



BUDGET COMMITTEE



(202)224-0642
<http://budget.senate.gov/republican>

Judd Gregg, Chairman
Contact: Betsy Holahan (202)224-6011
Jeff Turcotte (202)224-2574

For Immediate Release

February 2, 2006

PREPARED OPENING STATEMENT OF SENATE BUDGET COMMITTEE CHAIRMAN JUDD GREGG

HEARING ON CONGRESSIONAL BUDGET OFFICE'S BUDGET AND ECONOMIC OUTLOOK WITH DR. DONALD MARRON, CBO ACTING DIRECTOR

Good morning. I want to welcome everyone to this first hearing of the Budget Committee during the Second Session of the 109th Congress. I also would like to extend a special welcome to the Committee's newest member, Senator Robert Menéndez.

Today we will hear from the Acting Director of the Congressional Budget Office, Dr. Donald Marron, who is here to discuss the CBO's latest Budget and Economic Outlook for Fiscal Years 2007-2016.

Thank you for joining us today, Dr. Marron. Your predecessor, Director Holtz-Eakin, tirelessly led the CBO staff in preparing estimates as the Budget Committee passed a budget resolution and then, for the first time in eight years, a reconciliation measure to reduce spending, the growth of entitlements, and the deficit. You and your team continue to do an excellent job serving Congress and the American people, and I look forward to working with you throughout this budget process. I expect your testimony will give us a candid view of the opportunities and challenges that lie ahead.

Last Thursday, CBO released its Budget and Economic Outlook for the coming decade. It comes as no surprise to anyone that while our economy continues to grow, we face significant challenges. Programs such as Medicare, Medicaid, and Social Security are growing at a pace that if left unchecked, will overwhelm our nation's economy. When the Baby Boom generation begins to retire in the coming years, our nation will be forced to manage unprecedented financial commitments that, if unaddressed, will drastically reduce the quality of life we pass on to our children and grandchildren. One of our top priorities for this year's budget should be looking to the future, reducing the rate

of spending growth for programs currently on autopilot, and getting our nation's financial house back in order.

We began this process in last year's budget resolution, which as I mentioned prompted Congress to pass the Deficit Reduction Act. I am pleased the House was able to complete final passage of the DRA yesterday, so that it can finally move to the President's desk. That measure will save our nation nearly \$40 billion over the next five years, and \$100 billion over the next ten years, which is a good first step towards addressing run-away entitlement spending. I hope as a Committee and as a Congress that we build on the momentum to continue our efforts to leave future generations an affordable government that will allow them the same opportunities to succeed in life that were given to us.

During this budget cycle, short-term budgets for individual departments, programs, and initiatives that are particularly important to individual members or various constituencies are sure to receive attention. It is important to keep in mind that these programs are the trees, and that the real forest is entitlement programs, and the deficits that will result if we fail to act. These deficits cannot be addressed by nibbling at the margins or getting creative with budgeting mechanisms.

I look forward to your testimony today, Dr. Marron, particularly on the pressures that the unchecked growth of entitlement programs are placing on our budget and financial future of our country. As your testimony indicates, a prudent budget that gets our nation's financial house on a responsible path must focus on entitlement spending.