

The Fast Track to a Balanced Budget

Reuters

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The state of the union, fiscally speaking, is perilous. Despite record deficits and dire warnings from Europe as to the consequences of sustained fiscal imbalance, our leaders have been unable to find common ground. The Simpson-Bowles Commission in 2010, the Gang of Six last summer and the misnamed Super Committee of this past fall were all bipartisan efforts to cut through the Gordian knot of budgetary gridlock. And all of them failed. Miserably.

Yet despite these failures, Congress now has the opportunity to move us onto a path toward prompt national consensus on fiscal reform. Congressional leaders are this week debating legislation to extend the payroll tax cut. If they are smart, they will include in that bill a small, but important, provision that grants the winner of the 2012 presidential election something called fast-track authority. This authority would allow the president — whoever he is — to submit fiscal reform legislation for an up-or-down vote in both the House and Senate on Jan. 21, 2013, the day after Inauguration Day. Indeed, fast-track authority would be a worthy quid pro quo for members of Congress reluctant to sign off on extending the payroll tax cut without some assurance of future progress on deficit reduction.

What's promising about this proposal is not just what fast-track authority might deliver in 2013, but what its very existence could do to the presidential race. With fast-track authority granted, President Obama and his Republican challenger could each be expected to put forward during the presidential race a coherent and credible plan to move toward a balanced budget.

Fast-track authority is not unique to budget debates. It has a long history on Capitol Hill, and gives legislation a prompt and clean vote in both chambers. It thus circumvents the Senate filibuster and procedural maneuverings in the House that can block legislation. In the recent past, fast-track authority has facilitated congressional approval of international trade deals and military base closings — public policy challenges where there was agreement that national action was needed but vested interests were using congressional procedures to inhibit progress.

Our public finances present just this kind of problem. Both sides of the aisle agree that we need to return to a path of fiscal balance. But entrenched interests — on both the left and the right — stymie any sort of balanced package of entitlement reforms and revenue enhancements with procedural roadblocks. The only way forward is to change the rules of the game.

Here's how fast-track authority could work in the context of a presidential election campaign:

- **Clear expectations:** To begin with, Congress should only grant fast-track status to plans that clear specific thresholds of fiscal balance. A workable model could come from the Simpson-Bowles Commission, which targeted an annual deficit beneath a fixed percentage of GDP within five years and a reduction of public debt to sustainable levels over the longer term. Targets for restoring the long-term solvency of Social Security and other entitlement programs could also be defined.

- **Actual deadlines:** To make sure that the public would have adequate time to consider competing plans, fast-track legislation should also specify that to be eligible for expedited congressional consideration, a candidate's proposal would have to be made public by early August, three months before Election Day.
- **Credible numbers:** To ensure that the candidates' plans were, in fact, realistic, Congress should authorize the non-partisan Congressional Budget Office to score each candidate's plans and release the results of that analysis, as is typically done when members of Congress submit proposed legislation. This safeguard would make sure that the reform proposals are vetted by independent analysts and not simply the wishful thinking of political operatives or economists-for-hire.
- **Public debate:** To guarantee that fiscal reform proposals received adequate public attention, at least one presidential debate could be set aside for an informed discussion of the candidates' fiscal proposals with a panel of expert moderators.

Given the lure of fast-track consideration for qualified proposals, both presidential candidates would be hard-pressed to opt out of offering credible deficit plans. After all, if a candidate squandered an opportunity to get a clean budget bill before both Houses of Congress, how serious could that candidate be about righting our fiscal imbalance?

Presidential candidates are, of course, notoriously skittish about spelling out the details of fiscal reform. Essential components – higher taxes and trimmed entitlements – are seen as political poison, and politicians much prefer to hide behind vacuous homilies on balanced budgets and fiscal restraint than to commit to genuine deficit-reduction measures. But our nation's fiscal challenges are extraordinary and deserve an honest discussion. And what more appropriate setting is there for that than a presidential election?