The Potential Role of Entitlement or Budget Commissions in Addressing Long-term Budget Problems

The Fiscal Seminar

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Note: The Fiscal Seminar is a group of scholars who meet on a regular basis, under the auspices of The Brookings Institution and The Heritage Foundation, to discuss federal budget and fiscal policy issues. The members of the Fiscal Seminar acknowledge the contributions of Paul Cullinan, a former colleague and Brookings scholar, in the development of this paper, and the editorial assistance of Emily Monea. Members of the Seminar have reviewed the paper and commend it to others as a useful background piece on current proposals to establish a commission or similar mechanism to address long-term deficits and debt.

Members of the Fiscal Seminar issued a statement in February 2009 on the desirability of using a commission or other similar mechanism to break through the legislative logjam that has prevented action on the enormous long-term fiscal problem facing the U.S. A copy of that statement, along with the members of the seminar who signed it, is appended to this paper.

INTRODUCTION

The United States is facing a looming fiscal imbalance brought on by the aging of the population and rapidly rising health care costs. And while the credit crisis and recession are understandably of top concern to policymakers at the moment, the long-run fiscal outlook, seemingly deteriorating further day by day, cannot be ignored.

Unfortunately, the current political environment creates strong disincentives for individual politicians to tackle the tough choices required to put our fiscal house back in order. An appointed commission could offer an alternative mechanism through which to address these thorny but critical issues by undertaking the heavy lifting of developing options and building the political consensus necessary to enact legislation. As evidence of the popularity of this idea, over a dozen bills were introduced in the 110th Congress that would have created commissions to find politically and fiscally acceptable solutions for reforming entitlements, taxes, the budgeting process, or some combination of the three. This paper reviews some of the recent history of appointed commissions and discusses the issues surrounding their potential role in long-term federal budgeting.

THE ROLE AND STRUCTURE OF COMMISSIONS

The use of commissions or advisory councils has a long history in the United States. In the early 1900s, the National Monetary Commission examined the nation's distressed financial system and recommended establishing a central banking structure, a recommendation that was soon translated into the Federal Reserve System. From 1937 to 1996, Social Security policy-making was heavily influenced by the findings and recommendations of periodic advisory councils, including the National Commission on Social Security Reform (the Greenspan Commission) which helped to rescue the program from insolvency in 1983. The 1960s saw the Warren Commission investigate the assassination of President Kennedy and the Kerner Commission examine the causes of civil disorders. The Base Closure and Realignment Commission (BRAC) provided an effective mechanism over the past two decades for overcoming the political hurdles inhibiting the restructuring of U.S. defense facilities across the country. And the recent National Commission on Terrorist Attacks upon the United States (the 9/11 Commission) delved into the numerous facets of the 2001 terrorist attacks and potential changes in homeland security.

Commissions can be used for a variety of purposes that suit the needs of the President or the Congress. The role of some commissions is to develop a knowledge base about certain policies or problems free from the political machinations that are an unavoidable part of the legislative process. They can also develop policy options that members of Congress and their staff have too little time or expertise to formulate. They can serve as consensus-building vehicles from which members of Congress may garner political protection while addressing contentious issues. At other times, commissions appear simply to serve as delaying measures that can be employed to defuse a political issue until a more opportune time for action develops.

The best structure for a commission – i.e. its membership, duties, duration, voting rules, etc. – will often vary depending on that commission's purpose, and therefore on the nature of the problem that the commission is addressing, the state of scientific or analytical development of the topic, and the political sensitivity of the subject matter. Those factors may also influence the nature and the standing of the commission's recommendations.

For example, in 1988, Congress established the National Commission on Acquired Immune Deficiency Syndrome (AIDS) to determine the dimensions of a new and rapidly spreading communicable disease, assess the degree of understanding about the disease, and lay out steps toward ultimately controlling and treating the disease. The commission focused on the science and largely ignored the potential politics surrounding the issue.

In contrast, the Greenspan Commission provided a forum for developing a political compromise on a set of politically unsavory changes. In this case, the political parties shared a deep concern about the impending insolvency of the Social Security system but feared the exposure of promoting their own solutions. The commission created political cover for the serious background negotiations that resulted in the ultimate compromise. The structure of the commission reflected these concerns and was composed of fifteen members, with the President, the Senate Majority Leader, and the Speaker of the House each appointing five members to the panel.

ISSUES WITH THE COMMISSION MODEL

Criticisms of using a commission to formulate policy have rested on philosophical, political, and practical concerns. Different critiques apply to different models so it may be difficult to extrapolate them to commissions in general.[1]

Philosophical. The use of commissions is regarded by some observers as an inappropriate delegation of Congress' responsibilities and duties. Under this view, power originally given by voters to elected officials cannot be transferred to others. And yet the delegation of authority can be justified if the duties of the commission are clear and limited. Nonetheless, the delegation of certain powers does raise questions about representation in the policy-making process. Commissions, whether authorized by statute or through executive order, are often comprised of individuals who have noticeably different philosophical and political beliefs than the Congress. Such differences could therefore undermine the accountability of the Congress and transfer too much influence to unelected officials.

Political. In some cases, reliance on the recommendations of commissions may have political ramifications as well. There are some instances where the recommendations of a commission have the effect of limiting debate in the Congress. (Indeed, that may be the intent.) For example, the Greenspan Commission's set of recommendations was approved in part because proponents made a persuasive argument that the package was of a take-it-or-leave-it form. That is, to change or substitute a different proposal for one of

[1] The discussion in this section draws heavily from Campbell (2002).

those recommended by the commission could lead to the collapse of a delicately balanced compromise. Similarly, because amending the package was considered dangerous to the passage of a legislative response to the looming Social Security insolvency, even the debate on the merits of the package and its components was largely muted.

The use of commissions can also be seen as a means of taking an issue outside of the political arena where unelected nonpartisan experts can be free to produce recommendations or findings based upon sound and reasoned analysis rather than partisan gains. More technical issues increase the desirability that a panel be comprised of unelected experts rather than elected representatives.[2]

Practical. How commissions function has practical implications for the policy process as well. For example, the authorization of commissions can be interpreted as a de facto augmentation of Congressional committee staff. For those commissions for which the primary responsibility is fact-finding and a synthesis of available knowledge (for example, the National Commission on AIDS), such augmentation can be justified on technical grounds. The decision is less clear for those commissions which cover material on which the relevant Congressional committee staff is already fluent, such as the Greenspan Commission.[3] On the one hand, the work of a commission may be duplicative of staff activities both within the Administration and the Congress and could therefore be viewed as a waste of scarce resources. On the other hand, as noted above, a commission may be the only practical alternative to the normal process where tensions between the political parties or the unpopularity of the solutions interfere with the development of legislative responses to difficult problems.

APPLYING THE COMMISSION MODEL TO BUDGET ISSUES

There are numerous examples of the application of the commission model to budget issues. In 1967, President Johnson appointed a commission to hash out budget concepts, and the recommendations of this commission continue to guide the formulation of the federal budget, its presentation, and its classifications. President Reagan appointed members of the business community to a commission chaired by Peter Grace that examined fraud, waste, and abuse within the federal budget and recommended policy changes. The Greenspan Commission discussed above solved the Social Security crisis of the early 1980s. The National Economic Commission in the late 1980s was authorized by the second version of the Gramm-Rudman-Hollings law enacted in 1987. And the 1990s saw the Kerrey-Danforth entitlement commission and the Breaux-Thomas commission on Medicare. Of these, the most highly focused and technical panel – President Johnson's budget concepts panel – had the most long-lasting impact, perhaps

[2] The fact that commissioners might be selected for their technical expertise does not necessarily mean they are completely apolitical. The political leanings of the commissioners are often well-known, and in fact are among the reasons they are chosen to serve.

[3] In the three years prior to the first commission hearing, four major reports of other commissions, study groups or advisory councils had been published: Social Security Advisory Council (1979), Study Group on Universal Coverage (1980), President's Commission on Pension Policy (1981), and the National Commission on Social Security (1981).

because so many of the panel's recommendations could be implemented by the executive branch without legislative action.

In the 110th Congress (2007 – 2008), more than a dozen bills were introduced to establish entitlement or budget commissions. Some of these proposals addressed the need for comprehensive budget process reform as well as tax and spending reform, while others were limited to a subset of these issues. The proposals also varied with respect to whether their objectives were to develop political consensus or to engage in fact-finding. In terms of structure, most bills would have established the commissions as entities with a very limited duration ending with Congressional action, although a minority envisioned more permanence to the commission with ongoing responsibilities (similar to the current Medicare Payment Advisory Commission). Several would have created commissions with no elected federal officials, while others would have required that Members of Congress comprise the majority if not the entirety of the commission. Generally, the bills would have required more than a simple majority of members to approve recommendations that would be transmitted to the President and/or the Congress. (Further details on the differences among the 10 bills specifically addressing entitlement programs or long-run budget issues are provided in Appendix A.)

While none of these commissions were approved, the concept of using a commission to examine and perhaps solve the long-term budget crisis is still popular. Indeed, in the 111th Congress (2009 – 2010), several proposals for a commission have already been advanced. For example, Senator Feinstein (D-CA) introduced legislation (S.276) in January co-sponsored by Senator Cornyn (R-TX) proposing to establish a National Commission on Entitlement Solvency. Representatives Cooper (D-TN) and Wolf (R-VA) reintroduced legislation (H.R.1557) from the last Congress proposing the formation of a SAFE (Securing America's Future Economy) Commission, which would address both entitlement and tax reform. The bill has nearly 70 co-sponsors in the House. Senators Voinovich (R-OH) and Lieberman (I-CT) also introduced companion legislation (S.1056) in the Senate. The next few sections, therefore, discuss examples of past successful commissions and the potential for success of a long-term budget or entitlement commission.

EXAMPLES OF SUCCESSFUL COMMISSIONS

The Greenspan Commission and BRAC commission get much attention in any discussion of commissions as vehicles for developing consensus on knotty policy dilemmas, yet the two commissions were likely successful for very different reasons.

The success of the Greenspan Commission seems to have been due to three things: 1) the problem that the commission had been set up to deal with, the insolvency of Social Security, was real, imminent and well-defined; 2) the costs of failing to resolve the problem would have been too great for either party; and 3) the membership of the commission included trusted representatives of the leaders of the two political parties as well as enough pragmatic panelists to offer a high likelihood of eventual compromise. But despite this consensus amongst the panel members about the imminence and seriousness of the problem, the panel came close to reporting without recommendations. It was only because of the work of a subgroup of the commissioners working with high-ranking officials in the Administration that a set of recommendations finally emerged.[4]

On the other hand, the success of BRAC seems to have resulted more from the defined structure and process of the commission.[5] Under BRAC, a package of recommendations originated with the Department of Defense, was modified by the BRAC commission, and was then reviewed by the President. Congress then had to consider the package as a whole with no amendments allowed; if it failed to pass a resolution of disapproval, the recommendations would be implemented as if they had been enacted in law. Not one of the five sets of BRAC recommendations has been rejected by the Congress.[6, 7]

IS THE COMMISSION APPROACH LIKELY TO WORK FOR LONG-TERM BUDGET REFORM?

Unlike the Social Security crisis, the long-term budget problem is neither imminent nor obvious to the general public. Furthermore, the costs of failing to enact sustainable fiscal policies appear distant and vague to many elected officials, while the costs to their electoral success are obvious and quite immediate, making it more convenient to simply ignore the problem. And while the closing or downsizing of military facilities was politically unpalatable for Congressional members, the process itself was well understood. In contrast, no consensus exists on the potential solution to restraining health care costs, the main underlying cause of the long-term fiscal gap.

This does not mean that a commission cannot play a role in the resolution of the long-term budget problem. Indeed, given Congress' failure to act and the political unpopularity of any likely solution, a commission may be the only viable way to address the problem. However, the structure of the commission and the way it operates could be important to its success.

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[4] The plan, which balanced revenue increases with benefit reductions and which would eventually prevent Social Security from falling into insolvency, was approved by the Commission by a vote of 12 to 3. Congress then translated these recommendations into legislative language, added in several other provisions, including an increase in the full age of retirement, and passed the legislation, which was then signed into law on April 20, 1983.

[5] BRAC dealt with the determination and approval of the closing or downsizing of military facilities. Although historically the establishment and closure of military bases had been fundamentally executive branch decisions, the Congress became increasingly involved beginning in the 1970s and as such, base closings became a more drawn-out and expensive process. The BRAC process was designed to make base closing less subject to Congressional interference by creating defacto Congressional approval for an all-or-nothing package of base closings.

[6] The five rounds of BRAC commissions took place in 1988, 1991, 1993, 1995, and 2005.

[7] If the president does not approve of the commission's recommendations, the commission may revise them one time. If the president disapproves the second round of recommendations, the BRAC process ends. If Congress *does* enact a joint resolution of disapproval of the recommendations, the process is terminated.

ANOTHER OPTION FOR BUDGET REFORM: A SUMMIT

A commission is not the only extra-Congressional process that holds potential for breaking through the long-term budget reform stalemate. A long-term budget or entitlement summit could serve the same purpose as a commission – primarily developing policy options and providing political cover – in a less formal setting. The best known budget summit, the Andrews Air Force Base Summit, is considered to have been highly successful. It produced the recommendations that led to the 1990 Budget Act. Not only did this agreement narrow the short-term fiscal gap, it also included the Budget Enforcement Act (BEA) which, with its caps on discretionary spending and pay-as-you-go (PAYGO) rules, governed federal budgeting through 2002. Not all summits, of course, produce these types of results. For example, it remains to be seen what will come out of the "Fiscal Responsibility Summit" held by President Obama in February of 2009.

POSSIBLE STRUCTURES FOR A LONG-TERM BUDGET REFORM COMMISSION

What, then, are some possible structures for a commission dealing with the long-term budget problem? Some argue that Social Security, health care, and tax reforms present such fundamentally different sets of problems that separate commissions might be warranted. The parameters of the Social Security financing and benefit structure are well-understood (as they were in 1982-3), and the options for correcting imbalances are well-known. The Greenspan Commission formula could be used again with a relatively small commission (13-15 members with representation from the Congressional committees, business, and labor). One enhancement of that model would be to add requirements for a series of public hearings throughout the country.

Whether the Social Security commission would be appropriate for health care reform could be challenged on a number of grounds. First, unlike Social Security, the public programs constitute less than one-half of the overall health care system and the solutions for health care financing and delivery have to work for the private side of the industry. Second, the financing and delivery of health services has to consider the tens of thousands of providers, the insurance industry, the different settings for service delivery (for example, rural versus urban), the high concentration of use among a small number of beneficiaries, and the interplay of the financing system with the tax code. Third, while some general consensus is emerging on the need to improve health care delivery through such means as health information technology and comparative effectiveness research, less progress has been made in understanding how health care cost growth might be reined in through these approaches. Indeed, most analysts believe such measures will have modest effects at best unless they are combined with real limits on health care expenditures. Given these considerations, a commission dealing with health care reform would probably need to be larger than that for Social Security in order to avail itself of sufficient expertise and representation from interested parties.

The roadmap for tax reform might or might not include a commission. Tax reform in the mid-1980s was accomplished through work in the executive branch and follow-up in the legislative branch. In contrast, President George W. Bush appointed a tax reform commission in 2005, though its recommendations were largely ignored.

While separate commissions would have some advantages, there are countervailing arguments favoring a single overall commission. First, Social Security, health care, and taxes all fall under the jurisdiction of some of the same Congressional committees, primarily the House Ways and Means Committee and the Senate Finance Committee. Second, taxes are integral to the operations of the Social Security program and the health care system. Third, the three different subject areas have such broad coverage that there is considerable overlap in the populations who would be affected, so the cumulative effects of recommendations for Social Security, health care, and taxes might turn out to be unexpectedly high for some group(s) of individuals. Moreover, separate commissions might yield recommendations that would be contradictory. Finally, a grand compromise between the two political parties is likely to necessitate that Republicans acquiesce to some increase in revenues and Democrats to some reduction in benefits.

Regardless of the formulation of the commission, for any high-level commission on fiscal restraint to be successful, both the President and the Congressional leadership must be eager and willing to support the outcome of the commission's proceedings.[8] Influential players from the Administration and the Congress must resolve to achieve program reforms or budget savings without preconditions. Without a prior agreement between the President and the Congressional leadership embracing this approach, the prospects for a diverse commission – or any other process – to achieve enough consensus to establish a supermajority coalition that would recommend tax increases and/or entitlement cuts seem distant.

CONCLUSION

Given the current political environment, the likelihood that the Administration or the Congress will undertake long-term budget reform in a serious way seems dismally low. So while the success of a commission is by no means guaranteed, and while it may not be the ideal mechanism for bringing about fiscal sustainability, the alternative – political paralysis – is far worse. By developing policy options and providing political shelter for those who participate, a commission offers a real chance to, at the very least, begin to tackle the issue of closing the long-term fiscal gap.

[8] This was clearly the case for the Greenspan Commission's recommendations. And although not structured as a commission, the process that led to the 1990 budget agreement – the Andrews Air Force Base Summit – had many of the key elements of a high-level commission. In both cases, failure would have had serious repercussions: trust fund insolvency in the former and severe sequestrations in the latter.

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Appendix A. Budget Reform or Entitlement Commissions in the 110th Congress

Legislation introduced in the 110th Congress designed to address various budget issues included many variations in scope, composition, and procedure (see Table 1). Moreover, they varied with respect to whether their objectives were to develop political consensus or to engage in fact-finding. Some of the proposals incorporated comprehensive budget process reform as well as tax and spending reform requirements. Others limited themselves to a subset of these issues. Most bills would have established the commissions as entities with a very limited duration ending with Congressional action, although a minority envisioned more permanence to the commission with ongoing responsibilities (similar to the current Medicare Payment Advisory Commission). Generally, the bills would have required more than a simple majority of members to approve recommendations that would be transmitted to the President and/or the Congress. Several would have created commissions with no elected federal officials, while others would have required that Members of Congress comprise the majority if not the entirety of the commission.

Scope. The most comprehensive plans for legislation that include budget-related commissions were detailed in S. 15, the "Stop Over Spending Act of 2007". In addition to establishing a commission that would have recommended changes in entitlement programs, the bill also would have instituted biennial budgeting, imposed various types of budget controls on discretionary and mandatory spending, and set up a commission to root out fraud, waste, and abuse. The entitlement commission would have focused on the solvency issues surrounding Social Security, Medicare, and Medicaid. Its recommendations would have been translated into legislative language and the Congress would have been required to vote on a complete package of its recommendations on an expedited schedule. The package could not be amended and would have to receive at least three-fifths of the votes in each house.

Three bills (S. 304, S. 2063, and H.R. 3654) would have used commissions to ascertain the long-term sustainability of the federal budget, and specifically examine the outlook for Social Security, Medicare, and Medicaid. These commissions would consider the adequacy of national savings, the efficiency of the tax system, and the ramifications of borrowing from foreign lenders. Like S. 15, these bills would have had their commissions draft legislative language that would be submitted to Congress. Fast-track procedures would have applied and the Congress would have had to accept or reject the whole package of recommendations. One major difference between S. 2063 and the others is that the former would not have permitted substitute amendments—from the President and the chairmen and ranking members of the Budget Committees—even if they would have achieved as least as much savings as the commission recommended. H.R. 489, introduced by Rep. McHenry, was similar to the above bills except the recommendations could not include tax increases.

Two bills in the House, H.R. 2084 and H.R. 2416, would have invoked commissions to study federal programs and agencies for instances of fraud, waste, and abuse. These commissions would have reported on their findings and drafted legislative language that would have implemented the recommendations. That legislation would have been considered under expedited procedures.

Some of the proposed legislation, S. 355 and H.R. 3724, would have established commissions to focus on Social Security and Medicare, and would have constituted the commissions as on-going bodies. For these, the commission would report after the first year and then every fifth year on the changes it deemed necessary for program solvency. The commission would have developed legislative language to submit to the Congress, and the legislation would have been considered under expedited procedures. However, unlike most of the bills described above, amendments to the commission's package could have been considered in the Senate.

A more traditional variant of the commission model would have required the commission to submit a report incorporating its recommendations to the President and the Congress. (For example, see S. 1195, S. 1279, S. 1935, and H.R. 2024.) Under those bills, there was no mechanism to force the Congress to address the commission's recommendations. Perhaps, as with the Greenspan and 9/11 commission reports, the recommendations themselves and the crises they were meant to mitigate might have been considered sufficiently important and imminent that the Congress would overcome its natural inertia and enact legislation, but there was no specific process to ensure an up-or-down vote in the Congress.

Composition. The success of any commission hinges on its membership, as well as the urgency of the issues it addresses. The Greenspan commission was comprised of sitting members of Congress, former members of Congress, and representatives of the business and labor communities. On the other hand, the 9/11 panel had no sitting members of Congress, but included former members, high-ranking government officials, and three former governors. The recommendations of these two panels received favorable reviews by the Congress, and were subsequently enacted.

The enactment of the Greenspan Commission recommendations was facilitated by the effective approval of the findings by President Reagan and Speaker O'Neill. That bipartisan leadership provided the assurance to members of both parties that enacting the proposed increases in revenues and reductions in promised benefits would not be undercut by party leaders.

The 9/11 panel's recommendations took longer to enact in part because they were not enthusiastically endorsed by the President, and did not have the date-specific urgency of the trust fund insolvency. However, the influence of the President's resistance waned as unhappiness about the course of the war in Iraq increased. Consequently, it took over three years to enact the majority of the commission's recommendations in contrast to roughly three months to pass the Social Security Amendments of 1983.

Table 1. Legislation in the 110th Congress Incorporating Entitlement and/or Budget Commissions.

SENATE BILLS							
Bill Number	**Sponsors**	**Composition**	**Duties**	**Approval**	**Timing**	**Process**	**Provision for Public Input**
S. 15	Gregg, McConnell, Kyl, Domenici, and others	16 members: 2 from the executive branch, 14 members of Congress.	Review long-term condition of Social Security, Medicare, and Medicaid and recommend solutions.	Minimum of 12 members to approve recommendations.	120 days after first meeting issue report with legislative language.	Fast-track procedures with 5 days to introduce, 30 days for committees to act, 5 days to proceed to floor action, privileged status, 50 hour debate limit in Senate, 60 vote requirement to pass, 10 days to consider conference report with 20 hours of debate.	None specified.
S. 304	Voinovich	16 members: 2 Executive Branch, not more than 4 members of Congress, remainder unelected officials.	Examine long-term challenges (budget, savings, foreign ownership, and budget process), and develop legislation.	Minimum of 12 members to approve recommendations; Inclusion of alternative cost estimates requires approval of at least 5 members.	One year to report recommendation s to be followed within 60 days with legislative language.	Legislation must be introduced within 5 days. President can submit an alternative within 90 days, as can Budget Committee chairmen and ranking members. Budget Committees have 90 to report legislation without changes. Legislation is privileged and no amendments allowed but 3 possible substitutes in each house.	May hold town hall meetings in each of the Federal Reserve Bank districts.
S. 355	Domenici, Feinstein	15 members: President appoints 7 members, House and Senate each 4 with each party equally represented. On-going body with fixed terms for members.	Review long-term outlook for Social Security and Medicare and report after first year and every fifth year thereafter. Reports would include legislative language for implementing recommendations.	Minimum of 10 members to approve recommendations.	End of one year, and every fifth year after that.	Legislation to be introduced within 5 days of Commission report, referred to Com. on Finance in Senate and Committees on Ways and Means and Energy and Commerce in House. 60 days to discharge legislation which must be brought to the floor within 30 days. Limited amendments in Senate. Debate time in both House and Senate limited to 40 hours. 3/5's vote required in each body.	Requires at least one town hall meeting in each of the Federal Reserve Bank districts.
S. 1195	Hagel, Webb	8 members: evenly split between House and Senate, Majority and Minority. No elected federal officials.	Review long-term solvency of Social Security, Medicare, and Medicaid and report to President and Congressional Committees.	Not specified.	One year after appointment.	Report to President and Congress.	May have public hearings.

Bill Number	Sponsors	Composition	Duties	Approval	Timing	Process	Provision for Public Input
S. 2063	Conrad, Gregg	16 members: 2 from executive branch, 14 members of Congress.	Review long-term fiscal balance, including Social Security and Medicare. Recommend solutions with legislative language.	At least 12 members.	Report December 9, 2008. Given date of introduction, this would seem to indicate a 12-15 month framework.	Report to President and Congress recommendations with legislative language Introduce legislation in first 10 days of 111th Congress. Committees have 10 days to report. Within 5 days, proceed with floor action in House, limited debate, privileged legislation, and requires 3/5th's vote. Senate similar with 100 hour limit on debate, no amendments and passage with 3/5's vote.	None specified.

HOUSE BILLS

Bill Number	Sponsors	Composition	Duties	Approval	Timing	Process	Provision for Public Input
H.R. 473	Wolf, Tiberi, Coble, Myrick, Culberton	16 voting members: 2 from executive branch, 14 appointed by Congress (4 majority/3 minority from each house including only one member of Congress from each sponsor).	Review long-term fiscal sustainability, national savings, foreign investment, and budget process. Recommend solutions with stronger safety net, more efficient tax system, and improved savings incentives.	At least 12 members.	One year after enactment, with legislative language within 60 days.	President can submit an alternative within 90 days, as can the Budget Committee chairmen and ranking members. Legislation must be introduced within 5 days of receipt of legislative language; Budget Committees have 90 days to report legislation. Legislation is privileged and only three substitute amendments can be considered. Debate limited to 10 hours in House and 50 hours in Senate.	Requires at least one town hall meeting in each of the Federal Reserve Bank districts.
H.R. 489	McHenry	15 members: 3 by President, 3 by House/Senate/ Majority/Minority with only 1 member of Congress for each legislative sponsor.	Examine long-term challenges (budget, savings, foreign ownership, and budget process), and develop legislation. No tax increases.	2/3's vote on legislative language.	180 days after enactment, issue report with policy recommendations. Within 60 days, submit legislative language and any alternative estimates.	Fast-track with 1 day to introduce, 60 days for committees to act, privileged status, no Senate procedures. President, Budget chairman can amend with substitutes. Any commission alternative can be submitted as amendment in form of substitute.	Requires at least one town hall meeting in each of the Federal Reserve Bank districts.
H.R. 2024	Tanner, Castle	8 members: evenly split between House and Senate, majority and minority. No elected government officials.	Review long-term outlook for Social Security, Medicare, and Medicaid and report findings and recommendations to President and appropriate Committees.	None specified.	One year to report recommendations.	Reporting requirement only.	May have public hearings.
H.R. 3654	Cooper, Wolf	16 members: 2 from executive branch, 14 appointed by Congress (4 majority/ 3 minority from each house including only one member of Congress from each sponsor).	Review long-term fiscal sustainability, national savings, foreign investment, and budget process. Recommend solutions with stronger safety net, more efficient tax system, and improved savings incentives.	At least 12 members.	One year after enactment, with legislative language within 60 days.	President can submit an alternative within 90 days, as can the Budget Committee chairmen and ranking members. Legislation must be introduced within 5 days of receipt of legislative language; Budget Committees have 90 to report legislation without changes. Legislation is privileged and no amendments allowed but 3 possible substitutes. Debate limited to 10 hours in House and 50 hours in Senate.	Requires at least one town hall meeting in each of the Federal Reserve Bank districts.

Bill Number	Sponsors	Composition	Duties	Approval	Timing	Process	Provision for Public Input
H.R. 3724	Fossella, Hill	15 members: President appoints 7 members, House and Senate each 4 with each party equally represented. On-going body with fixed terms for members.	Review long-term outlook for Social Security and Medicare and report after first year and every fifth year thereafter. Reports would include legislative language for implementing recommendations.	Minimum of 10 votes to approve recommen-dations.	End of first year, and every fifth year after that.	Legislation to be introduced within 5 days of Commission report, referred to Senate Finance Committee and House Ways and Means and Energy and Commerce Committees. 60 days to discharge legislation which must be brought to the floor within 30 days. Limited amendments in Senate. Debate time in both House and Senate limited to 40 hours. 3/5's vote required in each body.	Requires at least one town hall meeting in each of the Federal Reserve Bank districts.

Statement on the Fiscal Responsibility Summit

February 19, 2009

President Obama's intention to convene a fiscal responsibility summit is a very welcome development. It offers a valuable opportunity to focus public attention on our nation's unsustainable budget outlook and to highlight various approaches to meaningful action.

As a group of budget analysts and former senior budget officials, we view this summit as the first step to addressing the enormous long-term fiscal problem facing the United States. Without decisive action this problem will lead to serious harm to our economy and a huge financial burden on our children and grandchildren.

Tackling these problems will require a degree of sacrifice impossible under the existing policy process, which discourages bipartisan compromise and encourages procrastination and obstructionism. Unless those procedures are modified, and the American people are engaged in the process, future legislative attempts to address the looming fiscal crisis will almost certainly fail.

In our view, the American people are ready to confront the challenge. For the last three years several of us have traveled around the country as a group, discussing these issues with thousands of Americans in dozens of cities, in a bipartisan effort known as the Fiscal Wake-Up Tour. We have found that when Americans are given the facts and options in a neutral and bipartisan way, they want action and are willing to make difficult trade-offs.

We therefore urge the President to lead a major public engagement effort – beyond a one-day summit – to inform Americans of the scale and nature of the long-term fiscal crisis, explain the consequences of inaction and discuss the options for solving the problem. This should be bipartisan, and involve a serious conversation with Americans to help guide action in Washington. As a group with some experience in this domain, we stand ready to assist if needed.

We also believe that for this policy commitment to produce tangible results, the President and others who share the goal of fiscal responsibility must address the fact that the regular political process has been incapable of dealing with long-term fiscal issues. We see no alternative but to create an independent and truly bipartisan commission or other mechanism capable of bringing about decisive action that has broad public support. We therefore urge the President to support such a commission. For this commission or some other mechanism to break through the legislative logjam it will need four key elements:

- It must be truly bipartisan and develop solutions that command wide support.

- It must have a broad mandate to address all aspects of the fiscal problem while fostering strong economic growth.

- There must be no preconditions to the deliberations. All options must be on the table for discussion. Nobody should be required to agree in advance to any option.

- Recommendations must go before Congress for an up-or-down vote with few if any amendments. Such a game-changing process is not without precedents; controversial military base closings or the ratification of international trade agreements, for example, have long been governed by special rules along these lines, not by business as usual.

We are deeply worried about the long-term fiscal imbalance and the dangers it carries for the economy and for our children and grandchildren. We know the President is concerned as well, as are many Members of Congress in both political parties. We are ready to help in building public understanding of the problem and the options, and in crafting an approach that will enable the legislative process to deal with the problem.

This statement is offered by members of the Brookings-Heritage Fiscal Seminar. The views expressed are those of the individuals involved and should not be interpreted as representing the views of their respective institutions. For purposes of identification, the affiliation of each signatory is listed.

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