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Fiscal Commission Bemoans Lack of Resources

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The National Commission on Fiscal Responsibility and Reform, which the president created through an executive order in February, is charged with developing a plan by December 1 that would stabilize the budget deficit by 2015 and reduce the federal debt over the long term. The group is widely expected to consider a combination of tax reforms and spending cuts.

But despite the weighty demands, the panel has only a fraction of the staff and budget of standing congressional committees. The panel's own cochairs and Senate Majority Leader Harry Reid, D-Nev., have criticized the meager resources and called for more support.

Reid on May 28 sent a letter to the White House asking for additional staff resources to aid the commission. In the letter, Reid said the commission's cochairs, former White House Chief of Staff Erskine Bowles and former Sen. Alan K. Simpson, "expressed concern that the commission could use additional support to help it work more effectively." Reid said Bowles and Simpson characterized their staff resources as "very limited." Reid sent the letter following a May 26 meeting with Bowles and Simpson. (For prior coverage, see [Doc 2010-11702](#) or [2010 TNT 102-1](#). For the letter, see [Doc 2010-12112](#).)

In response to Reid's letter, a White House spokesperson said, "We appreciate Senator Reid's support for the important work of the Fiscal Commission. We look forward to continuing to work with him to return our country to a fiscally sustainable path."

After the group's first public meeting, Simpson said he would like the commission to travel the country to educate the public and elicit recommendations, but he added that the panel doesn't "have the scratch."

Twenty Workers by Summer?

According to fiscal commission staffers, there are 10 to 15 people who work for the commission, including two full-time employees, interns, employees "borrowed" from other agencies such as the Office of Management and Budget and the Treasury Department, and special government employees, who are expected to work no more than 130 days in a calendar year. The number of workers will likely grow to around 20 by midsummer.

The White House has set aside the resources to provide the equivalent of four full-time salaries and \$500,000 in operating costs for the commission, fiscal commission Executive Director Bruce Reed told Tax Analysts.

By contrast, the House Ways and Means Committee had as many as 90 staffers on the payroll in fiscal 2009, with total salary expenditures for that fiscal year of about \$8.1 million, according to Legistorm LLC, an organization that

compiles the financial disclosures of congressional members and staff. The Senate Finance Committee had as many as 120 people on the payroll in fiscal 2009 and spent \$7.9 million on salaries, according to Legistorm.

Because the commission was created by presidential mandate, Reed said, a rule prohibits congressional staffers from being detailed to the commission, even though it is mostly composed of lawmakers. "We have a number of congressional staffers from both parties who would like to work on the commission staff," but Congress would have to pass legislation to allow those staffers to work for the panel, he said.

The commission doesn't necessarily need dozens of staffers, according to Reed. "Our challenge is not to reinvent the wheel, it's to try to achieve consensus among a group of 18 commissioners," he said. Also, it was assumed that the commission would draw on expertise from outside the government, such as from think tanks and nonprofits, Reed said.

"I think we have the manpower to get the job done," Reed said.

Pressure to Produce

But lawmakers are ratcheting up the pressure for the commission to put forth a workable plan that includes tax reform proposals. "If we don't get something out of that commission, we are over the cliff," Sen. George V. Voinovich, R-Ohio, said at a May 27 forum on the fiscal crisis.

Leaders in both chambers have pledged to put the commission's recommendation to an up-or-down vote if 14 of the group's 18 members can agree on a plan.



"Whatever the commission does has to actually become law," Senate Budget Committee Chair and commission member Kent Conrad, D-N.D., said at the May 27 forum. "This is not the time to impose austerity, in my judgment. But it must be imposed and it must be imposed in a way that is convincing."

To reach an agreement, commission members will have to compromise across party lines. Six of the panel's 18 members are Republican lawmakers, meaning that at least 2 would have to be on board to reach the critical 14-member threshold. Given the wide gulf between the parties on tax policy, however, it could be difficult to reach consensus on a reform proposal that raises sufficient revenue.

Conrad, who along with Ways and Means ranking minority member Dave Camp, R-Mich., leads the commission's tax reform subgroup, has said that a large part of the tax gap is due to uncollected corporate revenue. But commission members from both parties have said that any tax reform proposal the commission puts forth must allow U.S. corporations to remain competitive.



Further complicating matters, Republicans in recent years have opposed most legislation raising taxes, and Obama has repeatedly pledged not to raise taxes on families making less than \$250,000 per year.



"Clearly this is a difficult challenge," Conrad said during the commission's second public meeting May 26. "As I look at it, mandatory spending and revenue are the two most difficult parts of the puzzle for this group."

Conrad included a plan in his fiscal 2011 budget resolution that would reduce the annual deficit to 3 percent of GDP in 2015, matching the short-term goal set by Obama for the fiscal commission. That proposal passed the Senate Budget Committee but has yet to come to the Senate floor; Conrad has said he plans to bring it to the Senate floor by the July 4 recess. The House Budget Committee has not marked up its fiscal 2011 budget resolution yet, and House leaders have suggested that they may not pass one at all. (For prior coverage, see *Doc 2010-11701*  or *2010 TNT 102-3* .)

If Congress does not pass a budget resolution, which it has failed to do in three out of the last four election years, it could put even more pressure on the fiscal commission. Conrad has said that absent a budget resolution, the fiscal commission may have to take up the slack of setting short-term revenue and spending goals.

The commission has encountered unstable support since its inception. Obama created the commission by mandate only after the Senate rejected a plan by Conrad and Senate Budget Committee ranking minority member

Judd Gregg, R-N.H., that would have created a budget task force and required Congress to vote on its recommendation. (For prior coverage, see *Doc 2010-1829*  or *2010 TNT 17-5* .)

In 2009 the tax reform task force of the President's Economic Recovery Advisory Board missed its own December 1 deadline for a more modest set of tax reform proposals comprising recommendations for simplifying the code, improving compliance, and cutting the corporate income tax rate. Austan Goolsbee, the board's chief economist, said on April 23 that the group is still working on a report, which has yet to surface. (For prior coverage, see *Doc 2010-8994*  or *2010 TNT 78-3* .)

Still, congressional leaders insist that the new fiscal commission is not merely political theater. "This isn't going to be a fluff job," Reid said.

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