

"Gramm-Rudman-Hollings Balanced Budget Act"

Wikipedia

The **Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act of 1985** (Pub.L. 99-177, title II, December 12, 1985, 99 Stat. 1038, 2 U.S.C. § 900 ^[1]) and **Budget and Emergency Deficit Control Reaffirmation Act of 1987** (Pub.L. 100-119 ^[2], title I, Sept. 29, 1987, 101 Stat. 754, 2 U.S.C. § 900 ^[1]) (both often known as **Gramm-Rudman**) were, according to U.S. Senator Phil Gramm of Texas, "the first binding constraint imposed on federal spending, and its spending caps have become part of every subsequent U.S. budget. Together with a rapidly growing economy it produced the first balanced federal budget in a quarter of a century."

Senators Ernest Hollings (D-South Carolina), Warren Rudman (R-New Hampshire) and Phil Gramm (R-Texas) were the chief sponsors. The Acts were aimed at cutting the budget deficit, which at the time was the largest in history. They provided for automatic spending cuts (called "sequesters") if the deficit exceeded a set of fixed deficit targets. The process for determining the amount of the automatic cuts was found unconstitutional in the case of *Bowsher v. Synar*, 478 U.S. 714 ^[3] (1986) and Congress enacted a reworked version of the law in 1987. Gramm-Rudman failed, however, to prevent large budget deficits. The Budget Enforcement Act of 1990 supplanted the fixed deficit targets. Balanced budgets did not actually emerge until the late 1990s when budget surpluses emerged.

Further reading

- William G. Dauster, *Budget Process Law Annotated: 1993 Edition* ^[4]. Washington, D.C.: Government Printing Office, 1993. ISBN 0-16-041726-0
- Margaret H. McDermott and Bernard D. Reams, *Deficit Control and the Gramm-Rudman-Hollings Act: The Legislative History of the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177)* (W.S. Hein, 1986).

References

- [1] <http://www.law.cornell.edu/uscode/2/900.html>
- [2] http://assembler.law.cornell.edu/usc-cgi/get_external.cgi?type=pubL&target=100-119
- [3] <http://supreme.justia.com/us/478/714/case.html>
- [4] <http://books.google.com/books?id=9INpk4FAfasC&printsec=frontcover#v=onepage&q&f=false>

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