



MICHAEL A. PETERSON
PRESIDENT
CHIEF EXECUTIVE OFFICER

April 17, 2018

The Honorable Steve Womack
Co-Chair
Joint Select Committee on Budget and
Appropriations Process Reform
2412 Rayburn House Office Building
Washington, DC 20515

The Honorable Nita Lowey
Co-Chair
Joint Select Committee on Budget and
Appropriations Process Reform
2365 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Womack and Lowey:

Thank you for your service on the Joint Select Committee. This Committee represents a valuable opportunity to make sensible, bipartisan reforms that can help create the conditions for Congress and the administration to put our nation on solid fiscal footing.

Undoubtedly, our nation is on an unsustainable fiscal path. On its current course, the national debt will approach the size of the entire economy within just 10 years. Trillion dollar deficits are projected to return within the next year or two. Interest costs alone are rapidly rising to become the third largest category of the federal budget. Our fiscal imbalance crowds out priorities, threatens our economic health, increases the likelihood of a fiscal crisis in the future, and will inhibit our ability to deal with such a crisis if it comes.

In light of such concerns, your work is both timely and vitally important. Our broken budget process adds to uncertainty and prevents meaningful progress in improving our fiscal outlook.

While budget process reform alone cannot substitute for better decision-making on fiscal policies and priorities, there are many reforms that would help encourage fiscal sustainability. To help ensure that our budget process is conducive to fiscally responsible policymaking, please consider the following principles for reform:

- **Look Long-Term.** Give more visibility to periods past the current 10-year "budget window" to increase attention on our long-term fiscal challenges.
- **Set Fiscal Targets.** Requiring Congress and the president to set medium- and long-term fiscal goals, and then report on progress annually, would improve accountability and transparency on our fiscal condition.
- **Strengthen Enforcement.** Adding new or strengthening existing enforcement measures would help policymakers stay on the path towards their budget targets. Those reforms should be flexible enough to accommodate changing conditions, but strong enough to establish and reinforce the commitment to long-term fiscal sustainability.

- **Increase Transparency.** Lawmakers and the public alike should have clear and timely information about budget decisions and their impact.
- **Avoid Brinkmanship.** Governing from crisis to crisis with last minute, deadline-driven decisions often produces poor policy. Lawmakers should design process reforms that ensure budget decisions can be considered responsibly with adequate time for review.
- **Budget Comprehensively.** Set rules and targets that apply to all components of the federal budget – including both discretionary and mandatory spending as well as revenues.

In addition to considering these principles in your work, we encourage you to dedicate one or more public hearings to process reforms that will lead to greater fiscal responsibility.

The Peterson Foundation is a non-partisan organization dedicated to securing America’s fiscal and economic future. As you begin this important work, please know that we are available to serve as a resource to you and your staff. Thank you once again for your service on this Committee and please don’t hesitate to be in touch if we can support your efforts.

Sincerely,



Michael A. Peterson

cc: The Honorable Michael Bennet
The Honorable Roy Blunt
The Honorable Joni Ernst
The Honorable Mazie Hirono
The Honorable James Lankford
The Honorable David Perdue
The Honorable Brian Schatz
The Honorable Sheldon Whitehouse

The Honorable Jodey Arrington
The Honorable Derek Kilmer
The Honorable Lucille Roybal-Allard
The Honorable Pete Sessions
The Honorable Rob Woodall
The Honorable John Yarmuth