



November 29, 2023

The Honorable Jodey Arrington
Chairman
Committee on the Budget
United States House of Representatives
Washington, D.C. 20515

The Honorable Brendan Boyle
Ranking Member
Committee on the Budget
United States House of Representatives
Washington, D.C. 20515

Letter for the Record: House Committee on the Budget Hearing on “Examining the Need for a Fiscal Commission Reviewing H.R. 710, H.R. 5779, and S. 3262”

Dear Chairman Arrington, Ranking Member Boyle, and Members of the Committee:

Thank you for holding today’s hearing, “Examining the Need for a Fiscal Commission Reviewing H.R. 710, H.R. 5779, and S. 3262.” As President and CEO of the Bipartisan Policy Center, I commend the committee for its leadership in examining some of the most important budgetary questions facing our nation today and for the commitment of the Chairman and Ranking Member towards seeking bipartisan solutions.

The country’s fiscal trajectory is unsustainable.¹ Structural budget deficits, rapidly rising debt, and sizable interest payments on that debt threaten to slow economic growth, hinder policymakers’ response to domestic and international challenges, and undermine America’s position as a global leader. The United States desperately needs action from Congress and the president to correct course.

A bipartisan, bicameral fiscal commission could help. Fiscal commissions can shine a light for lawmakers and the public on why escalating debt and deficits pose a problem for economic competitiveness and national security. They can organize Democrats and Republicans in Washington around the shared principles needed to meaningfully address our budgetary challenges in the years ahead. Commissions can also put realistic, politically viable, and bipartisan policy options on the table to reduce the deficit.

BPC applauds lawmakers in both parties who have advanced thoughtful ideas to establish a fiscal commission this year through the Fiscal Commission Act (H.R. 5779), the Fiscal Stability Act (S. 3262), and the Sustainable Budget Act (H.R. 710 and S. 743). While these bills propose commissions of different size, scope, and structure, all contain meritorious provisions and represent serious, meaningful efforts to get both parties working together to improve the fiscal outlook.

We aim to work with these champions, the House Budget Committee, and House and Senate leadership, on setting a bipartisan fiscal commission up for success. Our views on how to do so are informed by deep experience and expertise. The stakes are high, and bipartisan leadership is needed now more than ever.

BPC’s Leadership

BPC’s 2010 Debt Reduction Task Force, co-chaired by the late Senator Pete Domenici and former Office of Management and Budget Director Alice Rivlin, was comprised of 19 former elected officials and experts

¹ Congressional Budget Office, “The 2023 Long-Term Budget Outlook,” June 28, 2023. Available at: <https://www.cbo.gov/publication/59014>.

with diverse backgrounds from across the political spectrum.² The group met and debated policy options over the course of a year, and eventually produced a package of recommendations that would stabilize the ratio of debt to gross domestic product at 60% by 2020.³ Its consensus report increased awareness of the nation's fiscal problems and helped lead Congress to pass multiple recommendations from the task force into law—most notably, the caps on discretionary spending contained in the 2011 Budget Control Act.⁴

BPC has also spent years studying the drivers of our nation's unsustainable fiscal trajectory—specifically, Social Security,⁵ Medicare,⁶ and revenues⁷—and issuing policy recommendations that would strengthen entitlement programs and reduce complexity of the federal tax code.

Finally, we are a leader in educating policymakers and the public on the nation's debt limit, including the risks of reaching the “X Date” and the potentially catastrophic consequences if the government were to default on its debt obligations.⁸

Each of these issues factor into the objectives, deadlines, and outcomes for any new fiscal commission established in the 118th Congress, and BPC seeks to work with both parties on ensuring a commission can advance bold and meaningful fiscal policy solutions for the American people.

Setting a Commission Up for Success

Based on BPC's Debt Reduction Task Force, our multiple non-governmental commissions that delivered policy recommendations on major budgetary challenges, and our work to improve the nation's budget process, we encourage the House Budget Committee and all stakeholders to prioritize three lessons learned in setting a new bipartisan fiscal commission up for success in 2024 and beyond:

- 1) **Create mechanisms to build goodwill throughout the process:** It is important that a fiscal commission build the momentum necessary for legislative success. A commission should apply best practices from successful efforts like the Select Committee on the Modernization of Congress, including the establishment of a common agenda, alternative meeting formats like roundtables, and sharing of staff. A commission should also be tasked with meeting interim deadlines, such as a report outlining why the debt is a problem, a document outlining key principles policymakers on both sides can agree to for reducing the debt, and then a submission of policy options for congressional consideration.

² Pete Domenici and Alice Rivlin, “Restoring America's Future: Reviving the Economy, Cutting Spending and Debt, and Creating a Simple, Pro-Growth Tax System,” BPC Debt Reduction Task Force, November 17, 2010. Available at: <https://bipartisanpolicy.org/report/restoring-america-future/>.

³ *Ibid.*

⁴ P.L. 112-25, Budget Control Act, August 2, 2011. Available at: <https://www.congress.gov/112/plaws/publ25/PLAW-112publ25.pdf>.

⁵ Bipartisan Policy Center, “Securing Our Financial Future: Report of the Commission on Retirement Security and Personal Savings,” June 9, 2016. Available at: <https://bipartisanpolicy.org/report/retirement-security/>.

⁶ Kevin Wu, Shai Akabas, G. William Hoagland, and Marilyn Werber Serafini, “The Cost of Waiting to Act on Medicare's Hospital Insurance Trust Fund,” Bipartisan Policy Center, June 17, 2021. Available at: <https://bipartisanpolicy.org/report/hospital-insurance-trust-fund/>.

⁷ Bipartisan Policy Center, “Putting America Back on Track: A Bipartisan Approach to Fiscal Policy Solutions,” June 11, 2019. Available at: <https://www.pgpf.org/sites/default/files/PGPF-Bipartisan-Policy-Center-Solutions-Initiative-2019.pdf>.

⁸ Bipartisan Policy Center, “Debt Limit Analysis,” 2023. Available at: <https://bipartisanpolicy.org/debt-limit/>.

- 2) **Keep the 2025 fiscal cliff front of mind:** Congress will face at least two major fiscal deadlines in 2025: the need to address the nation’s debt limit (reinstated on January 2) and the December expiration of tax cuts from the 2017 Tax Cuts and Jobs Act (TCJA). Although America’s budget challenges extend well beyond these immediate and unavoidable deadlines, a commission could consider reforming how lawmakers confront the debt limit not only in 2025 but permanently, while simultaneously assisting lawmakers with thoughtful, fiscally responsible ways to address TCJA expirations.⁹
- 3) **End the time-worn practice of budgeting by chaos:** It will be much more difficult for policymakers to reduce debt and deficits in the years ahead if the congressional budget process remains fundamentally broken, requiring members of Congress to lurch from crisis to crisis instead of passing budgets on time and addressing long-term drivers of debt. We are encouraged by the committee’s bipartisan engagement on fixing the broken federal budget process and have outlined numerous steps lawmakers can take to improve the odds of passing a budget in full and on time. Some of these steps can be accomplished by this committee in short order, with existing bipartisan legislation, and help build momentum toward resolving the broader budgetary challenges the country faces in the years ahead.¹⁰ We look forward to continuing our work with the committee on this bipartisan initiative.

Conclusion

America’s fiscal challenge should be a top priority for lawmakers in the years ahead. No solution to these issues will withstand the test of time without strong bipartisan support. BPC stands ready to assist any policymaker willing to reach across the aisle to improve our nation’s fiscal future for the next generation, and we commend the committee and the champions of recent fiscal commission proposals for their commitment to this cause.

Sincerely,



Margaret Spellings
President and CEO
Bipartisan Policy Center

⁹ H.R.6393, Responsible Budgeting Act, January 13, 2022. Available at: <https://www.congress.gov/bill/117th-congress/house-bill/6393>.

¹⁰ Bipartisan Policy Center Action, “Options to Reform the Congressional Budget Process as It Turns 50,” 2023. Available at: <https://bpcaction.org/wp-content/uploads/BPCA-Budget-Process-Reform-One-Pager.pdf>.