

Select Committee on the Modernization of Congress: Member Day Hearing
Statement from House Budget Committee Republican Leader Jason Smith (MO-08)
April 15, 2021

Chairman Kilmer, Vice Chairman Timmons — Thank you for this opportunity to appear before the Select Committee on the Modernization of Congress. I come before the Committee today to share my thoughts and concerns regarding a critical responsibility of Congress that has sadly been undermined or misused: the Congressional budget process. Since 1974 it has, on paper, been driven by specific rules and requirements but which, in practice, too often have been ignored or discarded.

I'm not here to propose broad, sweeping reforms. I believe we must first and foremost diagnosis and discuss the problem before suggesting a cure.

I see the challenges facing the Congressional budget process in essentially three buckets: 1) misuse or abuse of the reconciliation process; 2) a misuse or abuse of the flexibilities provided by the designation of “emergency” funding; and 3) the lack of enforcement, willfully or otherwise, of the existing framework of budget controls.

Look no further than what is occurring this Congress regarding the use of the reconciliation process. Whether it was relabeling discretionary spending as mandatory spending so that it could be included in the \$2 trillion bailout bill enacted via reconciliation or the apparent interest on the part of Majority Leader Schumer in the Senate to rewrite the FY21 budget to reuse its reconciliation opportunities – there appears to be efforts underway to set new precedents and go around the specific and targeted process of reconciliation which was meant to address and adjust spending and revenue levels within the confines of a thoughtful budget.

The designation of “emergency” funding similarly runs the risk of becoming increasingly a way to get around budgetary accountability. The standards for when such a designation should be made could increasingly be determined by the whims and wishes of those in charge at any given point. Just as with the reconciliation process, there is a risk that the rules and intent of “emergency” spending could be stretched to justify any number of policy or spending priorities. “Emergency” spending is every bit as real and impactful to the budget of the United States as that which is done through the annual appropriations process.

Lastly, the existing budget enforcement mechanisms in Congress are routinely discarded. For example, at the beginning of this Congress, the Democrat majority in the House chose to preempt any use of the House Pay-As-You-Go (PAYGO) provision when it comes to legislation related to the COVID-19 pandemic and “climate change.” That’s a broad swath of potential legislation with massive potential budgetary effects. Since enactment of the Statutory Pay-As-You-Go Act of 2010, Congress has either deliberately written into the underlying piece of legislation an exclusion from PAYGO or passed a separate law to wipe the scorecard clean a total of 64 times. To be fair, the failure of budget enforcement is a bipartisan problem.

The Congressional budget process, while seemingly an arcane or academic exercise, is no less impactful to the lives of the American people and the future success of our country. Congress

should examine the budget process to ensure it is supporting a responsible and accountable use of hard-earned taxpayer dollars.

Thank you for your time.