



FACT SHEET LINE ITEM RESCISSION AUTHORITY

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GOP Line Item Rescission Authority Proposal Riddled with Problems

The GOP line item rescission authority proposal represents a distraction from the failed fiscal record of the Bush administration and the Republican-controlled Congress. Republicans have squandered the surplus and run up large deficits. So now they are turning to a budget process proposal to appear fiscally responsible.

Giving the President line item rescission authority will not solve our budget problems. It is misleading to the public to leave the impression that this proposal is the answer. It would likely have little impact on the deficit and would significantly shift power from the Legislative to the Executive Branch.

It is President Bush's own policies of continually reducing revenues while increasing spending that have driven us into this deficit ditch. And since the President took office, he has yet to veto a single spending bill. There is no reason to believe that granting him this additional authority would change his fiscal policies or halt the growth in our nation's debt.

This line item rescission proposal also threatens to undercut improvements to Social Security and Medicare. It would give the President broad new powers to cancel new mandatory spending legislation passed by Congress, such as those dealing with Social Security, Medicare, veterans, and agriculture. For example, if Congress put together a carefully constructed, bipartisan package to address the long-term solvency of Social Security and Medicare, the President could step in, after the fact, to rescind pieces of that package.

A distraction from failed GOP fiscal policies

This line item rescission proposal is really just a distraction from the disastrous budget deterioration of the last six years. A *USA Today* editorial from last year made exactly this point. The editorial stated: "...[T]he line-item veto is a convenient distraction. The vast bulk of the deficit is not the result of self-aggrandizing line items, infuriating as they are. The deficit is primarily caused by unwillingness to make hard choices on benefit programs or to levy the taxes to pay for the true costs of government."

An editorial in Virginia's *Roanoke Times* similarly summed up the proposal: "...[T]he president already has the only tool he needs: The veto. That Bush has declined to challenge Congress in five-plus years is his choice. The White House no doubt sees reviving this debate as a means of distracting people from the missteps, miscalculations, mistruths and mistakes that have dogged Bush and sent his approval rating south. The current problems are not systemic; they are ideological. A line-item veto will not magically grant lawmakers and the president fiscal discipline and economic sense."

Likely to have little impact on the deficit

Giving the President line item rescission authority would likely do little to change the nation's deteriorating budget outlook. This new authority can't replace a real commitment to reducing the deficit through responsible bipartisan action.

Acting Congressional Budget Office (CBO) Director Donald Marron has made clear that the proposal is unlikely to greatly affect the budget's bottom line. In testimony before the House Rules Committee last year, he stated: *"Such tools, however, cannot establish fiscal discipline unless there is a political consensus to do so.... In the absence of that consensus, the proposed changes to the rescission process ... are unlikely to greatly affect the budget's bottom line."*

Even Senator Gregg has acknowledged that this proposal is likely to have little impact on the budget. *Congressional Quarterly* reported the following last year: *"Passage of [the line item veto] legislation would be a 'political victory' that would not address long-term problems posed by growing entitlement programs, Gregg said."* And *The Bureau of National Affairs* wrote: *"...[Gregg] said it would have 'very little impact' on the budget deficit."*

An abdication of congressional responsibility – shifts power to Executive Branch

The overarching problem with the GOP line item rescission proposal is that it represents an abdication of congressional responsibility. Under our Constitution, all legislative powers are vested in the Congress, with the President only having the power to sign or veto legislation in its entirety. The line item rescission proposal would turn this construct – carefully designed by our nation's founders – on its head.

It would give the President the power to propose cancelling items Congress has passed and package those proposed cancellations in any way he chooses (up to four times a year). It would provide the President up to a year after enactment of a provision to submit a rescission request, but then force Congress to vote on those requests within 10 days of their introduction.

It would give the President far more control over the power of the purse than was ever intended by the framers of the Constitution, and would also give the President the power to use the threat of proposing particular rescission items as a bargaining chip in dealing with members of Congress.

In testimony before the Senate Budget Committee last year, acting CBO Director Marron cautioned Congress that giving the President line item rescission authority could simply shift power to the President, while doing little to restore fiscal discipline. Marron stated: *"... [I]n contemplating the bill, the Congress will have to weigh the potential for possibly modest budgetary benefits against the possible drawbacks, which include a shift of power to the executive branch and effects on the legislative process."*

Conservative columnist George Will made a similar point in a *Washington Post* column last year. He wrote: *"It would aggravate an imbalance in our constitutional system that has been growing for seven decades: the expansion of executive power at the expense of the legislature."*

Provides no opportunity to amend or filibuster proposed rescissions

While the President could package rescissions in any way he chooses (up to four times a year), sending them individually or as a group, Congress would have to "take it or leave it" exactly as proposed by the President, with no amendments in order.

Allows President to cancel new mandatory spending proposals passed by Congress

As noted above, in addition to targeting discretionary spending proposals, the President also would be able to cancel new mandatory spending proposals passed by Congress, such as those dealing with Social Security, Medicare, veterans, and agriculture. This would give the President broad new authority that could undermine agreements reached by members of Congress. For example, if Congress put together a carefully constructed, bipartisan package to address the long-term solvency of Social Security and Medicare, the President could step in, after the fact, to rescind pieces of that package.

While this line item rescission proposal is flawed, there are budget process changes we could adopt that would be helpful. For example, as part of the Democratic Leadership's top ten legislative priorities, Democrats have proposed S.10, the Restoring Fiscal Discipline Act of 2007. The Act would restore a strong pay-as-you-go rule in the Senate and prohibit the use of the fast-track reconciliation process for passing legislation that would add to the deficit. Adopting those two measures would represent a real step toward restoring fiscal discipline.

However, there is no silver bullet for putting our fiscal house back in order. It will require a serious and prolonged bipartisan commitment to restoring sound budget policies. In the end, there will have to be the political will, from both parties, to come together and make the tough choices that are needed.