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Peterson, Pew, Committee for a Responsible Federal Budget Partner to Drive Budget Reform January 14, 2009

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To modernize an outdated Congressional budget process in light of the daunting economic challenges facing the nation, the Peter G. Peterson Foundation, The Pew Charitable Trusts and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 (CRFB) today announced a landmark partnership to build bipartisan consensus for a core set of reforms. The Peterson-Pew Commission on Budget Reform will convene the nation's preeminent experts to make recommendations for how best to strengthen the budget process used by federal lawmakers. CRFB will manage and staff the commission under the leadership of its prestigious board of directors.

"The need for this effort could not be more urgent," said David M. Walker, president and CEO of the Peter G. Peterson Foundation. "The budget process lacks transparency and our federal budget path itself is unsustainable. The Peterson Foundation was established to address the nation's growing fiscal challenges, and this commission will be central to achieving this goal."

"The federal budgeting process lays the foundation and should establish the rules of the game for all policy decisions," said Rebecca W. Rimel, president and CEO of The Pew Charitable Trusts. "Pew is proud to partner with a prominent group of budget experts from both sides of the aisle to address these critical reforms."

The commission will meet over the next two years to address a number of shortcomings in current budget rules, concepts and processes. Among these shortcomings:

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- Congress routinely fails to pass a budget.
- The existing process tends to ignore long-term obligations.
- Most of the budget is on automatic pilot and lacks adequate oversight.
- Accounting standards are outdated and inconsistent—including those used to track the costs of the current economic stabilization policies.
- Congress routinely uses gimmicks to circumvent the rules and enforcement mechanisms that are in place.

Significant emphasis on budget reform over the next few years is imperative given the current economic conditions, the tremendous amount of borrowing taking place to help stabilize the economy, and the large and growing promises for Social Security, Medicare and Medicaid benefits.

CRFB's Board of Directors includes former heads of the Congressional Budget Office, the Office of Management and Budget, the Government Accountability Office, the Congressional Budget Committees, and the U.S. Federal Reserve Board. A number of technical advisers also will be involved in the effort, and the Commission will work closely with Members of Congress and the White House.

"This commission is long overdue," said Maya MacGuineas, president of CRFB. "The budget process is basically on life support and it is time to confront our broken way of budgeting head-on. Even in the most extreme case of denial, no one can argue the current process is working."

About the Peter G. Peterson Foundation

Founded by the senior chairman of The Blackstone Group with a personal commitment of at least \$1 billion, 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, the Foundation works to bring Americans together to find sensible, long-term solutions that transcend age, party lines and ideological divides in order to achieve real results. For more information, visit www.pgpf.org.

About The Pew Charitable Trusts

The Pew Charitable Trusts (www.pewtrusts.org) is driven by the power of knowledge to solve today's most challenging problems. Pew applies a rigorous, analytical approach to improve public policy, inform the public and stimulate civic life. We partner with a diverse range of donors, public and private organizations and concerned citizens who share our commitment to fact-based solutions and goal-driven investments to improve society. Pew's Economic Policy Department promotes policies and practices that strengthen and ensure the future competitiveness of the U.S. economy by cultivating bipartisan coalitions, informing critical national debates and striving toward meaningful policy change.

About the Committee for a Responsible Federal Budget

The Committee for a Responsible Federal Budget is a bipartisan, 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 Directors of the Budget Committees, the Congressional Budget Office, the Office of Management and Budget and the Federal Reserve Board.