

# **Congress and the Federal Budget: Procedure, Politics and Public Policy**

PP2650

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Friday at 10:00 am. to 12:20 pm.

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This course will focus on the federal budget process, political interactions, and public policy outcomes. The budget represents nearly one-quarter of GDP making those decisions central to the functioning of our democracy and the health of our economy. Emphasis is on the Congressional budget process, appropriations process, and revenue decision-making because the Constitution establishes Congress as the guardian of the nation's purse strings. The course requires extensive reading, a detailed paper and active class participation.

## **Required Reading:**

**The Federal Budget: Politics, Policy and Process, Revised Edition** —Allen Schick. Brookings Institution Press, 2000

**Congressional Procedures and Policy Process, Seventh Edition--** Walter J. Oleszek. CQ Press, 2007

**2008 Congressional Pig Book--** Citizens for Government Waste (available free on-line)

**Course Structure:** Students are expected to have read the assigned reading each week and come to class prepared to actively participate.

**Paper:** Students will be required to write a paper (approximately 10 pages) discussing how Congressional budget processes play or have played in the development of a particular federal policy.

**Grading:** Grades will be based on the paper (25%), participation in class (50%), and a take-home final exam (25%).

## Some Useful Resources:

GAO: <http://www.gao.gov/products/GAO-08-604CG>  
Concord Coalition: <http://www.concordcoalition.org/learn>  
CBO: <http://cbo.gov/>  
OMB: <http://www.whitehouse.gov/omb/>  
Citizens for Tax Justice: <http://www.ctj.org/>  
Center for Budget and Policy Priorities: <http://www.cbpp.org/>  
Heritage Foundation: <http://www.heritage.org/research/budget/index.cfm>  
Center for American Progress: <http://www.americanprogress.org/issues/domestic/budget>  
Senate Budget Committee: <http://www.senate.gov/~budget/>  
House Budget Committee: <http://budget.house.gov/>  
FedAccess: <http://www.fedaccess.com/budget-appropriations.htm>

## Class Schedule and Assignments:

- **January 23 General Overview – Why study process and procedure?**

*“Politics, Who Gets What, When and How?” [Harold Lasswell, 1936 classic]*

*“If you let me write the procedure, and I let you write the substance, I’ll screw you every time.”  
[Congressman John Dingell, 1987]*

- **January 30 Congress**

*“This power over the purse, may in fact be regarded as the most compleat and effectual weapon with which any Constitution can arm the immediate representatives of the people for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure.” [James Madison, The Federalist No. 58, 1788]*

### Assigned Readings:

- ▶ **The Federalist No. 58**
- ▶ **Article I and Article II of the U.S. Constitution**
- ▶ **Oleszek, Chapter 1; Chapter 2, pp. 122-123; Chapter 7, pp. 237-245**

- **February 6 Federal Budget Overview, Deficits and the National Debt**

*"A national debt, if it is not excessive, will be to us a national blessing." [Alexander Hamilton, April 1781]*

*"None of us really understands what's going on with all these numbers." [Reagan OMB Director David Stockman in Atlantic Magazine, 1980]*

Assigned Readings:

- ▶ **Schick, Chapter 3**

- ▶ **CRS: Introduction to the Federal Budget Process**  
<http://www.congress.gov/erp/rl/html/98-721.html>

- ▶ **Concord Coalition website**, <http://www.concordcoalition.org/learn/federal-budget>

- ▶ **Center on Budget and Policy Priorities: "How the Projected Surpluses Became Deficits"**  
<http://www.cbpp.org/9-12-08bud.htm>

- ▶ **Why Deficits Matter**, Testimony Before the U.S. House Budget Committee by [Edward Gramlich](#), Urban Institute

- **February 13 President's Budget Request**

*"After six years in which President Bill Clinton's budgets were declared dead on arrival by the Republican majority on Capitol Hill, Republicans said Congress would take Mr. Bush's proposal seriously as it began drawing up its own spending plans." [Richard Stevenson, New York Times, 2001]*

*"No, [the president's budget is] not be dead on arrival, but debt on departure." [Senate Budget Committee Chairman Sen. Kent Conrad, February, 2008]*

Assigned Readings:

- ▶ **Schick, Chapter 5**

- ▶ **Lee Hamilton, "Congress Only Tinkers On The Budget" , 2005**

[http://www.centeroncongress.org/radio\\_commentaries/Congress\\_only\\_tinkers\\_on\\_the\\_budget.php](http://www.centeroncongress.org/radio_commentaries/Congress_only_tinkers_on_the_budget.php)

- **February 20 1974 Budget Act, Gramm-Rudman and the 1990 Budget Enforcement Act**

*"If this [the Budget Act] doesn't work, I think you might as well give Congress to the Smithsonian and forget it. If Congress can't make it work, it means that a legislative body can't make the kind of decisions, can't use the kind of foresight that you need in a modern society". [Douglas Bennett, first Staff Director of the Senate Budget Committee from Bernard Asbell's "The Senate Nobody Knows", 1975]*

Assigned Readings:

- ▶ **Schick, Chapter 2**
- ▶ **Oleszek, Chapter 2, pp. 57-61 and 70-74**

- **February 28 Congressional Budget Process**

*"Balancing the budget is like going to heaven. Everybody wants to do it, but nobody wants to do what you have to do to get there." [Sen. Phil Gramm Sept, 1990]*

Assigned Readings:

- ▶ **Schick, Chapter 6 (Except "Reconciliation" pp. 125-129)**
- ▶ **Oleszek, Chapter 2, pp. 61-65 and pp. 69-70**
- ▶ **CRS: "The Congressional Budget Process: A Brief Overview"**  
<http://www.congress.gov/erp/rs/html/RS20095.html>

- **March 6 Reconciliation Process- Use and Abuse**

*"Reconciliation was never meant to be a vehicle for an omnibus authorization bill. To permit it to be treated as such is to break faith with the Senate's historical uniqueness as a forum for the exercise of minority and individual rights." [Majority Leader Howard Baker on the Senate floor, 1981]*

*"The tax bill is scandalously bad. It's filled with a whole series of outright frauds and outrageous lies." [Economic Columnist Clive Crook in National Journal, 2001]*

Assigned Readings:

- ▶ Schick, Chapter 6, pp. 125-129
- ▶ Oleszek pp. 65-69
- ▶ Citizens for Tax Justice on “gimmicks” in the 2001 tax cut  
<http://www.cbpp.org/5-26-01tax.htm>

● **March 13 Mandatory Spending, Taxes and “PAYGO”**

*"I'm not sure the old rules are relevant anymore. It would be unfair to the new president [Obama] to put him in a budget straitjacket." [Blue Dog Democrat Congressman Jim Cooper, Nov. 2008]*

*"Certainly, there's a strong inclination within large quarters of Congress that [health reform] has to be substantially paid for, but whether it's every penny, every dime – those discussions still have to happen," [Kennedy aide Michael Myers, Nov. 2008 at Families USA briefing].*

*"The hard part of the supply-side tax cut is dropping the top rate from 70 to 50 percent -- the rest of it is a secondary matter... The original argument was that the top bracket was too high, and that's having the most devastating effect on the economy. Then, the general argument was that, in order to make this palatable as a political matter, you had to bring down all the brackets. But, I mean, Kemp-Roth was always a Trojan horse to bring down the top rate... It's kind of hard to sell 'trickle down, so the supply-side formula was the only way to get a tax policy that was really 'trickle down.' Supply-side is 'trickle-down' theory." [Reagan OMB Director David Stockman in Atlantic Magazine, 1980]*

Assigned Readings:

- ▶ Schick, Chapter 7
- ▶ Schick, Chapter 11, pp. 272-278
- ▶ The Concord Coalition, “PAYGO's Continued Relevance in Economic Recovery and Strategic Budgeting”, Nov. 2008  
<http://www.concordcoalition.org/issue-briefs/2008/1119/paygos-continued-relevance-economic-recovery-and-strategic-budgeting>

► OMB Watch, “Understanding Paygo: Questions and Answers, 2008  
<http://www.ombwatch.org/article/articleview/3763/1/87?TopicID=1>

● **March 27 Authorization and Appropriations Process**

*“No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law.” [Article I, Section 9 of the U.S. Constitution]*

*“ No funds appropriated pursuant to an authorization of appropriations in this Act may be obligated or expended ... to establish any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Iraq.” [FY 2008 Defense Appropriations bill]*

*[Referring to Defense Appropriations provision above] “[The provision] purports to impose requirements that could inhibit the President's ability to carry out his constitutional obligations to take care that the laws be faithfully executed, to protect national security, to supervise the executive branch, and to execute his authority as Commander in Chief. [Therefore] the executive branch shall construe such provisions in a manner consistent with the constitutional authority of the President.” [President Bush, Signing Statement, upon signing the FY 2008 Defense Appropriations bill into law.]*

Assigned Readings:

► Schick, Chapters 8 & 9 (except pp. 211-215)

► Oleszek, Chapter 2, pp. 42-56

► CRS, “Overview of the Authorization-Appropriations Process  
[www.senate.gov/reference/resources/pdf/RS20371.pdf](http://www.senate.gov/reference/resources/pdf/RS20371.pdf)

● **April 3 Earmarks**

*“I can eliminate \$100 billion of wasteful earmark spending immediately--35 billion in big spending bills in the last two years, and another 65 billion that has already been made a permanent part of the budget.”*

*[Sen. John McCain, NPR All Things Considered, April 23, 2008]*

*“Those peckerwoods[critics of earmarks] don't know what they're doing. They don't. They're not being realistic.” [Sen. Robert C. Byrd, National Public Radio, July 19, 2003]*

Assigned Readings:

► Schick, Chapter 9, pp. 211-215 (“Projects and Pork”)

► 2008 Congressional Pig Book-- Citizens for Government Waste (available free on-line)

► Oleszek, Chapter 2, pp. 47-48 (review)

● **April 10 CRS, Omnibus bills, Debt Limits, Government Shutdowns –Is the System Broken?**

*“I don't have any worries... A real expert with nitroglycerin never worries about carrying it, but they're very respectful of it.” [Newt Gingrich from Elizabeth Drew's "Showdown", 1995]*

*“The era of big government is over.” [ President Bill Clinton , 1996 State of the Union]*

Assigned Readings:

► **CRS, Omnibus Appropriations Acts: Overview of Recent Practices**

[openocrs.com/rpts/RL32473\\_20050427.pdf](http://openocrs.com/rpts/RL32473_20050427.pdf)

► **Stonegarden Grindlife, paper delivered at APSA conference, 2006 :“Omnibus Appropriations: Creatures of Gridlock, Dereliction or Design?”**

[http://www.allacademic.com//meta/p\\_mla\\_apa\\_research\\_citation/1/5/2/9/1/pages152919/p152919-1.php](http://www.allacademic.com//meta/p_mla_apa_research_citation/1/5/2/9/1/pages152919/p152919-1.php)

► **CNN, “If the budget train wrecks, who will be hurt?”**

[http://www.cnn.com/US/9511/debt\\_limit/explainer/index.html](http://www.cnn.com/US/9511/debt_limit/explainer/index.html)

► **Oleszek, Chapter 10, pp. 317-320**

● **April 17 Line-Item Veto and the Balanced Budget Constitutional Amendment**

*“For decades, Presidential Administrations have sought to wrap their fingers around the purse strings, push away the Congress, and ignore the Constitution. It does not matter which Administration. It does not matter the political party of the President. What matters is nothing more than raw power. Congress has it. The Executive Branch wants it -- and will use any excuse to get it.” [Senator Robert Byrd, April, 2003]*

*“I would advocate for line-item veto authority for the president, a constitutional amendment to balance the budget. But most importantly, I believe balancing the budget should be viewed as an opportunity to have economic growth in this country.” [Gov. Bill Richardson at Democratic President Primary debate in Iowa, 2007]*

*“The balanced budget amendment ... is impractical, unenforceable and wouldn't end Federal deficits. But it would litter the Constitution with a vacuous promise, and invite greater cynicism in budget-making. [New York Times editorial, July, 1990]*

Assigned Readings:

- ▶ **Schick, Chapter 5, pp. 94-97 (review)**
- ▶ **Schick, Chapter 11, pp. 278-284**
- ▶ **Clinton v. New York (Supreme Court case):**  
[http://www.oyez.org/cases/1990-1999/1997/1997\\_97\\_1374/](http://www.oyez.org/cases/1990-1999/1997/1997_97_1374/) (summary)  
  
<http://supct.law.cornell.edu/supct/html/97-1374.ZO.html> (read Stevens' opinion)
- ▶ **Center on Budget and Policy Priorities: “The Balanced Budget Constitutional Amendment: An Overview”** <http://www.cbpp.org/Bbaovrvw.htm>
- ▶ **CRS: “A Balanced Budget Constitutional Amendment: Background and Congressional Options” (1997)**  
<http://digital.library.unt.edu/govdocs/crs/permalink/meta-crs-392:1>

- **April 24 Reading Period**