

Budget hearings mix policy with presentation

By **Kristi Keck**, CNN

STORY HIGHLIGHTS

- Despite the theatrics, hearings process is essential to democracy, economist says
- Policy is the foundation, but presentation plays a role too, Stevenson says
- Lawmakers defend their outbursts as genuine concern over policy
- Hearings are "a dog-and-pony show," budget analyst for Cato says

(CNN) -- When President Obama presented his budget for the upcoming fiscal year, he demanded that lawmakers forgo "the same old grandstanding when the cameras are on and the same irresponsible budget policies when the cameras are off."

But as budget hearings get under way, it appears that the definition of "grandstanding" is subject to interpretation.

Last week, for example, Sen. Judd Gregg, the ranking Republican on the Senate Budget Committee, lambasted the administration for its proposal to use money from the Troubled Asset Relief Program to fund a new program for small businesses.

When Peter Orszag, the director of the Office of Management and Budget, was defending the proposal, Gregg cut him off, saying, "No, no, no! You can't make that type of statement with any legitimacy."

Gregg then read a portion of the TARP law to Orszag, "because you don't appear to understand the law."

Lawmakers defend such outbursts as genuine concern over policy, but critics say some hearings are all about show.

Peter Morici, an economist at the University of Maryland, said that despite the theatrics, the hearings process is essential to giving voice to concerns and reaching compromise.

"Political discourse in America has always been passionate. Today, it's more civilized than it was in the first quarter-century of the republic. We don't have duels anymore. We don't have Aaron Burr. This is healthy," he said. (Burr challenged his political foe Alexander Hamilton to a duel in the early 1800s. Burr killed Hamilton.)

"The fact that there are theatrics is not a negative but a positive, because it allows people then to accept compromise because they've gotten their frustrations out," Morici added.

After a president presents his budget request, which is a nonbinding recommendation, the House and Senate budget committees draft a budget resolution. The appropriations committees, which handle discretionary spending, use the budget resolution as a guide for determining how much money to allocate to various areas like agriculture, defense and education.

The appropriations subcommittees then hold hearings to figure out how to divvy up their portion of the funds in separate spending bills. The main committee marks up those bills, which go to the House and Senate floors.

Those on the budget committee take their hearings "extremely seriously," said Bob Stevenson, a longtime aide to former budget Chairman Pete Domenici, R-New Mexico.

"The foundation of the debate was always policy, but there was a certain element of presentation that also had to take place," Stevenson said.

He recalled witnessing serious -- and at times animated -- debates over policy in which lawmakers would have "chart wars."

"We finally had to limit the size of the charts that could be brought into the hearing room, because they were getting larger and larger," he said.

Because the subject matter was fairly dry, senators would do what they could to liven it up. Domenici once brought in a special guest: a Cookie Monster puppet to make the point that entitlement programs were eating up the federal government's resources, Stevenson said.

Despite the showmanship, Stevenson said, watching budget committee hearings can teach the public a lot about the way government operates.

"The power to tax and the power to spend are among the most serious responsibilities that the federal government has, and it is among the most basic responsibilities. And if you look at what they do at the budget committee, that gets to the heart of it," he said.

But Tad DeHaven, a budget analyst for the libertarian Cato Institute who also worked in the Senate, said the budget hearings have room for improvement.

"It's a dog-and-pony show," he said of the appropriations committee hearings. "At this point, the hearings are just something that are for show to add some sort of legitimacy to the whole process."

DeHaven said his fundamental problem with the process is the lack of balance at the appropriations hearings. "There is no cost-benefit analysis. It's just all benefit," he said.

The Cato Institute published a study in 2006 that analyzed 14 committee hearings, covering a variety of legislative areas. Former Yale professor and political scientist James Payne, who authored the study, found that in those hearings, more than 1,000 witnesses appeared to argue in favor of the programs while seven spoke against them.

"It is almost like in a movie where there is a king or some sort of all powerful court. People come in and bow before the king and say, 'Oh, thank you for what you've given me, and you are so wonderful. ... Now, can you just give me a couple of extra loaves of bread to subsist on?'" DeHaven said.

The government is so big and the programs so complex that it's impossible for lawmakers to get a complete picture of how money will be spent, he said, adding that the bulk of the work goes on behind closed doors.

Morici said hearings help give an important glimpse of what is going on, but in order to accomplish compromise, backroom deals will take place, especially when cameras are involved.

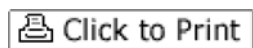
"We sometimes think that democracy is broken because it is a messy and flamboyant process," he said.

"This process of discourse -- whether it's the budget process, an immigration bill or whether we should expand the national park lands -- it is a good and useful thing," he added.

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