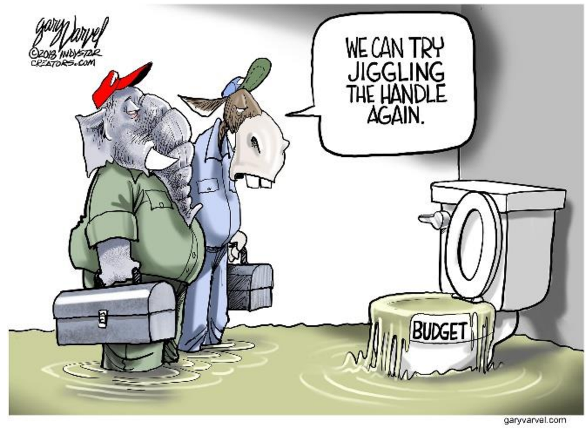
If you don't regularly receive my reports, request a free subscription at steve_bakke@comcast.net !
Visit my website at http://www.myslantonthings.com !

America's budget process is crashing

Steve Bakke ***November 1, 2025***



I recently "celebrated" the tenth anniversary of publishing my first rant dealing with the adversarial and self-defeating way America's financial planning system works.

"Regular order" (i.e. the way it's supposed to work) for our budget process has 12 separate spending plans debated separately. Unfortunately, in recent decades both parties have found it expedient to delay the process until urgency demands it. That's when Congress begins stringing together "continuing resolutions" ("CR") and "omnibus spending bills".

We've repeated these short-term emergency measures for too many years. Unfortunately, once the omnibus bill is approved, the debt ceiling still won't have been decided. The valuable constraint of introducing "debt limits" to spending decisions isn't currently considered a necessary part of the process.

A careful and timely crafting of America's financial plans is important, but our legislators aren't adequately motivated to do so. As a result, adequate analysis of many details is inevitably neglected. Spending ambitions typically speed past our ability to raise revenue, making growing deficits and debt inevitable.

Disconnected from budget deliberations, the necessity of raising the debt ceiling eventually will loom large. Once again, we'll be forced to suffer through a bitter debate about how much to raise our borrowing limit.

A "CR" is intended to provide continued funding of the government at current levels when the previous budget has expired, thus providing additional time to complete the process. This occurs because there's probably been a delay that can be blamed on both parties. Usually, if the CR doesn't contain partisan changes to existing spending amounts, both parties can be expected to agree to temporarily fund the government at current levels – but not this time.

Minority Leader Schumer wants to convene what I'll refer to as a "pre-debate debate," intended to extend "covid related" temporary funding of the ACA. He's insisting that before ending the government shutdown, a temporary subsidy must be extended past its scheduled termination date.

Considering the burgeoning national debt, this single spending item should be considered along with other programs, not be given priority over them. A program that has bipartisan agreement as to its need for being repaired, should not be automatically, summarily extended.

Democrats are demanding an extension of temporary Covid related premium subsidies, including a rollback of subsidy eligibility restrictions for certain immigrants. It should be no surprise that a big issue here is that the parties can't agree on the definition of "ineligible illegal immigrant" for purposes of discontinuing healthcare to those here illegally.

Cynics would assert that Schumer is trying to delay the time available for an orderly process and debates i.e., a return to "regular order." Cynics would also say democrats don't prioritize taking a critical look at existing spending details? Our national debt has been exploding for many years, a significant cause of which is this lack of detailed spending scrutiny.

Our Founders set up a system of checks, balances, and deliberations to make sure the budget process would be thorough – excruciatingly so. The idea of "regular order" wherein each of 12 budgets is debated and eventually approved by each house of Congress is an important part of that process.

The concept of having the debt ceiling as an important consideration when deciding spending and borrowing levels is a natural fit for this system. Republicans strongly support debt limits, but democrats consider it as "arbitrary" and an unnecessary obstacle to getting America's bills paid. Many want to eliminate the debt ceiling requirement altogether.

Arguing that Congress shouldn't be burdened by debt and borrowing limitations when spending decisions are being decided, demonstrates poor financial discipline. Observing "regular order" and introducing debt ceiling decisions at the same time as the spending budget is a matter of common sense. Financial decisions which impact each other, and have similar considerations, should be deliberated and approved concurrently.

One big cause of our budget/debt angst is the fact that America is so divided our legislators can't successfully produce a thoroughly debated budget. We have to rely on this inferior "herky/jerky" process of CRs and omnibus spending bills rather than diligently deciding 12 separate, thoroughly analyzed and debated budgets.

If essential deliberations are not part of the financial planning process, the system should be changed. We deserve better!