

**Statement of
Ranking Member Senator Susan M. Collins**

**“Nomination Hearing for Heather Higginbottom
to be Deputy Director, Office of Management and Budget”**

March 8, 2011

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The last time our budget was balanced was in 2001. Since that time, the federal debt has increased dramatically, rising from 33 percent of GDP to 62 percent in 2010. If we continue on our current course, debt will soar ever higher, reaching 97 percent of GDP in 2021. Interest payments alone on that debt would be nearly \$1 trillion. By 2025, revenue would cover only interest payments, Medicare, Medicaid, and Social Security. Every other federal obligation – from national defense and homeland security to transportation and education – would have to be paid for with borrowed money.

Throughout our nation’s history, Americans have passed along to their children a nation that is stronger and offers more opportunity. We cannot be the first generation to betray that legacy.

I am deeply concerned about the Administration’s lack of leadership on the challenge we face. Six months ago, at the hearing on the nomination of OMB Director Lew, I spoke of my concern that we are heading toward a future of financial stagnation, bogged down by costly entitlements, sluggish economic growth, and high unemployment. I also expressed my hope that OMB would help put forward a realistic plan to prevent the federal budget from becoming an albatross that threatens economic growth, job security, and career opportunities for young people trying to enter the workforce -- or that would jeopardize retirement savings right at the moment the baby boomers are all retiring. I hoped then to avoid our current situation, where so many Americans are coping with what’s turning out to be a decade of lost opportunity, lost prosperity, and lost investment.

I based that hope on the expectation that the President would embrace the two- part mission he himself assigned to the bipartisan Debt Commission that he created: to bring the budget into primary balance (that is, excluding interest costs) by 2015; and to substantially improve our nation’s long- term fiscal outlook.

The budget presented by the President last month fails in both respects. The President’s proposed budget does far too little to rein in federal spending, and spends and borrows too much.

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While the President's budget does include a proposed five-year freeze on discretionary spending, the money we would save from this freeze is nowhere near enough to address our urgent fiscal challenges. The President's budget proposes nearly \$46 trillion in spending over the next ten years – an increase of \$18 trillion over the past ten years. By comparison, the \$400 billion that would be saved through the President's "freeze" is less than one penny for every dollar he proposes to spend. That's like bragging about skipping dessert a few times and hoping no one notices that you recently put on a hundred pounds.

Compared to where things stood when the President took office, his proposal would double the public debt by 2013 and triple it by 2021. This kind of spending is simply unsustainable.

This is the stark economic and fiscal environment that now confronts us.

Washington not only spends too much, but also it does not spend well. A report released by the GAO last week illustrates this, in embarrassing detail. The federal government has –

- 15 different federal agencies involved in food safety,**
- 80 economic development programs,**
- 100 different surface transportation programs, and**
- a myriad of agencies involved in biodefense,**

And -- this last one is perhaps the most ironic:

- 20 different agencies and 56 programs engaged in helping Americans improve their financial literacy.**

I would suggest that the American people can teach the government a thing or two about financial literacy: in difficult fiscal times, we should pay for something once, not dozens of times. And, it is part of the responsibility of the person who is the deputy director of OMB to look at the management of federal agencies to identify redundancies, duplicities, and overlaps, and to lead that charge.

The nominee's background, while impressive in many respects, does not include a great deal of experience in the budget process or financial analysis. I look forward to exploring with her how she intends to evaluate the effectiveness of federal programs, and address our long-term financial challenges, should she be confirmed as deputy director.

Thank you for holding this important hearing, Mr. Chairman.