

Prepared Remarks from Senator Joe Manchin III  
House Budget Committee Hearing Examining the Need for a Fiscal Commission

Thank you, Chairman Arrington and Ranking Member Boyle, for providing me with the opportunity to appear before the House Budget Committee today. I would also like to thank my friend and colleague, Senator Romney, for his dedication to seeking solutions to our nation's fiscal challenges. And thank you to this Committee for its steadfast commitment to improving our fiscal health.

The Congressional Budget Act of 1974 sets a timeline for Congress to follow when it comes to the budget process. By April 15<sup>th</sup> of each year, Congress must pass a budget resolution. And by September 30<sup>th</sup> of each year, Congress must pass all twelve appropriations bills. Unfortunately, it's a timeline without any teeth. On September 30, 1996, Congress passed all twelve appropriations bills for fiscal year 1997. As the Committee is likely aware, the national debt at that time was \$5.4 trillion. Today, we *spend* that much and more in one year, and the national debt exceeds \$33.7 trillion. On August 5, 1997, Congress and President Clinton enacted the Balanced Budget Act of 1997 which was negotiated in a bipartisan way by then-White House Chief of Staff, Erskine Bowles and then-House Budget Committee Chair, John Kasich. Among other things it set enforceable budget caps for FY1998 through FY2002. What followed those bipartisan compromises were balanced budgets and surpluses of more than \$550 billion. Unfortunately, the United States of America has not posted a surplus since – over 22 years in the red.

There have been attempts to get us back on track. In 2010, the Simpson-Bowles Commission published recommendations that would have capped spending at 21 percent of GDP and reduced debt to 65 percent of GDP by 2020. Unfortunately, Congress refused to act for political reasons. In August 2011, Congress tried again with the Budget Control Act of 2011, which coupled a debt ceiling increase with a mandate for more than \$2 trillion in cuts. Unfortunately, Congress again refused to act for political reasons, blowing through those caps and spending another \$1.3 trillion more than we took in. Now, it's too late for another warning. In 2011, Standard and Poor's downgraded the US credit rating from AAA to AA+. In the past few months alone, Fitch has followed suit, and Moody's Corporation is on the brink of its own downgrade. We are the only triple-A rated country in the world that does not currently have a multi-year fiscal planning process. We must reverse this catastrophic financial demise of our own making before it is too late.

As evident by the chart behind me, in FY1997, revenues totaled \$1.58 trillion and spending totaled \$1.60 trillion. Fast-forward to FY2023, revenues totaled \$4.44

trillion while spending clocked in at an astounding \$6.13 trillion. Outside of the fiscal years during the COVID-19 pandemic, FY2023's total deficit of \$1.7 trillion was **the highest in United States' history**. **Let me repeat that, last year's imbalance between spending and revenues was a record high.** Years of fiscal irresponsibility have brought us to the crisis we face today, which is **more than \$33.75 trillion dollars of national debt**. In FY2023, we spent more than **\$650 billion dollars just on interest alone**. **By 2051, if we maintain this trajectory, the money that the federal government spends on interest to service the debt will be greater than what we spend on anything else.** This is why Senator Romney and I – along with Senators Sinema, Young, Hickenlooper, Lummis, Warner, Cornyn, Tillis, and Shaheen – introduced the Fiscal Stability Act.

More than two hundred and twenty-seven years ago, President Washington – in his farewell address – advised against the accumulation of debt. Fast forward to 2011, in one of my first hearings in the Senate when I came to Washington, then-Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, was asked about the greatest threat facing our nation. Without skipping a beat, he said it was our national debt. Every family in America understands this, and they make difficult decisions every day to live within their means. They make sacrifices today to give their children and their grandchildren a chance at a life better than their own. It's the American Dream, and we here in Congress have an obligation to get our finances in order so our children – our future at least have the same shot at it that we did.