

## United States Senate

SPECIAL COMMITTEE ON AGING

WASHINGTON, DC 20510-6400

(202) 224-5364

April 4, 2023

The Honorable Sheldon Whitehouse  
Chairman  
Committee on the Budget  
United States Senate  
624 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Charles E. Grassley  
Ranking Member  
Committee on the Budget  
United States Senate  
624 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Whitehouse and Ranking Member Grassley,

I am writing in response to the Committee on the Budget's request for views and estimates of programs under the jurisdiction of the Special Committee on Aging as required by the Section 301(d) of the Congressional Budget Act of 1974. While the Senate Special Committee on Aging does not have legislative authority, the Committee conducts oversight and provides recommendations for legislation on a range of issues that impact older Americans. Seniors represent the fastest growing demographic segment of the population with more than 10,000 people turning 65 years old each day.<sup>1</sup> By 2035, the number of seniors will exceed the number of children for the first time in American history.<sup>2</sup> The work of the Committee on Aging Minority ("the Committee") represents a national imperative. The Committee will prioritize policies that sustain programs that are essential to our nation's seniors and most vulnerable populations, protect older Americans' retirement funds, improve the Older Americans Act, lower healthcare costs through competition and transparency, and safeguard safety net programs for future generations.

The national debt now tops \$31.6 trillion and is estimated to reach \$50.7 trillion by 2033.<sup>3</sup> Since taking office, President Biden has increased spending by over \$10 trillion and increased national debt over \$3.7 trillion. Despite President Biden's claims, the Congressional Budget Office projects deficits between 2021 and 2031 will be \$6 trillion higher than projected when he took office.<sup>4</sup> President Biden has released the Fiscal Year (FY) 2024 Budget Request that proposes \$17.1 trillion in total deficits over the next ten years and would increase debt held by the public from \$25.9 trillion in 2023 to \$43.6 trillion by 2033.<sup>5</sup> The interest on the debt goes from \$789

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<sup>1</sup> Aging, HHS, April 27, 2022, <https://www.hhs.gov/aging/index.html>.

<sup>2</sup> Vespa, Jonathan, *The Graying of America: More Older Adults Than Kids by 2035*, United States Census Bureau, March 13, 2018, <https://www.census.gov/library/stories/2018/03/graying-america.html>.

<sup>3</sup> Memorandum from Senate Budget Committee Republican Staff to Interested Parties, *President Biden's FY 2024 Budget Request: Late and Reckless* (March 10, 2023).

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

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billion in FY2024 to \$1.321 trillion in 2033 or a total of \$10.2 trillion over 10 years.<sup>6</sup> This proposal is an anti-main street budget that makes no attempt to curve spending and relies on budget gimmicks to tout that it is “reducing the deficit”.

Along with budget gimmicks, President Biden proposes major tax increases, but the reality is that spending is the problem not revenue. The Tax Foundation noted that “as a share of GDP, federal tax collections are at a multi-decade high of about 19.6 percent in FY 2022, up from 17.9 percent last fiscal year and approaching the last peak of 20 percent set during the dot-com bubble in FY 2000. There are only two other years in U.S. history when federal tax collections exceeded this year’s level, both during World War II.”<sup>7</sup> Provisions in the Tax Cut and Jobs Act brought in record revenue while allowing Americans to keep more of the money they earn. These provisions are set to expire at the end of 2025 and should be made permanent. To solve this spending crisis, Congress could balance the budget by capping total spending to a percentage of potential GDP.

President Biden’s budget includes taxes hikes and reckless spending with no attempts to rein it in, but Congress is equally to blame. Congress is supposed to pass a budget resolution and 12 spending bills every year. The last time this was done on time was 1996. Congress should pass into law my bipartisan *No Budget, No Pay Act*, which states that if Members of Congress fail to pass an annual budget resolution and appropriations bills by the start of the fiscal year, they will not receive pay until they do.<sup>8</sup> Congress should also pass the *Fight Inflation through Balanced Budgets Act* that would require balanced budgets in concurrent resolutions on the budget, establish limits on the waiver of budget points of order, and prevent appropriations in excess of the amount authorized to be appropriated.<sup>9</sup> Finally, Congress should not be able to so easily waive rules that are designed to enforce fiscal discipline by passing the *Make Rules Matter Act*.<sup>10</sup> These are simple steps that Congress can take to help right the budget and appropriations process.

Republicans and Democrats talk about equalizing defense spending and non-defense spending. When those two things are equal, both parties vote for massive spending bills. Congress has moved so much discretionary spending into the mandatory category that the deck is stacked on the side of non-defense spending. Of the 972 mandatory baseline spending items, 645 of them are unrelated to Social Security, Medicare, Medicaid, public pensions, or food security. This recklessness is putting the fiscal health of these programs that are essential to our nation’s

<sup>6</sup> Ibid.

<sup>7</sup> McBride, William, *Inflation Is Surging, So Are Federal Tax Collections*, Tax Foundation, October 13, 2022, <https://taxfoundation.org/federal-tax-collections-inflation-surging/>.

<sup>8</sup> S.219, 118<sup>th</sup> Cong. (2023)

<sup>9</sup> S.575, 118<sup>th</sup> Cong. (2023)

<sup>10</sup> S.Res.88, 118<sup>th</sup> Cong. (2023)

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seniors and most vulnerable populations in jeopardy. Both Medicare and Social Security will be insolvent over the next 10 years.<sup>11</sup> Rather than raising massive tax increases, President Biden and Congress should be calling for reduced spending to sustain these vital programs.

That is why in the 117<sup>th</sup> Congress I released my own budget, which would balance the budget in 10 years without touching programs that are essential to our most vulnerable populations like Medicare and Social Security.<sup>12</sup> In fact, my budget would extend the life of the Social Security, Medicare, and Medicaid trust funds, ensuring that the millions of seniors who rely on these programs can continue to count on it.<sup>13</sup> It does this in part by prioritizing the elimination of billions in improper payments. For example, the 2022 Medicaid improper payment rate was 15.6 percent or \$80.6 billion.<sup>14</sup> Unfortunately, the President's budget request proposes \$200 billion in new spending to expand Medicaid with few improvements and no increased flexibility for states to innovate. The Biden Administration has actively blocked Medicaid innovation by arbitrarily revoking several states' attempts to create work and community engagement requirements for individuals in the program. Congress should implement provisions like the *Let States Innovate Medicaid Requirements Act*, which allows for more flexibility for innovation while protecting this program and the vulnerable population it serves from changing administrations.<sup>15</sup> Additionally, the Committee will focus on opportunities to prevent fraud and abuse to improve the effectiveness of these programs.

Along with pushing for sustainability of essential programs, the Committee plans to focus on improving retirement security as well as supporting older adults that want to continue to work and save. The President's budget calls for tax increases like the stock buyback excise tax, which harms Americans who save, invest, and participate in retirement plans. The Biden Administration also finalized a rule, "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights," to explicitly permit ERISA retirement plan fiduciaries to consider environmental, social, and corporate governance (ESG) factors when selecting investments and exercising shareholder rights.<sup>16</sup> By doing so, this rule rescinds an existing rule that focused solely on financial factors. ESG investing policies have worse rates of return with higher fees. Congress should pass the *Maximize Americans' Retirement Security Act*, which

<sup>11</sup> Revell, Eric. *CBO offers Congress options for saving Social Security, Medicare, Highway Trust Fund from insolvency*, Fox Business, February 7, 2023, <https://www.foxbusiness.com/politics/cbo-offers-congress-options-saving-social-security-medicare-highway-trust-funds-from-insolvency>.

<sup>12</sup> S.Con.Res.43, 117<sup>th</sup> Cong. (2022)

<sup>13</sup> Senator Mike Braun, *The Braun Budget*, <https://www.braun.senate.gov/newsroom/braun-budget>. (Accessed March 29, 2023)

<sup>14</sup> Press Release, House Budget Committee Republicans, *Biden's Budget: A Future That's Built on Government Dependence* (March 15, 2023), <https://budget.house.gov/press-release/7582/>.

<sup>15</sup> S.3332, 117<sup>th</sup> Cong. (2021)

<sup>16</sup> Employee Benefits Security Administration, *Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights*, 87 FR 73822 (December 1, 2022)

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would require fiduciaries to prioritize returns above all else.<sup>17</sup> The Committee will also examine policies related to the “gig economy”, which has grown significantly among older adults who are seeking the flexibility that being an independent contractor provides.

The Committee plans to prioritize increasing health care options and access to care for individuals. In particular, the focus will be on making health care more affordable through competition and transparency. This will include lowering health care costs by reducing prescription drug costs and promoting biosimilar competition, encouraging State flexibility and innovation, supporting telehealth, strengthening Medicare, and increasing innovative treatments for those struggling with serious and life-threatening illnesses. Congress should pass the *Promising Pathway Act*, which would establish a rolling, real-time priority, review pathway at the Food and Drug Administration (FDA) to evaluate provisional drugs intended to treat, prevent, or diagnose life-threatening diseases. The Committee will explore avenues to speed up cures for older Americans and make health care more efficient and affordable for everyone.

Finally, the Committee has a longstanding tradition to protect seniors from frauds, scams, and abuse. Each year older Americans lose billions of dollars to an ever-changing array of frauds and scams from government impersonation to romance scams. While older adults are the least likely age group to report losing money to fraud, those who do report much higher individual losses compared to other age groups.<sup>18</sup> For example, according to the Federal Trade Commission’s 2021 Report to Congress, older adults reported aggregate losses of \$139 million to romance scams, the highest total reported loss of any scam category and a significant increase from \$84 million in 2019.<sup>19</sup> The Committee will continue to call attention to frauds and scams targeting seniors and work to protect the dignity and savings of older Americans.

The Special Committee on Aging looks forward to continuing to work with the Committee on the Budget on these issues and others to ensure prosperity and security for older Americans.

Sincerely,



Mike Braun  
Ranking Member  
U.S. Senate Special Committee on Aging

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<sup>17</sup> S.4613, 117<sup>th</sup> Cong. (2022)

<sup>18</sup> *FTC Issues Annual Report to Congress on Protecting Older Adults*, Federal Trade Commission (October 18, 2021.) <https://www.ftc.gov/news-events/news/press-releases/2021/10/ftc-issues-annual-report-congress-protecting-older-adults>

<sup>19</sup> *Ibid.*