



Bipartisan Policy Center

Letter for the Record

House Budget Committee Hearing on “Sounding the Alarm: Examining the Need for a Fiscal Commission”

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

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

The Bipartisan Policy Center commends the committee’s leadership on efforts to strengthen the U.S. fiscal outlook on a bipartisan basis, and we thank the committee for convening this important hearing.

The country’s fiscal house is not in order. Debt held by the public now exceeds \$26 trillion—nearly the size of annual U.S. economic output—and it is growing rapidly. Interest paid on the debt is the fourth largest expenditure of the federal budget today, behind only national defense, Social Security, and health care. Within the next three decades, net interest costs are expected to be the government’s largest expenditure. Even stabilizing the federal debt-to-GDP ratio at its current level of approximately 100% would require a combination of spending reductions and revenue increases of more than \$7 trillion in the next decade—a figure that assumes any extensions of expiring provisions of the Tax Cuts and Jobs Act are fully paid for.¹

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

It is past time for elected leaders to get serious about addressing the nation's fiscal health. A new bipartisan fiscal commission could be the first step on that path while also helping to rebuild Americans' fundamental trust in their government.

Bipartisan leadership will be key to any future commission's success. The president and congressional leadership, regardless of party, must be directly involved in making the case to the public, interest groups, and the business community that debt is a first-order problem for the country and that fiscal responsibility is necessary in the years ahead. A fiscal commission should seek first and foremost to define the challenge and explain its importance to the American public. Legislators will not make difficult decisions in the future unless their constituents see a need and a reason to act. A commission should also establish key principles for bipartisan debt reduction and advance specific policy options worthy of congressional consideration.

For years, BPC has worked to bring members of Congress from both sides of the aisle together to address the largest drivers of our nation's unsustainable fiscal trajectory. In January 2010, we launched the Debt Reduction Task Force co-chaired by the late Senator Pete Domenici (R-NM) and former OMB Director Dr. Alice Rivlin and comprised of 19 former elected officials and experts with diverse backgrounds from across the political spectrum.² The proposals produced by the task force offered proof that, in the face of political headwinds, a bipartisan group could craft a comprehensive and viable blueprint to tackle the nation's most serious economic challenges.

The task force's consensus report increased awareness of the nation's severe 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 Budget Control Act of 2011.³ In 2012, BPC and the task force co-chairs released an updated plan to keep pace with the evolving fiscal outlook, recommending a balanced package to promote economic growth, curb discretionary spending, shore up entitlement programs, and reform the tax code.⁴

The task force's takeaways were clear: First, the nation's debt trajectory cannot be sustained and poses grave danger to the economy. Second, any realistic solution must include structural reforms to entitlements and comprehensive tax reform that promotes economic growth and raises additional revenue.

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's-future/>

³ P.L. 112-25, August 2, 2011. Available at: <https://www.congress.gov/112/plaws/publ25/PLAW-112publ25.pdf>.

⁴ Pete Domenici and Alice Rivlin, "Domenici-Rivlin Debt Reduction Task Force Plan 2.0," BPC Debt Reduction Task Force, December 3, 2012. Available at: <https://bipartisanpolicy.org/report/domenici-rivlin-debt-reduction-task-force-plan-20/>.

Now more than ever, a new fiscal commission must target its efforts on these issues. Non-defense discretionary spending comprises only 15% of the federal budget in 2023 and will shrink to just 12% by 2053.⁵ At that point, Social Security and mandatory health care programs are on track to comprise 66% of the federal budget. Moreover, the trust funds for these programs are headed for depletion in the early 2030s, which means absent reforms, benefit cuts will affect tens of millions of beneficiaries.⁶

The Bipartisan Policy Center stands ready to work with you and the committee as they examine a possible fiscal commission. We thank the committee for considering BPC's perspective and for convening this important hearing.

Sincerely,

Shai Akabas
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Resources:

[Restoring America's Future:
The Domenici-Rivlin Debt Reduction Task Force Report](#)
Senator Pete Domenici and Dr. Alice Rivlin
BPC Debt Reduction Task Force
November 17, 2010

[Domenici-Rivlin Debt Reduction Task Force Plan 2.0](#)
Senator Pete Domenici and Dr. Alice Rivlin
BPC Debt Reduction Task Force
December 3, 2012

⁵ Congressional Budget Office, "The 2023 Long-Term Budget Outlook," June 28, 2023. Available at: <https://www.cbo.gov/publication/59014>.
⁶ Social Security and Medicare Board of Trustees, "A Summary of the 2023 Annual Reports," March 31, 2023. Available at: <https://www.ssa.gov/oact/TRSUM/>.