

Statement for Rep. Derek Kilmer (WA-6)
House Committee on the Budget
Member Day, March 23, 2021

Chairman Yarmuth and Ranking Member Smith, thank you for hosting today's Member Day hearing and for your leadership. I appreciate the opportunity to share with you some bipartisan recommendations for improving the budget process that were unanimously approved by the Select Committee on the Modernization of Congress. The Select Committee's guiding principle is to make Congress work better so it can better serve the American people.

During the 116th Congress, members of the Select Committee worked with Chair Yarmuth, Ranking Member Womack, and the Budget Committee staff to identify a set of bipartisan recommendations focused on modernizing the budget process. In doing so, we relied extensively on the work of the Joint Select Committee on Budget and Appropriations Process Reform, on which I served alongside Chair Yarmuth and Ranking Member Womack.

The Joint Committee's draft legislation formed the foundation for the recommendations Vice Chair Timmons and I will share with you today. We understood that process reforms alone can't force Congress to reach budget deals. But process matters because it determines *how* we enact policy. A strong bipartisan process can generate member buy-in and that's enormously important when it comes to reaching a deal.

As a first step, the Select Committee recommended requiring an annual Fiscal State of the Nation. A yearly Fiscal State of the Nation discussion will help facilitate budget negotiations by establishing a common fact base based on nonpartisan information.

We also recommended enhancing the budget submission process from the executive branch. Congress requires critical data from the executive branch to begin the budget building process. The Congressional Budget Office cannot begin constructing its baseline for the upcoming fiscal year without data that is normally transmitted with the President's budget request. And without the CBO's baseline, Congress generally cannot begin writing its budget resolution.

To create additional time for developing the baseline, and therefore the budget resolution and various appropriations bills, we recommended that the executive branch be required to provide a supplemental budget submission that is separate from the President's policy proposals no later than December 1 of each calendar year.

This simple requirement would allow CBO to begin constructing the baseline, and subsequently enable the Budget and Appropriations Committees to begin preliminary work in writing the budget resolution and appropriations bills earlier in the process.

The Select Committee also agreed with the Joint Committee's assessment that including information about tax expenditures would encourage transparency and bring needed flexibility to the budget process.

I know Vice Chair Timmons will cover some additional terrain from the committee's recommendations. In sharing some of the Select Committee's recommendations with you today, Vice Chair Timmons and I hope we can work with the Budget Committee on bipartisan reforms to modernize the process – to eliminate delays and dysfunction that don't serve the interests of the American people.

On behalf of the Select Committee, I appreciate your consideration and am happy to provide additional information to support your work.

Outside of the work of the Select Committee, I would also like to take a minute and highlight a topic that is also worthy of the this Committee's consideration.

Many of you, like me – represent communities that were hurting well before any of us had heard of COVID-19. In fact, I grew up on the Olympic Peninsula of Washington State and was in high school when the timber industry took it on the chin. The economic change – and the economic distress – we have experienced is not unique to my region. Indeed, too many communities are being left behind – with stressed labor markets, insufficient job opportunities, and the real fear that our top export will be young people.

In examining these challenges, I've identified three problems that should shape our response.

First, communities that are struggling simply do not have the capacity to navigate the complex systems of grants and loans that exist across a multitude of federal agencies. Many cannot afford grant writers.

Second, while one-year grants are helpful, it's worth recognizing that the struggles facing these communities didn't arise in one year. While one year of support is helpful, research tells us that a sustained approach is needed.

And finally, it's important to acknowledge that different communities have different problems so a one-size fits all approach won't work. In my district alone, there are some distressed communities for whom the primary issue is the need for workforce. One community needs help with brownfield redevelopment, another with greenfield site development. One community needs broadband – and another needs funding to address persistent flooding.

To address this, I'm working on a proposal for flexible, long-term grant assistance to persistently distressed communities. When we work on a recovery package or an infrastructure package, it's important that it doesn't simply amplify existing inequities between communities that have enjoyed tremendous economic growth and others that are being left behind. Rather, we need to make sure that people have economic opportunity – regardless of what zip code they live in. I've provided a two-pager along with my testimony and would invite your committee's partnership on this effort.

Thank you again for your leadership and for the opportunity to speak before the committee today.