



**THE COMMITTEE FOR A  
RESPONSIBLE FEDERAL BUDGET**

# **Annual Report**

**2014**

*Promoting Fiscal Responsibility and  
Sustainable Policies*

**Committee for a Responsible  
Federal Budget**

# Committee for a Responsible Federal Budget

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# Executive Summary

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The Committee for a Responsible Federal Budget (CRFB) is a nonpartisan, nonprofit, 501(c)3 organization committed to educating the public and policymakers about issues that have significant fiscal and economic policy impact. The bipartisan leadership of the Committee is made up of some of the nation's leading budget experts including many of the past chairs and directors of the Budget Committees, the Congressional Budget Office, the Office of Management and Budget, the Government Accountability Office, and the Federal Reserve Board. For over thirty years, CRFB has been a leading voice for fiscal responsibility and budget reform.

In 2014, CRFB continued its longstanding tradition of providing high-quality and objective research and analysis on topics critical to the fiscal health of the United States. We also expanded our outreach efforts to educate and engage new audiences. Below are highlights.

- Produced 17 high-quality research publications, including detailed analyses on topics such as the president's budget, highway funding, tax reform, and the budget process, as well as primers, chartbooks and basic educational materials on subjects such as the debt ceiling and appropriations process.
- Appeared in about 700 news items in 2014 in outlets such as *The Washington Post*, *Politico*, *Wall Street Journal*, *Fox News*, *NBC Nightly News*, *Bloomberg TV*, *Fox Business Channel*, *CNBC*, *CNN Money*, *Reuters*, *The Atlantic*, *The Hill*, *National Journal*, *CQ Roll Call*, *Forbes*, *Christian Science Monitor*, *Los Angeles Times*, and *the Huffington Post*.
- Issued over 25 statements on topics such as the "cromnibus," budget gimmicks, tax inversions, doc fix, tax extenders, Social Security reform, and unemployment insurance.
- Updated our "Stabilize the Debt" online budget simulator, which has been used by over half a million people, including in dozens of classrooms to teach about the nation's fiscal situation.
- Produced nearly 450 posts with timely analysis of the fiscal implications of key developments on our Bottom Line blog.
- Reached hundreds of thousands of grassroots followers through our Fix the Debt Campaign.
- Actively reached out to policymakers, with over 130 meetings in 2014 with members of Congress and staff.
- Hosted Capitol Hill policy briefings informing congressional staff on a variety of issues, such as the chained Consumer Price Index (CPI), the State of the Debt, reforming the budget process, tax reform, budget gimmicks and tax extenders.
- Launched the Social Security Disability Insurance Solutions Initiative, co-chaired by former Congressmen Earl Pomeroy (D-ND) and Jim McCrery (R-LA).

## Answering the Need for Fiscal Responsibility

The United States faces several challenges, not the least of which is advancing sustainable economic growth and opportunity. Growing the economy will require investments in the future, such as in education, infrastructure, and basic research. It will also necessitate tax policies to adequately fund these priorities while facilitating competitiveness.

We must also take steps to strengthen the long-term finances of vital safety net programs such as Social Security and Medicare. And we must do all of this while addressing a mounting national debt that is well above the historical average and is forecast to reach unprecedented heights in the years to come. Addressed in a responsible way, practicing fiscal responsibility will complement, not hinder, efforts to boost the economy.



## Impending “Fiscal Speed Bumps” 2015 - 2016



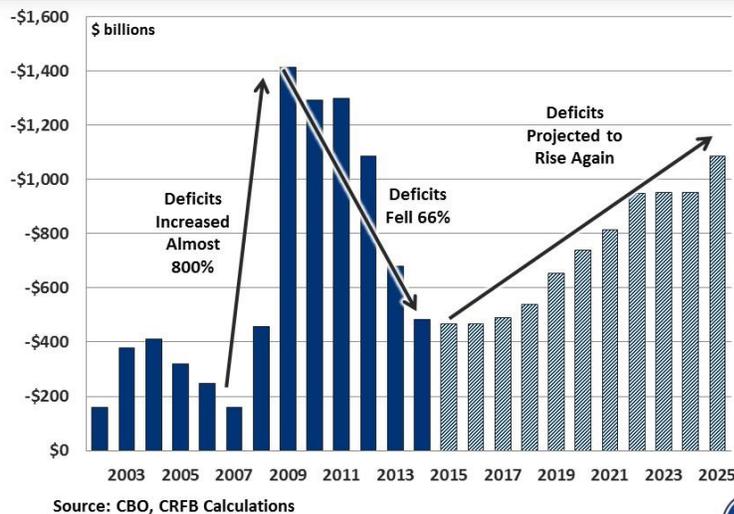
\*The tax extenders officially expire at the end of 2014, but can be restored retroactively until this point.

Policymakers so far have been unable to tackle the major fiscal challenges. In recent years, it has been difficult for Congress even to agree on a budget and fund the government in a timely fashion, among the basic functions of Congress, much less enact a long-term, comprehensive fiscal plan. The inability in Washington to fix our budget problems and reliance on governing-by-crisis has resulted in numerous “[Fiscal Speed Bumps](#).” These events can be used as opportunities to move in the right direction in getting the debt under control. At a minimum, we cannot afford to make the debt worse or kick the can down the road further as we deal with these deadlines.

# Answering the Need for Fiscal Responsibility

Since 1981, the nonpartisan Committee for a Responsible Federal Budget (CRFB) has been a leading authority in fiscal policy. Our thorough research and objective analysis are needed now more than ever as the United States negotiates a series of budget landmines and seeks long-term solutions. In 2014, we maintained our tradition of top-notch and timely research by producing numerous high-quality research products.

## Trillion Dollar Deficits are Coming Back



As some tout the recent decline in the federal budget deficit, CRFB is looking at the bigger picture, noting that the decrease came from record highs, the improvement will be short-lived as deficits are predicted to begin climbing again after 2017, and the [debt will continue to rise](#) on an unsustainable path. Our research built upon earlier work illustrating how [our debt problems are far from solved](#).

A critical part of CRFB's work is analyzing key budget documents to discover and highlight important information. In 2014, our analyses included examining the [president's FY 2015 budget](#), the [Congressional Budget Office's Long-Term Budget Outlook](#), [major tax reform legislation](#), and the [Social Security Trustees report](#).

In addition to policy analysis, CRFB also contributed to the budget debates by presenting ideas that could be a part of bipartisan solutions to pressing issues. For example, we highlighted ways to [fix the Highway Trust Fund](#), which faces insolvency that would imperil transportation funding. And our [PREP Plan](#) offered ideas to pay for a permanent "doc fix" and renewing the "tax extenders" that could be included in a bipartisan package.

Recognizing that facilitating an informed debate means explaining some archaic and complex matters, we produced several explanatory publications on timely topics. Such primers included a [Q&A on the debt ceiling](#) and an [Appropriations 101](#) document. Additionally, we published helpful chartbooks on topics such as [budget gimmicks](#), the [tax system](#), the [president's budget](#), and [tax extenders](#). We also compiled resources on issues like [tax reform](#).

Lawmakers confront a deteriorating debt situation as the ability of Congress to tackle important issues is seriously in question. Improving the budget process will enhance the ability of Washington to not only address the country's fiscal problems, but to operate more effectively in general. In 2014, CRFB [examined the Congressional Budget and Impoundment Control Act of 1974 as it reached 40](#) years. The law that created the modern federal budget process is clearly showing its age and in 2015 our [Better Budget Process Initiative](#) will put forth specific ideas for reforming the budget process.

# Answering the Need for Fiscal Responsibility

One of the “Fiscal Speed Bumps” facing the county in the near future is the insolvency of the Social Security Disability Insurance (SSDI) trust fund in about two years, which would result in an across-the-board cut in benefits of roughly 20 percent. Social Security Disability Insurance provides cash benefits to workers with serious medical conditions preventing them from work and is a key component of the larger Social Security program.

Because Social Security is the largest single program in the federal budget, efforts to prevent insolvency of the SSDI trust fund will have implications for the budget as a whole, which is why CRFB launched the [Social Security Disability Insurance Solutions Initiative](#) in 2014.

The SSDI Solutions Initiative will explore ways to strengthen SSDI so that it better serves recipients and is financially solvent for the long run. It is soliciting papers from experts that will be presented at a conference and published.

The initiative is led by former Congressmen Jim McCrery (R-LA) and Earl Pomeroy (D-ND) (pictured) and an Advisory Council of experts, advocates, and practitioners from across the ideological spectrum also provides guidance.



With policymakers resorting to gimmicks and sleight-of-hand to circumvent responsible budgeting, CRFB served as a watchdog in bringing such behavior to light. For example, we were the [first to point out](#) that the administration exempted parts of the Affordable Care Act from sequestration, which was then picked up by numerous media outlets, such as the [Washington Post](#) and [National Journal](#).

We also kept a close eye on the annual budget and appropriations process. We [analyzed all of the budget plans](#), including comparing how each affected the debt and kept track of the progress of spending bills through our [“Appropriations Watch.”](#)

As Congress at the end of the year tried to ram through unpaid-for tax cuts and spending, we raised the alarm. We warned about an effort to [permanently extend several tax breaks](#) without offsets. Congress started out with a plan that would have swelled the deficit by \$450 billion, and our stand against it was noted in the [Washington Post](#), [Bloomberg News](#), [The New York Times](#), and other publications. We described the legislation as a product of congressional [horse-trading](#), and Maya MacGuineas wrote an [op-ed](#) for the *Wall Street Journal* explaining how the legislation would add to the debt. Our efforts helped knock the bill’s cost down to \$45 billion, but we were still clear that the smaller package should also be offset. Many financial outlets took note of our position, including [The Economist](#), [Financial Times](#), and [CNN Money](#). Maya MacGuineas appeared on [NPR](#) and [Bloomberg TV](#) as well.

We also analyzed the year-end “cromnibus” spending bill, which turned out to include at least \$30 billion worth of [budget gimmicks](#) and other measures to increase the debt. CRFB will continue to blow the whistle on attempts to evade budget discipline.

### Reaching a Broad Audience

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CRFB's research is the foundation of our efforts. In 2014, we utilized traditional and new media channels to expand our outreach in educating and engaging key constituencies and promoting bipartisan cooperation.

Over the years, CRFB has become a trusted resource for journalists on federal budget and fiscal policy because of our reputation for straightforward and impartial analysis. As a result, CRFB is often cited in the media. In fact, we appeared in about 700 news items in 2014 in outlets such as *The Washington Post*, *Politico*, *Huffington Post*, *Wall Street Journal*, *Fox News*, *NBC Nightly News*, *Bloomberg TV*, *Fox Business Channel*, *CNBC*, *CNN Money*, *Reuters*, *The Atlantic*, *The Hill*, *National Journal*, *CQ Roll Call*, *Forbes*, *Christian Science Monitor*, and *Los Angeles Times*.



In addition to our superior research and analysis, another feature that sets CRFB apart is our knowledgeable and engaged leadership. The bipartisan leadership of the Committee is made up of some of the nation's leading budget experts including many of the past chairs and directors of the Budget Committees, the Congressional Budget Office, the Office of Management and Budget, the Government Accountability Office, and the Federal Reserve Board. Our experts are sought after by the media. For example, CRFB's president, Maya MacGuineas, has appeared frequently on Fox News' "Sunday Morning Futures" and also appeared on *NBC Nightly News*. She also regularly writes for the *Wall Street Journal's* "Think Tank" feature.

We also actively reached out to the media to share our point of view on timely topics. In 2014, we prepared over 25 statements on topics such as the cromnibus, budget gimmicks, tax inversions, doc fix, tax extenders, Social Security reform, and unemployment insurance.

We creatively used digital and social media to spread our message as well. For instance, we created several online, interactive tools to help people understand key fiscal issues and how they can be fixed. Our premier tool is the ["Stabilize the Debt" budget simulator](#), which provides the user with numerous options to get the national debt under control. It was updated in 2014 and has been used by over half a million people. Other virtual tools include the [Social Security Reformer](#) and the [Corporate Tax Reform Calculator](#).

Further, we actively use our ["Bottom Line" blog](#) to comment on a wide array of timely topics. We produced nearly 450 blog posts in 2014. We also have a constant social media presence on platforms such as [Facebook](#), [Twitter](#), [Google+](#), [YouTube](#), [LinkedIn](#), [Pinterest](#), and [Tumblr](#).

# Building a Grassroots Movement

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Enacting the changes necessary to adequately address our long-term fiscal challenges will require policymakers to make compromises and sacrifice sacred cows, which will only happen if there is broad support for debt reduction from their constituents. That is why CRFB launched the [Campaign to Fix the Debt](#) in 2012.

Fix the Debt is a nonpartisan movement to put America on a better fiscal and economic path. Supporters have come together from a variety of social, economic, and political perspectives, around the common belief that America's growing national debt threatens our future and that we must address it now with a comprehensive, bipartisan plan. The Campaign mobilizes key communities – including leaders from business, government, and policy – and people all across America who want to see elected officials step up to solve our nation's long-term fiscal challenges.



In a relatively short period of time, Fix the Debt has generated a [grassroots network of over 365,000 followers](#). In addition to supporters in all fifty states, the Campaign has formal [chapters in 23 states](#), each led by a steering committee comprised of local elected, civic, community, and business leaders.

Nationally, the effort is led by former New York City Mayor Michael Bloomberg, former New Hampshire Senator Judd Gregg, and former Pennsylvania Governor Ed Rendell, who co-chair the Campaign. The Campaign's co-founders are Erskine Bowles and Alan Simpson, who led the White Commission on Fiscal Responsibility and Reform (Bowles-Simpson Commission). The coalition includes [former members of Congress](#), [former state governors](#), [business leaders](#), and [partner organizations](#).

In order to promote an informed discussion of our fiscal challenges and how to address them, Fix the Debt has created a variety of [educational resources](#), including [infographics](#) and a [primer on the national debt](#). The Campaign also busted [common myths about the debt](#) and explained how high [national debt affects all of us and our families](#).

Grassroots supporters have contacted their members of Congress urging bipartisan, comprehensive action to address the debt, have written letters to the editor of their local newspapers and have encouraged their friends and neighbors to [join the Campaign](#) and sign the [Citizens' Petition to Fix the Debt](#). We have also trained dozens of citizen activists who have given presentations on the debt problem and our Campaign to community groups across the country, such as the Minneapolis University Rotary Club, Kiwanis Club of Lone Tree, Colorado, North Central Washington Hispanic Chamber of Commerce, University of Colorado, Denver Lions Club, University of Tennessee at Chattanooga, and Lehigh University.

In 2015, Fix the Debt will be actively involved in getting presidential candidates to openly talk about our debt challenges on the campaign trail and what they will do about it.

## Engaging Policymakers and the Public

In addition to our various media and grassroots efforts, CRFB also engaged key constituencies – namely policymakers, thought leaders and the public – in 2014 through outreach activities like events and meetings.

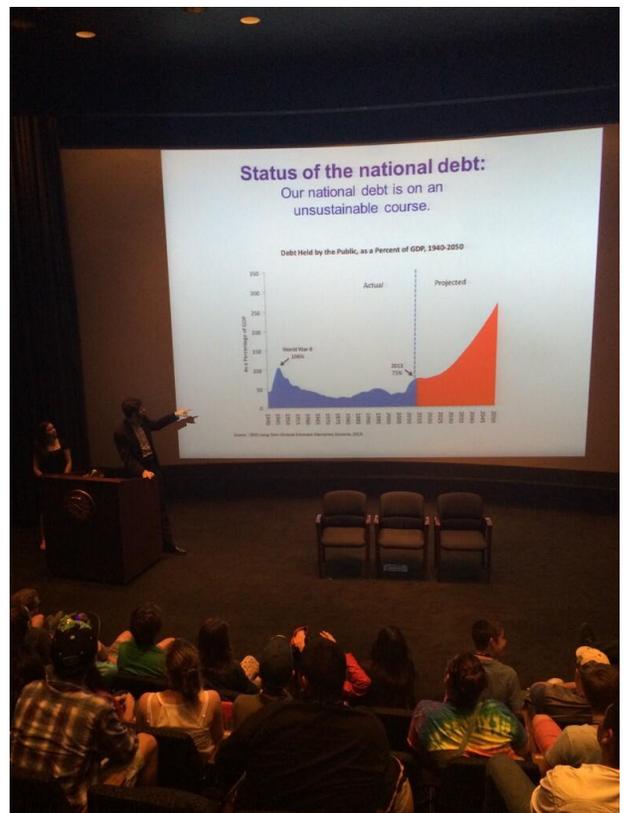
CRFB has developed relationships with members of Congress and their staff through the years and we reinforced those connections in 2014. This included over 130 meetings with lawmakers and their staff. We also hosted bipartisan dinners where lawmakers discussed fiscal matters in an off-the-record setting. Moreover, we convened policy briefings for congressional staff on Capitol Hill on topics such as the chained Consumer Price Index (CPI), the State of the Debt, reforming the budget process, tax reform, budget gimmicks and tax extenders.

As a sign of our good standing on Capitol Hill, CRFB experts regularly are asked to appear before congressional committees. CRFB President Maya MacGuineas [testified on budget process reform](#) before a House Rules subcommittee in June. And CRFB Senior Policy Director Marc Goldwein was a witness at a [House Energy and Commerce subcommittee hearing](#) in December on health care reform.

We also began the process of developing a rapport with new lawmakers. During the recent congressional election campaign, we provided educational packets to all candidates. Likewise, we compiled an informational packet for newly-elected representatives that was distributed at an orientation for incoming members of Congress.

We also organized several events in 2014 that allowed thought leaders and the public to participate in the discussion and express and hear a variety of viewpoints. For example, in July we sponsored a forum in Washington, DC that [examined the new report from the Social Security trustees](#) on the program's finances. The event highlighted critical findings in the report and allowed key players in the debate to offer diverse viewpoints on what they meant. And in December, we hosted a [discussion on dynamic scoring](#) that provided background information on what is becoming a major budget issue in Washington and featured differing opinions on its utility.

We also presented to numerous groups, including visiting students with the Close Up Foundation (pictured), The American Legion, National Small Business Association, and National Conference of State Legislatures. In addition, we participated in major conferences, such as *The Atlantic* Economy Summit and the Milken Institute Global Conference.



# What to Look for in 2015

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In 2015, in addition to its core research and analysis, CRFB will elevate the debt issue in the presidential campaign and explore ideas to improve how Washington functions, particularly the budget process.

For instance, the Campaign to Fix the Debt has launched the [First Budget initiative](#) in partnership with The Concord Coalition. First Budget will raise public awareness of the dangers posed by the nation's unsustainable budget policies and make solving this problem a high priority for the 2016 presidential contenders. In the months ahead, presidential candidates will make many promises and offer big, ambitious plans. But within weeks of taking office, the next president must present Congress and the country with his or her first budget, and it must put the nation on a more responsible course to protect future generations.

First Budget will encourage all potential candidates to acknowledge that the long-term debt is a serious problem. We will urge them to make dealing with the debt a top priority for their campaigns. We will ask them for a plan for what they would do to address the debt, not what they wouldn't. We will ask that they offer ways to pay for any of their policy initiatives. Finally, we will urge them to use their platforms to engage and educate the public, creating an environment where more Americans are aware of the tough choices ahead and are open to opportunities for bipartisan solutions.

In light of the growing consensus that the federal budget process is broken, CRFB is examining how to fix it. The [Better Budget Process Initiative](#) will put forward specific options to reform and improve the budget process in a wide range of areas, including increasing focus on the long-term fiscal outlook, improving the process for dealing with the debt limit, strengthening statutory budget enforcement, revising the content and structure of the budget resolution, moving to biennial budgeting and addressing treatment of tax expenditures in the budget process.

CRFB will also explore broader reforms to the political process to facilitate tackling the big challenges facing the country. We are helping to create a forum where issue groups, business leaders, reform advocates, academics, and former policymakers share experiences and perspectives that could pave the way for joint activities to bring about change to America's political system: called Fix the System. The initiative is convening a diverse array of policy stakeholders and issue groups to identify principle-based recommendations for political reform and inject systematic reforms into the 2016 campaign.

CRFB will also continue its tradition of top-notch policy work and will produce publications on various economic topics and their links to fiscal issues. The need for fiscal responsibility has never been greater and we are up to the challenge.



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