

Prepared Statement of Sen. Joseph I. Lieberman
Confirmation Hearing for Stephen S. McMillin
Deputy Director of OMB
Washington DC
July 13, 2006

Thank you Madam Chairman and welcome Mr. McMillin. I congratulate you on your nomination as deputy director of the Office of Management and Budget.

Your previous experience at OMB as Associate Director for General Government Programs from 2001 to 2005 should help prepare you for your new post.

Before his confirmation as head of OMB, your new boss Rob Portman promised “to work closely with Congress on a bipartisan basis” as we try to get our exploding federal deficit under control.

As Deputy Director of OMB, I would hold you to the same promise.

President Bush has said: “A budget is more than a collection of numbers. A budget is a reflection of a nation’s priorities, its needs and its promise.”

I agree, but would add: A budget must also be about delivering on those priorities . . . those needs . . . those promises, or else it really is just a collection of numbers without meaning or mission.

Your job will be to assist Director Portman in helping the president prepare the budget and execute it across 14 cabinet agencies and more than 100 executive agencies, boards and commissions.

You will be part of the team that recommends where every dollar of our budget is spent, how each agency’s programs are managed, and that oversees the review of vital rules for public health and safety, worker safety, and environmental protection.

I have concerns about how these responsibilities have been carried out for the last five years.

Let's start with the budget. If we are going to get our fiscal house in order, everything has to be on the table, not just entitlement programs and discretionary spending, but our tax policies as well.

We recently passed a \$70 billion tax package that showers tax breaks on the nation's wealthiest, who don't need the help, the oil industry, which is enjoying record profits, and increases the already enormous national debt, placing a hidden tax on our children and grandchildren.

This also leads to a lack of resources to adequately fund vital programs most of us agree are essential to our nation's priorities, needs and promise.

For example, I supported No Child Left Behind because I want to ensure a high-quality education for all of our students, regardless of income. I believed it was important to try new ideas. But these ideas demanded additional resources.

We have not delivered those resources. Under the President's budget, the NCLB shortfall will be \$15.4 billion next year. As a result, the Title I budgets of most school districts across the country will be frozen or cut.

In Connecticut, 122 out of 166 school districts will see Title I cuts this year. That is wrong.

I fear we are about to repeat the underfunding mistake of No Child Left Behind with the President's recently announced "National Strategy for Pandemic Influenza Implementation Plan." That plan relies heavily on states and localities to carry the burden. But experts tell me these state and local programs are significantly underfunded.

Second, Homeland Security also needs more help. Yet, whenever I challenged the Administration's budget for homeland security, officials countered by citing how much spending has grown in recent years.

Of course it has grown! We were caught unprepared on September 11, 2001. The question is not whether we are spending more, but whether we are spending enough to meet the government's fundamental obligation to protect its citizens.

Too often, the answer is no. We are shortchanging port security, interoperable communications, bioterror preparedness and more.

And as we have learned all too painfully with Katrina, we are shortchanging preparedness for catastrophic natural disasters, as well as terrorist attacks.

Finally, on an important matter of budget process, we are now more than three years into the wars in Iraq and Afghanistan.

There is no good reason why the costs of these engagements are still being handled in separate supplemental budget requests.

This approach harms us in two ways.

First, it hides the true costs of our defense by putting a large part of the costs off budget. That reduces the scrutiny and discipline our defense budgeting needs and adds to the bill our children must pay.

Second, it also encourages our military to put core programs into the supplemental. When – not if – the supplementals come to an end, those programs will be unsustainable.

I do not agree that the costs of Iraq and Afghanistan are unknowable and that we can't budget for them.

I do agree that a budget is a statement of our priorities, needs and promises. But without proper funding in the beginning – and good execution afterwards – it is just numbers with no meaning or mission.

And that means it fails the American people.

Thank you Madam Chairman.