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## TEN PRINCIPLES OF BUDGET RULE DESIGN

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BY DAVID M. PRIMO

1. **Use budget rules to change the terms of the debate.** Budget battles will be fought differently if fiscal responsibility is a requirement, not an option.
2. **Apply rules permanently and to the entire federal budget.** Temporary rules or rules exempting certain programs won't help in the long run.
3. **Focus on spending.** Washington cannot address the looming budget crisis without gaining control of the unsustainable spending growth that drives it.
4. **Build flexibility into rules by “smoothing.”** Tie budget rule targets or limits to a multiyear period or long-term economic performance to accommodate economic downturns or other transitory events.
5. **Build flexibility into rules by incorporating limited, carefully constructed emergency provisions.** Account for major disruptions like war.
6. **Be precise to prevent loopholes and gimmicks.** History proves that if there is a way around a rule, a legislator will find it.
7. **Pay careful attention to “starting points.”** Consider cutting inflated spending levels (e.g., from stimulus) prior to pegging permissible increases to the current budget.
8. **Fight against faux fiscal discipline and resist the temptation to compromise on rule design.** You are better off with no rule than a badly designed one.
9. **Use a commission as a supplement to, not a replacement for, a budget rule.** Commissions are great for specifics, but they can't produce change without some other external pressure.
10. **Incorporate well-designed rules into the US Constitution.** While there are pros and cons to constitutional rules, without this external enforcement, budget rules will always be vulnerable to legislators' propensity to break them.

*These principles are drawn from Primo, "Making Budget Rules Work," 2014.*