



Highlights of [GAO-08-238T](#), a testimony for the Committee on the Budget, U.S. Senate

### Why GAO Did This Study

GAO has for many years warned that our nation is on an imprudent and unsustainable fiscal path.

During the past 2 years, the Comptroller General has traveled to 24 states as part of the Fiscal Wake-Up Tour. Members of this diverse group of policy experts agree that finding solutions to the nation's long-term fiscal challenge will require bipartisan cooperation, a willingness to discuss all options, and the courage to make tough choices. Indeed, the members of the Fiscal Wake-Up Tour believe that fiscal responsibility and intergenerational equity must be a top priority for the new President.

Several bills have been introduced that would establish a bipartisan group to develop proposals/policy options for addressing the long-term fiscal challenge.

At the request of Chairman Conrad and Senator Gregg, the Comptroller General discussed GAO's views on their proposal to create a Bipartisan Task Force for Responsible Fiscal Action (S. 2063).

## LONG-TERM FISCAL CHALLENGE

### Comments on the Bipartisan Task Force for Responsible Fiscal Action Act

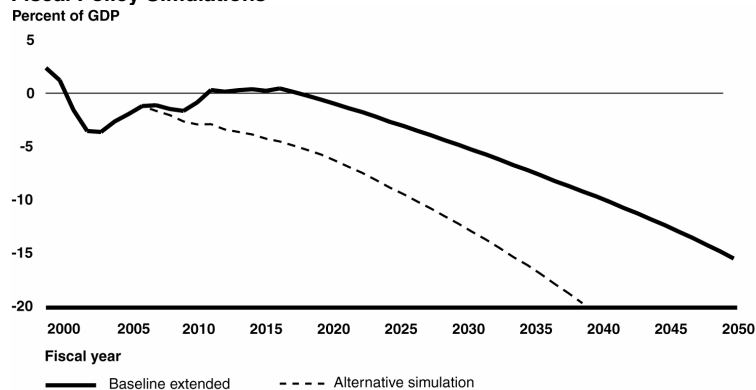
#### What GAO Found

Long-term fiscal simulations by GAO, Congressional Budget Office (CBO), and others all show that despite some modest improvement in near-term deficits, we face large and growing structural deficits driven primarily by rising health care costs and known demographic trends. Under any realistic policy scenario or assumptions, the nation's longer-term fiscal outlook is daunting. Continuing on this unsustainable fiscal path will gradually erode, if not suddenly damage, our economy, our standard of living, and ultimately our national security. Our current path also increasingly will constrain our ability to address emerging and unexpected budgetary needs and increase the burdens that will be faced by future generations.

As the Comptroller General stated when the bill was introduced, the Bipartisan Task Force for Responsible Fiscal Action offers one potential means to taking steps to make the tough choices necessary to keep America great, and to help make sure that our country's, children's, and grandchildren's future is better than our past.

GAO noted that the bill incorporates key elements needed for any task force or commission to be successful: (1) a statutory basis, (2) a broad charter that does not artificially limit what can be discussed and does not set policy preconditions for membership, (3) bipartisan membership, (4) involvement of leaders from both the executive and legislative branches—including elected officials, (5) a report with specific proposals and a requirement for supermajority vote to make recommendations to the President and the Congress, and (6) a process to require consideration of the proposals. GAO also made some suggestions it believes could enhance the likelihood that the bill will achieve its overarching goals. GAO suggested the sponsors consider (1) including a way for the next President to be involved in the process of proposal development, (2) permitting alternative packages to be voted on that would achieve the same fiscal result, and (3) eliminating the requirement for a supermajority in Congress. With the same aim, GAO also expressed some reservations about the current approach to specifying the Task Force Chairman.

**Unified Surpluses and Deficits as a Share of Gross Domestic Product (GDP) under Alternative Fiscal Policy Simulations**



Source: GAO's August 2007 analysis.

To view the full product, including the scope and methodology, click on [GAO-08-238T](#). For more information, contact Susan J. Irving at (202) 512-9142 or [irvings@gao.gov](mailto:irvings@gao.gov).