

Budget Committee Members Day
Rep. Mark Walker - Statement for the Record
March 2, 2017

Chairwoman Black and Ranking Member Yarmuth, thank you for the opportunity to testify today.

Recent reports from the Congressional Budget Office (CBO) and the Government Accountability Office (GAO) paint a dismal future. Without changes to the federal budget, we are on a path to fiscal crisis with spending, deficits and debt continuing to balloon out of control. We cannot in good conscience neglect this stunning reality and pass on these heavy burdens to our children, grandchildren and future generations,

It is with these realities in mind that the Republican Study Committee's (RSC) Steering Committee adopted the following official position on January 24, 2017:

“The FY18 Budget Resolution must reach balance within the ten-year window by reducing the size and scope of government and without tax increases, and remain in balance thereafter in order to save important programs like Social Security and Medicare. Further, House Committees should take steps to produce legislation to implement that budget within the 115th Congress.”

I understand that balancing the budget is a significant challenge, but it is a challenge that we as a Congress must tackle head on and without reservation.

To put it simply, the Federal Government has a spending problem that must be addressed.

According to the CBO's most recent Budget and Economic Outlook, annual outlays are projected to top \$4 trillion for the first time in FY 2018. Over the next decade, both spending and revenues will continue increasing above their historical norms, with the growth in spending outpacing the growth in revenues. This growth in spending will drive today's \$20 trillion National Debt to more than \$30 trillion by FY 2027.

A budget is more than a spreadsheet of numbers. It is important that we understand that the choices we will make in this budget – and the consequences that follow from it - have real, tangible effects on the people we represent. Trillion dollar deficits here in Washington and broken entitlement programs mean lower wages, less opportunity, and crippling uncertainty for all Americans, and especially for those most in need of a hand up.

CBO says that continuing the status quo will reduce economic growth, further shrink the labor force, and risk a fiscal crisis that would result in fewer jobs and lower wages for the American people.

Under the current path, the major safety net programs will be insolvent, causing indiscriminate cuts to our most vulnerable citizens: The Disability Insurance Trust Fund will be depleted in 2023, the Medicare Hospital Insurance Trust Fund will be depleted in 2025, and the Social Security Trust Fund will be depleted in 2035.

We face a choice – kick the can down the road yet again or act to stave a pending fiscal crisis and protect the American people. Some will ignore the writing on the wall and pretend the problem does not exist. Still others will propose ideas that would exacerbate the problem. Instead, we need to act boldly and return to the principles of limited government and free markets that made us the most prosperous and free people in the history of the world.

The Committee for a Responsible Federal Budget estimates that balancing the budget by FY 2027 will require \$8.2 trillion in deficit reduction. Last year, the RSC's proposed FY 2017 budget would have reduced spending by \$8.6 trillion over the ten-year budget window, while including policies to improve the fiscal health of Social Security and Medicare. I hope the Budget Committee will look to the RSC's budget proposal for policy ideas as you begin drafting the FY 2018 budget.

This year, the RSC will once again produce a budget alternative thanks to our task force led by Representative Tom McClintock, a senior member of this Committee. While the RSC budget will be offered as an amendment in the nature of a substitute to the Budget Committee's budget, please know that we view it as a complementary, not a competing, proposal. The purpose of the RSC budget is to detail the solutions championed by our members with the expectation that the ideas first espoused in RSC budgets will, over time, be incorporated into the House budgets and passed into law. Please know that I and the members of the RSC stand ready to work with you to pass a responsible, balanced budget resolution this year.