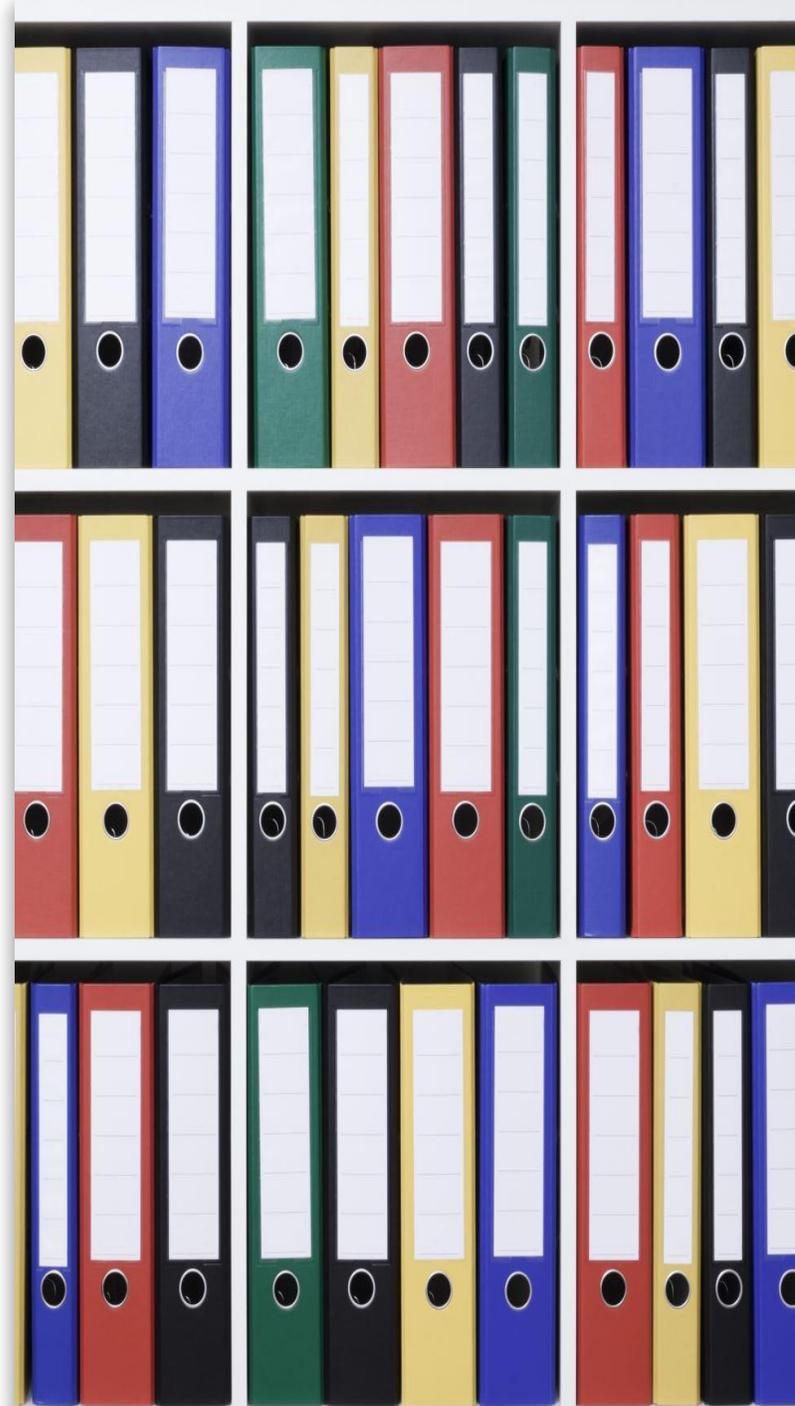# Reform for Results: The Need to Radically Reform the Federal Budget Process

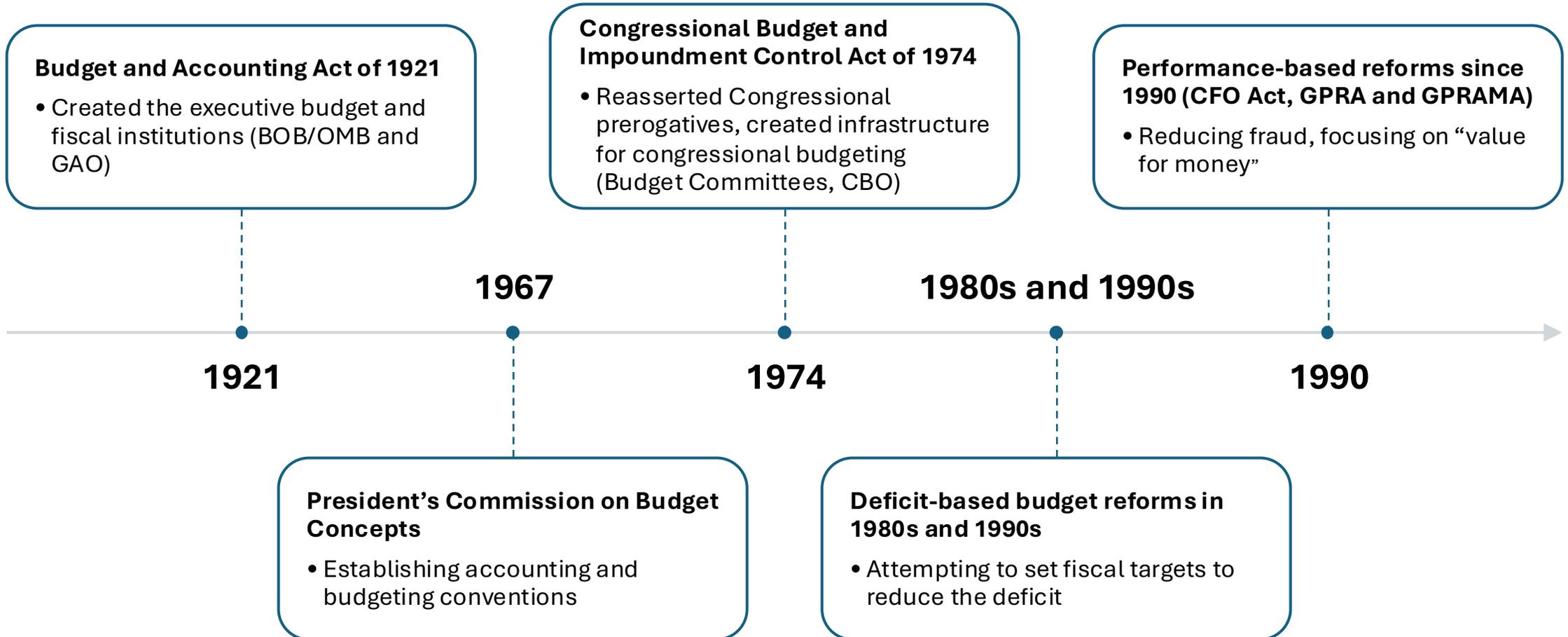Philip Joyce, Roy Meyers, F. Stevens Redburn

January 29, 2026

Organization

- Part 1
  - Past reform efforts and their goals
  - Major current problems in federal budgeting
- Part 2:
  - Ten standards for effective budgeting
  - How the US budget stacks up, historically and recently
- Part 3:
  - The need for a radical reform agenda
  - Key lines of inquiry for budget reform

Major Reforms Since 1900 and Their Goals

Budget and Accounting Act of 1921
- Created the executive budget and fiscal institutions (BOB/OMB and GAO)

Congressional Budget and Impoundment Control Act of 1974
- Reasserted Congressional prerogatives, created infrastructure for congressional budgeting (Budget Committees, CBO)

Performance-based reforms since 1990 (CFO Act, GPRA and GPRAMA)
- Reducing fraud, focusing on "value for money"

1967

1980s and 1990s

1921

1974

1990

President's Commission on Budget Concepts
- Establishing accounting and budgeting conventions

Deficit-based budget reforms in 1980s and 1990s
- Attempting to set fiscal targets to reduce the deficit

Federal Budgeting is Now Broken: Evidence

1. An exploding debt, with little attention to any overall fiscal goal
   - Debt has risen from less than 40% of GDP in 2008 to more than 100% of GDP
   - No current norms guiding overall fiscal policy

2. Lack of timeliness in the process, leading to "government by CR" and periodic harmful government shutdowns
   - NO budget deadlines are met—President's budget, budget resolution, and (especially) appropriations
   - Contributes to both a reduction of government effectiveness and loss of public trust

Federal Budgeting is Broken (2)

3. The norms of budgeting, reflected in relations between the branches, have collapsed
   - Presidential executive orders as a substitute for legislating
   - Unilateral executive actions, most specifically impoundments, threaten the congressional "power of the purse"

4. Improved information has not led to improved fiscal outcomes or desired improvements in government performance
   - CBO and GAO now provide the Congress with better data, but are frequently ignored
   - Reforms such as GPRA have substantially improved the availability of performance data, but these data have often been ignored by Congress and the White House

How Should We Address These Problems?

- Deciding how to deal with these, and other challenges, requires us to ask a simple question—**What do we expect an effective budget process to do?**

- The question is simple, but answering it requires analysis of the myriad things that we expect the budget process to accomplish

- Our approach is to then start with a comprehensive listing of the norms for a well-functioning budget process

- Only then can we identify where we are falling short, and what to do in response

Budgeting academics and practitioners have long asked: What is a good budget process?

- Answers framed as variants of rationalism, or in contrast, Wildavsky's incrementalism

- My 1996 article: "Is There a Key to the Normative Budgeting Lock?," *Policy Sciences*, 29: 171-188, recategorized such arguments into ten standards useful for budget process evaluation

- Updated last fall on Substack: https://roytmeyers.substack.com/p/stop-them-before-they-budget-again

- Describes historical attainment of each standard and changes during the Trump administration

Comprehensive—the budget includes all uses of the government's financial resources

- Historical: pretty good

  + Presidential budgets: unified budget framework; limited

     off-budget activities

  - low transparency of tax expenditures

- Trump:

  -no complete budget submitted in 2025

  -unusual "deals" with federal government taking equity stakes

Legitimate—important budget decisions are made by legally responsible authorities

- Historical: Congress constitutionally assertive under Article One

  + Appropriations directives usually followed by executive branch

  + Impoundment Control Act structured process for requesting cancellations of appropriated spending

  - Appropriations micromanagement reduced desirable executive flexibility

- Trump:

  -Executive orders in lieu of appropriations and authorizing legislation

  - Many illegal impoundments; pocket rescissions

  - Hidden apportionment data until court order

  - DOGE actions violated appropriation, personnel, and reorganization laws

Honest—budgets are based on accurate accounting and unbiased projections

- Historical: pretty good

  + CBO and economic statistics agencies highly trusted; much of OMB's microbudgetary work restrained agencies

  - accounting challenges for unique government functions; gimmicks still used for budget resolutions; unjustified presidential macroeconomic optimism

- Trump:

  - Unrealistic macro assumptions in Budget and Mid-session Review; OBBBA baseline gimmicks

  - IGs and BLS head fired; unjustified criticism of CBO and GAO; will the next CG be independent?

  - Constant administration-wide lying; extensive patrimonial corruption

Transparent—budgets are understandable without intensive effort

- Historical:
  - the congressional budget process is excessively complicated
  - jargon such as "reconciliation" is contrary to standard English usage
  - there is no easy-to-read "citizens' budget"

- Trump:
  - no *Analytical Perspectives* in 2025, so missing important data
  - DOGE web site was rife with falsehoods and disconnected from budget concepts
  - Executive tariff policy not integrated into budget process; greatly exaggerated claims of how tariffs will fund various policy initiatives

Timely—regular budget tasks are completed when expected

- Historical: abysmal record, similar to that of a poor country rather than what should be expected from the richest country in the world

  -presidential budget requests increasingly late

  - unenacted budget resolutions

  - late appropriations; frequent continuing resolutions

  - all this results in unnecessary budget execution uncertainty and costs

- Trump

  - More of the same, despite "unified government"

Cooperative—budgeting does not dominate other important decision processes

- Historical: getting worse each year

  - excessive time spent on budgeting without resolution crowds out other processes: authorizations, oversight

  - excessive influence by party leaders reduces committee influence, expertise, and commitment

- Trump:

- *One Big Beautiful Bill* says it all

- The threat to the Fed's independent conduct of monetary policy risks fiscal dominance

Perceptive—budgets consider the long-term as well as the short-term

- Historical: mixed

  + credit reform improved accounting for loans

  - but there is still confusion about how to best invest in and account for physical and human capital

  +/- expansion of the budget horizon to ten years increased recognition of future, but also enabled gimmicks

  - frequent avoidance of entitlement sustainability problems

- Trump

  - ongoing disruption of personnel has led to extensive losses in agency capacities

Judgmental—budgets seek ways of obtaining the most effects for the least costs

- Historical: mixed

  + OMB budget reviews often promote value for money

  + as has Government Performance and Results Act implementation in the executive branch

  +/- Traditional reviews by committees sometimes helpful, but missed opportunities because of rejection or underuse of GPRA information

  - Fragmented and overlapping committee structure and related enforcement procedures limit desirable restructuring of policy portfolios

- Trump:

  - President-dominated agenda features desire for vengeance over considered use of policy evidence

Constrained—budgets limit the amount of money that need be acquired by the government

- Historical: worrisome growth by steady trend and by step increases

  + flexible fiscal policy has responded to shocks

  - exploding debt dynamic now on the horizon, with no commitment to head it off

  - instead, recurrent debt ceiling showdowns present financing and macroeconomic risks

- Trump:

  - OBBBA caused another step increase in baseline debt, matching Biden era policy

Responsive—budget policies match public preferences

Historical--the hardest standard to judge, due to:

- public confusion about the results of budget decisions, and who made those decisions

- public preferences often reveal time inconsistency: unwillingness to conserve now for future benefits

- partisan motivated reasoning

+ thermostatic responses in some elections

Trump:

- Implementation of Project 2025 agenda has driven approval ratings to low levels

- Populist correctives occasionally thrown again the wall (e.g., $2000 checks)

Budget experts should help persuade politicians to strengthen budgetary norms

- Should focus reform efforts on those standards with the worst attainment, weighted by relative importance and by probability of adoption

- Must be aware of potential tradeoffs: e.g., increased perceptiveness can reduce public transparency

- But reforms also can generate synergies: e.g., better judgmental budgeting promotes constraint

- Medium-term successful reform is partly conditional on whether Republican legislators will reject Trumpian patrimonialism and return to their party's roots

- And partially conditional on what will be the Democrats' reform agenda if and when they take control of government

The Next Stage

Goal: To develop big ideas for comprehensive reform of the federal budget process that will –

- Address major weaknesses in the current process

- Within the constraints of Constitutional structure, institutional and individual capacity, politics.

How do we organize to do this?

Lines of Inquiry

1. How can Congress and the President collaborate to enact timely budgets in an era of political polarization and given institutional obstacles? (*timely; cooperative*)

Lines of Inquiry

2. How can the public be given a meaningful role in formulating budgets – one that yields an informed consensus on how to deploy resources to meet large policy challenges and rebuilds legitimacy and trust? (*transparency; responsiveness*)

3. How can budget decisions be informed by evidence and a strategic approach to achieving the highest policy priorities and preparing for/dealing with future emergencies? (*perceptive; judgmental; constrained*)

Lines of Inquiry

4. **Once budgets are enacted, how can the executive be held accountable for following the law and achieving promised results as the budget is executed? (*honest; legitimate*)**

5. **How can the executive be given the tools and flexibility needed to effectively implement enacted budgets and manage for results? (*comprehensive*)**

An Invitation

We hope others will join us by:

➢Offering big ideas for reform

➢Joining our deliberations

➢Reaching out to others