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TIME FOR THE PRESIDENT TO HONOR HIS BUDGET PLEDGE

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Two years ago, President Bill Clinton eagerly embraced and pledged himself to honor the Balanced Budget Agreement (BBA) of 1997, the spending roadmap to achieve and maintain a budget surplus. The President repeatedly took credit for the BBA, claiming in a summer 1997 speech to be “spending less and spending smart.” He also stated in a radio address that “Our balanced budget agreement shows what we can accomplish when we work across party lines, in the interests of the American people. This is how government should work.”

The problem is that today, when tough spending decisions have to be made to carry out the agreement, the President is missing in action. In fact, the President delivered a budget to Congress earlier this year that busts the caps agreed to in 1997, and he seems unwilling to do anything now to help Congress keep spending under control.

The White House, not just Congress, must remain committed to honoring the BBA. As the President declared to a business roundtable in 1997, “It is essential now to implement the agreement in good faith. It is quite specific, and ambiguous on very, very few points. If we had enough changes around the edges that some want to make, pretty soon we could make the edges ragged enough to unravel the fabric of the agreement. I do not expect that to happen. I expect it to be implemented.”

Congress must hold the President to his word.

BUSTING CAPS AND BREAKING PROMISES

In the spring of 1999, the Congressional Budget Office (CBO) concluded that the President’s fiscal year (FY) 2000 budget proposal submitted to Congress would violate the BBA, thanks to \$30 billion in spending *above* the caps. The President’s response to the CBO’s report was offered by a White House budget office spokeswoman: “The offsets exist. It is simply a matter of the CBO choosing to put our offsets in a different category than we have.” When pressed on the details, an Associated Press journalist noted at the time, “[President] Clinton said his plan would live within spending limits by paying for several initiatives by raising the tax on cigarettes, increasing other fees and reducing spending on some programs.” Unlike the CBO, the White House fails to recognize the difference between raising billions in revenues and holding spending in line.

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While the President engages in budget semantics, Congress has been left with the difficult task of actually implementing the BBA. To do this, it first enacted a budget resolution that maintains the spending levels agreed to in 1997. Now both houses of Congress have announced "302b" funding allocations for their respective appropriations subcommittees that keep spending within the agreement. As the table shows, the House committed itself to reducing FY 2000 discretionary spending by 1.2 percent, and the Senate committed to finding savings of 2.3 percent. Meanwhile, the President has proposed increasing spending by 3.6 percent.

AVOIDING THE TRAP

Having made several tough decisions already, Congress is faced with the even more difficult task of enacting appropriations bills that meet these funding allocations. According to Senate Appropriations Committee Chairman Ted Stevens (R-AK), "We're heading for a collision that will take us to September." But the President has offered no help whatsoever. The White House merely offered thinly veiled threats of a presidential veto if tough cuts are made.

Meanwhile, the ranking minority member of the House Appropriations Committee, David Obey (D-WI), is pushing Congress to abandon the agreement. "You can't get this fix," says Obey, "until the Republicans...summon the determination to go around the caps." The majority in Congress made that mistake in September 1998, hoping to curry political favor by voting for increased spending, but regretted this decision by November. Congress should not make the same mistake twice. The prob-

lem will only get worse each year that appropriations exceed the caps.

CONCLUSION

The spending caps should not be broken nor the BBA violated. The President must make this clear by working with Congress to stay within the BBA's spending provisions. Congress, too, must maintain fiscal discipline and respect the spending caps committed to in 1997.

Lawmakers will be able to do this only if they summon the determination to hold down spending and challenge the President to make a clear decision: Keep to the bargain he made or veto fiscally responsible spending bills that stay within the caps and protect the Social Security surplus. The President claims he maintained the agreement this year, but he submitted a budget that used the gimmick of tax increases and new user fees to mask the costs of new government spending. It is time to put the President's pledge to "spend less and spend smart" to the test.

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Table 1

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Comparison of FY 99 Budget Authority to Congressional Funding Levels and President's FY 2000 Budget

	FY 1999 Actual	FY 2000 House Allocation	FY 2000 Senate Allocation	FY 2000 President's Request
Total Discretionary Budget Authority in Billions of Dollars	\$544.4	\$538.2	\$531.9	\$564.0
Change from 1999		-1.2%	-2.3%	3.6%

Sources: Fiscal 1999 and congressional allocations are from *CQ Daily Monitor*, May 26 1999; President's discretionary request is from Congressional Budget Office, *An Analysis of the President's Budgetary Proposals for Fiscal Year 2000: A Preliminary Report*, March 3, 1999.