Rivals for Power

Presidential-Congressional Relations

Fifth Edition

Edited by James A. Thurber

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Printed in the United States of America

For my wife, Claudia

And my family,
Mark, Kathryn, Greg, Tristan, Bryan and Kelsey

51. Jackie Calmes, "TARP to Cost Less Than Once Anticipated," *New York Times*, October 1, 2010. Senator Robert Bennett of Utah, who had been labeled "Bailout Bob" and denied renomination by Utah Republicans, expressed resignation. "My career is over," he said, "but I do hope we can get the word out that TARP, number one did save the world from a financial meltdown and number two . . . won't cost the taxpayer anything." Bennett also noted ruefully that the man who challenged him for his Senate seat had been motivated to run by an email full of false accusations about ObamaCare that "went viral."
52. David Folkenflik, interview with Ron Elving, January 31, 2013.

Chapter Nine

Presidents, Congress, and Budget Decisions

Joseph White

Budgeting might be considered the thermometer of presidential-congressional relations. Sometimes it shows a balanced, healthy, normal body politic. Sometimes it reveals a dangerous fever. And sometimes the thermometer breaks and glass and mercury are spilled all over the floor.

Budgeting is at the heart of government, because it is the most direct example of the authoritative allocation of values. The framers of the constitution expected Congress to have the largest say in budgeting decisions. Yet the constitution also, both through the president's veto over legislation and his supervision of administration, gave him a major role in the allocation of government funds.[1] Developments in the extraconstitutional political system, such as the emergence of the presidential role as a party leader and his occasional ability to appeal to public opinion, added to the president's potential budgeting power. Congress also granted presidents institutional resources—the budget bureau and its routines—that are central to the modern presidency.[2]

Budgeting also is extremely hard. Congress and the president may seem to fail because there is no result that would meet public demands that are either contradictory (avoid recession but balance the budget!); or beyond their power to meet ("manage the economy" when, to a great extent, the economy determines budget totals rather than vice versa); or require decisions for which there is not close to majority support (as will be discussed below).

Done properly, federal budgeting is an immensely technical and complicated task, involving many thousands of decisions that are supposed to be integrated into a complex web of legislation and implementation. As a result, both Congress and the presidency include specialized budgeting institutions. When the body politic is healthy, these institutions each contribute to decisions.

The congressional budget process includes specialized committees for what we now call discretionary spending (the House and Senate Appropriations committees); for revenue legislation (House Ways and Means and Senate Finance); and to provide an annual framework for decisions about spending and taxing (the House and Senate Budget Committees, through the annual Congressional Budget Resolution). A wide variety of special rules apply to consideration of revenue legislation, appropriations, and the class of laws called entitlements (or mandatory spending) that provide budget authority for more than one year (such as for farm price supports and Medicare). Congressional staff agencies oversee executive management of budget allocations (GAO, the Government Accountability Office) and advise Congress on budgetary effects of legislative alternatives (CBO, the Congressional Budget Office).

The executive (or presidential) budget process is managed by the Office of Management and Budget (OMB) within the Executive Office of the President. Budget offices within each agency and department deal with OMB. Although it has undergone reorganizations since its creation in 1921, the budget bureau[3] has always packaged agencies' budget requests into an overall bundle subject to presidential approval (the President's Budget) and then, after Congress responded with appropriations or other legislation, managed allocation of funds among agencies (budget execution). This presidential process gives the president first move in determining how specific tax and spending plans relate both to each other and to totals for taxes, spending, and the federal surplus or deficit. It also influences information provided to Congress, because agencies are expected to testify in favor of the budget bureau's proposals.

This chapter addresses how the budgeting relationship between the president and Congress has developed over time.[4] A theory based on presidential dominance was implemented, after 1921, in a manner that instead allowed positive collaboration. From the late 1960s on, this developed into a much more adversarial process, in which president and Congress competed to shape policy and avoid blame. At various times, such as 2011–2012, that has devolved into a raw struggle in which the formal budgeting process has shattered and the values it serves been nearly ignored.[5]

PURPOSES OF BUDGET PROCESSES

Specialized budget processes have a series of functions, or justifications, as part of both democratic politics and competent government. Budgeting can

be a way to make government transparent and its actions predictable; a procedure to set social priorities and to pursue efficiency in the operation of public services; and can be used by government to try to manage the economy.[6]

In many people's view, however, the core purpose of any budget process should be to "balance" the budget. By this they mean have spending be no more than revenues. As Irene Rubin has written, this is just one possible balance (in the sense of a balance sheet)[7]; and there are many situations in which a "balanced budget" is neither necessary policy nor good economics. Even if one does not think deficits are evil, however, there should be some balance—a level of deficit or surplus—that seems advisable for a combination of economic purposes (such as manipulating aggregate demand) or a version of household management (such as accumulating resources in case of later hard times).

The fundamental challenge for any budget process is that preferences about details are highly unlikely to add up to preferences about total spending, total taxes, and the resulting budget balance. Hence processes are needed to *adjust preferences about totals and details to each other*, in such a way that the combination in the end is as satisfactory as possible to the decision-making person or group.

As this problem is normally posed, a set of fragmented decisions about programs and taxes, which is what would happen if agencies simply proposed their own budgets and Congress responded committee by committee, must be resisted by central "guardian" bodies in Congress or the executive branch. Yet the challenge is not simply that short-sighted claimants might ignore totals. Most participants in budget-making can identify *somebody else's spending* that they would be willing to eliminate, or *somebody else's taxes* that they would be willing to raise, so that they could justify their details within their preferred total. Then budget deficits can exceed public and elite views of what is proper *not* because individuals are hypocrites and want to have their cake and eat it too, but because each would bake the cake in a different way.[8] During the budget battles of the 1980s, for example, conservative Republicans could consistently favor a balanced budget because they were willing to slash social programs to achieve the goal, while liberal Democrats could favor balance because they were willing to cut defense spending and raise taxes on corporations and people with higher incomes.[9]

Under these circumstances, all sides can treat some level of deficit as a horror and a sin, and attack the others without any sense of shame. Other participants in budget debate, such as editorial boards and economists, will talk about the need to reduce deficits yet view the details as other people's problem. Budgeting, therefore, tends to generate a great deal of blame that politicians want to avoid. There will be blame for specific decisions to cut spending or raise taxes, but also blame for *not* cutting *programs in general* or for *not* raising *taxes in general*. Blame is so pervasive that budget politics cannot be understood separate from the allocation not only of values, but blame.

THE PRESIDENTIAL BUDGET AS A BASIS FOR COOPERATION

The core institutions of the presidential budget were created in the Budget and Accounting Act of 1921, emerging from an elite executive budget movement. The dominant trend in this movement distrusted both the legislature and the public, and believed the chief executive and administrators should be free to make decisions that served their view of the public interest.[10] Many subsequent reformist analyses have followed in this tradition.[11] This executive dominance view was (and is) "at odds both with contemporary practice and the separation of powers." The process Congress supported in 1921 therefore retained "legislative initiative in appropriations" and stressed "the executive budget as a means of gaining executive responsibility and strengthening legislative budgetary control."[12]

How could the same process both make the executive more responsible and strengthen legislative control? It could help *both* president and Congress control the executive agencies.

DEVELOPMENT OF THE CLERK/BROKER PATTERN

Agency behavior can create problems for both Congress and the president. The first is "coercive deficiencies": an agency runs out of money and its political overseers feel compelled to appropriate more, rather than stop the activity. The process created by the 1921 Act, in which the budget bureau apportions funds to agencies, greatly reduced this problem.[13]

Both could also gain if agencies were operated more efficiently. Efficiency is not the same as economy.[14] As one senior OMB career official put it in an interview, "the idea I grew up with was to be a neutral competent budget analyst. As I told my staff, that meant *if it was a Republican administration trying to minimize cost; if it was a Democratic administration, how to maximize value for the money we had.*" The executive process could provide a "scrub" of agency requests and prevent them from submitting "blue sky" requests to Congress.

Both branches might also benefit from better coordination across programs, which could reveal if agencies were working at cross-purposes or uncover the "wasteful" opposite, redundancy or overlap of functions. Congress might choose not to use such information, but providing it would improve Congress's options.[15] Efficiency *might* be served if the budget bureau improved management. In practice, Congress has been conflicted on this

topic, with some legislators at any given time hoping that central management initiatives will yield economies, and others fearing interference with their own influence over the agencies. We will see that recent management initiatives, even if mandated by Congress, appear to have done more harm than good. Nevertheless, there have been periods when the management activities of the budget bureau played a positive role. The Division of Administrative Management established within the budget bureau by Director Harold Smith in 1939 contributed in ways that are still recalled as a kind of "golden age" of the budget bureau.[16]

Most significantly, the president's budget can serve Congress by dispersing blame. If the president proposes measures that Congress can accept, legislators get to share the blame. If Congress rejects a presidential proposal, so must replace it with another, legislators can gain credit from the interest they protect, somewhat offsetting blame from the interest they hurt. The president gains policy influence from the initiative and agenda-setting effects of the presidential process.

In these ways, the presidential process helped both president and Congress match details to totals, and the budget system developed into a rough equilibrium of shared expectations and mutual adjustment.[17] It fit into the presidential role that Richard Neustadt described as "clerkship." Neustadt described the budget as "among the cardinal services the president-as-clerk performs for Congressmen and bureaucrats and lobbyists."[18] A better term might be brokerage: the president sits at a key point within a complex system of bargaining. In return for facilitating transactions, he collects resources that he uses for his own purposes. Because it was created by an intensive process within the executive branch; because it represented commitment in its most concrete form, money; and because the nature of appropriations meant that Congress had to respond to those proposals; the budget became the year's premier initiator.

Budgeting in this period was hardly a nonpartisan lovefest. There were occasional fevers, sometimes severe. Nevertheless, what Allen Schick termed the "Seven Year Budget War" from 1966 to 1973 initiated a transition to a much more adversarial role for the president's budget.[19] The clerk/broker role depended on conditions that diminished in the late 1960s and nearly disappeared in the 1980s.

TOWARD ADVERSARIAL BUDGETING

The first condition for cooperation was that Congress and the president have similar goals for budget totals. Liberal Democrats and conservative Republicans had very different fiscal policy views, but the conservative coalition that dominated Congress in the 1950s largely agreed with President Eisenhower, and disagreement only became systematic when President Nixon faced a more liberal Congress.

The second condition was that the instruments available within the budget process be adequate to the task of making details fit the totals. The process that had emerged only guaranteed action on annually appropriated programs, what would later be called "discretionary" spending. The growth of entitlements such as Social Security and Medicare, followed by military spending's decline as the Vietnam War wound down, meant that by 1973 annual appropriations were less than half, and a declining share, of spending.

The third condition was that the president and congressional majority be in rough agreement on program details or priorities. Again, this disagreement appears to have widened during the Nixon presidency. The fourth condition was that the apportionment power be used in a way that was remotely acceptable to Congress. Instead, President Nixon used it to impound (refuse to spend) appropriations for purposes that he did not approve and had not been able to veto. A constitutional crisis over budget powers was avoided only because another, culminating in Nixon's resignation, took its place.

Congress responded by passing the Congressional Budget and Impoundment Control Act of 1974. The Budget Act created the Budget Resolution process, through which Congress, before passing other spending and tax legislation, would lay out targets for spending and revenue totals and priorities. This process would be reformed and strengthened in 1980 by implementing *reconciliation*, a process through which legislative committees would be given targets for spending cuts or revenue increases in the Budget Resolution. Reconciliation had strong procedural protections against filibuster in the Senate. It therefore provided a vehicle through which Congress was much more likely to respond to presidential proposals to alter entitlement programs such as Medicare and Medicaid, or to change tax law, than had been the case before 1980. This extended the potential influence of the president's budget through both agenda-setting and blame-sharing, and the Budget Act therefore helped President Reagan win spending reductions in 1981.[20]

Yet the Budget Act also reduced Congress's dependence on the president for information, through creation of the Congressional Budget Office and the Budget Committee staffs. Budget Resolutions enabled Congress to set its own standards for totals, so its details would not be judged by the president's totals. CBO provided Congress's own source of economic analysis, to counter the president's judgments. The resolution further forced Congress to explicitly state its own fiscal policy and overall priorities, making any conflict more explicit.

After 1981, systematic deficits that were unprecedented during peacetime increased the blame for budget totals. Intense disagreement between the president and much of Congress (including moderate Republicans) about other budgetary values led to battles about budget resolutions and diminishing attention to the president's framework. Either Congress took the lead, as in 1982 and 1984, or leaders maneuvered to create some form of "budget summit," as in 1987 and 1990.

In 1985 a coalition of conservative radicals (e.g., Senator Gramm) and budget hawk moderates (Senators Rudman and Hollings) took legislation to increase the debt ceiling hostage in order to force procedural changes that, they believed, would force agreement on deficit reductions. Democratic leaders decided they could not increase the debt ceiling without something like that proposal, so worked to make it as bad for the president and his allies as possible. They succeeded enough that House Majority Whip Tom Foley was able to describe the Gramm-Rudman-Hollings law (GRH) as "about the kidnapping of the only child of the President's official family that he loves [defense], holding it in a dark basement and sending the President its ear."[21]

One OMB senior career official described budgeting with GRH as a game of "deficit-reduction roulette." The only way OMB could look like it was proposing doing "enough" on the deficit was to submit proposals that were obviously unacceptable (so in no sense constituted an "agenda"). As one agency budget officer expressed it, some proposals did not pass the "laugh test . . . the committees regard it with utter disdain, with laughter. Even around this table we laugh." The president's budget was commonly viewed as fake, impossible, or both, so "dead on arrival." In response, OMB released the fiscal year 1987 plan by sending it to Congress in an ambulance, in the form of a staffer on a stretcher. He jumped up to reveal a shirt proclaiming, "The FY87 Budget Lives."

The adversarial relationship between the branches led to changes in OMB's role and capacity. The professional staff redeployed from analyzing programs to supporting the political staff in negotiations with Congress. One of Director David Stockman's top aides explained that rationales for cuts were sought as weapons; "the notion was . . . one could find reasons to fit whatever our goal might be." The cost of this approach was in organizational capacity to identify efficiencies: to understand programs well enough to tell how they could do as much with less. In the background, some of the logic of the clerk/broker era remained. If the president proposed an increase within the budgetary environment of the 1980s, it would get more attention than if it came from anyone else. OMB might still find what one senior OMB civil servant called "the least provocative minuses"—proposals Congress could accept. But this became both less common and less of a focus for the process.[22]

In the circumstances of the 1980s there was far too much blame to share.[23] Both president and Congress had incentives to enact pure gimmicks, as in the 1989 "summit agreement" between president and Congress that included about $39 billion in smoke and mirrors out of a $47 billion total.[24]

The George H. W. Bush administration amended the outgoing Reagan administration's FY90 plan by specifying increases and calling for unspecified cuts. In the words of one House Appropriations Committee aide, "We didn't really feel we ever had a President's Budget." By 1990, the president's men were blaming Congress for not changing his budget enough.[25] Such developments led budget scholars to ask whether the presidential process had outlived its usefulness.[26]

PRESIDENT AND CONGRESS IN THE 1990S

During the first two years of the George H. W. Bush administration, the president's proposals appear to have been placeholders for eventual negotiations, at best. Nevertheless, in 1990 OMB Director Richard Darman managed to negotiate both significant deficit reduction and procedural rules, the Budget Enforcement Act, that eliminated the absurdities of GRH and provided totals with which it was possible to budget somewhat more regularly for the rest of the term. In order to do this, however, President Bush had to court blame by abandoning his 1988 campaign pledge of "no new taxes." Both the president and Congressional leaders felt they had to disguise the ways there were repealing the worst aspects of Gramm-Rudman, so they would not be accused of abandoning commitment to a balanced budget.[27]

By taking on blame, President Bush enabled a package that significantly reduced future deficits. He then ran for reelection against a Democrat who accused him of not being in touch with economic problems he had tried to fix through the conventional wisdom nostrum of deficit reduction; with a base that objected to his raising taxes; and with a third-party candidate (Ross Perot) attacking both parties for not caring about the deficit for which Bush had angered his base. Bush lost. The next President Bush appears to have concluded that compromise in order to reduce deficits is not a great deal for presidents.

Compared to 1990, 1993 was much more clearly a case of presidential leadership, in that the Clinton administration laid out a direction and some details that were largely followed—unlike the bargaining process for the 1990 deal. In its first two years, the Clinton administration's budgets related details to totals in a way that considered both short- and long-term effects. However, this was made possible by a newly united government; the legislation passed by one vote in both the House and Senate; united government focused partisan blame; and in the 1994 election congressional Democrats paid the price by losing control of both houses of Congress for the first time in forty years.

The Republican takeover of Congress in 1994—and especially the capture of the House by Republicans led by Speaker Newt Gingrich, who sought

to revolutionize American government—created extreme disagreement with little room for the clerk/broker role. The budgetary relationship between Clinton and the Republican Congress was among the worst in American history, with the logical result that, as two budget process experts expressed, "It often seemed that policy proposals were designed more for partisan posturing than for effectiveness and efficiency."[28]

OMB in 1995 returned to the Reagan-era role of serving the president in continual pitched battles and negotiations with Congress. In both chambers, the leadership wanted the president to make proposals that would reduce the blame they could get for cutting programs, and would take almost any savings he could find so long as they weren't in defense, but this was not a matter of seeking clerical or analytic services. The president didn't want to be so helpful; meanwhile delays in one year's appropriations made it rather difficult to produce a plan for the next year's. As one administration official put it, "Anything would be flawed, so we punted."

After Clinton's reelection and the turn of events that followed the Balanced Budget Act of 1997 (BBA-97)—including, to general surprise, a balanced budget—one might have expected that extra money in a budget surplus would lubricate compromise. It did not for two reasons. First, the preferences of the president and of the Congressional majority leadership differed too greatly. The second problem was discretionary spending caps built into the deficit reduction legislation of 1997.

Clinton sought new spending and congressional Republicans sought new tax cuts. But the administration was also concerned about the long-term financing of Social Security, and concluded that future pensions could be made more affordable by reducing the federal debt and thereby future interest expenses. Therefore the Clinton administration promoted a standard of "saving Social Security first," by which it meant balance the budget without counting the Social Security surpluses. It therefore increased budgetary pressure on the details.[29]

Multiyear caps respond to pressure to reduce deficits by ignoring or hiding specifics. The 1990 budget deal had also created five-year caps, but they were not so tight. Those caps were revised and extended in 1993 as part of a strong push within Congress for savings from discretionary spending, with much less attention to the details that would result.[30] The 1993 targets were met only with assistance from the Gingrich Congress that the Clinton administration did not seem to appreciate at the time. The BBA-97 caps required that outlays be cut by about three percent relative to their real value in FY98 for FY99, and then be flat from FY99 through FY2002—in spite of economic growth, budget surpluses, and predictable events such as the decennial census.[31]

The problem with caps is that they do not resolve the details, which still must be appropriated each year. The Clinton administration wanted to spend above the caps, and proposed to pay for the extra spending with measures such as increased tobacco taxes and user fees. Congressional Republicans saw this as welching on a deal to constrain domestic spending, and objected to the offsets. Majorities in Congress neither wanted to violate conservative principles by raising the caps, nor fulfill them by spending as little as the caps required, nor enact the offsets.

So, each year, the administration insisted on its spending; appropriations were delayed by intense conflict; congressional Republicans largely gave in; and the caps were evaded with maneuvers that mainstream observers viewed as "gimmicks," such as shifts of payment dates from one year to another, declaring census spending an "emergency," and declaring somewhat predictable spending for military deployments in Bosnia an "emergency." By the end of 2000, discretionary spending was nearly $100 billion above the cap set in the BBA.[32] But this had been achieved in an entirely uncooperative way, in which the president's budget was viewed as unrealistic in Congress. OMB officials admitted as much; in one's words, "You do what you can to legitimately and sensibly come up with a total that is consistent with the overall decision of the president about what level of spending he wants to propose for the next year, and then turn it over to the appropriations process to change. Sometimes you propose things that you know aren't going to be enacted; it's a feature of the process."

BUDGETING DURING THE GEORGE W. BUSH ADMINISTRATION

The George W. Bush (Bush 43) administration inherited a massive budget surplus and had, for most of its time in office, a supportive Congress. One might have expected presidential leadership and a process that fit common views about what a good process would do. Instead, events demonstrated that an administration's own preferences control how the presidential process fits into federal budgeting. This administration had little interest in totals as conventionally defined (the budget balance), and not much more in many details (particularly for discretionary domestic spending).

Process breakdowns approached levels seen at previous heights of conflict. Congress failed to pass budget resolutions for fiscal years 2003, 2005, or 2007. In 2004 nine of the thirteen appropriations bills did not pass until they were packaged together in an omnibus bill after the election, on November 20. In 2006, the Republican Congress not only failed to agree with the Republican president to pass nine of the bills before the election, but then passed only a short-term continuing resolution, leaving the new Democratic Congress to deal with those bills in 2007. The Bush administration expressed its disappointment, but had done nothing to make agreement more likely.

Although the Bush 43 deficits were not large by historical standards, they appeared larger given the preceding surpluses and a fear campaign about future costs from retirement of the baby boomers.[33] Perhaps as a result, blame-avoidance may have been taken to new heights (or lows) by a series of maneuvers to obscure policy choices and their consequences. These included suppressing the administration's own cost estimates for its Medicare prescription-drug legislation, manipulating sunset dates of tax legislation, continual failures to honestly address the Alternative Minimum Tax, and systematic funding of an ongoing war through supplemental appropriations.

Although it did not want blame for deficits, it is not clear that the Bush 43 administration much cared about the deficit as policy. In its view lower taxes were good,[34] lower spending on domestic programs was good, defense spending was not to be constrained by budget concerns, privatizing social programs was good even if it increased spending,[35] and the overall balance mattered much less than the results on the component parts. A senior political official's description of how the budget was assembled shows the pattern. He reported that they focused on "what is appropriate, needed and fair for nonsecurity . . . We ended up with some increase, just below inflation, and building from that. So then you ask what is the increase on the security side, you build in that. Then there is DOD, and you can imagine there were discussions on that. *There was no magic on the top line, it's just the sum of the parts.*" This is remarkably different from standard ways of thinking about the budgeting task. Yet career OMB staff broadly supported this description.

Even if the administration had wanted to take leadership on the details, it had diminished capacity to do the work of the clerk/broker model. OMB analysts spent much less time monitoring the appropriations process, because of the administration's disengagement from the details. But both Clinton and Bush had reduced OMB personnel, and the remaining staff was buried under new "management" work, both from the 1993 Government Performance and Results Act (GPRA) and the Bush Administration's Program Assessment and Rating Tool (PART) process.[36] "There has been a gradual expansion of legislated tasks," one senior career official observed, "and the result is that there is a substantial amount of examiners' time that gets consumed with responding to requirements that are either mandated or legislated on the institution." Another said that "one thing I used to do was sit down with examiners and identify two or three things we would need to learn more about from March to September . . . we could no longer do that, because PART sucked up every moment between February and September." The gravest problem, a third observed, was that there was "a whole lot of paper there, but we don't have the time to see if any of it is actually representative of anything."[37]

Thus Bush 43 budgets were criticized in the same terms as the late Reagan budgets, at a time of lower deficits. Some claims about flawed proposals involved traditional worldview differences between OMB and appropriators, such as whether agencies could find savings to offset pay increases (OMB finds that more reasonable). Legislative budgeters also will blithely adapt "OMB tricks" they've criticized to avoid blame themselves. So they are hardly pure; but they legitimately felt they were not getting the analysis that the presidential process is supposed to provide: in one appropriations veteran's words, "a sense of how our agencies are doing."

Even at the height of conflict, appropriations staff have believed that the president's budget *could* be helpful by providing some constraints on agency requests and vetting agency details. One illustrated the need by saying the National Cancer Institute's "bypass budget," in which NCI presents its "needs" without OMB interference, "is just too expensive. No one can use it." So Congress wants information about how to prioritize inputs into individual programs. But the Bush 43 administration showed "blatant disregard" for giving Congress the detailed budget justifications appropriators want to use.[38]

All this was true before the Democrats retook Congress in 2006. At that point Congressional Democrats, who had to get to work on the bills for 2008, enacted the remaining 2007 bills in a full-year Continuing Resolution for the first time since 1986. The new Democratic majorities did pass a Budget Resolution, but did not pass appropriations for all of the government except the Pentagon until an omnibus bill on December 19. Such a sweeping bill had not been necessary since 1987.

How cabinet secretaries allocated their budgets was basically their problem, as one OMB veteran reported, "so long as it meets the totals." The administration took much the same view in its negotiations with Congress. In a July 11, 2007 press conference, outgoing Budget Director Rob Portman declared, "I think the position of the administration has been clear, which is, $933 billion is the top line, and the flexibility occurs under that top line."[39] A congressional source commented that "for the most part this administration cared about the top line and didn't care much about the detail under that top line . . . (in 2007) we got down to the President's number by cutting $10 billion out of our bills, and we did it without them in the room. There was literally no involvement, which was completely different from the Clinton years."

In 2008 Congress, faced with certain vetoes and the possibility of a different president if it waited long enough, passed only the three bills that covered security related spending (Defense, Homeland Security, and Military Construction/Veterans Affairs), and didn't even bother bringing other bills to the floor of the House and Senate. The new president and Congress were left, again, to deal with the problem after the Inauguration.

Hence the president's budget process in the second Bush presidency was a strange amalgam of relevance and irrelevance from an adversarial stance.

Both because of his veto and his party's control of Congress for most of the period, President Bush largely got his way on both totals and the details he cared about. Discretionary domestic "nonsecurity" spending was substantially constrained; military spending was not; two large tax cuts were passed along with a major expansion and "reform" of Medicare. But his success had little to do with the apparatus of presidential budgeting.

Disinterest in the usual activities of the clerk/broker role makes "adversarial" the default description of Bush 43 presidential budgeting. So does that administration's complicity in process breakdowns even during united government. An alternate interpretation, however, would be that both the Bush administration and Congressional Republican leadership were more interested in attacking the federal government than in making budgets. In this sense they were allies, not adversaries.

THE OBAMA FIRST TERM: PLAYING CHICKEN AND CHICKEN-LITTLES

The Bush 43 years should have clarified a simple point: relations between the president and Congress on budget decisions depend on how the president's process is managed. Obama's first term illustrates another simple point: it's dangerous to talk about conflict between "president" and "Congress" if it's difficult to figure out what either "side," especially the president, wants in the first place.

Congress, after all, is supposed to be divided; presidents not so much. But the Obama administration suffered from a peculiar budgetary schizophrenia, talking and acting in multiple voices. This could be viewed as an attempt to be moderate and balanced, but did not work out so well.

As Barbara Sinclair argues in this volume, Obama and the Democratic majority in the 111th Congress cooperated to pass major legislation related to taxing and spending. These included the economic stimulus package in February of 2009; cleaning up the remaining appropriations for Fiscal Year 2009 in March of 2009; and the health-care reform legislation that was passed in March of 2010 and included restructuring of the federal student-loan programs.[40] As she also shows, the 112th Congress was dominated by bitter conflict between the Obama administration and the House majority. This conflict included hostage-taking over the debt ceiling that reenacted the worst patterns of the Reagan years. To a great extent, budgeting became a game of chicken between the two parties in government.

Another part of the story, however, was how horrific economic and budget conditions, amid immense pressure from much of the press and the Washington and financial establishments to take major steps to reduce future deficits, exacerbated divisions within the administration and Congressional (especially Senate) Democrats. This pressure enabled and in some cases supported taking the debt ceiling hostage as well as other efforts to budget outside the regular process. Once again panic about the totals led to irresponsibility about the details.

The Obama administration, in dealing with these pressures, sent mixed and inconsistent messages about its goals. How one interprets the pattern will depend on one's policy view. If you believe the nation was gravely threatened by the prospect of very large deficits a decade in the future, or that the extremely large deficits (over 10 percent of GDP) caused by the recession were bad policy, then the Obama administration's vacillation was simply a lack of courage and the attempts to bypass traditional budgeting were necessary. If you believe that the deficits during Obama's first term were a proper response to macroeconomic conditions, and the idea that future deficits were the nation's greatest problem was misguided, then the focus of political analysis should be on the forces that pushed to prioritize "fixing" future deficits rather than the immediate economy. From this perspective, elite deficit hysteria helped break the budgeting thermometer—and not for the first time.[41]

I am in this second camp. Budgetary Chicken Littles claimed the sky was falling based on analyses that were simply wrong. The most egregious arguments asserted that what Paul Krugman called the "bond market vigilantes" would punish the United States for its deficits by driving up interest rates.[42] In fact, interest rates on US Treasury securities were persistently so low that federal government interest expenses as a share of GDP were lower in 2012 (1.4 percent) than in 2008 (1.8 percent)—even as the federal debt owed to the public grew from 40.5 percent of GDP to 72.5 percent.[43]

Presidents and Congress operate within a context of not only mass opinion but also elite opinion.[44] An exaggerated sense of the deficit's economic significance was promoted by Democratic and centrist economists throughout the 1980s and 1990s, and this made deficit-hawk attitudes, especially the belief that "entitlements" were a grave threat to the nation, conventional wisdom.[45] When Republicans claimed the deficit was a huge problem they met ready agreement from centrist Democrats in Congress and cheers from much of the press and Wall Street. This did not mean either that voters wanted to cut entitlements (far from it); or that investors were seriously concerned (as shown by the low interest rates); or that what Republicans meant by "the deficit" was the same as what centrists meant (like President Bush, when Republicans during the Obama administration said "deficit" they basically meant "spending"). It did mean that the Obama administration appears (I'm no mind reader and their words deserve as much trust as any politician's words) to have drawn five conclusions:

- They had to at least publicly agree that the deficit was a big problem and priority.
- For much of the administration, it actually was a big problem and priority.
- The Republicans had to get the blame for the failure of any negotiations.
- Deficit reduction should not occur quickly enough to endanger the economy and, thereby, the president's reelection.
- And it would be nice to do some things that pleased the Democratic base and gave reason to be president in the first place—like come closer to the party's dream of health insurance for all.

Resolving these conflicts was made more difficult by budget scorekeeping. Budgeting includes a literal score (the deficit, or changes in the deficit) that outsiders believe reveals how well the incumbents are doing. Scoring only by the deficit is misleading but common.[46] The baselines used by CBO in 2009 assumed various laws would expire, automatically changing policies. All of the 2001 and 2003 "Bush" tax cuts would expire at the end of 2010; the Alternative Minimum Tax would suddenly apply to an extra twenty million people at the beginning of 2010; physician fees in Medicare would be cut by about 21 percent at the same time; and other highly unpopular and so unlikely events would occur as well. This meant, however, that even compromises that changed the budget policies in effect in 2009 to reduce deficits, such as letting some but not all of the 2001 and 2003 tax cuts expire, could be condemned by both partisan opponents (e.g., for raising taxes) and moderate sometime-allies (because they increased deficits above the baselines!).

The administration attempted to resolve the conflicting pressures, first, with a detailed and ambitious budget agenda.[47] After enacting the large (if possibly not large enough) economic stimulus package described by Professor Sinclair, the President's Budget proposed new taxes and spending cuts to Medicare and Medicaid to help pay for health-insurance expansion; extending the 2001 and 2003 tax cuts for people with incomes up to $200,000 for individuals and $250,000 for joint filers, but not above that level; taxing emissions of pollution and using the proceeds partly to cut taxes for lower-income workers and partly to fund new energy programs; and phasing out the military commitments in Iraq. It compared all its policies not to CBO's "current law" baseline but to existing policies. The administration hoped that health-care reform would help control health-care costs so further improve the budget and economy; that its energy policies would jump-start new industries and so improve growth; and so that its policies would form a virtuous circle of deficits now but growth and lower deficits later.

More conservative Democrats in Congress, however, did not favor much of this. They did not pass legislation to change the baselines. They postponed acting on the tax cuts. They showed no interest in adopting the pollution taxes. This refusal to deal quickly with the tax cuts and baselines would prove especially damaging in the long run.

The failure of the President's Budget to shape the Budget Resolution was hidden by passage of the stimulus package and the dramatic battle over health-care reform. The latter battle also, however, showed the same pattern. The conservative Democrats who most emphasized deficits also blocked the provision, the public option, which was most likely to help control health-care spending. The final legislation included many measures that were widely promoted in the health-policy community but that CBO, looking at the evidence, could not project would reduce spending anytime soon.[48] Similarly, in the fall of 2010 the Obama administration could not get the Senate to vote on extending a portion of the tax cuts on its terms (and so guaranteeing the others would expire) before the 2010 election; again it was blocked by conservative Senate Democrats who thought the vote might hurt their reelections (and apparently did not think making the Republicans vote in favor of the rich and against everyone else would be any help).

In short, it would be wrong to ascribe the Obama administration's struggles with the budget simply to partisan opposition. Democrats, particularly in the Senate, were quite divided. Budgeting by 2010 had devolved into a complex mess in which the administration could enact very little but there were continual efforts to change procedure, either because some legislators sincerely (regardless of decades of evidence) thought it would help, or to fool voters into thinking they were "doing something."[49] At the beginning of 2010, moderate Democrats led by Senate Budget Committee Chair Kent Conrad held an increase in the debt ceiling hostage, demanding creation of a special deficit-reduction commission that would create a deficit-reduction package on which Congress would be forced to vote outside of the regular order. They could not pass their proposal because Republicans, fearing the commission would propose tax increases, blocked it. But President Obama was only able to get the debt ceiling increased by promising to create a commission by executive order.[50]

By this point, formal budget procedures, other than scorekeeping rules, had become irrelevant to budget making—except to the extent they provided opportunities to take hostages. The relationship between president and Congress could be better understood from the basic power relationships involved.

The proper question is: *how can presidents change what Congress would do, compared to what Congress would do if there were no president?* The major answers are:

- The president can frame an issue in a way that exerts public or interest group pressure on the opposite party. This happens rarely, since members of the other party already got elected without his support. The president also is only one voice amid a cacophony of public advocacy—think of speaking from a bully pulpit next to a busy airport runway, or three.
- The president can take a stance that identifies his party with an initiative. This creates a cost to the party label from failing, so that conflicted members of the party may see a risk in defeating the initiative even if they also see risks in supporting it. This appears to be one reason some Democrats from more conservative districts voted for health-care reform. In the words of a participant and leading health-politics scholar, "The real story of health reform's enactment is how the legislative battle got Democrats so invested that they could not afford to fail."[51]
- The president can sell out his own party, promoting a policy that is more acceptable to the opposition. Then his partisans must face the charge that they are being partisan extremists if they do not go along. President Clinton's welfare reform and NAFTA legislation are examples of this pattern; arguably so is President Reagan's tax reform. This only changes policy, however, if the opposition accepts the deal.

After health-care reform there were no examples of the second pattern. The tension was between the first and third, and both Obama's behavior and the results tended towards the third.

Thus Obama appointed six of the eighteen members of the National Commission on Fiscal Responsibility and Reform, including the cochairs, former GOP Senator Alan Simpson and former Clinton Chief of Staff Erskine Bowles. Although the committee did not report by a margin sufficient to trigger a vote in Congress, eleven of the eighteen expressed support for the cochairs' highly conservative plan. It set a limit of 21 percent of GDP on federal revenues (which had been a conservative constitutional amendment in the 1980s); included large cuts in Social Security and Medicare; relied much more on spending cuts than tax increases; and called for tax "reform" that would cut rates on higher incomes, supposedly paid by reducing tax preferences. Five of Obama's six appointees endorsed the plan, and the positions of each could have been predicted from their previous records.

The legislation that extended all of the Bush tax cuts at the end of 2010 could, as Sinclair argues in her chapter, be viewed as a "victory" in some sense. If so, it was from a position of great weakness: it made the budget situation worse (continuing the pressure) and transformed the stimulus law's main tax cut for middle- and lower-income Americans into a payroll tax "holiday" that conservatives could use to attack Social Security by saying its trust funds were fake. Social Security advocates were enraged.[52]

This was the background to the bitter partisan warfare with the House majority and Senate minority in the 112th Congress. When the House held the debt ceiling hostage, it was doing what supposed moderates had done the year before. The president was unwilling or unable to make the case that the debt ceiling itself was a mindless law, and should be repealed. The hostage-takers were supported by ostensibly centrist organizations such as the Committee for a Responsible Federal Budget (CRFB), which saw this as yet another opportunity to force action. "Failing to raise the debt ceiling," CRFB pronounced, "would likely lead to a fiscal and financial crisis, but failing to address the debt would eventually do the same."[53]

During the debate the president seemed to want to agree with House Speaker Boehner on a deal that would have been almost as bad, from Democratic perspectives, as Bowles-Simpson.[54] The settlement included a deficit-reduction package consisting entirely of spending cuts. It also included yet another "action forcing" device, a new version of the Gramm-Rudman-Hollings sequester, designed to be just as mindless as the original. That ostensibly would be avoided by yet another deficit-reduction "Supercommittee," tasked with reporting an alternative $1.2 trillion in deficit cuts (over ten years) by November 23, 2011. It failed.[55]

Nothing else much happened on the budget for the next year, until after the election. Hardly anything was passed remotely on time. In September of 2012, Congress passed and the president signed a Continuing Resolution to fund all discretionary programs through March 27, 2013. Even the defense appropriations could not be enacted separately.

As 2013 began, there was movement, of sorts. After massive publicity about the "fiscal cliff" the economy would fall off if the planned sequester were to happen and all of the various tax cuts expired, President Obama and House Republicans agreed to pass the American Taxpayer Relief Act of 2012. It made the 2001 and 2003 income tax cuts permanent up to incomes of $400,000 for individuals and $450,000 for couples; fixed the Alternative Minimum Tax for three years; extended some unemployment benefits for a year; and postponed the sequester for two months.[56] It did not, however, either repeal the sequester, or do anything about the government shutdown that loomed at the end of March if there were no agreement on appropriations; or address the fact that the debt ceiling was going to become a major problem again in mid-May. Some observers viewed the result as a new, tougher Obama using public support from the election to gain the upper hand. Others thought the result was worse than Congressional Democrats could have negotiated if the administration stayed out of the bargaining.[57]

CONCLUSION

This chapter began by arguing that budgeting is extremely important and that there were reasons why both Congress and the president could gain from cooperation.

The first remains true; the latter not so much. At least, presidents and party leaders only believe it if they are of the same party; and even then, as the Bush 43 administration shows, presidents these days may neither understand nor care about how they could make the system work better.

Budget-process collapse, however, is not simply due to partisanship or presidents' disinterest in the more clerical functions. Budgeting has involved too much blame for the political system to manage. This blame results mainly from a failure among political elites to understand that other budgeting outcomes and values are as important as the deficit. Budgetary hostage-taking has continually been as common among centrists as radicals.

Under these circumstances, it may not be surprising that a president, particularly one who instinctively seeks a "center," would try to have it both ways—to pressure for a "grand bargain" on the deficit but somehow pursue his own party's priorities. Yet, after his early victories, President Obama lost more than he won. Handcuffed by the Chicken Littles, Obama lost most of the games of chicken.

He did a bit better at the end of 2012. Readers will know how he did in the battles that occur in 2013. Political scientists should not pretend to guess—and readers should be aware that at some point a game of chicken can look, for the country, like Russian roulette.

NOTES

The research for this chapter includes interviews that the author conducted for numerous projects since 1983; interviews focused on executive budgeting were conducted mainly in 1990–1991 and in 2008. All interviews were conducted on condition that comments would not be attributed to the respondents, so quotations from those interviews are not attributed.

1. The basic statement of both the need to combine authority and the expected greater role of the Congress over spending matters is Alexander Hamilton, James Madison, and John Jay, *The Federalist Papers*, e.g., the Bantam Classic edition (New York: Random House, 2003), especially papers 47 and 48, by Madison.

2. Larry Berman, *The Office of Management and Budget and the Presidency* (Princeton, NJ: Princeton University Press, 1979); Richard E. Neustadt, *Presidential Power: The Politics of Leadership from FDR to Carter* (New York: Wiley, 1980); Aaron Wildavsky, *The Politics of the Budgetary Process* (Boston: Little, Brown, 1964); Joseph White, "Presidential Power and the Budget," in Thomas D. Lynch, ed., *Federal Budget & Financial Management Reform* (New York: Quorum Books, 1991).

3. The term "budget bureau" will be used in this chapter when I refer to the basic functions performed by both the Bureau of the Budget (pre-1971) and Office of Management and Budget (1971 and after).

4. Accounts of the 1980s and 1990s include Elizabeth Drew, *Showdown: The Struggle between the Gingrich Congress and the Clinton White House* (New York: Simon & Schuster, 1996); David Maraniss and Michael Weiskopf, *Tell Newt to Shut Up! Prize-winning Washington Post Journalists Reveal How Reality Gagged the Gingrich Revolution* (New York: Simon & Schuster, 1996); Joseph White and Aaron Wildavsky, *The Deficit and the Public Interest: The Search for Responsible Budgeting in the 1980s* (Berkeley and New York: The University of California Press and The Russell Sage Foundation, 1991). For an overview that focuses more on congressional procedures, see James A. Thurber, "The Dynamics and Dysfunction of the Congressional Budget Process: From Inception to Deadlock," chap. 13 in Lawrence C. Dodd

and Bruce I. Oppenheimer, eds., *Congress Reconsidered*, 10th ed. (Washington, DC: CQ Press, 2012).

5. This chapter updates the chapter in the previous edition of this book. A more detailed account of 2009–2010 is Joseph White, "From Ambition to Desperation on the Budget," in James A. Thurber, ed., *Obama in Office: The First Two Years* (Boulder, CO: Paradigm Publishers, 2011). More detail on the George W. Bush administration is in Joseph White, "What Not to Ask of Budget Processes: Lessons from George W. Bush's Years," *Public Administration Review* 69, no. 2 (March/April 2009): 224–32.

6. For typical lists of functions see Donald Axelrod, *Budgeting for Modern Government* (New York: St. Martin's Press, 1988); Irene Rubin, *The Politics of Public Budgeting: Getting and Spending, Borrowing and Balancing*, 3rd ed. (Chatham, NJ: Chatham House, 1997); and Allen Schick, "Twenty-five Years of Budgeting Reform," *OECD Journal on Budgeting* 4, no. 1 (2004): 81–102

7. Rubin, *The Politics of Public Budgeting*.

8. Joseph White, "Making 'Common Sense' of Federal Budgeting," *Public Administration Review* 58, no. 2 (1998): 101–8; a classic statement of the social choice paradoxes is Anthony Downs, "Why the Government Budget Is Too Small in a Democracy," *World Politics* 12, no. 4 (1962): 541–63.

9. For details see White and Wildavsky, *The Deficit and the Public Interest*.

10. Irene Rubin, "Early Budget Reformers: Democracy, Efficiency, and Budget Reforms," *American Review of Public Administration* 24, no. 3 (1994): 246.

11. Paul Posner, "The Continuity of Change: Public Budgeting and Finance Reforms over 70 Years," *Public Administration Review* 67 (November/December 2007): 1023.

12. Naomi Caiden, "Paradox, Ambiguity and Enigma: The Strange Case of the Executive Budget and the United States Constitution," *Public Administration Review* 47, no. 1 (January/February 1987): 84.

13. United States Senate Committee on Appropriations, *Committee on Appropriations U.S. Senate: 1867–2008*, 110th Congress, 2nd Session, Document No. 14 (Washington, DC: US Government Printing Office, 2008).

14. Allen Schick, "The Road to PPB," *Public Administration Review* 26, no. 4 (1966): 243–58.

15. The coordinating function expanded to legislation, and even that can have benefits to Congress by revealing problems before extensive investment in an initiative. Richard E. Neustadt, "Presidency and Legislation: The Growth of Central Clearance," *American Political Science Review* 48, no. 3 (1954): 641–71.

16. Mathew J. Dickinson and Andrew Rudalevige, "Worked Out in Fractions: Neutral Competence, FDR, and the Bureau of the Budget," *Congress & the Presidency* 34, no. 1 (2007): 1–26; Donald Stone, "Administrative Management: Reflections on Origins and Accomplishments," *Public Administration Review* 50, no. 1 (1990): 3–20.

17. Wildavsky, *The Politics of the Budget Process*; for a larger emphasis on the budget bureau's role see John P. Crecine, M. S. Kamlet, D. C. Mowery, and M. Winer, "The Role of the Office of Management and Budget in Executive Branch Budgetary Decision-Making," in J. P. Crecine, ed., *Proceedings of the First Annual Research Conference on Public Policy and Management* (Greenwich, CT: JAI Press, 1980).

18. Neustadt, *Presidential Power*, 83.

19. Allen Schick, *Congress and Money* (Washington DC: Urban Institute Press, 1980).

20. Reconciliation in the Reagan years was led as much by the chairs of the Ways and Means and Finance committees as by the administration. See White and Wildavsky, *The Deficit and the Public Interest*, and John B. Gilmour, *Reconcilable Differences? Congress, the Budget Process, and the Deficit* (Berkeley: University of California Press, 1990).

21. White and Wildavsky, *The Deficit and the Public Interest*, 431–32. The president thought he was taking domestic programs hostage.

22. For more detail see White, "Presidential Power and the Budget."

23. Joseph White and Aaron Wildavsky, "Public Authority and the Public Interest: What the 1980s Budget Battles Tell Us About the American State," *Journal of Theoretical Politics* 1, no. 1 (1989): 7–31.

24. Statement of Rep. Lee Hamilton in the *Congressional Record* for May 3, 1989, H1553-56.

25. White, "Presidential Power and the Budget."

26. Bernard T. Pitsvada, "A Call for Budget Reform," and see also Fred Thompson, "Reforming the Federal Budget Process: A Symposium Commemorating the 75th Anniversary of the Executive Budget," both in *Policy Sciences* 29 (1996); quote p. 225.

27. Postscript to White and Wildavsky, *The Deficit and the Public Interest*; Shelley Lynne Tomkin, *Inside OMB: Politics and Process in the President's Budget Office* (Armonk, NY: M.E. Sharpe, 1980).

28. Philip G. Joyce and Roy T. Meyers, "Budgeting During the Clinton Presidency," *Public Budgeting & Finance* (Spring 2001): 2. Also Drew, *Showdown*; Maraniss and Weiskopf, "Tell Newt to Shut Up."

29. Daniel J. Parks, "Between the Lockbox and a Hard Place," *CQ Weekly Online*, September 8, 2001, library.cqpress.com/cqueekly/weeklyreport107-000003061-17. Also Joseph White, *False Alarm: Why the Greatest Threat to Social Security and Medicare Is the Campaign to "Save" Them* (Baltimore: Johns Hopkins University Press, 2003).

30. The administration was divided about the 1993 caps; Tomkin, *Inside OMB*.

31. See United States Congressional Budget Office, *The Economic and Budget Outlook: Fiscal Years 1999–2008* (Washington, DC: Congressional Budget Office: 2008), 67.

32. On process see Joyce and Meyers "Budgeting During the Clinton Presidency"; for numbers US Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2004–2013* (Washington, DC: Congressional Budget Office, 2003).

33. White, *False Alarm*.

34. For a good example of the fundamentalist view about the evils of taxes see White House Office of Homeland Security, *National Strategy for Homeland Security* (July 2002), 65.

35. Jonathan Oberlander, "Through the Looking Glass: The Politics of the Medicare Prescription Drug, Improvement, and Modernization Act," *Journal of Health Politics, Policy and Law* 32, no. 2 (2007): 187–220.

36. For a fuller account of this story, see Joseph White, "Playing the Wrong PART: The Program Assessment Rating Tool and the Functions of the President's Budget," *Public Administration Review* 72, no.1 (January 2012): 112–20. For a summary of other management initiatives during the 1990s, see Posner, "The Continuity of Change."

37. The account here is amplified by others' recent research. See Scott Lilly and Eleanor Hill, "Broken Budgeting: A View of Federal Budget Making from the Trenches," Center for American Progress, August 2012, www.americanprogress.org/wp-content/uploads/issues/2012/08/pdf/broken_budgeting.pdf.

38. Lilly and Hill, "Broken Budgeting," 27; see also White, "Playing the Wrong Part."

39. Brian Friel, "Spending: The Power of the Purse Strings," NationalJournal.com, July 28, 2007, www.nationaljournal.com/njmagazine/print_friendly.php?ID=nj_20070728_7.

40. As Sinclair describes, this required two pieces of legislation, the Affordable Care Act and a separate Reconciliation Act, so was only possible due to budget-process rules.

41. White and Wildavsky, *The Deficit and the Public Interest*, explains the political origins of Gramm-Rudman-Hollings.

42. As one of many instances see Paul Krugman, "Bond Vigilantes and the Power of Three," *New York Times*, December 24, 2012, krugman.blogs.nytimes.com/2012/12/24/bond-vigilantes-and-the-power-of-three/. See also Brad DeLong's blog from December 22, 2012, delong.typepad.com/sdj/2012/12/back-when-i-feared-the-bond-market-vigilantes-maundering-old-timer-reminiscence-weblogging.html.

43. Data downloaded from Congressional Budget Office website February 18, 2013, www.cbo.gov/publication/43904.

44. One version of this is the "Washington reputation" that is central to Richard Neustadt's discussion of *Presidential Power*.

45. For the attitude and its development see White, *False Alarm*. A good example of the view in the Obama years is the offhand reference to "entitlements (the deadweight sitting on the future of the economy)" in Jonathan Alter, *The Promise: President Obama, Year One* (New York: Simon & Schuster), 424.

46. This is why "public participation" processes such as the Concord Coalition's fix-the-budget-yourself games are misleading: you "win" by reducing the deficit, while in the real world the country might be worse off and you might not be re-elected. For an example see www.concordcoalition.org/act/tools/federal-budget-challenge.

47. The argument here is made with much more detail in White, "From Ambition to Desperation on the Budget."

48. Jonathan Oberlander, "Throwing Darts: Americans' Elusive Search for Health Care Cost Control," *Journal of Health Politics, Policy and Law* 36, no. 3 (2011): 477–84; Joseph White, "Muddling through the Muddled Middle," pp. 443–48 in the same issue.

49. White, "From Ambition to Desperation on the Budget," 193–96.

50. David Clarke and Greg Vadala, "Senate Passes Debt Limit Increase after Commission, Pay-As-You-Go Agreements," *CQ Weekly Online*, February 1, 2010.

51. Judith Feder, "Too Big to Fail: The Enactment of Health Care Reform," *Journal of Health Politics, Policy and Law* 36, no. 3 (2011): 413.

52. For more explanation see White, "From Ambition to Desperation," and sources cited therein.

53. Committee for a Responsible Federal Budget, "What Needs to Come Out of the Debt Ceiling Negotiations," June 21, 2011, crfb.org/document/what-needs-come-out-debt-ceiling-negotiations.

54. For an account see Matt Bai, "Who Killed the Debt Deal?" *New York Times Magazine*, April 1, 2012. For typical presidential remarks at the time, see www.whitehouse.gov/the-press-office/2011/07/11/press-conference-president.

55. Joseph J. Schatz, "After the Fall of the 'Supercommittee,'" *CQ Weekly Report*, November 28, 2011, 2490–95; James A. Thurber, "Agony, Angst, and the Failure of the Supercommittee," *Extensions* (Summer 2012).

56. Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2013–2023* (Washington, DC: CBO, 2013), 12–13.

57. Noam Scheiber, "The Inside Story of How Obama Could Have Gotten a Better Tax Deal Without Biden," *The New Republic*, January 9, 2013, www.newrepublic.com/blog/plank/111749/obamas-big-mistake-in-fiscal-cliff-negotiations-letting-biden-haggle-mcconnell#.