2018

Dear Debt Ceiling Working Group Colleague:

Over the course of our meetings, one constant theme of agreement was that our budget and spending process is fundamentally broken. Our group has agreed that the House must be the leader in the way out of this mess. As the House and Senate look to move forward on budget reform, it is our desire to put the important work of the Speaker's Debt Ceiling Working group on this issue into legislation.

In the coming weeks, we will be introducing the Protecting Our Children's Future Act of 2018, which seeks to incorporate many of the consensus ideas of the group. We ask that you consider being an original cosponsor of this important legislation.

The bill seeks to address four primary issues raised by the group:

Broken Budgeting Process – In 1974, Congress enacted the Congressional Budget and Impoundment Act. Forty years later, the government is considerably larger and filibusters are now the norm for appropriations bills. This legislation makes the following reforms:

- **Biennial Budgeting** - The bill moves the budgeting and appropriations process to a two year cycle. A more realistic timeframe for the budgeting and appropriations process will make it easier for Congress to make real and significant changes in spending and exercise more effective control. Congressional committees will spend more time overseeing how effectively money is spent, and a two-year process will also help us get out of the cycle of constant CRs.
- **More realistic and appropriate budget time frame, based on the calendar year.** – Under current law, a new president is expected to submit a budget for the next fiscal year mere weeks after being inaugurated, and Congress is expected to pass appropriations bills by October 1, just over a month before an election. This timeframe is unhelpful, has led to an increase in CRs, and has further eroded the budget process. For that reason, our legislation adopts a modern timeframe that Congress can stick to:
 - **First Session of Congress**
 - **First Monday in April** – President submits a biennial budget, giving additional time for a new administration to get a budget proposal together.
 - **June 1** – Both Chambers report a Budget Resolution
 - **June 30** – Both Chambers agree to a Budget Resolution
 - **July, September, October, first half of November** - Congress passes biennial Appropriations bills and conferences those bills (and passes a biennial NDAA).
 - **November 15** – Congress completes action on appropriations
 - **January 1** - Appropriations from last biennium end and new biennium begins.
 - **Second Session of Congress**
 - Session focuses on authorizing committees reporting authorizations and oversight.
 - **First Monday in April** – President submits review of the biennial budget

- **July 31** – Congress completes action on reconciliation legislation (if not sooner).

Unenforceable Budget Process – Even though passing a budget is required by federal law, in recent years the House and Senate have often been unable to fulfill this fundamental requirement of governing. Often budget chairs have put together great products only to have the membership of the body refuse to cast a tough vote or refuse to come to a consensus with the other chamber. Furthermore, the budget only requires a majority in the Senate but 60 votes to pass appropriations bills. Thus, translating the budget into appropriations can be difficult. This legislation seeks to address these issues in two primary ways:

- **No Budget, No Pay** – If the House and Senate have not conferenced a budget resolution by June 30 of the first session of Congress, the clerk of each chamber is directed to hold the salary of members in escrow until a budget resolution passes both chambers.
- **Reconciliation Procedures for Appropriations Bills that stick to the Budget** – The bill extends the reconciliation procedures of the Budget Act that both chambers have previously agreed upon to appropriations bills if those bills meet their budget allocations. As with reconciliation bills, appropriations bills would be limited to 20 hours of debate in the Senate (or 20 hours per section in an omnibus) with an unlimited amendment process. Once all amendments are exhausted, appropriations bills would pass with a simple majority in the Senate. Authorizing legislation and authorizing language attached to appropriations bills would still require 60 votes in the Senate if a point of order is raised.

Broken Appropriations Process – The last time all twelve appropriations bills were passed individually prior to the start of the fiscal year was in 1994, and the last time we started the fiscal year without at least a partial CR was 1996. In recent history, the House of Representatives has finished its work, passing full appropriations bills out of our chamber. Unfortunately, the Senate has not gotten our work to the President's desk. More often than not, they haven't even begun to consider appropriations bills on the Senate floor. As a result, the federal government has been forced to rely on one short-term spending bill after another. The bill seeks to address these issues in two important ways:

- **Workable Procedural System** – As discussed above, the legislation extends the reconciliation procedures already used by the Senate and agreed to by the House to appropriations bills. As with reconciliation, the minority would have an unlimited right to amendments to appropriations bills in the Senate; however, if those bills were in compliance with the budget resolution, the bills could pass with a simple majority support in the Senate.
- **Repeal of the Disastrous BCA Caps** – In 2013, Congress set artificial caps on spending, controlled through executive branch sequestration. In a constitutional head spin, regardless of what we appropriate, the executive is authorized to make across-the-board cuts. The BCA was designed to be so punitive that Congress would be forced to fix mandatory spending, the real problem we were facing. However, for the last six years, Congress's focus has been on extracting agreements to keep the Pentagon barely afloat, allowing the minority to extract non-defense spending concessions in return. The conversation has completely shifted from controlling the driver of our spending problem (entitlements) to raising BCA caps. The budget caps came about solely due to a previous Congress's failure to come to a comprehensive agreement and reforms that this legislation entails. For that reason, this legislation replaces indiscriminate budget caps

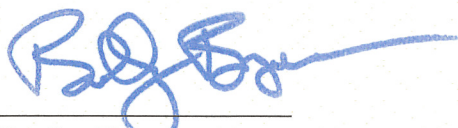
with real spending reforms and allows Congress the time and tools necessary to replace across the board cuts with targeted reductions that make sense.

Out of Control Growth in Spending – Under our Constitution, no money is to be drawn from the treasury except as a consequence of an appropriation of law. Despite this important check on the executive, successive Congress's over the last 70 years have written blank checks to the executive to spend future money at ever increasing levels. The CBO baseline includes over 560 mandatory spending accounts. Of course, these accounts represent funds coming out of the federal treasury outside of the appropriations process. Congress should control every federal dollar that leaves the Treasury. However, other than raising the debt ceiling, we rarely take a vote on 2/3 of spending every year. This bill seeks to address out of control spending in two ways:

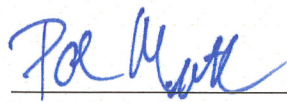
- **Moving Most Mandatory Spending to Discretionary Side** - The bill moves all mandatory spending other than Social Security Old Age and Survivors benefits, Medicare, TRICARE, and Veterans Programs to the biennial appropriations process. This would represent a move of \$1.2 trillion in FY 2018 to the discretionary side, increasing to \$1.7 trillion by 2027. The bill retains the reconciliation process for controlling the remaining mandatory spending (other than Social Security).
- **Zero Based Budgeting** – Unfortunately, under our current system, ever increasing federal spending is built into the federal budget baseline. Under this legislation, the President's biennial budget would have to be zero based. Under zero-based budgeting, all programs and expenditures are reviewed at the beginning of each budget cycle and must be justified in order to receive funding. No federal spending is taken for granted.

We believe these reforms would fundamentally reform the way the budget and appropriations process works, reassert congressional authority, and set our country on a more stable fiscal path. Again, we appreciate your consideration of this landmark legislation, and we welcome your thoughts, input, and suggestions.

Sincerely,



Bradley Byrne
MEMBER OF CONGRESS



Paul Mitchell
MEMBER OF CONGRESS