Plymouth Institute for Free Enterprise

Stop Mandatory Spending Growth

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TOPLINE: Congress should convert appropriate mandatory programs to discretionary spending and require regular reauthorization so that more of the budget faces regular congressional scrutiny in the appropriations process.

BACKGROUND: Federal spending falls into two categories: discretionary and mandatory. *Discretionary* spending is the part of the budget that Congress regularly enacts through annual (or other short-term) appropriations. *Mandatory* spending continues largely on autopilot, often involving permanent laws that allow agencies to spend such funds as are needed to carry out a statute. In 1965, 34% of the federal budget was on autopilot (counting net interest). By 2007, autopilot spending had grown to 61%. As of 2025, 73% of the federal budget is now on autopilot, which limits opportunities for fiscal hawks in Congress to meaningfully curb spending growth.

Discretionary spending often becomes a political football, arguably distracting from the larger fiscal problems in the mandatory programs. Congress routinely fails to pass regular appropriation bills by the start of the fiscal year, creating the risk of funding lapses and government shutdowns. During such impasses, Congress often passes continuing resolutions (CRs) to keep discretionary funding at or near the prior year's level as stopgap measures.

Action Items (Congress):

- Pass legislation establishing that **new spending programs providing indefinite budget authority or authority that lasts for more than eight years are subject to a point of order** (and require three-fifths vote to waive).
- Where appropriate and feasible, **convert existing mandatory programs to annual discretionary appropriations**.
- **Require congressional reauthorization of other programs' mandatory budget authority at least once every 10 years**, with budget authority expiring otherwise.
- **Establish an automatic CR funding discretionary programs at 1% less than prior-year levels** if Congress fails to enact regular appropriations by the start of the fiscal year**.**

How It Would Make Life More Affordable:

- Excessive federal borrowing drives up inflationary pressure and interest rates, leading to higher costs for families and businesses.
- Reducing the share of the federal budget that grows on autopilot without congressional scrutiny could dramatically improve federal spending control.

Related Legislation: Prevent Government Shutdowns Act (H.R. 5870, S. 4632).

BOTTOMLINE: A family drowning in debt can't get its finances in order while three-quarters of its budget grows on autopilot. Neither can the government.