

**STATEMENT OF SENATOR JOHN MCCAIN ON
BUDGET PROCESS REFORM
BEFORE A JOINT HEARING OF THE
SENATE COMMITTEES ON THE BUDGET AND GOVERNMENTAL AFFAIRS**

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Mr. Chairmen and distinguished Ranking Members, thank you for the opportunity to address this joint hearing of the Budget and Governmental Affairs Committees on reforming the Congressional budget process. Clearly, as we saw last year, restoring fiscal responsibility and integrity to the way we review the federal budget must be a high priority for this Congress.

As critical as I have been of Congress' wasteful spending practices over the 16 years I have served here, I had never seen such an egregious piece of legislation as the Fiscal Year 1999 Omnibus Appropriations bill that we passed last year. The only good thing I can say about the bill is that it has brought us to the table today to discuss meaningful budget process reform.

Let me remind my colleagues of what happened last year.

The second session of the 105th Congress convened on January 27 and adjourned on October 21, 1998 -- a total of 266 calendar days in which Congress completed work on only 4 of the 13 regular appropriations bills that keep the federal government open and functioning. Yet, it took us just 24 hours to debate and pass a 4,000-page, 40-pound, non-amendable, budget-busting omnibus spending bill that provided more than a half-trillion dollars to fund 10 Cabinet-level federal departments for the fiscal year that had started 21 days earlier.

The bill exceeded the budget ceiling by \$20 billion for what is euphemistically called emergency spending, much of which is really everyday, garden-variety, special-interest, pork-barrel spending projects. Sadly, these projects were paid for by robbing billions from the budget surplus -- a surplus that we say should be used to shore up Social Security, pay down the \$5.5 trillion national debt, and provide much-needed tax relief to the American people.

The omnibus bill made a mockery of the Congress' role in fiscal matters. We failed to do our work throughout the year, and then, with the threat of a politically ruinous government shutdown, we rushed to pass a fiscal monstrosity without even knowing what was in it.

My friends, we have a duty to the American people to spend their tax dollars wisely. We do not fulfill that duty when we squander billions of dollars on pork-barrel projects, like the 52 pages of wasteful, low-priority, and unnecessary spending I discovered in the omnibus appropriations bill. We must take action now, or we will wake up 10 years from now and wonder what happened to our over \$700 billion federal budget surplus.

So, what can we do to fix the flawed Congressional budget process?

Government Shutdown Prevention Act of 1999

First, we must enact the Government Shutdown Prevention Act of 1999 to ensure that essential government services continue to reach the American people, even if the Congress and the Administration cannot agree on our budget priorities in a timely fashion.

I and others introduced this legislation again this year to put in place a mechanism to continue funding for any department or agency whose regular appropriations bill is not enacted by the beginning of the fiscal year. Our bill, S. 99, would make it impossible for the threat of a government shutdown to be used as political leverage to add billions of dollars to an omnibus bill at the very end of the process. Instead, because funding would be provided under an automatic continuing resolution to keep the government open, the Congress would be able to resist the pressure to throw everything but the kitchen sink into a last-minute spending bill just to get a deal and prevent a shutdown, especially in an election year.

The clear lesson of the 1995 government shutdown and the fiscal debacle of last year is that we cannot allow the government to be shut down again, nor can we allow the threat of a government shutdown to be so imminent that we fiscal conservatives are forced to acquiesce to the appropriation of billions of dollars for projects that do not serve our nation's interests.

I am pleased that the Republican Leader, Senator Lott, and the Chairman of the Appropriations Committee, Senator Stevens, are cosponsors of S. 99, and I am assured we will move forward quickly on this much-needed measure.

Biennial Budgeting

As you know, we spend the majority of our time every year deciding how we are going to fund the government in the annual appropriations bills. This is a tremendous waste of resources. There is an endless list of policies and issues we should be dealing with, such as tax cuts, saving Social Security, paying down the national debt, military readiness, foreign policy, and so forth. But these issues are given short shrift because our time is consumed with the budget process.

To address this problem, I joined Senator Domenici and others in sponsoring S. 92, the Biennial Budgeting and Appropriations Act. The bill essentially requires the President to submit and Congress to enact two-year authorization and appropriations bills. Rather than the current process where the Congress passes budgets and appropriates funding on an annual basis, under a biennial budget we would pass bills that provided two years worth of funding.

Annual budgeting encourages budgeting by brinksmanship, where we scramble at the end of each fiscal year to complete a new budget and avoid a government shutdown.

Biennial budgeting would avoid the annual showdown over spending priorities and provide needed predictability and stability for government agencies and programs. Two-year budgeting would also allow us to focus attention on fiscal matters during the first full year of a Congress, then turn to other pressing matters of national policy the second year.

Changes in the Senate's Rules

Some of the problems we face can be corrected simply by changing the Senate's own rules governing the budget process, and I have proposed three measures that will streamline the process and eliminate unauthorized spending.

One procedural change, contained in S. Res. 4, reestablishes the point of order against legislation on an appropriations bill. This proposal would prevent the kind of policy "riders" that bog down the appropriations process and trample on the prerogatives of the authorizing committees.

S. Res. 25 contains two additional rules changes. The first establishes a 60-vote point of order against any item in an appropriations measure that provides more than \$1 million for any program, project, or activity which is not already specifically authorized in a law other than an appropriations act. This is the system of checks and balances that is envisioned in the law, and the Senate should adhere to the law.

The second proposal allows the Leader to move, without debate, to proceed to any appropriations measure after June 30. The Budget Act establishes June 30 as the date by which the House is expected to complete action on all the appropriations measures. By allowing this privileged motion, and thereby eliminating the need to debate, file cloture, and vote on a motion to proceed to appropriations measures after that date, the Senate could save a full week's time, and could instead spend that time working on the bill itself.

These simple procedural changes do not require the concurrence of the President or the House of Representatives. We can adopt them quickly, before the appropriations process begins in earnest, and we should do so to avoid the kind of fiscal brinkmanship that occurred last year.

Mr. Chairmen and members of the Committee, we must adopt meaningful budget process reform this year to restore openness, fairness, and public input in the process of spending the taxpayers' dollars. If we do not, we risk new fiscal monstrosities like the FY 1999 Omnibus Appropriations Bill, as well as a further loss of the American people's respect.

Thank you again for the opportunity to present my views today. I would be happy to answer any questions.