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PETERSON-PEW COMMISSION RECOMMENDS MAJOR REVISIONS TO FEDERAL BUDGET PROCESS

WASHINGTON—The Peterson-Pew Commission on Budget Reform today released a series of recommendations for correcting deficiencies in the current federal budget process, with the goal of stabilizing the nation's publicly held debt as a share of the economy. The Commission report, *Getting Back in the Black*, details major revisions, concentrating on three primary areas of improvement, called the "Three Ts": creating fiscal targets; establishing automatic budgetary triggers; and increasing transparency of budgetary information and procedures.

"As our growing fiscal challenges threaten the long-term future of our nation, it is more important than ever for policymakers and elected officials to be accountable to the public," said Susan Tanaka, Director of the Peter G. Peterson Foundation. "Fixing our broken budget process is an essential element of any sustainable plan for the federal budget."

"The Peterson-Pew Commission's recommendations call on policy makers to take a critical look at our budget process and adopt measures that will stabilize and reduce the federal debt. These changes would improve economic performance and decrease the fiscal burden on future generations," said Douglas Hamilton, deputy director, Pew Economic Policy Group.

The Commission supports enacting budget limits that would be automatically enforced through broad spending cuts and tax increases—if policy makers fail to make necessary legislative changes. Specifically, the Commission recommends that Congress and the President:

- Adopt medium-term, long-term and annual limits on the amount the government can borrow as a share of national income. The targets are intended to commit the government in advance to a path of borrowing consistent with economic stability;
- Establish multi-year annual caps for spending and tax expenditures that are consistent with the enacted debt targets;
- Create automatic triggers to keep budget plans on track and control the major drivers of the growing debt; and

- Improve the timeliness, completeness and transparency of information used in the budget process to better inform policy makers and increase their accountability for all budget decisions.

“In offering this report, we provide Congress and the White House with additional tools to help fix the broken budget,” said Bill Frenzel, co-chair of the Peterson-Pew Commission. “Only by improving the budget process, in such ways as adopting targets and enforcement triggers and the increasing transparency of the information in the budget, can we return to a sustainable course.”

Today’s recommendations build on the Commission’s December 2009 report, *Red Ink Rising*, which found that the nation’s current fiscal policy, budget deficits and the rising debt burden are squeezing out other national priorities, reducing our ability to respond to crises, and passing crushing tax rates to future generations. *Red Ink Rising* also called for a publicly held debt target at 60 percent of GDP by 2018. Today’s report provides a detailed framework for reaching that target.

The Commission is comprised of former members of Congress, including co-chairs Bill Frenzel, Tim Penny and Charlie Stenholm, as well as former heads of the Office of Management and Budget, the Congressional Budget Office, the Government Accountability Office and other fiscal experts.

For the complete report and more information, please visit www.budgetreform.org

*To modernize an outdated congressional budget process in light of the daunting economic challenges facing the nation, the Peter G. Peterson Foundation, The Pew Charitable Trusts and the Committee for a Responsible Federal Budget have launched a landmark partnership to build bipartisan consensus for a core set of reforms. **The Peterson-Pew Commission on Budget Reform** has convened the nation’s preeminent experts to make recommendations for how best to improve the nation’s fiscal future and how best to strengthen the federal budget process. The Commission began its work in January 2009 and in December of that year issued its first report, *Red Ink Rising*. www.budgetreform.org*

*The **Peter G. Peterson Foundation** is a non-profit, non-partisan organization established by Pete Peterson – businessman, philanthropist, and former U.S. Secretary of Commerce. The Foundation is dedicated to increasing public awareness of the nature and urgency of key fiscal challenges threatening America’s future and to accelerating action on them. To address these challenges successfully, we work to bring Americans together to find and implement sensible, long-term solutions that transcend age, party lines and ideological divides in order to achieve real results. The OweNo campaign is one of several awareness and consensus-building projects spearheaded by the foundation. To learn more about the Peterson Foundation, please visit www.PGPF.org.*

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*The **Committee for a Responsible Federal Budget** is a nonpartisan, non-profit organization committed to educating the public about issues that have significant fiscal policy impact. The Board is made up of many of the past leaders of the Budget Committees, the Congressional Budget Office, the Office of Management and Budget, the Government Accountability Office, and the Federal Reserve Board.* www.crfb.org

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