

Remarks of Senator Feinstein

Before the Senate Budget Committee (as delivered)

November 10, 2009

Bipartisan Process Proposals for Long-Term Fiscal Stability

Mr. Chairman, I very much appreciate your leadership. I also want to recognize Senator Warner, and Senator Sessions with whom I work on the Senate Judiciary Committee. I thank you for those comments. Senator Cornyn would be here would it not be for the ceremony at Fort Hood. And I know he would want everyone to know that.

As you mentioned, this bipartisan entitlement commission legislation was introduced by Senator Domenici and I in February 2007. Senator Cornyn and I agreed to push the bill this year.

Perhaps because I was a mayor, I tend to look at things in terms of what is actually spent. So, outlays have become a critical criterion for me.

And over the past 10, 12 years, I've been tracking outlays. And the entitlement outlays run between 50 percent and 56 percent of everything the federal government spends in a given year.

The August 2009 Congressional Budget Office figures are 50 percent. They could have been higher except for the financial crisis numbers which are about 11 percent so far of everything we spend. The interest on debt is 5 percent. Discretionary defense is 18 percent. Everything else -- all the things Senator Sessions spoke about -- Transportation, Interior, Justice, Education -- are just 16 percent of what is actually outlayed. So the entitlement picture looms huge. And of course, that's Medicare, Medicaid, Social Security, Veterans benefits. It's those things that you can't control that just keep going, year in and year out.

So what we have put together is an Entitlement Commission. This Commission would be an authority. This Commission would handle Social Security and Medicare. And it would do so in the mode of the Greenspan Commission. The commission would have independent actuaries who would actuarially survey these two systems on an ongoing basis, and would send to the Congress every five years legislation on how to keep the system in balance.

There would be an expedited procedure of 120 days for consideration in Congress. Only germane amendments would be acceptable.

The commission also would be ongoing. It would not be a temporary commission like the others. The reason is, I believe, that the changes and tweaks that have to be made, really are going to take time. I also would like the Commission's recommendations to be close to the BRAC (Base Realignment and Closure) process. Vote it up, vote it down. Our bill at the present time does not have that because there were concerns such as taxes being levied by people who are not elected.

The commission would be made up of 15 members, including the chairman and ranking member of the Senate Finance Committee and the chairman and ranking member of the House Ways and Means Committee. Seven members of the commission would be chosen by the President, to include three Democrats, three Republicans and one Independent.

Eight members of the commission would be chosen by the Congress to include four selected and agreed upon by the Senate Majority and Minority Leaders, and four selected by the Speaker and the House Minority Leader. As I said, independent actuaries would be retained to continually review entitlement programs with the goal of bringing them into fiscal balance and preserving their viability for future generations.

That is essentially it, Mr. Chairman. I feel as does Senator Voinovich, that I will not vote for raising the debt limit without a vehicle to handle this. I agree that this is our moment. The only thing I would implore that this be an ongoing process, that we take it up every five years with a bill and that hopefully a way can be found to accept it or reject it as in BRAC.

It's painful but I believe it has to be done. I believe if the committee is only members of Congress they will be subject to so much importuning by various groups as they run for office that it will make it difficult. That is why we have put together this hybrid commission of independent people outside of the Congress with key members of the Congress. I thank you for listening.