RADICAL REFORM OF THE FEDERAL BUDGET PROCESS: A CALL TO ACTION

Doug Criscitello, Ed DeSeve, Teri Gullo, Phil Joyce, Roy Meyers, and Steve Redburn

Reform for Results
Washington, DC
January 2026

Suggested citation

Criscitello, Doug, Ed DeSeve, Teri Gullo, Phil Joyce, Roy Meyers, and Steve Redburn. *Radical Reform of the Federal Budget Process: A Call to Action.* Washington, DC: Reform for Results, January 2026.

Disclaimer

Executive Summary

Having endured the longest-ever government shutdown at the beginning of this fiscal year, even the most casual observers should see that the federal budget process is not meeting its most basic goal: funding the government. Nor does the process help leaders allocate resources to deliver reliable results for the American people. Widespread recognition of these failures should open the door to revitalizing the budget process.

This paper briefly documents how we got to this unhappy place and outlines the key principles that should guide any revision of the federal budget process. Addressed not only to budget insiders but also to anyone interested in supporting the establishment of a new process that can help the nation meet its biggest challenges, it invites broad participation in the reform effort.

---

1. How did we get here?

While there is a long history of budget reforms, four major efforts are especially relevant today.

The **Antideficiency Act of 1870** reinforced Congress's "power of the purse" by prohibiting the executive branch from spending funds above amounts provided in law by Congress, or for different purposes than specified in law.

The **Budget and Accounting Act of 1921** required the President to submit an annual budget for the entire government and created an independent auditor, the General Accounting Office (GAO).[1]

The **Congressional Budget and Impoundment Control Act of 1974** created a process for congressional consideration of the whole budget, provided Congress with an independent source of information and analysis (the Congressional Budget Office), and formalized a process for dealing with presidential impoundments.

Finally, the **Government Performance and Results Act of 1993** required agencies to write strategic plans, measure, and report on program results, and use performance information to inform budgets.

Despite these reform efforts, we have a budget process that for decades has failed to meet most of its normative and statutory purposes. Never was this more obvious than in 2025.

Recent breakdowns include:

- **Impoundments and unauthorized spending:** The impoundment control process has been largely ignored by the current administration, which unilaterally cancelled spending without the required action by Congress. The administration also often ignored the Antideficiency Act's limits on unauthorized spending. Unquestioning acceptance of these actions by the majority party in Congress is short-sighted.
- **Failure to submit a presidential budget:** The President's budget, which has not been submitted by the statutory deadline (the first Monday in February) for many years, was not submitted in 2025 aside from a cursory presentation of desired changes to appropriated programs.
- **Budget resolution used primarily for reconciliation:** The budget resolution, designed in 1974 to help Congress set overall priorities, is now mainly used by both parties as a vehicle to enact reconciliation legislation, since the procedure precludes Senate filibusters.
- **Degradation of analytic institutions:** The Congressional Budget Office and the Government Accountability Office—both essential sources of information for Congress and the public—are currently being either ignored or attacked as illegitimate.
- **Politicization risk in executive budgeting:** The current administration's proposed Schedule Policy/Career personnel policy seems designed to politicize the advisory roles of career staff in the Office of Management and Budget and agency budget shops.

- **Leadership-driven policy without regular order:** Substantial changes to budget policy, especially through reconciliation, have often been formulated by party leadership without the benefit of extensive hearings by responsible committees.
- **Appropriations dysfunction:** It has been almost 30 years since all appropriations became law prior to the beginning of the fiscal year. This has led to "government by continuing resolution" in most years and government shutdowns occurring periodically.
- **Debt growth without consequence:** The national debt has continued to rise, in part because there is nothing in law or procedure that requires the President and Congress to address it—and no meaningful legal or political consequences for failing to do so.

Having chronicled these failures, we must understand why they have persisted—and in some cases gotten worse. Only by understanding how we got here can we have any hope of reforming the process to achieve better outcomes.

It is important to acknowledge that our constitutional system makes budgeting difficult by design. Budgetary authority is deliberately fragmented across the branches, requiring negotiation and compromise before funding measures can be enacted. In recent decades, however, many scholars and observers have argued that these structural challenges have been sharply intensified by rising ideological polarization between the two major parties.

Redistricting and other factors have made primary electorates, rather than general-election voters, decisive in many races. This shift has reduced the number of competitive "swing" districts and, with them, the supply of moderates who once played a central role in brokering bipartisan compromises in Congress.

At the same time, both parties have increasingly used the budget process as a vehicle for signaling to partisan primary voters, rather than as a forum for negotiation. In this environment, leaders often abandon serious efforts to compromise across party lines and instead stage high-profile standoffs. While both parties can be blamed for periodic government shutdowns and repeated brinkmanship, there are few clear electoral penalties for failing to pass timely, fiscally responsible budgets.

Some argue that partisanship is only part of the problem and that the roles of the two branches need to be rebalanced in ways that better reflect their institutional strengths. Article I of the Constitution gives Congress primary authority over taxing and spending, but expecting Congress to lead in setting coherent fiscal priorities through the budget resolution may be unrealistic for an institution whose members are elected to represent geographically concentrated constituencies and parochial interests. Presidents, by contrast, are better positioned to advance integrated national budget plans—yet the current administration has not met that responsibility.

Even so, today's budget dysfunction is not an inevitable consequence of constitutional design or polarization. It reflects conscious choices. Long-standing norms—such as negotiating overall spending levels and then enacting appropriations bills on time—have eroded to the point of extinction because many elected officials have chosen short-term political advantage over the basic obligation to pass sustainable budgets.

This failure should be embarrassing. It is also dangerous. The United States' position as the world's leading economy will be at risk if its political system cannot sustain a budget process that closes the long-term gap between spending and revenues, redirects and aligns spending with clear policy priorities, and creates the fiscal space needed to withstand future economic and financial shocks.

---

2. What does an effective budget process look like — and how does today's process compare?

The failures above leave little doubt that substantial reform is necessary. When an opportunity for change arises, the instinct of many will be to rein in presidential authority and impose new restraints on executive action in the name of reasserting Congress's power of the purse. Such steps are warranted, but on their own they are not sufficient. If they simply make it harder for future presidents to pursue coherent fiscal priorities, they risk blurring accountability, inviting more confrontation, and accelerating procedural breakdown.

Rather than reacting only to the most visible symptoms—shutdowns, a growing national debt, and presidential overreach—we should first define what a well-functioning budget process ought to achieve and then evaluate current practice against that standard. Building on work he began three decades ago, Roy Meyers has outlined ten characteristics of an effective budget process.[2] The following summary highlights his key criteria and the many ways in which today's process falls short.

Ten characteristics of an effective budget process

1. **Comprehensive:** The budget should include all the government's financial resources. In practice, the federal budget performs reasonably well on this standard but falls short in key areas such as the treatment of tax expenditures. The failure to submit a detailed presidential budget also violates this principle.
2. **Legitimate:** Important budget decisions should be made by legally responsible authorities. Recent violations of the law on both impoundments and unauthorized spending have undermined the perceived legitimacy of budget decisions.
3. **Honest:** Budget plans should be based on accurate information. Institutions such as CBO, GAO, along with independent analysts have historically improved honesty, but political attacks on these institutions compromise this principle.
4. **Transparent:** The budget should be understandable to informed citizens and stakeholders. Today's process is so complex and opaque that it is effectively intelligible only to a small circle of insiders, weakening oversight and trust.
5. **Timely:** Core budget tasks should be completed on schedule. Today, virtually no major deadlines are consistently met, producing "government by continuing resolution" and recurring shutdowns.
6. **Cooperative:** Budgeting should complement, not crowd out, other governing processes, and should encourage bargaining across branches and parties. The repeated use of

reconciliation to push through major policy changes has narrowed debate and weakened incentives for bipartisan compromise.

7. **Perceptive:** Budgets incorporate a long-term view of fiscal sustainability and policy needs. A debt of roughly $38 trillion powerfully illustrates the system's failure to encourage sustained long-horizon fiscal thinking.
8. **Judgmental:** Budget choices should seek the greatest public value for the least cost, pursuing evidence about what works. While management reforms have improved information on program performance, such evidence rarely drives congressional decisions.
9. **Constrained:** The budget process should limit how much money the government raises and spends. The U.S. budget is not unusually large as a share of the economy, but it has not balanced spending demands with current revenues, resulting in a high debt burden.
10. **Responsive:** Budget policies should broadly match public preferences. Performance against this standard is difficult to measure because the budget's complexity limits public understanding and blunts political incentives for candor about tradeoffs, costs, and benefits.

Taken together, these criteria underscore the depth of current failure. Many peer democracies—and most U.S. states—would score higher on this kind of evaluation than the federal government. Few systems are as procedurally unreliable and fiscally irresponsible as today's national budget process.

---

3. Where do we go from here?

The evidence above makes one thing clear: the federal budget process does not need marginal fixes. Tough resource decisions will be required to meet current commitments and future challenges, and the process must equip leaders to make them.

Today's pervasive failure to budget intelligently and responsibly presents the country with a rare strategic opening to pursue comprehensive reform that tackles the process's core weaknesses. Incremental changes focused on low-hanging fruit will not suffice. Only fundamental redesign—where procedures reinforce one another and align incentives—can deliver the sustained improvements needed to restore public trust and fiscal discipline.

To make this vision persuasive and practical, reformers must address five critical questions:

1. **How can Congress and the president collaborate to enact budgets** in an era of political polarization and entrenched institutional obstacles?
2. **How can the public play a meaningful role** in formulating budgets—one that yields an informed consensus on how to deploy resources to meet major challenges and rebuilds legitimacy and trust?
3. **How can budget decisions be grounded in evidence** and strategic thinking to advance the highest policy priorities and prepare for future emergencies?

4. **Once budgets are enacted, how can the executive be held accountable** for both following the law and delivering promised results as the budget is executed?
5. **How can the executive be equipped with the tools and flexibility needed** to implement enacted budgets effectively and manage for results?

The complexity of these questions demands an interim period of exploration—one that engages not only budget experts but a broader group of reformers less steeped in knowledge about U.S. fiscal processes.

Papers should be written, forums convened, and preliminary ideas from across the political spectrum—right, left, and center—widely shared and debated.

We are committed to working with anyone to develop, test, and refine an integrated set of reforms that tackle core problems in the current process and build support for fundamental change.

Reform proposals should be advanced now, so that when political conditions create an opportunity for reform, ambitious ideas have been vetted and are ready. Opportunities may present themselves in 2027 at the start of a new Congress.

Younger representatives and senators, in particular, should play a role in leading role this effort. They have the most at stake regarding how Congress will budget during their careers. Their participation now could be especially helpful in deciding how reforms can be staged to deliver early successes, build momentum, and provide the institutional and political foundations for larger improvements.

Ultimately, comprehensive and bipartisan reform can restore what budget scholar Allen Schick called the "capacity to budget." We stand ready to work with others to that end and, throughout 2026, will work to advance a comprehensive reform agenda.

Notes

1. GAO was renamed the Government Accountability Office in 2004.
2. Roy Meyers, "Stop Them Before They 'Budget' Again," Substack, available at: https://substack.com/home/post/p-173202985.

Author affiliation

The authors are members of the Federal Budget Process Reform Working Group of Reform for Results.