February 10, 2014

Dear Representative:

On behalf of the 1.6 million members of the American Federation of State, County and Municipal Employees (AFSCME), I urge you to oppose H.R. 1869, the Biennial Budgeting and Enhanced Oversight Act, and H.R. 1872, the Budget and Accounting Transparency Act. These bills will not improve budget challenges and would actually undermine Congress’ work to craft budgets that accurately reflect the economy and national needs.

Biennial budgeting has long been offered as a reform, but many budget experts warn against it, including former Congressional Budget Office Director Douglas Holtz-Eakin and Thomas E. Mann from the Brookings Institute. A biennial process would make adjusting to rapidly changing budget and economic conditions, such as recessions, much more difficult. Further, because decisions relating to the second year of the two-year cycle would be made so far in advance, important programs that working families rely on would be left insufficiently funded based on outdated information. Because of these significant problems, an increasing number of states—a fivefold increase since 1968—have moved away from biennial budgeting.

H.R. 1872 would change the federal accounting of direct loans and guarantees to inaccurately inflate their costs, and inflate the size of the deficit. The proposed change would add extra costs that do not exist and require a correcting offset which is unnecessary and would further complicate an already complex budgeting process.

Changing Congress’ budget-making procedures will not improve or correct the underlying problem of insufficient revenues. Inadequate revenues burden working and middle-class families without requiring equal sacrifice from corporations and the wealthy. AFSCME urges Congress to focus instead on the urgent need for adequate revenue rather than flawed budget procedure bills.

Sincerely,

Charles M. Loveless
Director of Federal Government Affairs

CML:bl:dmg