

AFBF Task Force Makes Budget Recommendations

WASHINGTON, July 16, 2009—The federal government must learn to live within its means. That strong message was conveyed Wednesday to the American Farm Bureau Federation Board of Directors by an internal committee created to analyze the national deficit. The AFBF committee, known as the Federal Deficit Task Force, made a set of recommendations for Farm Bureau members to consider as they formulate policy for 2010.

“We must get control of federal borrowing before it consumes us, before other countries decide to stop lending and while we can get control of the problem,” said Craig Lang, chairman of the task force and president of Iowa Farm Bureau.

The primary objective of the task force was to recommend ways to achieve a balanced federal budget by 2019. The task force looked at all parts of the budget, including healthcare and Social Security, from the congressional budget process to government revenues. The task force consisted of eight Farm Bureau members, four older representatives and four from the Young Farmer and Rancher program. The committee has been meeting since last December.

“We wanted a sense of how the problem was viewed by a range of people,” said Bob Stallman, President of American Farm Bureau Federation.

While analyzing the nation’s deficit, the task force cited increasing healthcare costs as a major impediment to balancing the budget. “The real 800-pound gorilla for future budgets is health care,” Lang said.

The group recommended the AFBF policy process look at cutting healthcare spending by: implementing a centralized source to coordinate medical records, utilizing incentives for results (not procedures), preventive care, shortening hospital

stays and limiting government sponsored coverage to only necessary and cost-effective procedures.

To accomplish the health care objectives the committee recommended policy discussions considering a program which would provide each citizen with a voucher sufficient to purchase a bare-bones, private health insurance policy. Such health care vouchers could be used only for insurance plans that incorporate reforms necessary to reduce the growth in health care costs. To encourage innovation, voucher financing would be determined on a regional basis, noted Lang.

After analyzing the complex healthcare issue, the group determined that solving Social Security was actually a more manageable problem that can be resolved by considering three measures: raising the normal retirement age and indexing eligibility to longevity, which would lower benefits or increasing trust fund revenues by removing the cap on taxable earnings.

“Social Security is a problem, said Lang. “While politically difficult, the solutions are more concrete than healthcare.”

The task force said there are really only two ways to balance the budget: lower spending or raise revenues, or some combination of the two. All programs outside of national defense should be under serious review and after reductions are made, consideration should then be turned to enhancing revenues, with any revenue generated going to lowering the deficit, not creating new programs.

The task force’s recommendations are concepts for consideration. They do not set or change AFBF policy.

“It is important to understand the information delivered by the task force is to inform members as they develop the organizations policy positions for 2010,” said Stallman. “We are a grassroots organization. Our members set our priorities.”