

Member Day Testimony to the Budget Committee

Mr. Chair, Ranking Member and Colleagues:

Mahalo for the opportunity to testify before you today in support of a fiscally responsible budget.

At the outset, let me say that I reject the view that federal deficits and debt no longer matter, that we can continue to endlessly spend far more than our revenues, endlessly increase our national debt, with no consequence.

Our debt now exceeds \$28 trillion, doubling in just the last decade alone. Our debt-to-GDP ratio, measuring the ability of our economy to sustain our debt, is at its second-highest level ever, exceeded only by World War II.

Our own nonpartisan Congressional Budget Office, in its recent Budget and Economic Outlook: 2021 to 2031 published before the passage of the \$1.9 trillion American Rescue Plan, projects that in just another decade, debt will equal 107% of GDP, the highest in our history, and within another two decades almost 200% of GDP.

Even with record low interest rates, gross interest outlays increased 26% over the past decade and we are spending more on interest than key investments in our future such as transportation infrastructure and K-12 education.

We can debate reasonable deficit and debt levels and whether to address them on the revenue or expense side. But I hope we can all at least agree that the current escalation in federal debt is unsustainable and will increasingly harm our country across-the-board.

The underlying challenge is our collective inability or unwillingness to recognize and prioritize fiscal responsibility and sustainability.

Whether budgets, taxes, spending, PAYGO or any other fiscal issue, we are increasingly avoiding sound budgetary principles and practices and accelerating the decline of our nation's finances.

More directly, several of our nation's critical trust funds, including the Medicare Hospital Insurance Trust Fund, Social Security Disability Insurance and Social Security Old-Age and Survivors Insurance, are now projected to run out of money within the next decade-plus, much sooner as a result of the COVID-19 crisis.

Against this backdrop, it is irresponsible to ignore our nation's fiscal state and even more critical that our budget face up to these realities.

We do not have to implement immediate draconian and counterproductive spending cuts and/or tax increases to do so. We can take balanced, preferably bipartisan steps to reinstitute fiscal responsibility and accountability, as long as we do so now. I want to highlight some basic budget reforms that can contribute.

First, we must produce a detailed budget. It is a mark of deterioration in both finances and accountability that we must even debate this most basic step.

Second, we must pursue efforts to responsibly utilized limited taxpayer resources. Unfortunately, terms such "root out waste, fraud and abuse" and "eliminate duplicative programs" have become proxies for political ping pong, but the desire to spend wisely should be universal. As one step, last Congress we enacted the Taxpayers Right-to Know-Act, authored by Committee member Jim Cooper, in law, to require federal agencies to report fully on their federal program activities and publish that information online for direct public accountability. Further steps include strengthening the federal Inspectors General offices.

Third, we should establish balanced, bipartisan procedures that require us to evaluate and make the hard decisions necessary for true fiscal recovery and sustainability. I have again co-introduced the Sustainable Budget Act to do so for our overall fiscal state, and will soon re-introduce the TRUST Act which focused on the specific actions necessary to save our trust fund programs.

Lastly, while we pursue these initiatives, we must avoid digging ourselves any deeper than absolutely compelled by crisis circumstances through abiding by our PAYGO rules and statutes.

Paying for progress is not stopping progress. We have time and again proven that progress and fiscal responsibility are not mutually exclusive, as demonstrated most tellingly by the paid-for Affordable Care Act. And we have proven that we can take the difficult decisions on spending constraints and revenue enhancement necessary to do so.

I urge this Committee to lead our way back to responsible budgeting and sustainable budgets. Thank you for your consideration.