

Testimony to the Budget Committee

Rep. Ed Case

May 17th, 2022

Chair Yarmuth, Ranking Member Smith, members of the Committee, thank you for the opportunity to share thoughts with you today.

I need not dwell on the state of our national budget. By any measure – annual deficits, total debt, debt-to-GDP, interest as a percentage of on and on – it is severe and worsening. The only measure cited as positive – year-over-year deficit improvement – is meaningless against a baseline of record COVID deficit spending.

For those dwindling few who care about, budgets and deficits and debts and other such annoying and obstructive concepts, these are hard times. We are told they don't matter, that we can have our cake and eat it too. Budgets are treated as pure balancing exercises, if that, as opposed to fiscal, monetary, economic and social policy direction. Guardrail rules like PAYGO against our worst inclinations towards rationalization, short-term gratification and avoidance are ignored; budget rules rule like reconciliation co-opted; the honest reporters like the Congressional Budget Office demonized. We are stuck in an endless debate and gyration between feed the beast and starve the beast, united only by a common result of driving the budget into a deeper hole.

How do we return to a fiscally, and yes thus economically and socially, sustainable path? Do we dare to start by attempting to agree on some common principles, as in: stabilizing annual deficits and the national debt will fight inflation, promote economic growth, work and investment, slow the growth of federal interest costs, and secure our major trust funds for future generations, and the inverse is equally true and destructive?

Can we then pursue some difficult but constructive advances toward some restored discipline and stability? Here are just a few that are before us now:

- (1) Sustainable Budget Act. This proposal, introduced by me and others this Congress on a bipartisan, bicameral basis, would establish a National Commission on Fiscal Responsibility and Reform to identify policies to achieve fiscal sustainability over the long term. This commission would have access to expedited legislative procedures to pass recommendations to balance the budget and meaningfully improve the long-term fiscal outlook. Yes, similar approaches in the past have not ultimately succeeded, but it wasn't for lack of constructive effort, and measured against the alternative of the current status quo, virtually nothing, it is progress.
- (2) TRUST Act. This proposal, also bipartisan, bicameral by me and others, would take steps to secure the endangered species of Social Security and Medicare for future generations. The bill would establish Congressional rescue committees for the major social contract trust fund programs. These committees would develop recommendations and legislation to improve the programs and provide for the solvency of the trust funds. To critics, same comments as the Sustainable Budget Act.
- (3) Transparent budget information and analysis. It seems so obvious that accurate information about the true impacts of legislation on the fiscal health of the nation is essential, yet from the sounds of it that's a threat. This year, over puzzling obstacles, the House passed the Fiscal State of the

Nation resolution, a good first step. However, in many ways, we still legislate blindly to the full impacts of our decisions on the nation's fiscal health. Too often, Congressional Budget Office scores are not available for legislation that is on the Floor for a vote, making it impossible for lawmakers to make fiscally informed decisions. Furthermore, Congressional Budget Office scores do not include the cost of servicing the debt, which means each time legislation increases the debt we are not accounting for the full cost of that legislation on the federal budget. We must change all this.

- (4) Conrad Rule. Finally, we must reexamine how Congress approaches budget reconciliation, a process that was and is focused on budget discipline and decision, not as general filibuster circumvention tool. We should adopt legislation that I have introduced to reinstate the Conrad Rule, which requires all reconciliation bills to be budget neutral, to go with renewed scrutiny on appropriate reconciliation

These are just a few baby steps down a long and difficult road back to some form of fiscal sustainability. I hope we take them before it is truly too late.

Thank you.