

**Remarks by Senator Kent Conrad (D-ND) on His Amendment
to Protect Social Security and Promote Honesty in Budgeting at
Senate Budget Committee Markup of GOP Budget Process Proposal
June 20, 2006**

Mr. Chairman, members of the Committee, the President in 2002 promised that he was going to protect Social Security. He said, "None of the Social Security surplus will be used to fund other spending initiatives or tax relief." That's what he said. What has happened in the real world?

Since 2001, the President has spent every dime of the Social Security surplus that was available to be diverted for other purposes, \$850 billion. Since 2002, \$800 billion. Looking ahead to his plan, he is going to use \$2.5 trillion of Social Security money to pay for other things. Under our current budget policies, none of the Social Security surpluses have been protected or lockboxed, not a single penny. It has all been spent for other things.

Now the Chairman has put forward a bill that further erodes protection for Social Security. What does the Chairman's proposal mean for Social Security? First, it creates new fast-track procedures which can cut Social Security benefits, raise Social Security taxes, or even privatize Social Security.

Under current law, a 60-vote point of order lies against changes to the Social Security program in a reconciliation bill. The expedited procedures created as part of the entitlement commission create a new fast-track procedure different from reconciliation for making changes to Social Security which circumvents the existing 60-vote point of order.

Second, the Chairman's bill puts Social Security back on-budget. Currently, it is off-budget. It is treated separately. To put it back on-budget will mask the true size of the deficit, and help our friends meet their deficit targets. The only way the Chairman can meet his deficit targets is if he uses Social Security to mask the true size of the operating deficit. If he didn't count the Social Security money, his deficit targets would be much larger or the entitlement cuts much larger.

Third, the bill allows the President the power to target important improvements to Social Security for elimination through fast-track line item rescission authority.

Next, here are some of the reforms that could be fast-tracked under this bill. You could increase the eligibility age to any level really. You could cap government contribution to health insurance for elderly and the disabled. You could create private accounts funded by borrowing trillions of dollars. All of those could pass here on a simple majority vote without a single Democratic vote. Under this provision you could do it – unless you changed it – with 50 votes. I'm reacting to what was before us and, to my knowledge, still is.

My amendment is simple. It does the following:

- First, it reaffirms the off-budget status of Social Security and creates a 60-vote point of

- order against putting Social Security back on budget;
- Second, it prohibits using the Social Security trust fund to mask the true size of the deficit for the purposes of setting and enforcing new deficit targets; and,
- Third, it creates a 60-vote point of order against making changes to the Social Security program in any bill under expedited or fast-track consideration.

We took Social Security off-budget in the Budget Enforcement Act of 1990. According to the Congressional Research Service, in 1990, reacting to criticisms that surplus Social Security taxes were masking the size of budget deficits, Congress enacted further measures to separate Social Security from formulation of the budget to discourage tax reductions or spending increases that would increase the size of deficits. And, Mr. Chairman, the proposal you have before us would just go back the other way. I just think it is a profound mistake.

I think one of the most effective things we had around here for fiscal responsibility was keeping Social Security off-budget, so those monies wouldn't show up as an offset to these operating deficits. I think this amendment is critically important in order to restore fiscal responsibility and protect Social Security.

If you are for Social Security and for protecting Social Security surpluses, you'll support this amendment.