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THE ADMINISTRATION

A well-crafted budget amendment can succeed

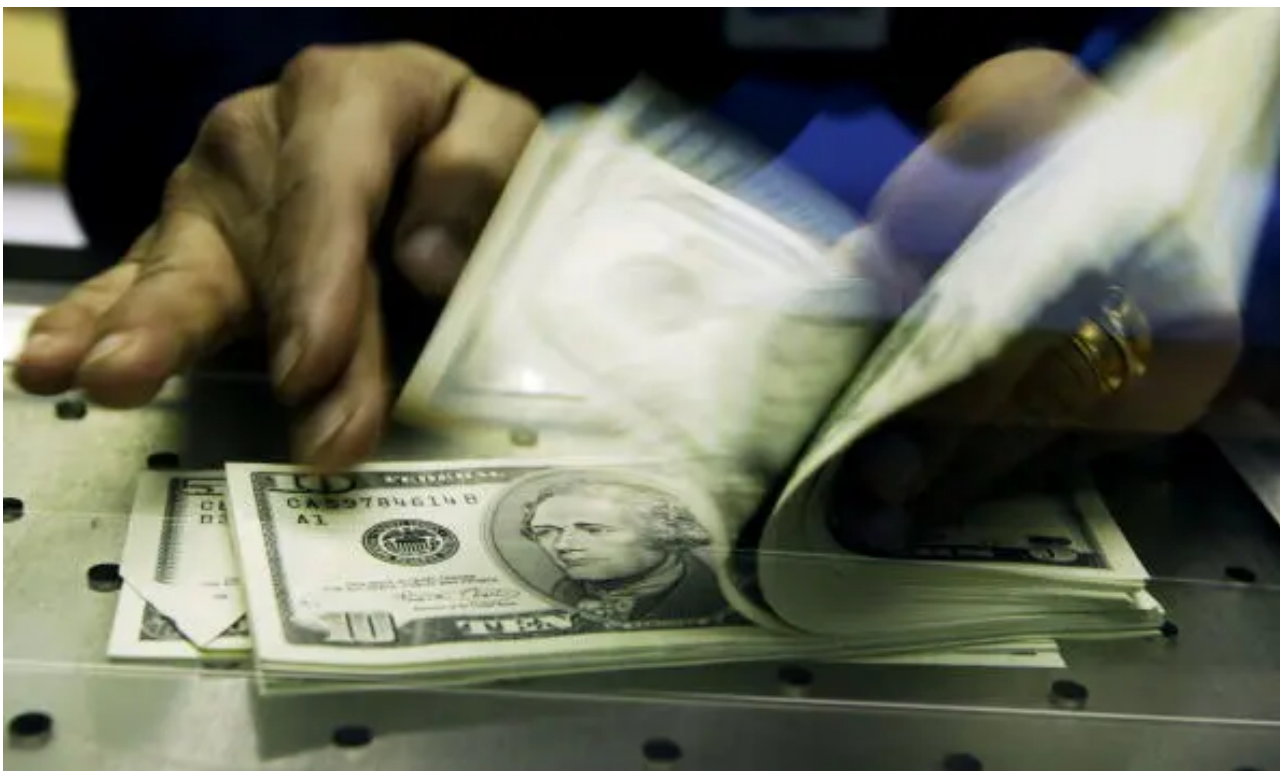
BY KURT COUCHMAN, OPINION CONTRIBUTOR - 01/20/17 8:40 PM ET

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Could a balanced-budget amendment (BBA) to the U.S. Constitution pass this year? It's possible. Republicans hold [both houses of Congress](#) with 241 House and 52 Senate seats and the White House.

Amending the Constitution isn't easy, however, nor should it be. [Article V](#) has two paths for amendments. First, two-thirds of both houses of Congress can propose one to the states, or two-thirds of state legislatures can call a convention to propose one. Then an

{mosads}Some count 28 states with active applications. Six more would trigger a convention, and eight states without a petition have Republican-led legislatures.

But Democrats' support is vital. Ratification requires three-fourths of state legislatures (thirty-eight), and Republicans hold thirty-three. A proposal must pass Congress with two-thirds in both houses. If Republicans are unanimous, votes from at least 15 Senate and 49 House Democrats are needed, but a well-crafted proposal should transcend this bare minimum.

A successful BBA proposal must foster consensus. Most, however, are flawed and foster division.

The most common flaw is annual balance. Revenue follows the economy and fluctuates wildly. Annual balance forces instability on both spending and revenue policies, creating uncertainty for families and businesses and headaches for policymakers. Every annual balance proposal has low thresholds for setting aside balance. Some would even automatically suspend it when economic growth is low or unemployment is high.

It makes more sense to let balance take place over a business cycle or over multiple years. Then deficits in bad years are offset with surpluses in good years. Nearly all economists — including John Maynard Keynes — recommend this, and Sweden and Switzerland's successful fiscal rules rely on it.

Many would require the President to submit a budget proposal consistent with the balance rules. That's a mistake. The Constitution gives the President no budget power aside from vetoing legislation and faithfully executing the laws. Changing the separation of powers is dangerous.

So too for judicial enforcement. Congress should enact policy changes to achieve balance. Failing that, the executive should have clear rules to follow: automatic triggers established in law, in the spirit of but ideally more nuanced and thoughtful than across-the-board sequestration procedures. If Congress and the executive fail, maybe the Supreme Court needs to be the adults. That's provocative, but this is complicated and better addressed by implementing legislation, which is as easy to amend as any statute.

Other problems reflect different values. Democrats won't accept GDP-based spending caps, new impediments to raising revenue, or continuing the debt limit, which a BBA should replace. Republicans, in turn, won't allow constitutional exclusions from balance.

general principles and a few compromises. Principles are given force by statute. Constitutional language should not include specific programs or legal terms of art.

This brings us to emergencies. They happen. They must be dealt with. They cost money, sometimes a lot. Flexibility to address them must be part of a balance rule. Several BBAs propose a general exemption from balance as well as specific cases for declarations of war or military adversity, all with different thresholds. Some don't limit extra spending to the military situation, thus encouraging perpetual war to avoid balance. Let's not do that.

Instead, a common, reasonable supermajority should be required for all emergencies, and then it's up to the collective wisdom of our democratically elected officials to decide when to use.

Finally, eliminating deficits will take time and work. But some propose balance starting with the second fiscal year after ratification. Ratification would take a few years, but even Republican budgets with ambitious assumptions would take a full decade to balance. Once the consensus is reached, putting it into action through concrete reforms will require significant negotiations. Many must be phased in so the American people have enough time to adapt and plan. Several years for ratification plus another ten may be the best that Congress can responsibly and thoughtfully do.

Only two BBA proposals—those introduced by Representatives [Justin Amash](#) and [Dave Brat](#) — meet the criteria explained here. (Disclosure: I wrote both.)

A BBA doesn't create fiscal responsibility on its own. Adopting one, however, establishes a national consensus that balance is the goal. Then when the tough choices are made, members of Congress and the President can be confident knowing that it's what the American people want.

Congress should approve a well-crafted balanced-budget amendment and send it to the states this year. Restoring our republic requires a solid fiscal foundation, and a BBA takes a big step in that direction.

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