



Senate Committee on the Budget
OMB Nomination Hearing of Ms. Neera Tanden
February 10, 2021
10:00 A.M., SD 608

Purpose

The purpose of this hearing is for the Senate Committee on the Budget to consider the nomination of Ms. Neera Tanden, of Massachusetts, to be the Director of the Office of Management and Budget.

Members Present

Chairman Sanders, Ranking Member Graham, Senators Klobuchar, Booker, Murray, Grassley, Wyden, Braun, Stabenow, Toomey, Whitehouse, Johnson, Warner, Scott, Merkley, Kennedy, Kaine, Van Hollen, and Padilla

Witnesses

Ms. Neera Tanden, Nominee for the Director of the Office of Management and Budget (OMB)

Opening Statements

Chairman Sanders addressed the devastating impacts of the COVID-19 pandemic. He said that the Committee is going to explore what it means that the top-earning Americans are doing well amidst the crisis, compared to those at the bottom who are struggling. Many Americans are unemployed, underemployed, or have even given up on finding a job. Many are living paycheck-to-paycheck and the country has an alarmingly high child-poverty rate. A country facing climate problems, an immigration crisis, a pandemic, and other issues needs an OMB director who can stand up and create an economy that works well for all Americans, not just large and powerful corporations. He is concerned about the amount of corporate donations that Ms. Tanden has received and noted that he wants to know how she will work with the Committee. The next OMB director will play a role in determining if Biden Administration policies will succeed or fail. He said he looks forward to hearing how Ms. Tanden will work with the Committee and the new Congress to implement the promises of the new Administration.

Ranking Member Graham said there are going to be very pointed differences throughout the hearing, and that Ms. Tanden is not the appointee he would recommend given her past language.

Senator Klobuchar said Ms. Tanden is smart, tenacious, and would be the first woman of color to lead the OMB. Ms. Tanden has a passion for public service and has years of experience, as well as respect for others despite different beliefs. Her work at the Center for American Progress (CAP), where she has almost a decade of experience, shows she is devoted to the public good and the country.

Senator Booker said Ms. Tanden has an abundance of love for the country and has been fiercely loyal. She was involved in both the Obama and Clinton administrations, and has led CAP successfully. He said Ms. Tanden believes that policymaking is a powerful force that has deeply

personal implications for millions of Americans and that she will continue to be a public servant and a servant leader, leading with empathy and skill.

Testimony

Ms. Tanden recognized her family and her past experiences, crediting her mother for many of her accomplishments. She said the American government and budgetary choices that reflected the nation's values allowed her to get to where she is today. Her experience extends to much of the federal government, which provides her with a strong foundation for the role of OMB director. She expressed regret for past social media language. She said she would vigorously enforce her ironclad belief that the government is to serve every corner of the country. She said she would work in good faith with all members of the Committee to solve all the issues the country is facing.

Questions and Answers

Chairman Sanders said that it is important for policymakers to debate the issues and try to minimize the level of vicious attacks against personal beliefs. **Ms. Tanden** said she regrets her past language and said she will change her approach if appointed to the OMB. **Chairman Sanders** asked how big money will influence Ms. Tanden's decision making. **Ms. Tanden** said it will have no impact on her decisions, and it is her role to serve the interests of the American people, especially by addressing rising inequality and helping American families. **Chairman Sanders** asked if she will help raise the minimum wage and move to make public colleges tuition-free for those earning under \$125,000 a year. **Ms. Tanden** said yes. **Chairman Sanders** asked if she will help lower the Medicare eligibility age. **Ms. Tanden** said yes. **Chairman Sanders** asked if she will help guarantee 12 weeks of paid family leave. **Ms. Tanden** said yes. **Chairman Sanders** asked if she will try to make childcare more affordable for working families. **Ms. Tanden** said yes, this will help address inequalities. **Chairman Sanders** said that the infrastructure is crumbling and asked if she will help improve the conditions. **Ms. Tanden** said yes, there can be a bipartisan approach to solve the issue.

Ranking Member Graham asked what the corporate tax rate is and what it should be. **Ms. Tanden** said it is 28%. **Senator Graham** asked if 35% is a fair rate for corporations. **Ms. Tanden** said she will follow the initiatives of the Biden Administration. **Senator Graham** asked if she would support anything above the 39.6% corporate rate. **Ms. Tanden** said she would address this with the Biden Administration. **Senator Graham** asked if a \$15 minimum wage would be reasonable given the rate of job loss. **Ms. Tanden** said that research shows the job loss rates due to a minimum wage increase are relatively low. It is important to be guided by facts and evidence. **Senator Graham** asked if she supports entitlement reform. **Ms. Tanden** said the Biden Administration has specific ideas that may address the debt. **Senator Graham** discussed the Biden Administration's actions on immigration and suggested that the sum total would lead to more immigration. He said the fact that she does not find this alarming is concerning.

Senator Murray said that Ms. Tanden has both professional and personal experiences to uphold the responsibilities of the OMB role. She asked how Ms. Tanden will prioritize investments. **Ms. Tanden** said that women are disproportionately impacted because they are facing challenges with care giving, which is why Congress must invest in programs that support paid leave and childcare. The country would join 99% of other countries in the world if they adopted a universal

paid leave program. **Senator Murray** addressed her concern on the clean-up of nuclear sites, such as the Hanford Site, as well as giving workers at these sites the necessary protections.

Senator Grassley said that the Biden Administration's memo, Modernizing Regulatory Review, threatens the important role that cost-benefit analysis plays in the development of regulation and creates a framework for the promulgation of burdensome and overreaching regulations. It instructs agencies to take into account regulatory benefits that are impossible or difficult to quantify. He asked why the current guidance that outlines how costs and benefits should be calculated is insufficient, and how agencies will be instructed to compare quantitative and non-quantitative costs and benefits going forward. **Ms. Tanden** said the memo outlines why it is important to have more information, such as taking into account intangible issues like dignity. Government should analyze how rules impact subpopulations. **Senator Grassley** said that transparency is important. **Ms. Tanden** agreed and said that the rule-making process and the budget should continue to be transparent.

Senator Wyden said that millions of Americans are unemployed and helping those who are laid off with expanded unemployment insurance is important. The current program has major limitations and does not meet the needs of those who are impacted. He proposed legislation to fix this through a stabilizer. He asked what can be done to secure crucial unemployment insurance reform. **Ms. Tanden** said she recognizes they must have more stability, especially in this moment of the pandemic. **Senator Wyden** said Congress must have a "good government" approach to further this stabilizer. He also said the pandemic has devastated rural communities. **Ms. Tanden** said she would work in a bipartisan approach to help rural communities.

Senator Braun said that the country is lacking political will and that there is no accountability, particularly when it comes to healthcare reform. There must be an engagement with the healthcare consumer. **Ms. Tanden** said that she will work with him to further healthcare transparency, emphasizing key issues like market concentration and drug prices.

Senator Stabenow said that strengthening the Buy American Act is important. There are many issues with noncompliance. She is pleased with President Biden's executive order on Buy American requirements, which will help small- and medium-sized manufacturers. She asked if Congress has a role to play in this area to ensure taxpayer dollars are being used for American industries, and if so, what can they do to bolster Buy American laws. **Ms. Tanden** said that Congress does have a role to play, and she would like to work to make certain provisions permanent.

Senator Toomey said that the average expenditure in the public system is similar to that of private schools. He asked whether passing school choice could give poor families access to these schools as well. He also asked about unemployment insurance and if families can make more money by not working. **Ms. Tanden** said that they must look at the evidence.

Senator Whitehouse showed a graph on healthcare costs after the passage of the Affordable Care Act (ACA), indicating that the difference between what was originally projected and current healthcare spending was significant. He believed it was because of how they chose to do business in healthcare, such as establishing The Center for Medicare and Medicaid Innovation and moving the system off the fee-for-service model. **Ms. Tanden** said they would work

together to further healthcare savings. **Senator Whitehouse** asked how seriously she would take the crisis of climate change. **Ms. Tanden** said that she takes it seriously and the Biden Administration recognizes the tragedies that can result from climate change.

Senator Johnson said he is concerned about the pent-up demand and excess savings that will burst forth with economic activity. **Ms. Tanden** said that she would have to look at the data. **Senator Johnson** said that it is important to ask questions on tax rates so people can invest in businesses and create jobs.

Senator Warner said that the Army Corps of Engineers is important and asked that Ms. Tanden conduct a full review of the Army Corps' plans to get back to a nonpartisan objective. **Ms. Tanden** said she is committed to nonpartisan approaches guided by facts and evidence. **Senator Warner** said that it is important to upgrade technology, such as the technology that is providing stimulus checks for COVID-19 relief. The technology must be efficient in addressing concerns for citizens.

Senator Scott said that the federal debt is continuing to grow and long-term interest rates are going up. **Ms. Tanden** said she appreciates the bipartisan action to address the COVID-19 crisis and the federal government has the tools to address high interest rates. She added that they should monitor these issues closely to ensure strong economic recovery and manage issues such as the aging of the population. She is concerned about the cost of the U.S. borrowing money from other countries. **Senator Scott** addressed the solvency of the safety net. **Ms. Tanden** said that revenue should be a part of the discourse, and it is important to recognize programs and their impacts on needy families. Regarding the Medicare trust fund, the ACA expanded solvency and there are many areas to build on.

Senator Merkley asked if OMB will fund the reunification of families and the humane treatment of children. **Ms. Tanden** said yes. **Senator Merkley** discussed the disease of addiction and vaping behaviors. **Ms. Tanden** said that they must focus on general welfare and the public good. **Senator Merkley** asked how she envisions OMB helping communities with challenges regarding fossil fuels. **Ms. Tanden** said OMB will play a critical role in allocating dollars to make sure they go to communities who have been left behind. **Senator Merkley** asked about student debt and how OMB can drive solutions. **Ms. Tanden** said that she sees student debt as a problem and wants to resolve it. Redressing student debt is a priority.

Senator Kennedy asked about nuclear waste being dispersed around the country. **Ms. Tanden** said that government must take active steps to secure nuclear waste. **Senator Kennedy** said he is concerned about her past personal comments about people. **Ms. Tanden** said she feels badly about her comments.

Senator Kaine asked if Ms. Tanden would respond in a timely manner, cooperate with congressional oversight, respect requirements on spending funds and not withholding funds, follow OMB rules and analysis, and participate in a peaceful transition at the end of the Administration if confirmed. **Ms. Tanden** said yes to all questions.

Senator Van Hollen said that it is important to recognize that rises in per capita income can be misleading, and it is important to act so unemployment can improve. He asked about the risks of

undershooting when it comes to emergency actions and talked about problems of long-term unemployment. **Ms. Tanden** said that the unemployment issue is devastating, and low-income populations are bearing the brunt.

Senator Padilla said that Congress should prioritize California in economic recovery, given that it is an economic driver and the epicenter of the pandemic. He also addressed inequities of vaccine distribution. He asked if Ms. Tanden will help with vaccine distribution for the state of California. **Ms. Tanden** said yes and that it is important for Federally Qualified Health Centers to provide vaccines to hard-to-reach areas and for communities of color. **Senator Padilla** said immigrants are the backbone of the country and that the country needs the contributions of immigrants more than ever. He asked if Ms. Tanden will help illustrate the importance of immigrants. **Ms. Tanden** said yes. Comprehensive immigration reform is vital.