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MEMBERS' DAY

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BEFORE THE

COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, DC, MARCH 11 & 18, 2009

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CONTENTS

	Page
Hearing held in Washington, DC, March 11 & 18, 2009	1
Statement of:	
Hon. John M. Spratt, Jr., Chairman, House Committee on the Budget	1
Hon. Vernon J. Ehlers, a Representative in Congress from the State of Michigan	2
Prepared statement of	3
Hon. Rush D. Holt, a Representative in Congress from the State of New Jersey	6
Prepared statement of	8
Hon. Betsy Markey, a Representative in Congress from the State of Colorado	10
Prepared statement of	12
Hon. Phil Hare, a Representative in Congress from the State of Illinois	14
Prepared statement of	16
Hon. Gregorio Kilili Camacho Sablan, a Delegate in Congress from the Commonweath of the Northern Mariana Islands	19
Prepared statement of	22
Hon. Ben Ray Luján, a Representative in Congress from the State of New Mexico	26
Prepared statement of	28
Hon. Parker Griffith, a Representative in Congress from the State of Alabama	29
Prepared statement of	30
Hon. Ron Klein, a Representative in Congress from the State of Florida	31
Prepared statement of	34
Hon. Gary C. Peters, a Representative in Congress from the State of Michigan	36
Prepared statement of	38
Hon. James P. McGovern, a Representative in Congress from the State of Massachusetts	39
Additional matrial submitted	41
Prepared statement of	42
Hon. Timothy J. Walz, a Representative in Congress from the State of Minnesota	42
Prepared statement of	44
Hon. Gabrielle Giffords, a Representative in Congress from the State of Arizona	45
Prepared statement of	47
Hon. Steve Cohen, a Representative in Congress from the State of Tennessee	49
Prepared statement of	51
Hon. Gene Green, a Representative in Congress from the State of Texas	52
Prepared statement of	55
Hon. Lynn C. Woolsey, a Representative in Congress from the State of California	56
Prepared statement of	58
Hon. Ciro D. Rodriguez, a Representative in Congress from the State of Texas	59
Prepared statement of	60
Hon. Bob Goodlatte, a Representative in Congress from the State of Virginia	62
Prepared statement of	64
Hon. Dina Titus, a Representative in Congress from the State of Nevada	65
Prepared statement of	66

Page

Statement of—Continued
Hon. Ann Kirkpatrick, a Representative in Congress from the State of Arizona 67
Prepared statement of 69
Hon. Alan Grayson, a Representative in Congress from the State of Florida 70
Prepared statement of 71
Hon. Pedro R. Pierluisi, a Resident Commissioner in Congress from the Territory of Puerto Rico 72
Prepared statement of 74
Hon. Danny K. Davis, a Representative in Congress from the State of Illinois 76
Prepared statement of 78
Hon. Chris Carney, a Representative in Congress from the State of Pennsylvania 79
Prepared statement of 81
Hon. Harry Teague, a Representative in Congress from the State of New Mexico 82
Prepared statement of 84
Hon. Carolyn McCarthy, a Representative in Congress from the State of New York 85
Prepared statement of 87
Hon. Jim Matheson, a Representative in Congress from the State of Utah 88

Part II, March 18, 2009

Hon. Chellie Pingree, a Representative in Congress from the State of Maine 91
Prepared statement of 93
Hon. Louise McIntosh Slaughter, a Representative in Congress from the State of New York 94
Prepared statement of 96
Hon. Paul D. Tonko, a Representative in Congress from the State of New York 99
Prepared statement of 101
Hon. Frank R. Wolf, a Representative in Congress from the State of Virginia 103
Prepared statement of 104
Hon. Kurt Schrader, a Representative in Congress from the State of Oregon 107
Prepared statement of 108
Hon. Donna Christensen, a Delegate in Congress from the Territory of the Virgin Islands 111
Prepared statement of 112
Hon. Carol Shea-Porter, a Representative in Congress from the State of New Hampshire 113
Prepared statement of 115
Hon. Bill Foster, a Representative in Congress from the State of Illinois .. 117
Prepared statement of 118
Hon. Eric J.J. Massa, a Representative in Congress from the State of New York 120
Prepared statement of 121
Hon. Thomas S.P. Perriello, a Representative in Congress from the State of Virginia 122
Prepared statement of 123
Hon. Betty Sutton, a Representative in Congress from the State of Ohio .. 124
Prepared statement of 126
Hon. Brian Higgins, a Representative in Congress from the State of New York 128
Prepared statement of 129
Hon. Diane E. Watson, a Representative in Congress from the State of California 129
Prepared statement of 131
Hon. Barbara Lee, a Representative in Congress from the State of California 132
Prepared statement of 133

Page

Hon. David Loebsack, a Representative in Congress from the State of Iowa 135
Prepared statement of 136
Hon. Yvette D. Clarke, a Representative in Congress from the State of New York 137
Prepared statement of 138
Hon. Laura Richardson, a Representative in Congress from the State of California 139
Prepared statement of 141
Hon. Madeleine Z. Bordallo, a Delegate in Congress from the Territory of Guam 142
Prepared statement of 144
Hon. Sheila Jackson-Lee, a Representative in Congress from the State of Texas 147
Prepared statement of 149

Prepared statements only:
Hon. Michele Bachmann, a Representative in Congress from the State of Minnesota 150
Hon. Sam Farr, a Representative in Congress from the State of California 152
Hon. John J. Hall, a Representative in Congress from the State of New York 152
Hon. Baron P. Hill, a Representative in Congress from the State of Indiana 153
Hon. Steve Kagen, a Representative in Congress from the State of Wisconsin 153
Hon. Howard P. "Buck" McKeon, a Representative in Congress from the State of California 154
Hon. Michael E. McMahon, a Representative in Congress from the State of New York 156
Hon. Pete Olson, a Representative in Congress from the State of Texas 157
Hon. Bill Posey, a Representative in Congress from the State of Florida 158
Hon. Linda T. Sánchez, a Representative in Congress from the State of California 159
Hon. Jackie Speier, a Representative in Congress from the State of California 160
Hon. Maxine Waters, a Representative in Congress from the State of California 161
Hon. Peter Welch, a Representative in Congress from the State of Vermont 162

MEMBERS' DAY

WEDNESDAY, MARCH 11, 2009

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC.

The committee met, pursuant to call, at 10:37 a.m. in room 210, Cannon House Office Building, Hon. John Spratt [chairman of the committee] presiding.

Present: Representatives Spratt, Schwartz, Blumenauer, Berry, Boyd, McGovern, Tsongas, Melancon, Larsen, and Schrader.

Chairman SPRATT. I call the hearing to order.

Today, we convene for our annual Members' Day hearing, a chance for Members on both sides of the aisle of the House to testify before the Budget Committee about their priorities, things of particular significance to them.

As usual, we can expect a long day. We will run all the way until 4:30 today, and if we have Members who cannot be accommodated within that time frame, we plan on having a second session next Wednesday, starting at 2:00 p.m.

While we can expect a long day, we can also expect an interesting day. On Members Day we get to hear from a broad spectrum of Members coming to talk to us about budget items of great importance to them and their constituencies. Today's testimony provides input for us here at the Budget Committee as we craft the annual budget resolution, which will be on the House floor sometime in early April.

Just a brief word about the ground rules for today. Every Member will have 5 minutes to present his or her testimony. Printed testimony, if submitted, will be incorporated into the record. We will then have 5 minutes for any questions from Budget Committee Members.

The ranking member is not here now, but we will proceed if the first witness is here. We are waiting on Mr. Rush Holt of New Jersey. In the meantime, is Mr. Ehlers of Michigan here?

We will recess until the first witness comes and claims the time.

Chairman SPRATT. Mr. Ehlers, welcome to the Members Day hearing of the Budget Committee. You have the privilege of being the first member since you are the first to show up. Here is Rush Holt right behind you.

Mr. EHLERS. If he wants to go first, that is fine with me.

Mr. HOLT. Please, Vern. I have to catch my breath.

Mr. EHLERS. Okay. I hope you catch it.

STATEMENT OF THE HON. VERNON J. EHLERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. EHLERS. Thank you, Mr. Chairman. It is a pleasure to be here and to once again do the team job with Mr. Holt. For years, he and I were the Physics Caucus. And we have now been——

Chairman SPRATT. Bill Foster has joined you now.

Mr. EHLERS. Pardon?

Chairman SPRATT. Bill Foster has joined you now.

Mr. EHLERS. Yes. And now we have a fourth one, Mr. Cao from Louisiana. I was the first to come, and now we are up to four. So this fits well into our plan for taking over the Congress.

Chairman SPRATT. Let me ask just a housekeeping detail before you get started.

Mr. EHLERS. Yes, sir.

Chairman SPRATT. If you have written statements, if you would simply offer them for the record and summarize them, that would help us proceed today.

Basically, we will recognize you for 5 minutes. If you need more time, we can accommodate you, but it would be good if you could finish within 5 minutes. But your printed statements will be made part of the record so that you can summarize them as you see fit to do so.

Mr. EHLERS. All right. Thank you. And I do have a written statement for the record.

The main purpose of my comments is simply to point out once again—as I know you know, Mr. Chairman; you have been on this committee for a number of years—the positive effects of putting money into science, technology, space, and so forth.

The positive effects on the budget are very well known. The best example of that is during the Clinton administration; as you know, we actually had surpluses there for several years. Many people will argue about the political reason for that, but the actual reason economists will give is that all the research that we did on the Internet came to fruition during that decade and led to a great increase in economic activity, and certainly helped our country to achieve a better payment of its taxes and to better balance its budget—and, in fact, to exceed the budget.

We are particularly concerned about Function 250, the General Space, Science and Technology function. We, once again, think that is the key to the research and development program of the Nation.

I very much appreciate what has happened in the stimulus bill and the omnibus bill; that gives us a start. But we are still not caught up with the doubling which was agreed to in the America COMPETES Act, and I hope that we can do that soon.

I am pleased with the President's preliminary fiscal year statement, and the importance he has placed on the Department of Energy's Office of Science, the Department of Commerce's National Institute of Standards and Technology. I would point out that NIST, which is often overlooked as an auxiliary science organization in this country, is a major contributor to the scientific effort. Three Nobel prizes were won by that Agency in the past decade; that exceeds any other department of the government, and so it indicates that NIST has really come of age.

In addition to that, NIST plays an extremely important role in helping the industries of this country get ahead, learn how to make products better, to compete better with other areas of the world.

So I ask that the President's request for science be granted, starting with the preparation of the House budget allocations for Function 250 and Function 370. The Department's Office of Science has done yeoman's work for the past decade. And now with Steve Chu, a Nobel prize winner, as Secretary of Energy, I look for even greater progress there; and I hope that you would adequately fund the Office of Science of the Department of Energy.

The National Science Foundation, for years, has been the mainstay of the research in this Nation. They continue to do marvelous work. I would say they are the best in the world in terms of carefully choosing projects that will work. And they make very few mistakes in choosing what to fund, and it has paid off handsomely for this country over the years.

The National Institute of Standards and Technology, I mentioned already. And, Mr. Chairman, I think that is as quickly as I can summarize it.

I think we are off to a good start this year with the funding that has already been provided. It is very important to continue it and to maintain the doubling track which was established in the America COMPETES Act a few years ago. And the administrations have generally wanted to spend the money for the doubling; the legislative body, unfortunately, has not come through. So I hope we can follow that doubling track and get back to where we should be.

With that, I will yield back.

Chairman SPRATT. Thank you very much, Mr. Ehlers.

[The prepared statement of Vernon Ehlers follows:]

PREPARED STATEMENT OF HON. VERNON J. EHLERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Thank you, Mr. Chairman, for the opportunity to testify as the Committee considers a fiscal year 2010 Budget Resolution.

As you begin the budget process, I strongly urge you to give high priority to scientific research and development and math and science education in the General Space, Science and Technology function (250) of the budget. I will focus my comments on two areas covered under this function: the National Science Foundation and the Department of Energy's science programs. I will also address the science and technology portion of the Commerce account within function (370).

I am pleased that the President's preliminary fiscal year 2010 budget request states his commitment to "* * * invest in the science, research, and technology that will lead to new medical breakthroughs, new discoveries, and entire new industries." The Budget provides substantial funding levels for the National Science Foundation (NSF) and similarly large increases are anticipated (although not yet detailed) for the Department of Energy's (DOE) Office of Science and the Department of Commerce's National Institute of Standards and Technology (NIST).

As we struggle in a current economic downturn, many people refer to the economic growth of the 1990's as a place we would like to return. We fail to realize that a large part of that growth came from the "dot-com" boom based around innovations in high-technology fields. Many of the discoveries turned into applications during that time were based on the fundamental research investments of the previous decades.

Starting in 2006, the Congress and Administration jointly committed themselves to "doubling the basic science research budget." Though the fiscal year requests have included the establishment of a doubling track for the DOE Office of Science, the NSF, and NIST's laboratories and research, Congress has been unable to set the final doubling numbers into law. This year, I ask that the President's request for science be granted, starting with the preparation of the House budget allocations for Function 250 and Function 370.

BACKGROUND

On a bipartisan basis, Congress has recognized that innovation is critical to our national competitiveness and that scientific research and development is the key to increased innovation, economic vitality and national security. I am very appreciative that this committee has been historically supportive of this goal.

Since the passage of the America COMPETES Act, Congress has struggled to fully fund the authorized funding levels for the COMPETES agencies. I recognize that the American Recovery and Reinvestment Act (H.R. 1) has helped patch some significant holes in these agencies, which for many years have had to deny many high-quality grant applications due to lack of funding. However, ultimately we must commit to steady and sustained growth in research budgets and work within the annual budget and appropriations process to maintain a consistent and predictably strong funding pathway for these agencies.

To elucidate the importance of science and technology funding, I would like to talk about our economic competitiveness, and articulate how the DOE Office of Science, NSF, and NIST are addressing this issue.

DEPARTMENT OF ENERGY'S OFFICE OF SCIENCE

"Existing energy approaches—even with improvements from advanced engineering and improved technology based on known concepts—will not be enough to secure our energy future. Instead, meeting the challenge will require new technology for producing, storing and using energy with performance levels far beyond what is now possible."[1]

Our country faces a number of challenges related to energy supply, development, and sustainability. The Department of Energy's Office of Science funds 40 percent of all federal basic research investments in the physical sciences as well as 14 percent of investments in mathematics and computing, environmental sciences, and engineering. Research in these areas has led to many new economic and medical advancements including, among others, new energy sources, the Internet, cell phones and laser surgery. To overcome our substantial energy challenges, the federal government must continue to support research in alternative energy sources, nanotechnology and supercomputing.

The Office of Science is not only important to the future of U.S. science, but also to our competitiveness and energy security. I respectfully request that the Committee provide the Office of Science with a budget that reflects the critical role that it plays in maintaining our economic and military pre-eminence.

NATIONAL SCIENCE FOUNDATION

"Although the United States is still the world leader in science, technology, and engineering, the findings of the National Science Board and of many other eminent bodies representing a wide range of perspectives, from think tanks, industry, academia, and government, indicate that urgent and sustained action is required to maintain our leadership. During these difficult economic times, when industry may be forced to cut back basic research investments for short-term survival, it is particularly critical for the federal government to ensure our innovative capacity through basic research and workforce training in science and engineering."[2]

The National Science Foundation (NSF) is the only federal agency dedicated solely to supporting basic scientific research and education. NSF funding accounts for one-fifth of all federal support for basic research and 40 percent of physical science research at academic institutions. Nearly 90 percent of these awards are made through a competitive, merit-review process that ensures that excellent and innovative research is being supported. Furthermore, NSF consistently receives the highest rating from OMB for the efficiency and excellence of its programs.

I am very appreciative that the fiscal year 2009 House and Senate-approved Budget Conference Report included language recognizing the goals of the America COMPETES Act and stating that "this resolution will keep us on the path toward doubling funding for the National Science Foundation, basic research in the physical sciences, and collaborative research partnerships, and toward achieving energy independence through the development of clean and sustainable alternative energy technologies."

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[1] New Science for a Secure and Sustainable Energy Future : A Report from the Basic Energy Sciences Advisory Committee, Department of Energy, December 2008.

[2] Testimony of Dr. Steven Beering, Chairman, National Science Board before the Research and Science Education Subcommittee, House Committee on Science and Technology, February 26, 2008.

The Administration's FY 2010 budget request for NSF of $7.0 billion is a 16 percent increase over FY 2008 appropriations. Before the funding provided through the American Recovery and Reinvestment Act, the NSF budget had been stagnant in recent years, despite the COMPETES Act setting the agency on a 7-year doubling path. Providing a budget that allows for the President's requested level of NSF funding is extremely necessary for FY 2010 and I ask you to enhance the function 250 allocation accordingly.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

"The mission of NIST is 'To promote U.S. innovation and industrial competitiveness by advancing measurement science (or metrology), standards, and technology in ways that enhance economic security and improve our quality of life.' As a government agency, it does so objectively, without favor or advantage to any preferred technology or enterprise. NIST has been described * * * as the 'crown jewel of the federal laboratories,' since it is recognized as the broadest and strongest national metrology institution in the world. Unfortunately, the essential role NIST plays in enabling the competitiveness of American industry has often been under-recognized."[3]

The National Institute of Standards and Technology (NIST) is the nation's oldest federal laboratory, and the only laboratory with the explicitly-stated mission to promote U.S. innovation and industrial competitiveness. NIST provides high-quality, cutting-edge research in a number of scientific and technical fields, and it plays a critical role in keeping our nation competitive. Since 1997, NIST researchers have been awarded three Nobel Prizes, demonstrating the high-quality work this agency is supporting.

Perhaps no other group has been impacted as greatly by the current economic recession than the small and medium-sized manufacturers in our nation. The Hollings Manufacturing Extension Partnership (MEP) program helps small and medium-sized manufacturers stay competitive by helping them become more innovative, and the Technology Innovation Program (TIP) is NIST's only external research grant program, funding high-risk, high-return technology research and development focused on national priorities. Both of these programs run on an efficient cost-shared basis with industry. Without a doubt, these two programs provide invaluable assistance to the sectors of our economy that are currently fighting to stay competitive in the global economy.

The President's FY2010 budget includes $125 million for the Hollings Manufacturing Extension Partnership Program and $70 million for the Technology Innovation Program. Given the recent paltry funding these programs have received, this request may appear to be a healthy level of funding. However, given our current economic situation, I believe that the COMPETES authorized levels for FY 2010 of $133 million for MEP and $141 million for TIP would be more appropriate and ask that the committee work to improve the allocation for the science and technology portion of function 370 accordingly. Both the MEP and TIP have historically had strong, bipartisan Congressional support, and I respectfully ask that this support be reflected in the Budget Committee's recommendations.

CONCLUSION

Thank you in advance for your efforts to undertake this important job. While the preliminary budget does not spell out exact funding for many of these programs, I believe that you can send a strong signal about the importance of fundamental science and education to the Appropriations Committee by making function 250 and the science and technology portion of function 370 top priorities in the FY 2010 budget.

Thank you again for allowing me to testify.

Chairman SPRATT. What we will do is recognize Mr. Holt. And, Ms. Markey, are you testifying on behalf of science programs, too?

Ms. MARKEY. No, sir, I am not.

Chairman SPRATT. Okay, Rush, if you would proceed with your statement, then any questions that Members have can be put to

[3] Written Testimony of Dr. Stanley Williams, Hewlett-Packard Quantum Research Group on behalf of ASTRA, The Alliance for Science & Technology Research in America before the House Science & Technology Committee, Subcommittee on Technology and Innovation, February 15, 2007.

the two of you as the panel supporting the science appropriation for the year.

STATEMENT OF THE HON. RUSH HOLT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. HOLT. Thank you, Mr. Chairman. I appreciate the opportunity to provide testimony and, once again, to be a tag team testifier with Mr. Ehlers.

A couple of days ago I had the opportunity to attend a signing ceremony held by the President for the Presidential memorandum restoring scientific integrity to governmental decision-making, and I see that as validating the President's inaugural declaration that we will restore science to its rightful place.

I am excited about the President's restoring science to its rightful place in our policy process, and now we must turn to restoring science to its rightful place in terms of our national investment.

It is worth noting that in the President's inaugural address, when he used that sentence—it was in the economic paragraph, the economic section of his address. Now, I say this not to suggest that there is, or should be, anything partisan in Function 250 and restoring science to its rightful place in our national investment. It is just that the budget before us, as proposed by the President, as well as the economic stimulus package as negotiated by the Congress and the President, treat science considerably better than we have seen for some time.

We know that science and technology have the potential for transforming and accelerating our economy. A particularly telling example comes from the National Science Foundation, which Mr. Ehlers rightly points out is one of the best examples in the world of peer-reviewed investment in knowledge and learning.

Two graduate students working on a project a couple of decades ago—an NSF graduate fellow, one of them—developed an innovative method for searching web pages. The two students, Sergey Brin and Larry Page, eventually turned their research into Google.

Various studies show that science and engineering research indeed hold the key to our future economic growth. Innovation and technology clearly lead to more than half of our productivity growth, according to a Federal Research Board study. And a National Bureau of Economic Research study similarly estimates that almost 60 percent of our economic growth is attributable to technical progress.

Some of us have been saying this for years. Representative Ehlers and I have come before this committee every year for a decade at least to say that this is the best investment we could be making in research and development and in education that supports that research and development. It is best for bringing improved quality of life to our people, but also the economic growth that we desperately seek in these troubled times.

The stimulus, as I mentioned a moment ago, includes more than $20 billion in research—I would argue a very wise investment. A report by the Information Technology and Innovation Foundation estimates that for each additional billion dollars in investment in research, 20,000 American jobs are created per year. The job creation, I would argue, is comparable to or better than job creation

for other spending, even in the short term, and—and this is of critical importance—this kind of spending by the Federal Government produces dividends for years to come. It is the gift that keeps on giving.

The effect of research underinvestment in the past decade or two has been outlined in Rising Above the Gathering Storm and a number of other places. We have slipped. We have some remedial work to do in these investments.

This body passed the America COMPETES Act in 2007 to stem the decline and to double our investment in the Department of Energy's Office of Science and the National Science Foundation. Unfortunately, the subsequent appropriations fell short of that rate of spending. Now that appears to be on the mend, as proposed in the President's budget and as discussed here in the House.

The Atlantic Century, a report by the Information Technology and Innovation Foundation, ranked 40 countries and regions based on 16 metrics of innovation and competitiveness. The report found that the United States no longer ranks first in terms of innovation, we do have a moderately good ranking of sixth among the countries studied, but what is disturbing is that the other countries—China, India, European Union countries and so forth—are pursuing policies that are explicitly designed to spur innovation. And the United States placed last in terms of progress made over the last decade.

So I repeat, we have remedial work to do.

The government spending in Function 250 is some of the best, most effective government spending there is, and yet we have failed to do it over the years at the level necessary. So I am here today to urge you to meet at least the President's request in these areas. They seem to be on the right track.

Chairman SPRATT. For the record, how much is the President's request over fiscal year 2009?

Mr. HOLT. For Function 250, total, $31 billion total.

Chairman SPRATT. What was it last year? In 2009, it was—it is?

Mr. HOLT. It is a $1.3 billion increase.

Chairman SPRATT. Okay.

Mr. EHLERS. Mr. Chairman, may I just point out that generally the problem has not been so much the President's request or the Budget Committee's action, but the Appropriations Committee has failed to appropriate as much money as they could have; and that has been an ongoing problem for probably 6 or 7 years now.

And so I realize you are one part of it, but if you set a high enough standard, it does let the appropriators clearly know that you believe this is very important, as well, and it is not just the President's idea.

Thank you.

Mr. HOLT. And to that I would add, the mood appears to be changing here in Congress as well. And if you set a high bar, I expect that it will be well accepted, and the appropriators will go a long way toward meeting it.

Chairman SPRATT. We will do our best, very best, to meet the President's request. And we appreciate your support and explanation for it. It only strengthens our conviction that this is something that is entirely worthy.

Mr. Schrader, would you like to ask any questions?

Mr. SCHRADER. No. Thank you, Mr. Chairman.

Chairman SPRATT. Any further comments from Mr. Ehlers or Mr. Holt?

Mr. EHLERS. No. Thank you very much.

Chairman SPRATT. Thank you very much, both of you, for coming.

Mr. HOLT. Thank you, Mr. Chairman.

[The prepared statement of Rush Holt follows:]

PREPARED STATEMENT OF HON. RUSH D. HOLT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Thank you Chairman Spratt, Ranking Member Ryan, and distinguished Members of the Committee on the Budget. I appreciate the opportunity to provide testimony on the proposed Fiscal Year 2010 Function 250 investment in science and science education.

I had the honor this Monday to attend the signing ceremony held by President Obama for the Executive Order rescinding the ban on funding for embryonic stem cell research and the Presidential Memorandum restoring scientific integrity to governmental decision-making. This validates the President's Inaugural declaration that we will 'restore science to its rightful place.' I am excited about the President's restoring science to its rightful place in our policy process and now we must turn to restoring science to its rightful place in terms of our national investment.

We know that science and technology have the potential for transforming and accelerating our economy. One particularly illuminating example occurred from a National Science Foundation (NSF) project examining the potential of digital libraries. Two graduate students working on that project two decades ago, one an NSF graduate fellow, developed an innovative method to search for web pages. These two students, Sergey Brin and Larry Page, eventually turned their innovative research into Google, one of the world's largest companies, whose service is used more than 200 million times per day.

Statistics confirm that science and engineering research hold the key to our future economic growth. Innovation and technology lead to two-thirds of our productivity growth according to a Federal Research Board study, while a National Bureau of Economic Research study similarly estimates that almost 60 percent of our economic growth is attributable to technical progress.

In these troubled economic times, it is also important to remember that while research lays the foundation for our long-term prosperity, research also creates jobs now. According to Families USA, grants from the National Institutes of Health (NIH) supported more than 350,000 jobs in 2007. A report by the Information Technology and Innovation Foundation estimated that each additional $1 billion investment in research would create approximately 20,000 American jobs a year. This investment would provide jobs not just to scientists but even more to research students, electricians who wire the labs, lab technicians who run the instrumentation, construction workers who will renovate the buildings, and many more. The job creation is comparable to or better than job creation for other spending, even in the short term.

EFFECT OF RESEARCH UNDERINVESTMENT ON NATIONAL COMPETITIVENESS

As a result of flat investment in physical science and engineering research for the past 15 years, the National Academies released its ground-breaking report "Rising Above the Gathering Storm." In response, this body passed the America COMPETES Act in August 2007 to stem this decline and double our investment in the Department of Energy's (DoE) Office of Science and the National Science Foundation (NSF) by 2016. Unfortunately, the Fiscal Year 2008 appropriations fell far short of this goal. The Fiscal Year 2009 appropriations bill passed by the House and Senate contains a 7% increase in research funding at NSF and NIST as well as a 16% increase at the Department of Energy's Office of Science, which is a stronger scientific investment than in years past.

Federal research support is all the more crucial because other nations are vigorously expanding their innovation investment and research infrastructure. The Information Technology and Innovation Foundation recently released a report entitled The Atlantic Century: Benchmarking EU and U.S. Innovation and Competitiveness, which ranked 40 countries and regions based on 16 metrics of innovation and competitiveness including educational attainment, scientific workforce, and research investment. This report found that the United States no longer ranks first in terms

of innovation, but continues to have a moderate competitive position, ranking 6th out of the countries studied, behind countries such as Singapore and South Korea. What is most disturbing however is the rate of change. While other countries, such as China, India, and European Union countries, have been pursuing policies that are explicitly designed to spur innovation, the United States placed last in terms of progress made over the last decade. This means that America's lead in science and technology is eroding at the same time that other nations are gathering strength in science and innovation.

IMPORTANT INCREASES IN PRESIDENT'S REQUEST

I am pleased the President Obama's budget request recognizes the centrality of science and innovation for our future economic and social prosperity. The budget invests in science by requesting $7 billion for NSF, $18.7 billion for NASA, and supports increases for the DOE Office of Science and National Institute of Standards and Technology (NIST) laboratories. President Obama's budget would reverse years of neglect for science and, combined with the science funding in the economic recovery package, it would make a significant down-payment on the President's plan to double research funding over the next 10 years. I urge you to meet President Obama's request and make the necessary investment in innovation.

I also am pleased that the budget request pledges to make permanent the research and experimentation tax credit, otherwise called the R&D tax credit. This tax credit is crucial in spurring private research and driving technological innovation. As important as the R&D tax credit has been, it has never been a permanent part of the tax code and has been allowed to expire several times, most notably in 2007. While Congress has extended the credit, making the R&D tax credit permanent will strengthen the incentive for businesses to invest in long-term research, because corporate leaders will know their research investments will be rewarded year after year.

EDUCATION AND TRAINING

I appreciate that the budget commits to tripling graduate fellowships in science and supports increases in NSF Graduate Research Fellowships. By reducing the financial barriers to a graduate education, this provision should increase the number of Americans that enter into science and engineering fields. This is necessary to ensure America continues to have a large science and engineering workforce and remains competitive with emerging powers, who are producing vastly more graduates in the science and engineering fields.

I also am encouraged that the budget expands the Faculty Early Career Development program. This expands our support for early-career researchers, who face substantial challenges obtaining funding and establishing themselves. With wildly fluctuating federal support of competitive grants, this phase of an academic scientific career is unstable and therefore much less appealing than needs to be the case. It is important that we support our researchers at each stage of their career so that we can maintain a strong workforce.

Prospective undergraduates need better access to the promise of a technical college education. I appreciate that the budget request commits to improving the education of technicians in high-technology fields by increasing support for the Advanced Technological Education program. This program focuses on two-year colleges and supports partnerships between academic institutions and employers to enhance the education of future science and engineering technicians.

CONGRESSIONAL ACTION ON PRESIDENT'S REQUEST

From Fiscal Year 2005 through 2008, federal research obligations decreased 7.8 percent in constant dollars. Between Fiscal Year 2007 and 2008 alone, total federal research spending dropped by 4.8 percent in constant dollars. The Congress must take some responsibility for this funding situation. In Fiscal Year 2008, Congress slightly increased the investment in NSF by 2.5 percent, far short of the 8 to 10 percent increase that was provided in earlier versions of the appropriations bills and less than the 3.8 percent inflation that year. At the same time, DoE's Office of Science received 5.8 percent increase, far less than the 15 to 18 percent increase in earlier versions of these bills. I urge the Budget Committee and the Congress to take a different approach this appropriations cycle.

Recognizing the centrality of innovation to our national prosperity, I hosted a roundtable in December with Speaker of the House Nancy Pelosi and Princeton University President Shirley Tilghman. That roundtable included senior members of Congress, university presidents, industry leaders, and research scientists, who were all brought together to look at the state of basic research. What we concluded was

that our innovation infrastructure, which has served our nation so well for 50 years, is showing signs of age and disrepair. In fact, the American share of world research investment has been falling since 1998 and our R&D intensity, as measured by the percentage of our GDP invested in research, trails many other nations.

I am pleased that the economic recovery package made a necessary down payment toward repairing our nation's innovation infrastructure, but those investments would be wasted unless we sustain our science funding in the coming years. In these troubled economic times, science is the ideal investment because it provides jobs now while laying the foundation for our future economic growth. As Speaker Pelosi said best, the way to move forward as a nation is "through science, science, science, and science." I look forward to working with the Congress to make this necessary investment and meeting the President's call to restore science to its rightful place in our national investment portfolio.

Chairman SPRATT. We now go to Ms. Markey from Colorado.

STATEMENT OF THE HON. BETSY MARKEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Ms. MARKEY. Good morning, Chairman Spratt. And thank you for allowing me to share my thoughts before the Budget Committee on the proposed fiscal year 2010 budget.

I believe that the President's budget does take steps to put us on a sustainable path, and I am hopeful that we can have an open dialogue on programs I support and on cuts to the budget that would have a negative impact on constituents in the Fourth Congressional District of Colorado.

First, President Obama has proposed the elimination of direct payments to farmers who have more than $500,000 in annual gross sales, a level that would cut off the typical full-time farmer without regard to their profit or loss in a given year.

Farmers in Colorado and across the country have made it clear that the direct payment program is the best safety net available to help them meet the challenges of volatile diesel and fertilizer costs, as well as potential costs associated with increasing environmental regulation. Direct payments are also the most economical because they allow farmers to plan according to market conditions, and are the least disruptive of trade.

Under the President's proposal, a farmer could experience a net loss and still be ineligible for direct payments because the President's plan fails to take into account expenses. This change would affect over 1,700 Colorado farms, the majority of which are located in my district.

Further, I am concerned about the President's elimination of the Resource Conservation and Development Program from the budget. The RC&D Program provides support to authorize multicounty areas in the form of Natural Resource Conservation Staff coordinators and technical advisers. These coordinators assist local conservation councils of public and private sector volunteers in developing programs to conserve and develop natural resources and improve economic and environmental conditions in rural America. The funding provided by this program can go a long way in rural areas, such as southeast Colorado, where the Southeast Colorado RC&D Council has developed programs to decrease contaminants in vital area watersheds and to implement renewable energy resources in area farms.

I applaud President Obama's commitment to the veterans of the United States as demonstrated by his increasing the Department

of Veterans Affairs fiscal year 2010 budget for health care and compensation. This budget includes concurrent receipt of benefits for highly disabled veterans, who will now be eligible to receive not only their disability benefits from the VA, but their military retirement as well.

As a member of the Transportation and Infrastructure Committee and a proponent of public transportation, I am very pleased to see an increase in transit funding. Earlier this week, the New York Times reported that public transit usage is at its highest in 50 years, and that Americans took 10.7 billion rides on public transportation in 2008. Fluctuating gas prices, coupled with the need to protect our environment, make public transit a necessity.

Further, I am glad that the budget supports the Next Generation Air Transportation System. I supported the NextGen funding when the FAA reauthorization passed through my committee, and I know from talking with several air traffic controllers from Colorado how important this system is to both the Denver airport and national air traffic efficiency and safety.

I do have concerns, however, about the way in which the funds would be allocated to the highway, transit, and airport programs. Although I understand and support the goal of increased transparency, I do not think that year-by-year appropriations are the best way to achieve this in the transportation sector. Transportation projects are multiyear endeavors, and consistency in funding is imperative. Uncertainty in funding impedes the ability of transportation departments to plan effectively, potentially jeopardizing safety and security.

The President's proposed education funding reflects one of my top priorities, which is making college affordable for all students. With three children of my own around college age, I understand how challenging it is for families to balance college costs with household necessities. I also understand how complicated the process is for receiving financial aid.

For this reason, I am very pleased to see that President Obama is determined to simplify the financial aid process and has supported a 5,500 Pell Grant maximum award. Additionally, I agree with the President's proposal to put the Pell Grant program on sure footing. Ensuring access to higher education for Americans of all income levels is essential to our Nation's future.

The President's emphasis on national service epitomizes our core national values and the American spirit. When Americans give back to their communities, they benefit not only those around them, but themselves as well. I thank the President for fulfilling his promise to promote involvement in community service.

I also support President Obama's plan to reduce the Federal Government energy bill by 25 percent. The building sector in the U.S. uses 45 percent of the Nation's energy, and the Federal Government should increase energy efficiency programs to lead by example. It is always cheaper to use less energy than to create more of it. This initiative will save taxpayer money in the long run and streamline green building implementation to reduce the costs of technology in the private sector.

In addition, I support investment in smart grid technology development. Colorado State University has the largest physical grid

simulator in North America. We need to continue to work to develop a more intelligent grid to make wind power a more stable and reliable source of energy for communities across the United States and around the world.

Finally, I support President Obama's goal to increase the number of graduate fellowships in science, but I would also encourage the administration and Congress to invest in education for vocational and community college training in the field of renewable energy and energy efficiency. We need to invest in training a green workforce to create jobs and deploy new energy strategies. The men and women graduating from these institutions will be the technicians building wind turbine blades and servicing solar and geothermal installations. We need to invest in both innovation and implementation.

I applaud the Obama administration for proposing to make the research and experimentation tax credit permanent, but I would also advocate making the production tax credit permanent. The production tax credit has expired on many occasions since its inception in 1992, and this uncertainty is a burden for renewable energy start-up companies.

Mr. Chairman, I appreciate the time you have allowed me to speak before the committee. Thank you.

Chairman SPRATT. Thank you, Ms. Markey, for taking the time to testify.

[The prepared statement of Betsy Markey follows:]

PREPARED STATEMENT OF HON. BETSY MARKEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Chairman Spratt and Ranking Member Ryan, Thank you for allowing me to share my thoughts before the Budget Committee on the proposed Fiscal Year 2010 Budget. I believe that the President's budget does take steps to put us on a sustainable path, and I am hopeful that we can have an open dialogue on programs I support, and on cuts to the budget that would have a negative impact on constituents in the 4th District of Colorado.

First, President Obama has proposed the elimination of direct payments to farmers who have more than $500,000 in annual gross sales, a level that would cut off the typical full-time farmer without regard to their profit or loss in a given year. Farmers in Colorado have made it clear that the direct payment program is the best safety net available to help them meet the challenges of volatile diesel and fertilizer costs as well as potential costs associated with increasing environmental regulation. Direct payments are also the most economical because they allow farmers to plan according to market conditions and it are the least disruptive of trade.

Under the president's proposal, a farmer could experience a net loss and still be ineligible for direct payments because the President's plan fails to take into account expenses. This change would affect over 1,700 Colorado farms, the majority of whom are located in my District.

Further, I am concerned about the President's elimination of the Resource Conservation and Development Program from the budget. The RC&D Program provides support to authorized multi-county areas in the form of Natural Resource Conservation Service staff coordinators and technical advisors. These coordinators assist local conservation councils of private and public sectors volunteers in developing programs to conserve and develop natural resources, and improve economic and environmental conditions in rural America. The funding provided by this program can go a long way in rural areas, such as in Southeast Colorado, where the Southeast Colorado RC&D Council has developed programs to decrease contaminants in vital area watersheds and to implement renewable energy resources in area farms. The RC&D program should be continued because it fulfills these vital national goals through beneficial cooperation between local organizations and national agencies.

I applaud President Obama's commitment to the Veterans of the United States as demonstrated by his increasing the Department of Veterans Affairs Fiscal Year 2010 Budget for health care and compensation. This budget includes concurrent re-

ceipt of benefits for highly disabled veterans, who will now be eligible to receive not only their disability benefits from the VA, but their military retirement pay as well.

As a member of the Transportation and Infrastructure committee and a proponent of public transportation, I am very pleased to see an increase in transit funding. Earlier this week, the New York Times reported that public transit usage is at its highest in 50 years and that Americans took 10.7 billion rides on public transportation in 2008. Fluctuating gas prices coupled with the need to protect the environment make public transit a necessity. Further, I am glad that the budget supports the Next Generation Air Transportation System. I supported the NextGen funding when the FAA reauthorization passed through my committee, and I know from talking with several air traffic controllers from Colorado how important this system is to both the Denver airport and national air traffic efficiency and safety. I do have concerns, however, about the way in which the funds would be allocated to the highway, transit and airport programs. Although I understand and support the goal of increased transparency, I do not think that year by year appropriations are the best way to achieve this in the transportation sector. Transportation projects are multi-year endeavors, and consistency in funding is imperative. Uncertainty in funding impedes the ability of transportation departments to plan effectively, potentially jeopardizing safety and security.

The President's proposed education funding reflects one of my top priorities, which is making college affordable for all students. With three of my own children around college-age, I understand how challenging it is for families to balance college costs with household necessities. I also understand how complicated the process is for receiving financial aid. For this reason, I am very pleased to see that President Obama is determined to simplify the financial aid process and has supported a $5,550 Pell Grant maximum award. Additionally, I agree with the President's proposal to put the Pell grant program on "sure footing." Ensuring access to higher education for Americans of all income levels is essential to our nation's future. The President's emphasis on national service epitomizes our core national values and the American spirit. When Americans give back to their communities, they benefit not only those around them, but themselves as well. I thank the President for fulfilling his promise to promote involvement in community service.

I support President Obama's plan to reduce the federal government's energy bill by 25 percent. The building sector in the United States uses 45 percent of the nation's energy, and the federal government should increase energy efficiency programs to lead by example. It is always cheaper to use less energy than to create more of it. This initiative will save taxpayer money in the long run, and streamline green building implementation to reduce the cost of the technology in the private sector. In addition, I support investment in smart grid technology development. Colorado State University has the largest physical grid simulator in North America. We need to continue the work to develop a more intelligent grid to make wind power a more stable and reliable source of energy for communities across the United States and around the world.

Finally, I support President Obama's goal to increase the number of graduate fellowships in science, but I would also encourage the Administration to invest in education for vocational and community college training in the fields of renewable energy and energy efficiency. We have a unique opportunity at this time to change the way we power this country, but we need to invest in training a green workforce to create jobs and deploy new energy strategies. The men and women graduating from these institutions will be the technicians building wind-turbine blades and servicing solar and geothermal installations. We need to invest in both innovation and implementation. I applaud the Obama Administration for proposing to make the research and experimentation tax credit permanent, but I would also advocate making the production tax credit permanent. The production credit has expired on many occasions since its inception in 1992 and this uncertainty is a burden for renewable energy startup companies.

Mr. Chairman, I appreciate the time you have allowed me to speak before the Committee.

Chairman SPRATT. And before proceeding with Mr. Hare, let me announce a few housekeeping details for the remainder of the day.

First of all, Members who have written statements, once again may submit the written statement for the record. They will be reproduced in full, and they can then orally summarize their testimony.

Secondly, I am going to ask every Member to try to stay within the 5-minute limit. Without saying that before every Member's tes-

timony, if you will simply try to stay within the 5 minutes. And if there are questions following your testimony, they will be limited to no more than 5 minutes as well.

And finally, I am going to pass the gavel at this point to a member of the committee, Allen Boyd of Florida, with the understanding and consent of everyone here who is a participant in this hearing that he, in turn, may designate his successor as the chairman of this meeting until we reach the conclusion of it at the end of today at 4:30 this afternoon.

Thank you again for coming and testifying.

Mr. HARE. Thank you, Mr. Chairman. I have enough on my plate.

Chairman SPRATT. Thank you very much.

Mr. BOYD [presiding]. Thank you very much, Chairman Spratt. Thank you, Ms. Markey, for your testimony.

Now I will turn to the gentleman from Arkansas, Mr. Berry, for questions.

Mr. BERRY. I have none.

Mr. BOYD. Mr. Melancon? Mr. Schrader?

Ms. Markey, thank you very much for your presentation.

Ms. MARKEY. Thank you.

Mr. BOYD. The next member to testify will be the gentleman from Illinois, Mr. Hare.

Welcome, Mr. Hare. We are pleased that you are here to testify. Without objection, your full statement will be entered in the record. You are now recognized for 5 minutes.

STATEMENT OF THE HON. PHIL HARE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. HARE. Thank you, Mr. Chairman, and thank you, members of the committee, for giving me the opportunity to be here to testify today.

You know, currently we are facing the worst economic crisis since the Great Depression. Working families are struggling to hold onto their jobs, their homes, health care, their pensions. In several counties in my congressional district, the unemployment rate is over 11 percent, and nearly 4,000 homes will go into foreclosure this year.

As you begin to craft the fiscal year 2010 budget, I encourage you to focus on job creation.

One area of exceptional job growth potential lies in improving our Nation's aging and crumbling transportation infrastructure. The entire western border of my congressional district is formed by the Mississippi River. The series of locks and dams along the river move $12 billion worth of products to world ports every year. Sadly, this system is falling apart, literally. I toured the lock in Quincy, Illinois. With the lockmaster, I hit one of the abutments with my fist, and a piece of concrete the size of a football came off of the lock.

In order to remain globally competitive, we have to modernize our locks and dams, which would also create construction jobs as well as sustain employment throughout the Mississippi basin.

Additionally, every summer, my district is susceptible to flooding. We have had two 500-year floods in the past 15 years that have devastated towns, farmlands, and critical infrastructure. We must

find comprehensive, long-term flood protection strategies, such as the Upper Mississippi River Comprehensive Plan.

In the 110th Congress, we passed the Water Resources Development Act, WRDA, authorizing many core projects, but we have failed to produce the necessary appropriations because these projects are considered new starts. We must allow new-start funding for locks and dams; the longer we wait to fix these ailing structures, the more expensive it will be. Furthermore, portions of the Mississippi system are so badly deteriorated that one ice storm or a minor flood could be catastrophic.

We must also increase investment in passenger rail. Currently, there is no passenger rail service from the Quad Cities of Illinois and Iowa to Chicago. Intercity service along corridors such as this one will create jobs by linking and growing local communities, assisting commuters, and providing environmentally responsible transportation options. Another area of concern is America's energy future.

In my district, we have taken advantage of carbon capture and sequestration pilot programs, applied advanced biofuel technologies, built hydroelectric and wind energy projects, and constructed corn ethanol plants. However, there are several shovel-ready projects that cannot move forward due to insufficient funds in the energy appropriations.

I strongly urge the committee to provide a robust funding increase for the Department of Energy, especially loan guarantees as incentives for private companies to create renewable fuels.

Improving rural education is also critical to our economic recovery. More than a quarter of public schools are located in rural areas that educate approximately 20 percent of the total United States student population, yet these schools are plagued by limited financial resources, difficulty recruiting and retaining highly qualified teachers, and deteriorating school buildings.

The Rural Education Achievement Program, the only funding system dedicated to meeting the needs of rural schools, has delivered critical funds to rural districts. I ask that you fully fund this program, which is authorized at $300 million.

Additionally, please provide $20 million for rural development grants to rural-serving colleges and universities, as authorized in the Higher Education Opportunity Act. These grants would help higher education institutions, in partnership with K-through-12 schools, businesses and education service agencies, increase the enrollment of graduates from rural high schools into higher education programs, create employment pipelines to local jobs, and provide training for professionals in needy rural areas.

With record job loss nationwide, economists across the board agree that the key to jump-starting our economy is to putting Americans back to work, and quickly. The American Recovery and Reinvestment Act puts $5 billion in job training programs. I urge the committee to continue this investment in fiscal year 2010, as well as extending and increasing unemployment insurance.

And, finally, we must make sure that our veterans are taken care of so that they can continue to contribute to the strength of our Nation. Ensuring that the Department of Veterans Affairs has sufficient, timely, and predictable funding is one of my highest pri-

orities as a Member of Congress. I fully support the advanced appropriation initiative being led by the House and Senate Veterans Affairs Committees and all the major veterans service organizations.

In closing, I once again urge the committee to craft a budget that focuses on job creation, with specific emphasis on modernizing our transportation infrastructure, improving rural education, supporting workforce investment, and helping our veterans rejoin the workforce.

Let me thank you, Mr. Chairman, and members of the committee for allowing me to share the needs of my constituents today. I want to commend you all for the leadership that you have shown in addressing the challenges facing our Nation, and I would be happy to answer any questions that you may have.

Once again, thank you so much for allowing me to be here this morning.

Mr. BOYD. Thank you, Mr. Hare, for your testimony.

I will now recognize Mr. Melancon. DO you have anything?

Mr. Schrader?

Mr. SCHRADER. No, sir.

Mr. BOYD. We thank you for your testimony.

Mr. HARE. Thank you, Mr. Chairman.

[The prepared statement of Phil Hare follows:]

PREPARED STATEMENT OF HON. PHIL HARE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Chairman Spratt, Ranking Member Ryan and Members of the Committee, thank you for the opportunity to testify today about the budget priorities of my Congressional district, and where I believe we should focus our spending. Currently, we are facing the worst economic crisis since the Great Depression. Working families are struggling to hold onto their jobs, homes, health care, and pensions. In several counties of the Illinois 17th Congressional District, the unemployment rate is almost 11%, and nearly 4,000 homes will go into foreclosure this year. Your Committee has the difficult job of crafting a FY2010 Budget that addresses these many challenges. As you begin this process, I encourage you to focus on job creation and relief for families severely impacted by the economic situation. We have an unparalleled opportunity to make both short- and long-term investments in getting Americans back to work. However, with a finite amount of money we need to diligently focus our investments where it makes the most sense.

We also must commit to making this process transparent and accountable—no longer will we allow American taxpayers to subsidize spa retreats, private jets, Superbowl parties, and $14,000 trash cans.

ECONOMIC DEVELOPMENT

Locks and Dams: One area of exceptional job growth potential lies in improving our nation's aging and crumbling transportation infrastructure. As supportive as I am of the American Recovery and Reinvestment Act, I am disappointed that it did not include more funding for transportation infrastructure.

The entire western border of my Congressional district is formed by the Mississippi River. The series of locks and dams along the river facilitate commerce and are vital to the local, national and global economies. More than one billion bushes of grain (or 60% of the bulk agriculture exports), nearly 22% of domestic petroleum/petroleum products, and 20% of coal used for electrical generation (approximately $12 billion worth or products every year) are moved to the world ports by the Upper Mississippi River System, impacting agricultural, commercial and labor interests across the state. Sadly, the locks and dams are falling apart. I went to a lock near Quincy, IL and hit it with my fist; chunks of concrete literally fell off. It is of upmost importance that the Army Corps of Engineers (the "Corps") has sufficient funding to maintain and improve locks and dams throughout the Mississippi and Illinois Rivers. Modernizing the system will create construction and maintenance jobs, as

well as sustain employment throughout the Mississippi basin and in other segments of the economy. A modern system is also critical to our global competitiveness.

Additionally, every spring and summer, my district, along with most of the Midwest is susceptible to flooding. We have had two 500-year floods in the past 15 years that have devastated entire towns, farmland and critical infrastructure. It is impossible to overstate the economic damage this has on the communities along the river and on our country as a whole. We must fund comprehensive, long-term flood-protection strategies such as the Upper Mississippi River Comprehensive Plan. Developed in response to the great flood of 1993, the Plan calls for building 100-year levels of protection for agricultural areas and 500-year levels for critical infrastructure such as water treatment plants, roads, and bridges along the Upper Mississippi Valley. The Comprehensive Plan will increase public safety and provide economic growth throughout the Midwest. It will create jobs, protect our critical transportation infrastructure, and ultimately save lives.

In the 110th Congress, we passed significant authorization bills, such as the Water Resources Development Act (WRDA), to provide the Corps with the resources to upgrade the river systems. But, we failed to procure the necessary appropriations for WRDA projects because they are considered "new starts," which historically have not been funded. While I understand the exorbitant costs associated with Army Corps of Engineers projects, for all the reasons I mentioned above, primarily the economic, we must allow "new start" funding for locks and dams. The longer we wait to fix these ailing structures, the more expensive it will be. Further, portions of the Mississippi system are so badly deteriorated that one ice storm or a minor flood could be catastrophic.

Passenger Rail: My district and the state of Illinois is covered with railroad tracks, but there is no passenger rail service from the Quad Cities of Illinois and Iowa to Chicago. Intercity passenger rail service along corridors such as this one will create countless jobs by linking and growing local economies, assisting commuters and providing environmentally responsible transportation options. Ensuring that there is sufficient funding for expanding intercity passenger rail is a high priority of mine.

Rural Broadband: It is essential that we are committed to continuing to invest in modern telecommunications technologies. Extending high-speed Internet access to rural and underserved communities is vital to stimulating the economy and improving the quality of life for millions of Americans. Investing in rural broadband will not only improve the quality of healthcare and education services in rural areas, but it will also create construction jobs and increase the connectivity of rural businesses. Not to mention it would ensure that those living in rural areas are not disadvantaged compared to their urban counterparts because they do not have access to the same information.

In addition, I must ask that you consider increasing funding for the Corporation for Public Broadcasting. Unfortunately, the current allocated amount of $400 million for fiscal year 2009 is insufficient. Created by Congress over forty years ago, this important non-profit corporation ensures that the thousands of public television and radio stations nationwide will continue to operate, delivering high-quality programs to millions of viewers.

With these investments, we will increase the economic development of rural areas and ensure that all Americans are connected to the information and programming they need.

ENERGY

I hope that when it becomes available in the next few weeks, the Administration's full budget proposal will continue to build on the energy initiatives provided in the American Recovery and Reinvestment Act. Now is the time to make substantial investments in clean and alternative energy sources and technologies.

In my congressional district, we have taken advantage of carbon capture and sequestration pilot programs, applied advanced biofuel technologies, built hydroelectric and wind energy projects, and constructed corn ethanol plants. However, there are several "shovel-ready" projects that cannot move forward due to insufficient funds in energy appropriations. One year ago, Congress wisely passed the budget resolution with $2 billion dedicated to creating green-collar jobs in America. I strongly urge the Committee to help bring America closer to energy independence by providing a robust funding increase for the Department of Energy, especially loan guarantees as incentives for private companies to create renewable and alternative fuels.

EDUCATION

More than a quarter of public schools in the United States are located in rural areas and educate more than 10 million students—approximately 20% of the total U.S. student population. In fact, student enrollment in rural communities with less than 2,500 residents increased by 15% between the 2002-03 and 2004-05 school years.

As a member of the House Education and Labor Committee and a representative of rural schools, I have a strong interest in the lives of children living in rural communities and the education provided to them. Rural regional superintendents, teachers and other practitioners often tell me about the challenges they face to provide their students with a quality education. Limited financial resources, difficulty recruiting and retaining highly qualified teachers, and deteriorating school buildings are major obstacles towards high student achievement.

Given these and other challenges, strong support from the federal government is critical to ensuring our nation's rural children are not left behind.

The Rural Education Achievement Program (REAP) has delivered critical funds to rural districts while Title I money has been insignificant. In fact, many rural school districts receive double the amount of REAP funding compared to Title I funds. Authorized at $300 million, REAP is the only funding stream directly dedicated to meeting the needs of rural schools. The program has been flat funded for years and is currently at $168.9 million. The President's FY2010 budget provides no increases in rural education funding to support growing school enrollments. Without additional REAP dollars rural districts will struggle to compete educationally and professionally with larger suburban and urban districts. I ask that you fully fund this critical program.

As you know, Title I money is intended to target funds to districts with the highest poverty rates. However, some of the current funding formulas used in Title I discriminate against small rural districts—in fact, in some formulas, there is an explicit bias that favors districts with large concentrations of impoverished students. As a result, support for a Title I student in a large school district is greater than the support for a Title I student in a smaller district with the same poverty rate and the same cost of education.

Title I formulas that place small rural districts at a disadvantage should be changed and/or eliminated. Title I funds should be focused on percentages of students in poverty; not number. Additionally, all school districts participating in Title I should receive a minimum amount of assistance. Rural America is the lifeline of our country, and investing in rural education will be the foundation for our future economic growth and prosperity.

Finally, I ask the Committee to provide $20 million for Rural Development Grants for Rural-Serving Colleges and Universities as authorized in the Higher Education Opportunity Act (P.L. 110-315). These grants would help rural-serving higher education institutions, in partnership with K-12 schools, businesses, education service agencies, and other social and economic engines address the challenges and realities uniquely facing the rural workforce and economic development. Specifically, these grants would ensure federal partnership in strengthening rural America by: (1) increasing the enrollment of graduates from rural high schools into higher education programs; (2) creating employment pipelines to local jobs; and (3) enhancing educational programs to provide training for professions of need in rural areas.

LABOR

With record job loss nationwide, economists across the board agree that the key to jumpstarting our economy is putting Americans back to work quickly. Now more than ever, the nation's job training programs must be improved to give workers the skills they need as the economy starts to recover.

The American Recovery and Reinvestment Act put $5 billion in job training programs to help put Americans back to work. I urge the Committee to continue this investment in FY2010. These programs are essential to professional development opportunities and job placement for workers.

In addition, we need increased support for the unemployed until they find new work—I encourage the Committee to extend and increase unemployment insurance. Furthermore, to help workers maintain their health coverage while they are between jobs, the American Recovery and Reinvestment Act provided a 65% reduction in the premiums payable by involuntarily terminated workers and their families for health care continuation coverage under the Department of Labor's Consolidated Omnibus Budget Reconciliation Act (COBRA). This premium reduction will last for up to 9 months. We need to continue to invest in programs that help laid-off workers receive the health care they need.

I also ask the Committee to support the Manufacturing Extension Partnership (MEP). Manufacturing is critical to our economy; small and midsized manufacturers employ nine million workers in the U.S., but the economic situation is causing layoffs and plant closings. Assisting the nation's small and midsized manufacturers through an additional investment in MEP funding will maintain jobs in the near-term and drive America's competitiveness in 2010 and beyond. In my Congressional district, MEP funds help 65 clients with 175 projects, generating $126.8 million in sales and creating/retaining 836 jobs. The President's budget blue print for FY2010 includes $125 million for MEP and calls for a doubling of the program in five years. I ask the Committee to support the $125 million proposal but shorten the timeline for doubling MEP to FY2012 so that manufacturers can make a quick and effective contribution to the nation's economic recovery. With these additional resources, MEP could double the number of manufacturers served and save 100,000 jobs.

Finally, as our economy recovers, jobs are created and new industries are built it is critically important that workers' rights to organize and collectively bargain are protected. Thirty eight economists, including two Nobel Prize winners, signed a letter to Congress on February 25, 2009 arguing that labor organizing is "a critically important step in rebuilding our economy and strengthening our democracy by enhancing the voice of working people in the workplace." Workers need greater bargaining power to benefit from productivity gains that employers failed to pass along through increased wages.

VETERANS

We must not fail to make sure that our veterans are well taken care of so that they can continue to contribute to the strength of our nation. Ensuring that the Department of Veterans Affairs (VA) has sufficient, timely and predictable funding is one of my highest priorities as a Member of Congress. I fully support the advanced appropriations initiative being led by the House and Senate Veterans Affairs Committees in partnership with all the major Veterans Service Organizations. This type of appropriation will ensure that the VA has the resources and the foresight it needs to make programmatic decisions, hire, and fulfill its mission so that no veteran is left out in the cold. Doing so will ensure that our heroes have the ability to serve again as leaders in our workforce here at home.

In closing, I once again urge the Committee to craft a budget that focuses on job creation with specific emphasis on modernizing our transportation infrastructure, including our locks and dams, passenger rail and rural broadband; improving rural education; supporting workforce investment programs and manufacturing; and providing the support our veterans need to re-enter the workforce.

Again, thank you Chairman Spratt and Members of the Committee for allowing me to share the concerns and needs of my constituents today. I commend your leadership in developing a budget that addresses the challenges facing our nation in these difficult economic times. I would be more than happy to answer any questions you may have for me. Thank you.

Mr. BOYD. The next Member to testify will be the gentleman from the Northern Mariana Islands, Mr. Sablan.

Mr. Sablan, you are recognized for 5 minutes. Welcome.

STATEMENT OF THE HON. GREGORIO SABLAN, A DELEGATE TO CONGRESS FROM THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Mr. SABLAN. Thank you, Mr. Chairman. And good morning, members of the committee. Thank you for the opportunity to testify before the House Committee on the Budget on the administration's proposal for fiscal year 2010 and the budget priorities for the Northern Mariana Islands.

This is the first time in history that the people of the Northern Mariana Islands, a United States commonwealth since 1978, have had a representative in Congress to speak on their behalf before this committee; and for this, I am grateful, humbled, and very privileged. At the same time, I feel the terrible responsibility of being the lone voice in Congress to try and raise awareness of the gulf between my constituents and the rest of the Nation. I am not

speaking of the vast Pacific Ocean that separates us; I am speaking of the great gulf in the standard of living that separates us.

For so much of what Americans here on the continent take for granted in their everyday lives, it is not available to my constituents—Americans, too—8,000 miles away. And I want to discuss two of those deficits today—drinking water and wastewater.

For such a simple thing as turning on the kitchen faucet and having water flow out any time of the day or night, water that you can put in a glass and drink down without having a second thought, this is an experience that the people I represent mostly do not have. There are workarounds, of course. At my house and the homes of many of my neighbors, we have water storage tanks; that is something that you build when you build your house. And so for the few hours—sometimes 2 hours a day, if you are lucky—that each day the municipal water pipes come in, we can collect water to wash our clothes and bathe.

You don't use this water to drink or cook with. And it is as if every household has their own little utility company. But the system doesn't provide potable water; the water that is stored in the tanks is unfit for human consumption. It is brackish because aquifers are pumped beyond capacity, or it is water laden with bacteria that seeps through cracked mains because the municipal system is not fully pressurized, and because chlorination facilities are lacking.

So, instead, virtually every household has to buy water from private vendors for cooking and drinking on a daily basis for years now. So according to EPA, the island of Saipan in the Marianas, with a population of some 50,000, is the only municipality of its size in the Nation without 24-hour potable municipal water.

That is the water side.

On the wastewater side of the equation, we are equally lacking. And let me just give you one example. On the island of Saipan, there is a homestead development of about 700 homes. Because there is no sewer system on that part of the island, each of these homes collects its wastewater in a private septic tank, which slowly leaches onto the land. The problem is that these 700 septic tanks sit over one of the best aquifers on our little island, further endangering the limited water supply, and putting human health at risk. What is today an infrastructure problem for us could very soon, in the very near future, become a health epidemic for the entire island.

And we are not alone in our woes. Our sister U.S. territories in the Pacific islands are likewise in need, also. EPA has estimated that there are about $150 million worth of water and sewer projects that need to be built and are ready to be built in these islands.

In the Marianas, these projects include distribution lines, large-scale reservoirs, and treatment plants, estimated to cost $65 to $66 million. And that may not be a large amount for a committee that handles outlays of over $3 trillion, but for a place where there are 80,000 individuals living, with a government revenue of no more—and probably much less—than $150 million a year, an investment of $65-66 million is just beyond our reach; and much more so be-

cause the median household income in the Marianas is 45 percent of the average U.S. median household income.

And so together, you know, with the other territories, we hope that under ARRA we could use this once-in-a-lifetime opportunity to address our needs for water and sewer infrastructure.

We proposed that under the State Fiscal Stabilization Fund that all the moneys that will be available to us for broadband deployment be bundled together in an infrastructure fund to be disbursed and managed by the Department of Interior and focused on our basic needs. Unfortunately, we were not successful. So, together, we tried to change the percentage of funds available to us through EPA's State and Territory Assistance Grants, STAG.

Currently, the outlying areas, as we are called, receive a maximum of 0.25 percent of any single appropriation to the Clean Water State Revolving Fund, and a maximum of 0.33 percent of any single appropriation to the Drinking Water State Revolving Fund.

These set-asides leave us with less per capita funding than any other jurisdiction. We tried raising this percentage in ARRA, but we were again not successful. So now I come before you and ask for your consideration of this fundamental problem: Americans who do not have municipal water systems that provide water around the clock safe for human consumption.

And my solution is simple. I am asking the committee to accept the list of water and sewer projects that EPA has compiled, and which I include with my testimony; accept the price tags that EPA has placed on this list; and provide budgetary authority sufficient to permit the Department of Interior to meet this need.

Again, thank you for the opportunity to speak with this committee. We continue as we always have and hope for the best. Thank you very much.

Mr. BOYD. Thank you, Mr. Sablan. We appreciate your testimony.

Do we have any questions?

I might ask. I understand your problem being one of the city areas and the rural areas, if I understand your testimony correctly.

Mr. SABLAN. Yes. I represent an area with 14 separate islands. I understand that they are all urban. They are not rural.

Mr. BOYD. Okay. That was my question. So it would be a easier problem to solve, since they are urban people, are collected closer together in urban areas?

Mr. SABLAN. In three separate locations, yes, sir.

Mr. BOYD. I understand. And those urban areas consist of—the population of each would be what?

Mr. SABLAN. The island of Saipan may have 50,000, Rota may have 20 or 15, and Tinian may have 15 right now.

Mr. BOYD. We thank you very much for your testimony. And I know that you will be working with other Members of Congress to find a way to solve this problem.

Thank you for bringing it to the attention of the Budget Committee.

Mr. SABLAN. Thank you very much.

[The prepared statement of Gregorio Sablan follows:]

PREPARED STATEMENT OF HON. GREGORIO KILILI CAMACHO SABLAN, A DELEGATE IN CONGRESS FROM THE COMMONWEATH OF THE NORTHERN MARIANA ISLANDS

Good morning Chairman Spratt, Ranking Member Ryan, and Members of the Committee. Thank you for the opportunity to testify before the House Committee on the Budget on the Administration's budget proposal for Fiscal Year 2010 and the budget priorities of the Northern Mariana Islands on this Member's Day.

This is the first time in history that the people of the Northern Marianas—a United States Commonwealth since 1978—have had a representative in Congress to speak on their behalf before this Committee. For this I am grateful, humbled, and privileged.

At the same time I feel the terrible responsibility of being the lone voice in Congress to try to raise awareness of the gulf between my constituents and the rest of our Nation. I am not speaking of the vast Pacific Ocean that separates us. I am speaking of the great gulf in standard of living. For so much of what Americans here on the continent take for granted in their every day lives is not available to my constituents—Americans, too—8,000 miles away in the Marianas.

I want to discuss two of those deficits today: drinking water and wastewater.

Such a simple thing as turning on the kitchen tap and having water flow out—any time of day or night—water that you can put in a glass and drink down without a second thought—this is an experience that the people I represent mostly do not have.

There are workarounds. At my house and the homes of many of my neighbors we have water storage tanks. So, for the few hours each day the municipal water pipes run with water, we can collect enough to wash our clothes and bathe. It's as if every household and every business is its own little utility.

But this system doesn't provide potable water. The water that is stored in the tanks is unfit for human consumption. It's brackish, because aquifers are pumped beyond capacity. Or it's laden with bacteria that seep through cracked mains, because the municipal system is not fully pressurized and because chlorination facilities are lacking. So, instead, virtually every household has to buy water from private vendors for cooking and drinking.

Indeed, according to the Environmental Protection Agency, Mr. Chairman, the island of Saipan in the Marianas, with a population of some 50,000, is the only municipality of its size in our Nation without 24-hour, potable, municipal water.

On the wastewater side of the equation we are equally lacking. Let me give one example: On the island of Saipan is a homestead development of about 700 homes. Because there is no sewer system in that part of the island, each of those homes collects its wastewater in a private septic tank, which slowly leach into the land. The problem is that these 700 septic tanks sit over one of the best aquifers on our little island, furthering endangering the limited water supply and putting human health at risk.

The Northern Mariana Islands are not alone in our water woes. Our sister U.S. territories in the Pacific are, likewise, in need. The Environmental Protection Agency has reckoned that there are $151,000,000 worth of water and sewer projects that need to be built—and are ready to be built—in these U.S. islands. In the Marianas these projects include distribution lines, large-scale reservoirs, and treatment plants estimated to cost $65,800,000.

Now $65,800,000 may not seem such an insurmountable amount to a Committee with responsibility for a outlays of $3 trillion. But for a community of some 80,000 souls, for a territorial government with revenues of $150,000,000 (and declining), an investment of $65,800,000 is beyond our reach. Even more so because—and here is another gulf that separates us from much of the rest of America—our incomes are so low. The median household income in the Marianas is 45% below the U.S. average.

We, together with the other U.S. territories, had hoped that the American Recovery and Reinvestment Act might be a once-in-a-lifetime opportunity to address our need for water and sewer and other infrastructure crucial to maintaining a basic standard of human welfare. We had proposed that all of the State Fiscal Stabilization Fund and all of the money that would be available to us for broadband deployment be bundled together into an infrastructure fund to be disbursed and managed by the Department of the Interior and focused on our basic needs. We were not successful.

We, together with the other U.S. territories, likewise tried to change the percentage of funds available to us through EPA State and Territorial Assistance Grants. Currently, the four "outlying areas," as we are called, receive a maximum of .25% of any single appropriation to the Clean Water State Revolving Fund and a maximum of .33% of any single appropriation to the Drinking Water State Revolving

Fund. But these set-asides leaves us with less funding per-capita than any other U.S. jurisdiction. We tried raising these percentages in ARRA to squeeze out more money for our water and sewer needs. But we were not successful.

So, now, today, I come before you to ask your consideration of this fundamental problem: Americans who do not have municipal water systems that provide water around the clock fit for human consumption.

My solution is this: accept the list of water and sewer projects that the Environmental Protection Agency has compiled—and which I include with my testimony. Accept the price tag EPA has placed on this list. And provide budgetary authority sufficient to permit the Department of Interior to meet this need.

Mr. Chairman, thank you for the opportunity to speak this morning. I think we all understand that our Nation stands at a crossroads. We can continue as we always have and hope for the best. Or we can strike out boldly in a new direction and do our best to ensure every American a basic standard of living. Thank you.

US PACIFIC ISLANDS PRIORITY WATER & WASTEWATER PROJECTS—IMPLEMENTABLE IN 2009 IF FUNDING WERE AVAILABLE——

American Samoa

Wastewater

Project: Aua Wastewater System

Description: Construction of force main, SPS, WWTF improvements, service laterals.

Purpose: To elimate the discharge of raw sewage to the coastal shoreline and coral reef; eliminate household pit privies that contaminate groundwater and streams.

Cost: $17 million

Project: Aunu'u Wastewater System

Description: Construction of sewage collection system, SPS, and constructed wetland treatment system

Purpose: To eliminate the discharge of raw sewage to the coastal shoreline and coral reef; eliminate household pit privies that contaminate groundwater.

Cost: $7 million

Project: Tualauta Wastewater Collection System

Description: Construction of interceptors and service laterals

Purpose: To eliminate on-site systems (pit privies) that are contaminating groundwater and streams and causing public health problems.

Cost: $2 million

Project: Installation of On-Site Systems for Villages that cannot be connected to Wastewater Collection and Treatment System

Description: Installation of 1,000 on-site septic tank (EPA approved) systems in villages.

Purpose: Eliminated inadequate on-site disposal systems that contaminate groundwater and streams.

Cost: $1 million

Total: $27,000,000

Water

Project: Fagali'i-Malota-Fagamalu Water Supply System

Description: Construction of transmission and distribution lines, storage tank, booster station for water supply to three villages that do not have safe drinking water

Purpose: Compliance with EPA R9 Administrative Orders to provide safe drinking water; elimination of serious public health concern from drinking untreated water.

Total Cost: $2 million

Project: LBJ Hospital—Faga'alu Water System Improvement

Description: Construction of water storage tank and transmission lines.

Purpose: LBJ Hospital experiences serious low pressure during time of high demand and threatens safe drinking water supply.

Cost: $800,000

Project: Replacement of Tramway (Water Storage) Tank

Description: Construction of two (2) water storage tanks with SCADA and security fence; transmission lines and appurtenances, access road.

Purpose: Existing welded steel tank in advanced state of deterioration (constructed in 1970). Tank important to operation of central system

Cost: $1,300,000

Project: Afono Well/Tank to Aua Tank

Description: Construction of new well and booster station.

Purpose: Provide service to existing customers that do not receive a reliable (daily) source of safe drinking water
Cost: $600,000
Total: $4,700,000
American Samoa Total: $31,700,000

Guam

Wastewater

Project: Central Guam Wastewater Collection System Improvements
Description: Address aged sewer collection and pump station capacity issues for the central area of Guam.
Importance: Prevent sewer system overflows to public areas and marine environment.
Cost:
• New Chaot Pressure Pipeline: $3,400,000
• Pump Station Upgrades (Agana, Chaot, Mamajanao) and Forcemain extension: $600,000
• Tumon Improvements (Fujita Pump Station and New Forcemain): $3,500,000
• New Tamuning area Collection, Forcemain and Pump Station Improvements: $20,000,000 (est)
Project: Old Agat Sewer Collector Line Replacement
Description: Replacement of aged, deteriorated sewer collector lines to prevent sewer system overflows and address hydraulic capacity issues.
Importance: Prevent sewer system overflow to public areas and marine environment.
Cost: Project Cost: $4,500,000
Project: Agat Route 2 Sewer Line Replacement
Description: Replacement of the old Route 2 sewer line to prevent sewer system overflows and address hydraulic capacity issues.
Importance: Prevent sewer system overflow to public areas and marine environment.
Cost: $500,000
Project: Leyang Sewer Collection Line Installation
Description: New sewer line in Leyang area to connect unsewered residental housing
currently on septic systems.
Importance: Source water protection of sole source aquifer.
Cost: $400,000
Total: $32,900,000

Water

Project: Water System Reservoir Replacements
Description: Replace aged, structurally unsound, deteriorated water system reservoirs in the central area of Guam.
Importance: Public safety and health.
Cost: • Replacement of three reservoirs $10,000,000
Project: Water Distribution System Line Replacement
Description: Replace undersized water distribution system lines to address inadequate water flow and pressure areas of the system.
Importance: Public health
Cost: $5,000,000
Project: Water Booster Pump Station Improvements
Description: Provide adequate pumping capacity and water supply to areas in the southern portion of Guam.
Importance: Public health
Cost: $1,200,000
Project: Installation of new Water Wells
Description: Provide water supply for construction phase workers supporting

Guam

Military Buildup

Importance: Public health
Cost:
• Installation of water wells $5,000,000
Total: $21,200,000
Guam total: $54,100,000

Commonwealth of the Northern Mariana Islands (CNMI)

Wastewater

Project: Upgrade/Rehabilitation of the Agingan and Sadog Tasi WWTPs
Description: Upgrade and rehabilitation of deteriorated main process components and equipment
Importance: Rehabilitation is necessary to prevent discharge of partially treated sewage, protection of public health and marine environment.
Cost: $1,500,000
Project: Upgraded of Sewer Lift Stations and Rerouting of Collection Lines
Description: Renovation of lift stations (A-7, S-1 and S-9) and reroute gravity sewer collection line to address flow constrictions and decomissioning of two lift stations.
Importance: Increase pump station and sewer collection system reliability to mitigate sewer system overflows during peak flow periods. Project would protect public health and marine environment.
Cost: $800,000
Project: Upgrade of Sewer Lift Stations
Description: Renovate and upgrade CUC's main lift stations S-3, A-16 and A-1 to address operational and reliability problems.
Importance: Prevent sewer system overflows and protect public health and marine environment.
Cost: $500,000
Project: Kagman Wasterwater Treatment Plant (Saipan)
Description: New wastewater collection system and treatment plant for unsewered Kagman homestead area.
Importance: Prevention contamination of groundwater source
Cost: $15,000,000(est)
Project: Tinian Wastewater Treatment Plant (Tinian)
Decription: New wastewater collection system and treatment plant to eliminate aged residental septic systems
Importance: Prevention contamination of groundwater source
Cost: $15,000,000(est)
Total: $32,800,000

Water

Project: Saipan Water System Reservoir Replacements/Improvements
Description: Replace aged, structurally unsound, deteriorated water system reservoirs on Saipan.
Importance: Public safety and health and provide 24 hour water.
Cost:
• Replacement of two reservoirs $5,000,000
Project: Saipan Water Distribution System Line Replacement
Description: Replace undersized water distribution system lines to address inadequate water flow, supply and pressure in the system.
Importance: Public health and provide 24 hour water.
Cost: $5,000,000
Project: Saipan Water Wells Rehabilitation/Improvements
Description: Improve water well sites to ensure proper disinfection/chlorination of water supply.
Importance: Public health and water quality
Cost: $1,000,000
Project: Tapochao Waterline (Saipan)
Description: Connect waterline to Tapochao water well.
Importance: Public health, water quality and quantity.
Cost: $1,000,000
Project: New Water Wells at Sablan, San Vicente and Gualo Rai (Saipan)
Description: Establish new wellfield for improved water supply
Importance: Public health, 24 hour water.
Cost: $5,000,000
Project: New Water Reservoir and Waterline (Saipan)
Decription: Connect new wellfield and water supply reservoir
Importance: 24 hour water.
Cost: $5,000,000
Project: Saipan Water Distribution System Improvement
Decription: Connect Northern and Southern water systems to improve distribution
Importance: 24 hour water
Cost: $5,000,000

Project: Rota Water Reservoir Rehabilitation
Description: Rehabilitation of aged, deteriorated water system reservoirs (2) on Rota.
Importance: Public health
Cost: $1,000,000
Project: Rota Water Treatment System
Description: New water filtration treatment plant to address untreated surface water source
Importance: Public health
Cost: $8,000,000
Project: Tinian Reservoir
Description: New water system reservoir to provide adequate system pressure and supply
Importance: Public health
Cost: $2,000,000
Total: $33,000,000
CNMI Total: $65,800,000
US Pacific Islands Total: $151,000,000

Mr. BOYD. Our next witness is Mr.—Mr. Luján is not here?

The committee will stand in recess until Mr. Luján arrives.

Mr. SCHRADER [presiding]. Thank you, Mr. Luján, for showing.

The next member to testify will be the gentleman from New Mexico, Mr. Luján.

Welcome. We are pleased to have you testify before us here today. You are recognized for about 5 minutes; and without objection, your full statement will be entered into the record. Please proceed.

STATEMENT OF THE HON. BEN RAY LUJÁN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Mr. LUJÁN. Mr. Chairman, thank you very much.

Distinguished members of the Committee on the Budget, thank you for allowing me to provide testimony before you about the priorities of my constituents in the fiscal year 2010 budget.

At this time of economic uncertainty, creating a comprehensive and strong budget is extraordinarily important. While our national budget must fund the operations of our government, it also reflects our priorities and our shared vision of the direction of our country.

For 8 years we have been on the wrong track and have avoided confronting the realities of a changing world. We need to invest in innovative sources of renewable energy production and ensure our workforce is trained to seize the opportunities of a new clean energy economy.

Although we are facing tough times, we must not forget that this budget represents a great opportunity to rebuild our Nation. Through perseverance and innovation, we can get the economy moving in the right direction towards a clean energy future.

We must invest in new electric grids, new wind turbines, new solar panels, and cleaner cars. These investments should be designed to promote green jobs, jobs that can help ensure the future of our economy and our planet.

We need innovation, courage, and a commitment to develop and improve clean energy technology more now than ever before. Our ability to get our country back on track relies on our ability to change the way our country generates and uses energy.

We must harness the incredible innovation of the great national laboratories in my home State of New Mexico. By directing invest-

ments towards the research and development projects done by the labs at Los Alamos and Sandia, we will reap enormous benefits down the line. The technologies under development by the labs include new ways to transport and store renewable electricity more efficiently, as well as smart grid electric networks that will allow us to use it more effectively.

If our goal is a stronger, better economy, education is how we get there. The Americans who will drive our clean energy economy must be well educated in science, technology, engineering, and mathematics. Many schools across the Third Congressional District of New Mexico are already training students for the jobs of the future in clean energy generation, in towns like Espanola, Farmington, Santa Fe, Rio Rancho, Taos, Portales, Las Vegas, and Tucumcari. Our budget must support these children beginning with Head Start, but also in K-through-12 and beyond.

Schools like Northern New Mexico College Solar and Energy Research Park and Academy, the North American Wind Research Center at Mesalands Community College in Tucumcari, and San Juan College are providing students with workforce training in green jobs. Our budget needs to support and promote these innovative programs to create a Nation of highly trained workers ready to build a clean energy infrastructure for our Nation and provide a career for themselves.

We must make a commitment to restore science and innovation as the keys to a new American economy. Innovation is the future for my great State, and it is up to us to ensure that those new solar panels, chips for computers, and a workforce for the 21st century are built right here in the United States. This budget must ensure that New Mexicans will make America a cleaner, more prosperous, and safer place for us all.

Finally, we must remember the unique needs of our returning veterans. About a third of Iraq and Afghanistan veterans are estimated to have a serious mental health problem such as depression or post-traumatic stress disorder. As many as 7,000 New Mexico veterans are homeless. Many have lost their jobs, and after extended deployments are forced to start over again once they return home.

They need not only the health care they are entitled to, but we need to provide them with access to higher education, job training, and offer the resources to help them successfully reintegrate with their families and their communities.

In recognition of the service provided by our veterans, this Congress must generously support the Veterans Health Administration and the Centers of Excellence for Veteran Student Success.

It is important for rural veterans to have access to care. Often they have to travel long distances to receive the care they need. Our veterans deserve access to local and rural clinics for their health care needs and reimbursements by the Veterans Administration for miles traveled.

Our returning troops deserve mandatory mental health screening and a program to better monitor their mental and physical health, Mr. Chairman, as we move forward with universal health care, making sure we do not forget our veterans and addressing the dis-

parities that exist in communities across our country, namely, minority communities.

My congressional district represents a vast area of tribal lands and native nations. We cannot forget them as we move forward with putting together this very important budget as we move forward in moving our country back in the right direction. Thank you, Mr. Chairman.

Mr. SCHRADER. Thank you very much.

[The prepared statement of Ben Ray Luján follows:]

PREPARED STATEMENT OF HON. BEN RAY LUJÁN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Chairman Spratt, distinguished members of the Committee on the Budget, thank you for allowing me to provide testimony before you about the priorities for my constituents in the Fiscal Year 2010 budget.

At this time of economic uncertainty, creating a comprehensive and strong budget is extraordinarily important. While our national budget must fund the operations of our government, it also reflects our priorities and our shared vision of the direction of our country. For eight years, we've been on the wrong track and have avoided confronting the realities of a changing world. We need to invest in innovative sources of renewable energy production and ensure our workforce is trained to seize the opportunities of a new clean energy economy.

Although we are facing tough times, we must not forget that this budget represents a great opportunity to rebuild our nation. Though perseverance and innovation, we can get the economy moving in the right direction towards a clean energy future.

We must invest in new electric grids, new wind turbines, new solar panels, and cleaner cars. These investments should be designed to promote green jobs—jobs that can help ensure the future of our economy and our planet.

We need innovation, courage and a commitment to develop and improve clean energy technology more now than ever before. Our ability to get our country back on track relies on our ability to change the way our country generates and uses energy.

We must harness the incredible innovation of the great National Laboratories in my home state of New Mexico. By directing investments towards the research and development projects done by the labs at Los Alamos and Sandia, we will reap enormous benefits down the line. The technologies under development by the labs include new ways to transport and store renewable electricity more efficiently as well as smart grid electric networks that will allow us to use it more effectively.

If our goal is a stronger, better economy—education is how we get there. The Americans who will drive our clean energy economy must be well-educated in Science, Technology, Engineering and Mathematics careers.

Many schools across the third Congressional District of New Mexico are already training students for the jobs of the future in clean energy generation, in towns like Espanola, Farmington, Santa Fe, Rio Rancho, Taos, Portales, Las Vegas and Tucumcari. Our budget must support these children beginning with Head Start, but also in K-through-12 and beyond.

Schools like Northern New Mexico College Solar Energy Research Park and Academy, the North American Wind Research Center at Mesa Lands Community College, and San Juan College are providing students with workforce training in green jobs. Our budget needs to support and promote these innovative programs to create a nation of highly-trained workers ready to build a clean energy infrastructure for our nation and a productive career for themselves.

We must make a commitment to restore science and innovation as the keys to a new American Economy. Innovation is the future for my great state, and it is up to us to ensure that those new solar panels, chips for computers, and a workforce for the 21st century are built right here in the United States. This budget must ensure that New Mexicans will make America a cleaner, more prosperous, and safer place for all of us.

Finally, we must remember the unique needs of our returning veterans. About a third of Iraq and Afghanistan veterans are estimated to have a serious mental-health problem such as depression or Post-Traumatic Stress Disorder. As many as 7,000 New Mexico veterans are homeless. Many have lost their jobs after extended deployments and are forced to start over once they return home.

They not only need the health care they are entitled to, but we need to provide them with access to higher education and job training and offer the resources to

help them successfully reintegrate into their families and communities. In recognition of the service provided by our veterans, this Congress must generously support the Veterans' Health Administration and the Centers of Excellence for Veteran Student Success.

It is important for rural veterans to have access to care. Often, they have to travel long distances to receive the care they need. Our veterans deserve access to local and rural clinics for their health care needs and reimbursements by the Veterans Administration for miles traveled. Our returning troops deserve mandatory mental-health screening and a program to better monitor their mental and physical health.

As we push on towards a universal health care system, it is of vital importance that we remember the needs of our veterans and that they receive the care that they have earned. It is also important that we remember to meet the needs of the rural communities that make up so much of my District.

Thank you, Mr. Chairman for this opportunity.

Mr. SCHRADER. Well, we'll welcome Mr. Griffith then, a colleague of ours from Alabama. We'll be entering your testimony. You have 5 minutes. If you could please keep us on time since we're so full here today; and, without objection, your written statement will be entered into the record.

Please proceed.

STATEMENT OF THE HON. PARKER GRIFFITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

Mr. GRIFFITH. Mr. Chairman, thank you for allowing me to be here today. I thank the Budget Committee for this.

I'm here on behalf of missile defense. We in the fifth district are integrally involved in that. A great deal of our community is involved in that, but, more importantly, we believe that the international situation is going to demand that we have ground-based missile defense at the ready.

The international situation, whether it be Afghanistan, that is really a country in geography only, with a marginal if a government at all, abuts up against Pakistan, which has a failing government but is a nuclear power. We know that Iran has launched a satellite. With that satellite capability comes intercontinental ballistic missile capability.

We know that North Korea has the capability now, or we believe that it does. We believe that the only real defense against that is a ground-based mid-course missile defense.

We do know that on February 2 Iran launched its own Omid satellite into orbit aboard a Safir-2 rocket. This proves Iran is on the path of developing an intercontinental missile. Also, we can't forget that North Korea tested a Taepodong 2 missile in 2006 which has the capability of lofting a one-ton nuclear warhead into Alaska and the west coast of the United States.

We recognize the instability of our international situation. We know that we have been at war for 7 and a half, going on 8 years in Iraq. We know that we're going to be in action for some undetermined period of time.

Whether we deploy our ground-based missiles in Poland, whether we do our early warning radar in the Czech Republic, regardless of what decisions our leaders make, we are going to need to continue to improve and make ready our ground-based missile defense.

In the Huntsville, Alabama, area and in the fifth district which I represent, we have a major installation called the Redstone Arsenal. At the Redstone Arsenal, we have 35,000 employees. We have a hundred thousand plus retirees there, but more importantly than

who we employ is that we are integrally involved in the national defense of the country.

The improvement in the ground-based missile defense program—hitting a bullet with a bullet seemed almost impossible 15 years ago. We're now proving every day that it's a proven technology, it's a needed technology, it's a technology that is essential to America's national defense and its international allies.

We hope that the budget process will keep us funded at a level or even increased, because we do not see the threat disappearing on the international situation.

So I thank you for allowing me to be here and would welcome an opportunity to come back or answer any questions that might be concerning missile defense.

Mr. SCHRADER. Thank you very much, Mr. Griffith.

[The prepared statement of Parker Griffith follows:]

PREPARED STATEMENT OF HON. PARKER GRIFFITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

I would first like to thank the Committee on the Budget for allowing me to testify here today. As I am sure everyone in this hearing is aware, funding the Department of Defense is one of the most important parts of our budget. Our safety is directly related to a functional and efficient Defense Department that must be ready to deploy troops, aircraft, ships or missiles to protect our homeland and international allies. According to President Obama's Budget outline, the Department of Defense will have $533.7 billion for its base budget for 2010, which is a four percent increase from FY2009 funding. While this is a moderate increase, we must keep in mind that we are spending billions of that increase on the wars in Afghanistan and Iraq. As the Obama Administration and the 111th Congress look to prioritize defense projects for FY2010, we should not be remiss and forget about the importance of missile defense.

World news continues to confirm the importance for missile defense, as the military technological advancements occurring in Iran and North Korea exhibit the threat in that region of the world is real. On February 2, Iran launched its own Omid Satelite into orbit aboard a Safir-2 rocket. This proves Iran is on a path to developing satellite guided long-range ballistic missiles, while its nuclear program continues to progress. Also, let's not forget North Korea tested a Taepodong 2 missile in 2006, which is capable of lofting a 1 ton nuclear warhead 3,500 miles to Alaska, Hawaii and the west coast. Both of these countries are rogue nations in control of very powerful technology that could harm the United States. In order to protect our nation, we must fully fund our missile defense projects. Missile defense ensures that would-be proliferators are denied the opportunity to hold America or its allies hostage. For these reasons, it complements our nation's diplomatic efforts to roll-back North Korea's and Iran's nuclear and ballistic missile capabilities.

In addition to being a deterrent to these rogue nations, our missile defense creates jobs in Huntsville Alabama, which is in my district. Redstone Arsenal has more than 32,000 jobs military jobs, 78,000 military retirees and 118,000 family members depending on this industry for their livelihood. Huntsville is also has one of the highest concentration of scientists and engineers in the world. This community is slated to continue to grow and as the manufacturing, service, bio-tech, and bio and homeland defense industries develop we should not stunt the growth of this region of the country. We should continue to research ways to ensure the safety of Americans through producing sound missile defense technology.

Should deep funding cuts to a system like the Ground-based Midcourse Defense (GMD) program occur, we do not know what impact they will have on the operational readiness and availability of the system. GMD is the United States' only defense against the threat of long-range ballistic missiles. Members of the Budget Committee have the authority to make decisions that will keep our country strong from a national security and economic perspective, and I urge them to continue to do so.

Mr. SCHRADER. Just one question then. Are you supportive of the President's level in his budget for missile defense?

Mr. GRIFFITH. I have not seen that level yet. The total defense budget I think is up by 4 percent, but I have not seen the breakout of the defense—of the ground-based missile defense.

Mr. SCHRADER. Make sure that you do.

Mr. GRIFFITH. I am going to do that.

Mr. SCHRADER. Thank you very much.

We'll stand in recess for a few moments until Mr. Foster gets here.

[Recess.]

Mr. SCHRADER. Thank very much for joining us, Mr. Klein. We've a packed room for you. Welcome. Pleased to receive your testimony.

You are recognized you for 5 minutes, and your written statement will be entered in the record without objection.

STATEMENT OF THE HON. RON KLEIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. KLEIN. Thank you, Mr. Chairman; and thank you for inviting me to testify before the budget committee today.

This budget, as we all know, will serve as a blueprint for our future, and it's a commitment to a long-term vision for what is most important to our country. Under your leadership, we are returning to a culture of fiscal discipline, which I strongly believe in; and particularly in these economic times nothing is more important.

Mr. Chairman, for the first time, the American people will have an honest and transparent budget to evaluate. I know that many of us felt that for too long the government was not being completely open by running two wars and other expenditures off the books. No American family or business runs their budget that manner, and the government has no right to do so either.

Hundreds of billions of dollars later, the American people will now finally be able to see the serious financial consequences that we face today. Restoring honesty and fiscal discipline is an important step to reestablishing trust in government.

Mr. Chairman, whether we support or oppose the war, and there are differences of opinions in Iraq, we certainly all agree that when Americans who wear the military uniform return from service they deserve to be treated with the highest level of respect and dignity that they have earned. This includes making sure that they receive the necessary benefits to make sure that they come back and are treated properly both medically and otherwise.

Last year, I testified before your committee about the backlog in disability claims. We have seen some progress but not enough. As of September, 2008, 330,000 Iraq and Afghanistan war veterans have filed disability claims with the VA, and yet 54,000 of them are still waiting for confirmation that the VA received their claims. The average wait for disability claim is more than 6 months.

I come before you today to speak on behalf of the veterans of Palm Peach and Broward Counties in south Florida where I live. From World War II to Operation Enduring Freedom and Operation Iraqi Freedom, we ask that we keep our promise to our Nation's veterans and ensure that they get the benefits in an easy and efficient manner. America is at its best when we honor those who have served us, and I know that this budget that you are working on will reflect those priorities.

Our budget must also include funding for Priority 8 veterans. Many veterans in south Florida make too much to be eligible for VA health care but make too little to be able to pay for quality health insurance. In the last administration, those veterans were not able to get the benefits that they earned. This must change. We must act quickly to get our Priority 8 veterans the service they deserve.

I'm also alarmed, as I know you are, by the recent rise in military suicides. A recent RAND Study indicated that 20 percent of the service members who are returning from combat suffer from posttraumatic stress disorder and major depression. We have learned that the VA suicide hotline took about 55,000 calls during its first year in operation. Florida was among the highest in number of calls to the hotline. With this in mind, Mr. Chairman, we must expand mental health screenings and provide our military with the resources to research the effects of war when our servicemen and women come home.

Mr. Chairman, another important area of the budget that deserves a high level of support is medical and scientific research. It is clear that research and technology and that technological progress can help save lives and advance our country's priorities. We also know that some of the best scientists, engineers, and doctors are working in the most premier research institutions in the world right here in the United States.

When I served in the Florida legislature, I helped bring the Scripps Research Institute to Palm Beach County to jump-start the biotech industry in south Florida. Scripps Florida opened last week, and it couldn't have come at a better time. It is this innovative spirit that brings these great research scientists together that makes America strong; and when Florida's economy is hurting, as it is in other parts of the country as well, jobs in research and technology could help expand employment in our communities.

On the national level, institutes like the National Institutes of Health and the National Science Foundation deserve our robust commitment. I believe that this budget should double cancer funding over the coming years and heavily invest in research on Parkinson's, diabetes, and Alzheimer's. And as a long-time proponent of embryonic stem cell research, I believe that our budget should enable our scientists to pursue every reasonable path to successfully pursue life-saving research.

Mr. Chairman, as we face critical challenges ahead, we must work together, Democrats and Republicans. All of us are committed to providing the best opportunity for the American people, and I know that this budget is a first step in redefining the priorities that we have and share in the future.

There's one provision in the budget, Mr. Chairman, that I would like to discuss today. Our community in south Florida faces distinct challenges. Unemployment in our State of Florida has risen to 8.6 percent; and, as of the end of last year, 20 percent of home loans in Florida were past due or in default.

Many in our community have reached out their hand for help, sometimes to the government and other times to charities, charities like Covenant House Florida in Fort Lauderdale. They have provided shelter to over 30,000 homeless young people since they were

created in 1985. They have helped young people find jobs, and they have taught young women to care for their children. But, despite their successes, the need for their services has only grown.

Their Executive Director, Jim Gress, came to my office last week to talk about their predicament. He told us that last month, for the first time since 1990, Covenant House Florida ran out of beds. Our tough economy makes their job even tougher.

Fund-raising for these charities is not easy either. In south Florida, many philanthropists can't afford to be as generous as they have been in the past. Charities, unfortunately, have also lost some of their great supporters due to being victims of Bernie Madoff's Ponzi scheme. Without the support of these benefactors, just when we thought times couldn't get worse, nonprofits like the south Florida Picower Foundation are closing their doors, no longer to assist with food banks, health care, education, and job training.

It is under these circumstances, Mr. Chairman, in south Florida that I come to ask this committee to reconsider a provision in the prosed budget. Under current law, a philanthropist or any charitable giver can make a contribution and write off 35 percent of his or her contributions to a charity. This allows charities to grow and, even more importantly, can help in our local needs in the economy.

But there's a proposal in the budget that's discussed to cap that charitable deduction at 28 percent. I've heard from several charitable organizations in my district that their services depend greatly on the generosity of their benefactors. They've told me that their contributions to these charities are greatly under stress right now and will decline further if this provision goes into effect.

I would like to just briefly cite an e-mail I received from Mr. Anthony Middleton, who's the Treasurer of his church, Sonfest Chapel of Boynton Beach, Florida. He says, and I quote, many contributions received by faith-based institutions are used in a benevolent manner to help needy families and individuals and the homeless. If the allowance for charitable contributions is reduced, it will severely impact and threaten the existence of the church and other charities, as well as spending by these organizations that aid the poor and the homeless. When people donate to a charity or through their church, at least they know who they are directly supporting.

Mr. Chairman, I strongly believe in a balanced budget, as you do. I'm a deficit hawk; and I believe that we must pay for what we spend, just like any American family. Mr. Chairman, I hope we can continue to work together on this budget bill and find an alternative to this reduction of the tax deduction for charitable contributions so that we can meet our goals of fiscal discipline and responsibility to the American taxpayer.

Mr. Chairman, I ask unanimous consent to place in the record letters that I have received from a number of organizations, including Covenant House Florida, the Union of Orthodox Jewish Congregations of America, and the Jewish Federation of South Palm Beach County, asking for opposition to this particular provision and, of course, asking for an alternative.

Mr. Chairman, as I conclude, while challenges abound, I am confident that we will get through this together. We always do. We're the most resilient people on this planet. We have many opportunities ahead to strengthen our great country, and I look forward to

working with you and all of your colleagues in the Congress and the President to ensure that we have a budget that prioritizes America's working families and makes America stronger.

Our future holds great opportunities for America, and this budget should reflect and will reflect the vision of the American people.

Mr. Chairman, I thank you for your time today and look forward to working with you on this very important budget.

Mr. SCHRADER. Thank you very much, Mr. Klein. Appreciate your testimony. And since I don't think there will be any objection, we'll enter that document into our record for you. Thank you.

Mr. KLEIN. Thank you so much.

[The prepared statement of Ron Klein follows:]

PREPARED STATEMENT OF HON. RON KLEIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Thank you, Mr. Chairman for inviting me to testify before the Budget Committee today. This budget will serve as a blueprint for the future—a commitment to our long term vision of what is most important to our country. Under your leadership, we are returning to a culture of fiscal discipline. In these economic times, nothing is more important.

Mr. Chairman, for the first time, the American people will have an honest and transparent budget to evaluate. For too long, the government was not being completely open by running two wars and other expenditures off the books. No American family or business can run its budget in that manner, and the government shouldn't either. Hundreds of billions of dollars later, the American people will finally be able to see the serious financial consequences that we face today. Restoring honesty and fiscal discipline is an important step in re-establishing trust in government.

Whether you support or oppose the war, we all agree that when Americans who wear the military uniform return from service, they deserve to be treated with the highest level of respect and dignity that they have earned. This includes making sure that they receive the necessary benefits. Last year, I testified before your committee about the backlog in disability claims. We have seen some progress, but not enough. As of September 2008, 330,000 Iraq and Afghanistan war veterans have filed disability claims to the VA. Yet, 54,000 are still waiting for confirmation that the VA received their claims. The average wait for a disability claim is more than six months. I come before you again this year to speak on behalf of the veterans of Palm Beach and Broward Counties in South Florida, from World War II to Operation Enduring Freedom and Operation Iraqi Freedom, and ask that we keep our promise to our nation's veterans and ensure that they get their benefits in an easy and efficient manner. America is at its best when we honor those who have served us, and I know that this budget will reflect those priorities.

Our budget must also include funding for Priority 8 veterans. Many veterans in South Florida make too much to be eligible for VA healthcare, but make too little to be able to pay for quality health insurance. In the last administration, those veterans were not able to get the benefits that they earned. This must change. We must move quickly to get our Priority 8 veterans the services they deserve.

I am also alarmed by the recent rise in military suicides. A recent RAND study indicated that 20% of the servicemembers who are returning from combat suffer from post-traumatic stress disorder or major depression. We have learned that the VA suicide hotline took about 55,000 calls during its first year in operation. Florida was among the highest in number of calls to the hotline. With this in mind, we must expand mental health screenings and provide our military with the resources to research the effects of war when our servicemen and women come home.

Mr. Chairman, another important area of the budget that deserves a high level of support is medical and scientific research. It is clear that research and technological progress can help save lives and advance our country's priorities. We also know that some of the best scientists, engineers and doctors are working in the most premiere research institutions in the world, right here in the United States. When I served in the Florida State legislature, I helped bring The Scripps Research Institute to Palm Beach County to jumpstart the biotech industry in South Florida. Scripps Florida opened last week, and it couldn't have come at a better time. It is this innovative spirit that makes America strong. When Florida's economy is hurt-

ing, jobs in research and technology could help expand employment in our communities.

On a national level, institutions like the National Institute of Health and the National Science Foundation deserve our robust commitment. I believe that this budget should double cancer funding over the coming year and heavily invest in research on Parkinson's, diabetes and Alzheimer's. And, as a longtime proponent of embryonic stem cell research, I believe that our budget should enable our scientists to pursue every reasonable path to successfully complete lifesaving research.

Mr. Chairman, as we face critical challenges ahead, we must work together. Democrats and Republicans alike are committed to providing the best opportunities for the American people, and this budget is a first step in redefining our priorities for the future.

There is one provision in the budget that I would like to discuss today.

Our community in South Florida faces distinct challenges. Unemployment in the State of Florida has risen to 8.6%. As of the end of 2008, 20% of home loans in Florida were past due or in default.

Many in our community have begun to reach out their hand for help * * * sometimes to the government and other times to charities—charities like Covenant House Florida in Fort Lauderdale. They have provided shelter to over 30,000 homeless young people since they were founded in 1985. They have helped young men find jobs and have taught young women to care for their children. But, despite their successes, the need for their services has only grown. Their executive director, Jim Gress came to my office last week to talk about their predicament. He told us that last month, for the first time since 1990, Covenant House Florida ran out of beds. The tough economy makes their job that much harder.

Fundraising for these charities is not easy either. In South Florida, many philanthropists can't afford to be as generous as they were in the past. Charities have also found that some of their supporters were victims of Bernie Madoff's Ponzi scheme. Without the support of benefactors, just when we thought times couldn't get worse, our community found that non-profits like South Florida's Picower Foundation, were closing their doors, no longer able to assist in food banks, healthcare, education and job training.

It is under these circumstances in South Florida that I come to you to ask that you reconsider a provision in the proposed budget. Under current law, a philanthropist can write off 35% of his or her contributions to a charity. This allows charities to grow, even more importantly in this economy. But, there is a proposal to cap the charitable deduction at a 28% rate.

I have heard from several charitable organizations in my district that their services depend on the generosity of their benefactors. They have told me that contributions to their charities currently under stress, will decline further if this provision goes into effect.

I would like to read an email I received from Mr. Anthony Middleton, who is the treasurer of his church, Sonfest Chapel of Boytnon Beach, Florida.

"Many contributions received by faith-based institutions are used in a benevolent manner to help needy families and individuals and the homeless. If the allowance for charitable contributions is reduced, it will severely impact and threaten the existence of churches and charities, as well as spending by these organizations to aid the poor and homeless. When people donate to a charity or through their church, at least they know what they are directly supporting."

Mr. Chairman, I strongly believe in a balanced budget, as you do. I am a deficit hawk, and I believe that we must pay for what we spend, just like any American family. Mr. Chairman, I hope that as we continue to work on the budget bill, we can work together to find an alternative to this reduction of the tax deduction for charitable contributions so that we can meet our goals of fiscal discipline and responsibility to the American taxpayer.

I ask unanimous consent to place in the record letters that I have received from Covenant House Florida, the Union of Orthodox Jewish Congregations of America and the Jewish Federation of South Palm Beach County, asking me to oppose this provision.

Though challenges abound, I am confident that we will get through this together. We have many opportunities ahead to strengthen our great country, and I look forward to working with you, Mr. Chairman, our colleagues in the Congress and the President, to ensure that we have a budget that prioritizes America's working families and makes America stronger. Our future holds great opportunities for America, and this budget should reflect the vision of the American people.

Mr. SCHRADER. We will put our committee into recess as we're now voting and be back at a future time.

[Recess.]

Mr. MCGOVERN [presiding]. The Budget committee will come to order, and the next Member to testify is Mr. Peters from Michigan. We welcome you here and look forward to your testimony.

STATEMENT OF THE HON. GARY C. PETERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. PETERS. Thank you, Mr. Chairman. It's good to be here and have an opportunity to testify before you and the committee.

Of the 4.4 million jobs lost so far in this recession, 1.3 million have been lost in the manufacturing sector. A healthy manufacturing base is critical to ensure the security and prosperity of the American middle class and is critical to our overall economic recovery. In order to maintain competitiveness in the global marketplace, U.S. manufacturers must adapt to new technological developments and economic changes. They must retool and retrain as they implement the next generation of manufacturing practices and green technologies.

The State of Michigan, the domestic auto manufacturers, and many other companies in the State and across the country are investing heavily in new technologies that will help renew our manufacturing sector and auto industry. Leaders in the private sector and in our States are determined to maintain America's place as a world leader in manufacturing technologies, and I believe that this determination must be matched at the Federal level to achieve the technological change being demanded.

President Obama and many in Congress have called for our domestic auto industry to transition into new green technologies, using advanced battery and full cell technologies. If building the next generation of clean automobiles here in America is truly a priority, we need to make stronger Federal investments in the automotive research and development arena.

There is a lot of exciting technology being developed right now—traditional hybrids, plug-in hybrids, clean diesels, ethanol—and we're going to need to invest in all of them if we are to achieve energy independence. At the Federal level, there are several programs in place to put significant resources behind efforts to renew the domestic automobile industry, but funding levels are not currently adequate for these programs to achieve their stated goals.

Section 135 of the Advanced Battery Loan Guarantee and Grants Program was authorized by energy legislation passed in Congress in 2007. This program authorizes both loan guarantees and grants for the construction of manufacturing facilities for advanced vehicle batteries and battery systems. However, this critical job-creating, fuel-saving program has yet to receive any funding. Congress needs to fund and implement this program.

Section 136 of the Advanced Technology Vehicles Manufacturing Loan Program provides up to $25 billion in direct loans that will be made available to eligible applicants for the cost of re-equipping, expanding, and establishing manufacturing facilities in the U.S. to produce advanced technology vehicles and vehicle components.

However, based on the number of applications already submitted to the 136 program, it is likely more funding will be necessary to accommodate worthy projects. With credit markets frozen, Federal

loans are virtually the only means through which auto companies can secure the financing to continue this critical research and development. This is another job-creating program crucial to our industry, and we should double its funding.

The economic recovery package President Obama recently signed into law includes $2 billion for advanced vehicle manufacturing, and this is a great first step. But $2 billion more is still not enough when compared to the tens of billions of dollars that the Japanese, Chinese, and Korean governments are investing into these technologies.

The global race to create the ultra-efficient cars of the 21st century has begun, and the United States is already giving other nations a tremendous head start. All of these programs to help develop the next generation of clean cars need more Federal support if we are to ensure that we will not trade our dependence on foreign oil for our dependence on foreign batteries.

The Department of Energy's Office of Energy Efficiency and Renewable Energy has additional programs performing R&D of hydrogen fuel cells, batteries, and other advanced technologies. The 21st Century Truck Partnership and FreedomCAR are prime examples of programs that partner with our domestic automakers and which need more Federal support in order to move these technologies out of the laboratory and into the showroom.

The FreedomCAR and Fuel Partnership's ultimate objective is a clean and sustainable energy future that reduces the Nation's dependence on foreign oil and minimizes regulated emissions and CO2, yet preserves freedom of mobility and vehicle choice for consumers. The goal of the 21st Century Truck Partnership is for our Nation's trucks and buses to safely and cost effectively move larger volumes of freight and greater numbers of passengers while emitting little or no pollution, with dramatic reduction in dependence on foreign oil.

Commercial trucks and buses are some of the least efficient vehicles on the road; and I know there are companies in my district developing new, innovative technologies to make these vehicles run cleaner and greener and more cost effectively. Imagine what else could be possible with more Federal R&D spending.

Big three automakers have been active in participating in the EERE programs, and we should encourage their research and collaboration with the industry in developing these technologies. Without a systemic investment in the long term of these programs, we will not see the results at which these programs aim.

And, finally, support for the Manufacturing Extension Partnership, or MEP, and Technology Innovation Program under the National Institute of Standards and Technology must be maintained.

The Manufacturing Extension Partnership is a national program that provides technical services and assistance to increase productivity and efficiency of small- and medium-sized manufacturers. MEP services are available at 443 locations in all 50 States. The MEP was credited with creating or retaining 52,000 jobs in 2006 and stimulating $1.65 billion in economic growth. Participants in the program reported sales increases of $6.8 billion and more than $1 billion in cost savings. The success of these programs is

uncontested, and they should continue to be part of our domestic manufacturing strategy moving forward.

Thank you again for the opportunity to testify today. The United States has begun making investments into batteries and other advanced technologies, but it is not enough. If we want to maintain our economic competitiveness, create jobs and truly become energy independent, we must support our manufacturing sector and auto industry at the same pace as other countries. Other nations have committed billions of dollars to support new manufacturing technologies because they know they represent the jobs of the future. Our country and our government need to do the same or we will be left behind.

[The prepared statement of Gary Peters follows:]

PREPARED STATEMENT OF HON. GARY C. PETERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. Chairman, Thank you for the opportunity to testify today. Of the 4.4 million jobs lost so far in this recession, 1.3 million have been lost from the manufacturing sector. A healthy manufacturing base is critical to ensure the security and prosperity of the American middle class and critical to our overall economic recovery. In order to maintain competitiveness in the global marketplace, U.S. manufacturers must adapt to new technological developments and economic changes. They must retool and retrain as they implement the next generation of manufacturing practices and green technologies.

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Section 136 of the Advanced Technology Vehicles Manufacturing Loan Program (ATVMLP) provides up to $25 billion in direct loans that will be made available to eligible applicants for the costs of reequipping, expanding, and establishing manufacturing facilities in the U.S. to produce advanced technology vehicles and vehicle components. However, we know that the 136 program has already received more applications than the program will be able to fund, and many companies are still working to submit new applications. With credit markets frozen, federal loans are virtually the only means through which auto companies can secure the financing to continue this research and development. This is another job-creating program crucial to our industry and we should double its funding.

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The Department of Energy's office of Energy Efficiency and Renewable Energy (EERE) has additional programs performing R&D of hydrogen fuel cells, batteries, and other advanced technologies. The 21st century truck partnership and FreedomCAR are prime examples of programs that partner with our domestic automakers and which need more federal support in order to move these technologies out of the laboratory and into the showroom.

The FreedomCAR and Fuel Partnership's ultimate objective is a clean and sustainable transportation energy future that reduces the nation's dependence on foreign oil and minimizes regulated emissions and CO2, yet preserves freedom of mobility and vehicle choice for consumers. The goal of the 21st Century Truck Partnership is for our nation's trucks and buses to safely and cost-effectively move larger volumes of freight and greater numbers of passengers while emitting little or no pollution, with dramatic reduction in dependence on imported oil. Commercial trucks and buses are some of the least fuel efficient vehicles on the road, and I know there are companies in my district developing new innovative technologies to make these vehicles run cleaner and greener, and more cost effectively. Imagine what else could be possible with more federal R&D backing.

Big 3 automakers have been active in participating in the EERE programs, and we should encourage their research and collaboration with the industry in developing these technologies. Without a systematic investment in the long term for these programs, we will not see the results at which these programs aim.

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Thank you again for the opportunity to testify today. The United States has begun making investments into batteries and other advanced technologies, but it is not enough. If we want to maintain our economic competitiveness, create jobs and truly become energy independent, we must support our manufacturing sector and auto industry at the same pace as other countries. Other nations have committed billions of dollars to support new manufacturing technologies because they know they represent the jobs of the future. Our country and our government need to do the same or we'll get left behind.

Mr. MELANCON [presiding]. Thank you, Mr. Peters. I appreciate your presentation and ask members if they have questions.

Mr. PETERS. Thank you, Mr. Chairman.

Mr. MELANCON. Thank you.

Next, I would like to recognize Mr. McGovern for 5 minutes.

STATEMENT OF THE HON. JAMES P. McGOVERN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. MCGOVERN. Thank you very much, Mr. Chairman; and I want to commend Mr. Peters for his testimony. I want to associate myself with his remarks. We need to do more to support our manufacturing base in this country.

Mr. Chairman, I am a very strong supporter of President Obama's commitments to end child hunger in America by 2015 and to cut in half global poverty and hunger by 2015. I want to make sure that the resources are in the fiscal year 2010 budget so that we start out on the right path and we can achieve these goals within the 5-year window that the President has outlined.

Given the way the President's budget was presented, it is a little hard to know whether those funds are there; and it is critical for the committee and the budget resolution that they ensure that the funds required to accomplish these mandates are clearly included.

I respectfully ask that the fiscal year 2010 budget resolution include a robust Function 150 International Affairs Account and include report language that explicitly references the President's commitment to reduce by half global hunger and poverty by the year 2015, including increased resources for the State Department, USDA, and USAID to address global hunger and food security.

I further request that the funding levels for Function 600 Income Security has the necessary resources to eliminate child hunger in America and that explicit reference be made in the report supporting the President's commitment to eliminate child hunger in America by 2015, with particular emphasis on the importance of fully funding food stamps, early childhood nutrition, school breakfast and lunch programs, and summer meals programs.

I ask unanimous consent to enter materials in the record.

[The information follows:]

ROADMAP TO END GLOBAL HUNGER

A Roadmap to End Global Hunger

Hunger is one of the most devastating, widespread epidemics in the world. It impacts nearly 1 billion people, many of them children. History is littered with countless plans and commitments to tackle hunger. The truth is, we only need one smart plan — that will galvanize the will, mobilize the resources and lay out concrete steps to end hunger once and for all. A broad-based coalition of aid, advocacy and religious organizations calls on the new administration and Congress to lead the global community by developing and implementing a comprehensive U.S. plan to end global hunger.

How to End Global Hunger

1. Implement a smart and comprehensive plan:

- **Enable a faster and more efficient response to emergencies.** Traditional commodity-based food assistance, which is purchased in the U.S. and shipped across the world, has been a lifeline to people in desperate need for more than half a century. While commodities are an effective response in some emergency settings, U.S. programs should aim for increased flexibility through greater reliance on cash-based emergency assistance that can be easily adapted to suit immediate needs and local conditions. Under this plan, commodity-based assistance would be matched by a like amount of cash over the next five years, allowing for a variety of program options, including local and regional purchase of food or voucher programs.
- **Provide more flexibility in fighting chronic hunger.** In addition to food assistance, the plan dramatically increases the amount of cash available to invest in self-help initiatives, again providing humanitarian agencies with much more flexibility. This will also expand "safety net" programs to aid the most vulnerable people, including the very young, elderly and sick.
- **Expand nutrition programs, especially for young children.** Research shows that if children are malnourished, their physical and intellectual development will be permanently impaired. This plan stresses early nutrition programs particularly aimed at infants and preschoolers, with an emphasis on comprehensive nutrition before age 2. It would also expand school meals programs to include children from birth to age 5.
- **More than quadruple investment in market-based agricultural and market development to reach parity with emergency food assistance.** This will be aimed at low-income farmers, particularly women, and will reverse two decades of insufficient attention to this area. Because the vast majority of the world's poor rely on agriculture for their livelihoods, improving the profitability of smallholder farms is critical for breaking the cycle of hunger and promoting long-term development. In addition, the U.S. should collaborate with other governments to develop critically important agriculture infrastructure and provide technical assistance on trade and regulatory issues, as well as enhance trade relations so that they stimulate agricultural production in the developing world.
- **Provide government-to-government technical assistance.** U.S. agencies have considerable technical expertise in key areas needed to address global hunger, such as micronutrient fortification, nutrition, agricultural development and land tenure. Resources are needed to enable U.S. experts to share their knowledge with developing countries, with the ultimate goal of countries providing these services for their own people.

2. Assert Executive leadership:

The Obama administration should create a White House Office on Global Hunger and appoint a Hunger Coordinator. Until now, there has been no single overall accountable official and no comprehensive plan to integrate U.S. policies on global hunger. A key step in effectively enacting the Roadmap is to create a White House Office on Global Hunger, which would take the lead in putting the comprehensive strategy into action and in improving the intergovernmental coordination needed to successfully address global hunger. The Roadmap is being launched in the context of broader foreign assistance reform, and the Office on Global Hunger should eventually be moved to a prominent position in a newly-elevated development structure.

3. Revive Congressional coordination:

Congress should restore the now-defunct Congressional Select Committee on Hunger and establish a Senate Select Committee on Hunger. These bipartisan, bicameral committees would perform the vital task of coordinating the multiple congressional committees with legislative authority over global hunger issues.

Alliance for Global Food Security
Alliance to End Hunger
Bread for the World
CARE
Catholic Relief Services
Christian Children's Fund
Christian Reformed World Relief Committee
Church World Service
Concern Worldwide
Congressional Hunger Center
Feed the Children
Food for the Hungry
Friends of the World Food Program
Global Child Nutrition Foundation
Global Food Banking Network
The Humpty Dumpty Institute
LIFE for Relief and Development
MAZON: A Jewish Response to Hunger
Mercy Corps
Oxfam America
Partnership to Cut Hunger and Poverty in Africa
PATH
Project Concern International
RESULTS
Save the Children
US Coalition for Child Survival
U.S. Fund for UNICEF
Women Thrive Worldwide
World Vision

Mr. MCGOVERN. Let me just conclude, Mr. Chairman, by saying that hunger is a political condition. We have all the resources, we have the infrastructure, we have the food, we have everything that it takes to end hunger both in the United States and around the world. What we have lacked is the political will to actually fund the programs necessary to bring about an end to this terrible scourge.

I think this is an incredible opportunity for this committee to present a budget that will do great things, and I can't think of any more important challenge or any more important moral challenge, I should say, than ending hunger. So I thank the chairman for the time and giving me an opportunity to present my case.

Thank you.

Mr. MELANCON. I thank the gentleman from Massachusetts for his testimony and look how much time you saved us. Thank you.

[The prepared statement of James McGovern follows:]

PREPARED STATEMENT OF HON. JAMES P. MCGOVERN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. Chairman—I am a very strong supporter of the President's commitments to end child hunger in America by 2015—and to cut in half global hunger and poverty by 2015.

I want to make sure that the resources are in the FY 2010 budget so we start out on the right path and can achieve these goals within this five-year window.

Given the way the President's budget was presented, it's a little hard to know whether those funds are there, and it is critical for the Committee and the Budget Resolution to ensure that the funds required to accomplish these mandates are clearly included.

I respectfully ask, Mr. Chairman, that the FY 2010 Budget Resolution include a robust Function 150 International Affairs Account and include report language that explicitly references the President's commitment to reduce by half global hunger and poverty by 2015, including increased resources for the State Department, USDA and USAID to address global hunger and food security.

I further request that the funding level for Function 600 Income Security has the necessary resources to eliminate child hunger in America and that explicit reference be made in the report supporting the President's commitment to eliminate child hunger in America by 2015, with particular emphasis on the importance of fully funding early childhood nutrition, school breakfast and lunch programs, and summer meals programs.

I ask unanimous consent to enter materials into the Record.

Mr. MELANCON. The Chair would like to recognize Representative Walz for 5 minutes.

STATEMENT OF THE HON. TIMOTHY J. WALZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. WALZ. Thank you, Mr. Chairman, and thanks to this committee for, first of all, the incredible work that you do, and thank you for the opportunity to come and express our support of the budget and some suggestions that we think will improve on. I am very appreciative of that opportunity.

This year, we are crafting a budget in the worst economic crisis any of us have ever seen, which gives us an incredibly difficult task. The budget has to reflect the reality of today's world, which means it must be focused on short-term economic recovery, but, at the same time, it must bring about long-term economic transformations that leave this country stronger than ever; and we must do this all by putting us back on a path of fiscal responsibility.

I am very much encouraged by the President's commitment in his budget outline to making gains on all these fronts, not just to tackle the current crisis but do so in a transformative way on education, energy, working towards the future. I am also impressed by the President's commitment to reduce this budget deficit in half by his first 4 years; and, for that, that will mean teamwork with those of us here in Congress and this committee.

First, I am very pleased with the President's commitment on clean energy technologies. This is both a crucial and sustainable investment over the long term and one that will create many jobs, helping spur our economic recovery. The time has come for us to harness innovation and ingenuity of the American people to develop long-term solutions to our energy crisis. By developing renewable sources such as wind, solar, biofuels, geothermal heat, we can

move beyond fossil fuels to an energy policy that is sustainable, renewable, and produced in America by American workers.

At the same time, investments in clean energy technology create millions of good-paying jobs right here. In my southern Minnesota district, our wind industry is particularly poised to reap huge benefits from a serious funding commitment to renewable energy. And all over America we will reap the benefits from those jobs in the development of new industries and an environmental sustainability that will lead to national security.

The President's budget makes a serious commitment to research and development. Whether it be solar, wind, biomass, geothermal, or others, we have to invest in the future, a future that will really help us fuel an economic recovery and no longer a bubble-based economy on fossil fuels. The President has made that, and it will help all of us.

Second, our veterans' issues. As a member of the House Veterans Affairs Committee and a 24-year veteran myself, I spend a lot of time focused on veterans issues; and I believe we have to provide the highest quality of care to our veterans, not just as a moral responsibility but as a national security responsibility to keep faith with our newest generation who are willing to serve this Nation. You very seldom hear anybody say anything negative about veterans, and every time they get an opportunity they will stand in front of them. But the real test is, will they stand behind them?

This budget stands behind them. It is a 10 percent increase in veterans' discretionary funding over fiscal 2009. This is now three budgets in a row that have met the independent budgets of our veterans' service organizations in the care of our veterans. That is a commitment that has never been made. Last year's budget was simply the best in the 77-year history of the VA, and our veterans are benefiting for it, and our Nation is benefiting for it. I take great pride in that the President has stood behind this. And while we differ on certain things, one being third-party billing on some of the insurance issues, we will come to a consensus to make sure that we all know that care of our veterans is an issue that transcends politics.

I did want to mention just a couple of areas that I hope the VA does not forget, one to improve the care of our veterans but also to be more efficient with our scarce resources.

One of the things is that VA care is the best in the world. It is the best care anywhere. One of the problems is entering into the system and keeping track of some of the records; and one thing that our new VA Secretary, General Shinseki, has expressed a commitment to is expanding the use of electronic medical records. I hope the VA gets the funding out of this budget that is necessary to do exactly that.

More importantly, we need to make sure interoperability between the Department of Defense and the VA is one where we use our innovation and use our technology to make sure there is truly a seamless transition. I am committed to making sure that when a soldier's time, when an airman's time, a Marine's time is done, they are able to transfer seamlessly with their records, their personnel records and their medical records, into the VA system and into civilian life. And everything that I have heard from General

Shinseki, his cooperation with Secretary Gates to cooperate and what they are putting together, uniform registration is what they are calling it, should accomplish this. When a young American raises their hand and pledges an oath to the Constitution to defend this Nation, they are immediately enrolled in the VA system; and we will make sure that we care for them in the way this Nation should.

So I wanted to thank this committee for the work that they do, again reminding people and reminding everyone the President's budget is a suggestion. It is here that we legislate these. The President set us on to a good path. This committee, as it does every year, will refine that, reflect the values of Americans in 435 congressional districts. And I want to thank you, Mr. Chairman, for allowing those voices of southern Minnesota to be heard in front of you today.

Mr. MELANCON. Mr. Walz, thank you for your testimony. I appreciate you taking the time.

[The prepared statement of Timothy Walz follows:]

PREPARED STATEMENT OF HON. TIMOTHY J. WALZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Chairman Spratt, Ranking Member Ryan, members of the Committee on the Budget, thank you. I appreciate the very important work that you do, and it is an honor to be able to contribute in a small way to that work by testifying before you about some of the issues that I have focused on as they relate to the Budget Resolution for Fiscal Year 2010.

This year, Congress is crafting the budget in the midst of the worst economic crisis most of us have ever seen, which gives us an incredibly difficult task. The budget has to reflect the reality of this crisis, which means it must be focused on short-term economic recovery while at the same time start to bring about a long-term economic transformation that will leave us stronger than ever. And it must do this while also putting us on a path of fiscal responsibility.

I was certainly encouraged by the commitments the President's budget outline makes on these fronts, not just to tackle our current crisis, but to do so in a thoughtful way that will transform our economy in the long term. And I was impressed by the President's commitment to reduce the budget deficit in half by the end of his first term. I hope that we can work with him to accomplish these goals.

Of course, when it comes to the budget, the President suggests, and Congress legislates. In that regard, I want to address a couple of areas where I think the President has made important, good suggestions, and make a couple of suggestions of my own.

First, I'm very please with the President's commitment to funding for clean energy technologies. This is both a crucial, sustainable investment over the long term and one that will create many jobs, helping to spur economic recovery in the short term. The time has come for us to harness the innovation and ingenuity of the American people to develop the long-term solutions that will help make America energy independent. By developing renewable sources of energy such as wind and solar power, biofuels, and geothermal heat, we can move beyond fossil fuels to an energy policy which is sustainable, renewable and produced in America by American workers.

At the same time, investments in clean energy technologies help create millions of good-paying American jobs in the renewable energy industry and can begin to break the grip that foreign oil has over America. In my district in Southern Minnesota, our wind industry in particular is poised to reap huge benefits from a serious funding commitment to renewable energy. And all over America, we will reap the benefits in jobs, in the development of new industries, and in our environmental as well as our national security.

The President's budget makes a serious commitment to research, development, demonstration, deployment, and commercialization of clean energy technologies. Whether it be solar, wind, biomass, geothermal or other, we have to invest in the future of our energy production—a future that will really help to fuel an economic recovery that is no longer bubble-based. The President's budget also includes loan

guarantees that are meant to spur and sustain the early commercial deployment of innovative clean energy—something we can certainly capitalize on in my district.

Second, veterans' issues. As a member of the House Veterans' Affairs Committee and a 24-year veteran myself, I have spent a lot of time focused on veterans issues and I believe we have to provide the highest quality of benefits and care to our veterans. You will never hear anyone say anything negative about our veterans. So the budget, funding priorities, is really where you have to look—it is the test of whether we put our money where our mouth is. Are we fulfilling our moral obligations to our veterans?

In his budget, the President shows his incredible commitment to our nation's veterans. For FY2010, the President proposes a 10 percent increase in veterans discretionary funding over Fiscal Year 2009, which represents the second of two years of historic increases in VA funding since Democrats regained the majority in Congress. I applaud him for taking this strong stand in support of our veterans—as we deal with third-party medical collections and other issues, we may in fact have to propose an even larger increase in discretionary VA spending than the Administration to arrive at the same overall total, but again, it is so refreshing to see this strong commitment from President Obama.

I do want to mention a few areas of focus at VA that I hope will not be forgotten as Congress and the President work out the details of the budget. First, we know that one of the things that has made VA health care the best care anywhere is VA's innovative use of electronic medial records. And I know that Secretary Shinseki has expressed his commitment to the expansion of the use of electronic records. I hope that VA gets the funding it needs in that regard. Second, on a related note, those records need to be interoperable with the Department of Defense. This is one of the keys to an issue I care very deeply about: making sure that our returning servicemen and women make that seamless transition from military to civilian life, which requires real cooperation and coordination between DoD and VA. Everything I have heard from Secretary Shinseki indicates a real determination on his part and on Secretary Gates' part to cooperate together in an unprecedented way to make sure that our servicemen and women get the best possible care, and make the easiest possible transition from military to civilian life. We need to support those efforts. As I understand it, they are working on what they call uniform registration in VA—making it possible for service members to be enrolled in VA when they enter service. We must do whatever we can to help make that happen.

At the same time, I do just want to make sure that with all of the new priorities VA faces, which the Secretary is quite right to focus on, we are still properly funding VA's core, existing services. If VA health care is to remain the best care anywhere, our VA Medical Centers need to remain adequately funded to provide that care.

Again, I thank you for the opportunity to testify here today, and I want to thank you again for your efforts on behalf of our nation.

Mr. MELANCON. Ms. Giffords from Arizona I think is the next person.

STATEMENT OF THE HON. GABRIELLE GIFFORDS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Ms. GIFFORDS. Thank you, Mr. Chair. I appreciate the opportunity to be here today.

I know that this is an exceptionally difficult budget cycle for all of us. Our constituents back home are feeling the negative effects of the current economic crisis, and this is resulting in a flurry of activity as a wide variety of interests compete for Federal resources. We hear that certainly every single day here on the Hill.

But I believe that this crisis also has presented itself an open door of opportunity. In particular, I believe that by making critical investments in clean energy, but particularly solar energy, we can take a big step towards putting our Nation back on a strong economic footing and for a higher quality life for all Americans. Far from being a distraction from today's economic problems, solar and other renewables provide a means of addressing the economic crisis head on. Indeed, even though renewable power sources currently

account for just a small fraction of our overall electricity production, they accounted for over 50 percent of the additional electrical generating capacity that came online during 2008. With strong support in this budget, that number could reach 100 percent by 2012.

But more than that, a robust solar industry is an economic engine that could help us revive our struggling economy. Solar power creates jobs for electricians, for construction workers, plumbers, line workers, roofers, engineers, and high-paying manufacturing positions. With effective national policy, solar can create tens of thousands of jobs across the entire country and spur billions of dollars worth of economic growth and tax revenue.

Solar technologies are already being manufactured or installed in every corner of America, from Oregon to Florida, from the deserts of Arizona to the heartland of Ohio. Solar is good for our entire Nation, and I would like to give a couple of examples:

In Alamosa, Colorado, Sun Edison recently built an 8.2 megawatt solar farm. In the process, they retrained over 40 workers in the region, some who were recently laid off from the mining industry.

Leading national businesses such as Wal-Mart, Costco, Kohl's, Staples, Target, Macy's and others have made significant commitments to the installation of solar energy on their own rooftops, alleviating electricity congestion in the neighborhoods.

In the Arizona desert, my State's largest utility, Arizona Public Service, has teamed up with a Spanish company called Abengoa. They have plans to build one of the largest solar power plants in the world. When complete, it will be able to power over 70,000 homes.

On Nellis Air Force Base in Nevada, the Air Force has installed a 14-megawatt solar array. It is reducing their long-term energy costs while increasing the energy security of the base. This last example illustrates one of my favorite issues, renewable energy adoption by our armed services. I am pleased that the military is taking the lead—the Army, the Air Force, the Navy, and the Marines—on many renewable energy technologies; and I believe that we need a budget that encourages them to do even more.

Action has happened at the local level, too.

In my hometown of Tucson, George Villec of the solar installation company reports that Federal incentives have stimulated demand for alternative energy. As a result, just this year they have hired four full-time employees.

Another Tucson solar installer, Kevin Cook, tells the following story: Last year at this time, we were employing eight people, with a backlog of 6 to 8 weeks. We now employ 15 people. I need to hire two to three more, for our backlog now extends to 12 weeks. While the rest of the construction industry is in dire straits, we are growing as fast as we can find and train smart, sincere, and skilled members of our community. Best of all, we are installing more systems per week than ever before, which is reducing our Nation's dependence on fossil fuels and the negative effects associated with them. In fact, now that the $2,000 cap on the investment tax credit has been lifted, more of our customers are choosing to produce 80 to 100 percent of their power from solar energy.

According to SEIA, the Solar Energy Industries Association, solar installations in 2007 increased by more than 40 percent over 2006.

In the process, solar energy companies created 6,000 new jobs, 265 megawatts of generation capacity, and pumped more than $2 billion of investment into our U.S. economy. And we have just scratched the surface in terms of this economic potential.

Solar technologies are rapidly becoming cost competitive with traditional sources of power. Most solar experts estimate that solar technologies will reach grid parity by around 2012. That is just right around the corner. But to get to there from here, solar must have our support today.

I urge you to develop a fiscal year 2010 budget that will continue to level the playing field for solar and other clean energy technologies.

During the Presidential campaign, then-Senator Obama promised to invest $15 billion per year over the next 10 years in developing clean, renewable energy technologies. In his fiscal year 2010 budget proposal, President Obama has again called for heavy investment into renewables.

I urge the committee to follow the President's lead and set aside significant funding for research and development, demonstration projects, loan guarantees, and tax-free bonding authority for solar and other renewable energy projects.

In addition, I urge this committee to provide the means for the Federal Government to install 2,000 megawatts of solar on Federal buildings by the end of 2010.

Our Nation faces grave challenges in the years ahead, but there are solutions. Those solutions will require us to embrace bold new ideas. Solar power's benefits are proven, and they are real. I urge the committee to give solar its full support in developing the fiscal year 2010 budget.

Thank you for your attention.

Mr. MELANCON. I would like to thank the gentlelady from Arizona, and I think I will put her down in favor of solar. Thank you, ma'am. I appreciate it.

[The prepared statement of Gabrielle Giffords follows:]

PREPARED STATEMENT OF HON. GABRIELLE GIFFORDS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Thank you, Chairman Spratt, for hearing from me today. I appreciate the opportunity to be here.

I know that this will an exceptionally difficult budget cycle. Many Americans are feeling the negative effects of the current economic crisis and this is resulting in a flurry of activity as a wide variety of interests compete for federal resources.

However, I believe that this crisis has opened a door of opportunity. It has given us a compelling reason to pause for a moment to assess where we are going, where we really want to go, and how we are going to get there.

At home in Southern Arizona, folks feel it is time to stop making excuses. They are looking to us for leadership and want us to reject distractions that have kept us from focusing on what we need to do today to secure our future. The good news is that there are things that we can do that will help us not just weather today's storm, but lay a foundation for a brighter tomorrow.

In particular, I believe that by making critical investments in clean energy, especially solar energy, we can take a big step toward putting our nation back on a strong economic footing and a higher quality of life. Far from being a distraction from today's economic problems, solar and other renewables provide a means of addressing the economic crisis head on.

I have heard some colleagues in Congress say it is impossible for solar and other renewable energy technologies to make a significant contribution to our energy challenges, that solar, wind, and biomass will never be more than niche players in our energy mix. With all due respect, these colleagues have been misinformed. Solar and

other renewables can actually contribute significantly to meeting our energy needs. Indeed, renewable power sources provided over 50 percent of our nation's incremental energy in 2008.

But more than that, a robust solar industry is an economic engine that will help revive our struggling economy. Solar power creates jobs for electricians, construction workers, plumbers, line workers, roofers, engineers and high-paying manufacturing positions. With effective national policy, solar can create tens of thousands of jobs across the entire country and spur billions of dollars in economic growth and tax revenue.

Solar technologies are already being manufactured or installed in every corner of America, from Oregon in the soggy northwest to Florida in the sunny southeast, from the deserts of Arizona to the heartland of Ohio. Solar is good for our entire nation. Here are just a few examples:

• In Alamosa Colorado, Sun Edison recently built an 8.2 MW solar farm. In the process, they re-trained over 40 workers in the region, some of whom were recently laid off from the mining industry.

• Leading national businesses such as Wal-Mart, Costco, Kohls, Staples, Target, Macy's and others have all made significant commitments to installing solar energy on their own rooftops, alleviating electricity congestion in their neighborhoods.

• In the Arizona Desert, Arizona Public Service and Abengoa are planning to build the Solana project, one of the largest solar power plants in the world. When complete, it will be able to power 70,000 homes.

• On Nellis Air Force Base in Nevada, the Air Force has installed a 14 MW solar array, reducing their long-term energy costs while increasing the energy security of the base. This last example illustrates one of my favorite issues: renewable energy adoption by our armed services. I am pleased that the military is taking the lead on many renewable energy technologies, and I believe they should be doing even more.

According to the Solar Energy Industries Association, solar installations in 2007 increased by more than 40 percent over 2006. In the process, solar energy companies created 6,000 new jobs, 265 megawatts of generation capacity and pumped more than $2 billion of investment in the U.S. economy. And we have just scratched the surface of the economic potential.

Solar energy is versatile: it can be used to heat water or generate electricity, provide heating and cooling, and of course lighting. Solar can be deployed on individual homes and businesses, or it can be developed on a utility scale to serve entire cities. In places with limited transmission infrastructure, people are embracing solar as the most viable option. It provides clean, long-term source of power that will continue to shine for millennia.

Solar technologies are rapidly becoming cost competitive with traditional sources of power. Most solar experts estimate that solar technologies will reach "grid parity" around 2012. But to get from here to there, solar needs our support today. I urge you to develop a Fiscal Year 2010 budget that will continue to level the playing field for solar and other clean energy technologies.

During the presidential campaign, then-Senator Obama promised to invest $15 billion per year over the next ten years in developing clean, renewable energy technologies. In his FY2010 budget proposal, President Obama has again called for investment in renewables.

I urge the committee to follow the President's lead and set aside significant funding for research and development, demonstration projects, loan guarantees and tax-free bonding authority for solar and other renewable projects. In addition, I urge the committee to provide the means for the federal government to install 2000 megawatts of solar on federal buildings by the end of 2010.

Our nation faces grave challenges in the years ahead, but there are solutions. But those solutions will require us to embrace new ways of doing things—the old ways will no longer suffice. Solar power a new way of doing things, but its benefits are proven and real. I urge the committee to give solar its full support in developing the FY2010 budget.

Thank you for your attention.

Mr. MELANCON. We will recess for a few minutes until we get the next Member.

[Recess.]

Mr. BLUMENAUER [presiding]. The committee will reconvene. We welcome Congressman Cohen.

STATEMENT OF THE HON. STEVE COHEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Mr. COHEN. Thank you, Mr. Chairman; and I apologize for being a bit tardy.

I appreciate the opportunity to address the Budget Committee with some concerns I have concerning this budget.

I am heartened that we have a new President for many reasons and that we have a budget that prioritizes our funding to areas of great importance to my district—health care, education, and veterans—and in many ways skewed toward the people who need help the most, which my district does.

It is my hope the funding in the budget will address our Nation's infant mortality rate. That is a serious issue in my district. The ZIP Code in my district is I think the leading infant mortality region in the country, and it challenges third-world nations as far as a rate. It is a very serious condition and crisis in our community.

I would also like to hope that the budget would do more to sustain our Historically Black Colleges and Universities, of which LeMoyne-Owen, which is in the district, is an Historically Black College and University that has had problems with funding over the years but serves a vital role for education for people in the inner cities. Some would think HBCUs no longer serve a function since we are at post-Brown v. Board of Education, but Historically Black Colleges and Universities serve a tremendous role in the country and particularly in the South, and LeMoyne-Owen does it, and a group of students who might not otherwise get the opportunity for graduate education.

I also wish that the budget would do more to expand services for our Nation's veterans. I know that the Obama budget has done more for veterans than any other budget in history, but there is a particular need in my district which I wanted to address.

The funding includes much-needed investments in weatherization and LIHEAP, as well as tax cuts for 95 percent of American families; and I indeed applaud this, because those weatherization and LIHEAP funds are most important in my district. We have many houses and apartment units that are not insulated well. People are poor, landlords don't necessarily look after the folks as well as they should, and so much of the utilities are going out into the environment rather than heating people. And it is just a waste of energy and precious resources. So weatherization funds could be most important, and people can't afford the utility bills. So LIHEAP is important, and the more funds that go into that the better it is for my district.

The budget would cut the deficit the President inherited by at least half at the end of his first term; and that is an important factor, too.

The smaller deficits result in part from reduced war costs over time and not extending the tax cuts to people who have incomes over a quarter of a million dollars. Indeed, things I concur in and so does my district.

In addition, the President's budget proposes to restore statutory pay-as-you-go rules, which were critical, and that can get us back to fiscal responsibility.

In the area of health care I am especially supportive of the health care portion of our budget. It seeks to improve quality and efficiency, saving $316 billion over 10 years. It makes a significant down payment on reform by having the changes in records, emergency, and medical records; and that will help control health costs over a period of time.

In the year 2007, the ZIP Code 38108, which I mentioned in my earlier remarks, which is part of North Memphis in my district, 38108, it is a predominantly low-income African American neighborhood. And I say "predominantly". I don't think there is anybody living in that ZIP Code that is anything but low income. It is a very poor area. It has an infant mortality rate of 31 deaths per 1,000 live births. That is almost five times the rate of the Nation of 6.78 deaths per 1,000 live births, five times the national rate of infant mortality in that particular ZIP Code. So the 38108 ZIP Code is worse than the developing nations of Iran, Indonesia, Nicaragua, El Salvador, Syria, and Vietnam in infant mortality. And there are other countries that it is worse than. That is unacceptable in America, and I think we should do something about it.

The budget also fully funds the Special Supplemental Nutrition Program for Women, WIC program, Women, Infants, and Children; and that is important in the district and is going to be helpful.

In education, our high school graduates and undergraduate students are in need of additional funding and help. The budget expands access to college by increasing the maximum Pell Grant to $5,500 in 2010 and spending $116 billion in increases over the period through mandatory funding rather than through annual appropriations.

I have long been a proponent of college scholarships and making it available, and Tennessee did so through Hope scholarships and a lottery that I worked 20 years to pass and now funds over a billion dollars in college scholarships.

The budget provides $2.5 billion over 6 years for a new College Access and Completion Fund to help low-income students, and it overhauls the Perkins Loan program to make loans available to more students, with projected savings of $6.5 billion over 10 years.

These provisions, such as the American Opportunity Tax Credit, making it permanent will help sustain enrollments in Historically Black Colleges and Universities such as LeMoyne-Owen.

Congressman Cooper and I sponsored an increase in expenditures for the HBCUs in the last Congress. We passed it in the House. It didn't get through the Senate. Congressman Cooper has Tennessee State and Meharry Medical School and Fisk in his district, and I have LeMoyne Owen. Of course it is personal. Tip O'Neill, all politics is local, provisions make it more important for us. But Spelman and Morehouse and colleges throughout the South are important, and they should be important for us in the South as well as people from the coasts and all over the country. The HBCUs need help with their capital programs and low-cost loans.

There was a movie I think a couple of years ago, last year maybe, about the college that had the great debating team from Texas. And they were successful in beating I think in the movie Harvard but in reality USC. But, either way, it was pretty significant. And we had hoped that that school and others could take ad-

vantage of certain low-cost loan pools to help the capital costs of those schools which have historic campuses but they are also old and in need of repairs and that we could help them with that.

Veterans, we have got an increase in funding for veterans by $25 billion over the next 5 years; and that is indeed encouraging. We have a lot of veterans' needs in my district. The funding hopefully will also increase the number of regional offices available to assist our veterans.

I am hoping to open a regional office in Memphis. Right now, the veterans' benefit office is in Nashville. And that is the State capital, it is the center of the State, but it is 210 miles from Memphis.

While much of our programs are State-oriented, and this is one, too, I think it would be a good thing if we could do some spending on a regional basis. Memphis serves the mid-South. We touch Mississippi to the south and Arkansas to the west, and a lot of veterans don't get services very close by because they have to go to the State capital in Nashville. If there could be a regional center in Memphis, then there could be access for veterans from Mississippi and Arkansas as well. We are going to ask for funds in the budget for a regional benefits office in the City of Memphis to serve those people. The tri-State has an area which we call Memphis, the mid-South. Other places call themselves the mid-South, but we are the mid-South, just as we are the barbecue capital of the Nation.

Mr. BLUMENAUER. Out on a limb there.

Mr. COHEN. Yes. We have 86,000 veterans in the tri-State area, and yet the closest regional office is 200 miles outside of the region.

The energy budget would weatherize low-income homes, saving working families an average of $350 per year.

We have $3.2 billion for LIHEAP for 2010 and a new mechanism to increase funding when energy prices rise significantly.

And, of course, the tax cuts are important. The Making Work Pay tax cuts for 95 percent of Americans is important.

So those are the different issues in the budget. The main things I would like to see in the budget that aren't there would be funding for the regional veterans' benefits center in Memphis to help serve people, and also increased funding for infant mortality projects in efforts to reach out there, and for the Historically Black Colleges and Universities.

With that, I appreciate the time and the process by which this committee allows Members to express themselves. I have never had the opportunity to be in this committee room to the best of my knowledge, unless it was during my first week, which was all a blur. So thank you, Mr. Chairman.

Mr. BLUMENAUER. You are welcome. We deeply appreciate your comments, and they are part of the record. Thank you, sir.

[The prepared statement of Steve Cohen follows:]

PREPARED STATEMENT OF HON. STEVE COHEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

I am pleased to be here today to testify on the President's Fiscal Year 2010 Budget request.

I am heartened that we now have a presidential budget request that prioritizes funding towards areas that are of great importance to Tennessee's Ninth Congressional District: Healthcare, Education and Veterans. It is my hope that the funding in the budget will address our nation's infant mortality rate, sustain our Historically Black Colleges and Universities as well as expand service for our nation's veterans.

This funding also includes much-needed investments in weatherization and LIHEAP as well as tax cuts to 95 percent of American families.

This budget would cut the deficit the President inherited by at least half by the end of his first term. The inherited deficit for 2009 is $1.3 trillion and will fall to $533 billion by 2013. The smaller deficits result in part from reduced war costs over time and not extending tax cuts for people with incomes above $250,000.

In addition, the President's budget proposes to restore statutory Pay-As-You-Go rules, which were critical to turning the budget around in the 1990s.

HEALTHCARE

I am especially supportive of the healthcare portion of the budget. It seeks to improve quality and efficiency in health care, saving $316.0 billion over ten years.

The budget makes a significant down payment on health reform by putting these savings, along with $317.8 billion from a tax policy change on upper-income taxpayers, into a $634 billion "Health Reform Reserve Fund" to help pay for an initiative to make health coverage affordable and accessible for all Americans.

It is important that we use this funding to improve access to healthcare and address infant mortality. In 2007, the 38108 zip code in North Memphis, which is a predominantly low-income, African-American neighborhood, has an infant mortality rate of 31 deaths per 1,000 live births. That's almost five times the nation's rate of 6.78 deaths per 1,000 live births. This ranks the 38108 area worse than the developing nations of Iran, Indonesia, Nicaragua, El Salvador, Syria and Vietnam in infant mortality rate.

The budget also fully funds the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to serve all eligible individuals.

EDUCATION

For our nation's high school graduates and undergraduate students, the budget expands access to college by increasing the maximum Pell grant to $5,550 for 2010 and by spending $116.8 billion on increases over the ten-year period through mandatory funding rather than through annual appropriations.

The budget also provides $2.5 billion over six years for a new College Access and Completion Fund to help low-income students, and it overhauls the Perkins Loan program to make loans available to more students, with projected savings of $6.5 billion over ten years. It makes the $2500 American Opportunity Tax Credit permanent to help kids afford college. These provisions will be key to sustaining enrollment in Historically Black Colleges and Universities such as LeMoyne-Owen College.

VETERANS

The president's budget increases funding for Veterans Affairs (VA) by $25 billion over the next five years. This funding will hopefully increase the number of regional offices available to assist our veterans. I am pushing for one to be opened in Memphis. The Memphis tri-state area has a dense veterans' population of more than 88,000, yet the closest regional office in Tennessee is more than 200 miles outside the region.

ENERGY

The budget would weatherize low-income homes, saving working families on average $350 per year. It provides $3.2 billion for the Low-income Home Energy Assistance Program (LIHEAP) for 2010 and includes a new mechanism to increase funding when energy prices rise significantly.

TAX CUTS

The budget makes permanent the $800 "Making Work Pay" tax cut for 95 percent of America's working families while preserving all dedicated payroll taxes that go to Social Security and Medicare. It continues to cut taxes for the families of millions of children through an expansion and continuation of the Child Tax Credit.

Mr. BLUMENAUER. Congressman Green?

STATEMENT OF THE HON. GENE GREEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. GREEN. Thank you, Mr. Chairman.

Like my colleague, this is I think my ninth term in Congress, first time I have testified before the Budget Committee, and I appreciate it.

I am pleased to be here today to provide views on the importance of developing a budget resolution that would help us address health care reform, global climate change, and our energy and economic security. This is no easy task. The United States is facing one of the largest fiscal crises in a generation. The economy is faltering, unemployment is rising, and our national debt continues to skyrocket. This committee and Congress must balance these demands to create a budget blueprint that will help us meet the challenges of our time.

On health care provisions, reviewing the President's budget I am pleased the President will be addressing our current health care crisis by setting aside a reserve fund of more than $630 billion over 10 years that will be dedicated toward financing health reform and providing health care coverage for everyone in our country.

I am a Member who represents a State that has the highest number of uninsured in the U.S. and a medically underserved working class district where most individuals never have access to health care because they work in low-wage jobs.

The Texas Medical Center is a premiere medical center, but most of the folks in my district cannot access the care there because they have no health insurance. All individuals in the country deserve health care coverage no matter where they work, which is why I fully support efforts in the budget to provide health care coverage for all Americans.

The energy provisions are the ones that give me some concern. The budget also includes several provisions aimed at America's natural gas and oil producers, with the purported goals to end our addiction to oil and address the global climate crisis and create new American jobs. Unfortunately, the proposed budget could unintentionally undermine each of these efforts and must be carefully reevaluated to actually support our economic, environmental, and energy security needs.

According to the President's own budget, over 3.5 million jobs have been lost over the past year and an additional 8.8 million Americans in part-time jobs are unable to find full-time employment.

Now is not the time to weaken economic opportunities in our domestic energy industry with punitive tax hikes. Far from the misconception that the domestic energy industry is run by big oil companies, America's independent producers are responsible for 90 percent of the wells drilled in America. They produce 82 percent of the American natural gas and 68 percent of the American oil.

The average independent producer company has 12 employees, the definition of a true small business. Almost 2 million jobs are attributed to American natural gas and oil production and its closely related industries. Increasing costs on the energy industry and on the U.S. companies operating abroad would jeopardize those small business jobs, export production overseas, and increase our reliance on foreign sources of energy.

Without increasing supply from our own vast North American natural gas resources, or if we make it more expensive or difficult

to produce natural gas domestically, it will hinder our ability to meet any potential climate change goals, while also increasing natural gas prices for American consumers and businesses.

Any climate change policy will inevitably demand or rely on clean natural gas, which emits half the carbon dioxide emissions of coal, as a short-term bridge fuel while our economy transforms to low carbon energy sources.

Last year, the Natural Gas Council produced a model that predicted demand for natural gas would increase by as much as 10 trillion cubic feet per year under climate change legislation.

Natural gas is also required to make energy efficient products. They make wind turbine blades and solar panels, provide backup power for the intermittent renewable energy sources and to run biomass facilities. Simply put, without additional American natural gas supplies, we will fail to reduce our short-term carbon emissions and instead dramatically raise the cost of energy.

High natural gas prices over the past years have already led to higher heating and cooling bills and power bills for consumers, in addition to the loss of approximately 100,000 manufacturing jobs. And, as a footnote, that typically comes from the chemical industry, because the chemical industry actually uses natural gas as a feedstock. And when the price of natural gas is high in our country, those jobs will be overseas; and we will end up importing whatever products we could be making here.

Unfortunately, the President's budget proposal includes certain provisions which unfairly target and penalize the oil and natural gas industry with tax hits totaling over $30 billion. This does not include the budget's proposed new fees on so-called nonproducing leases, royalty rate adjustments, the repeal of the general accounting rules which can disproportionally impact refineries, and the cost of complying with any cap and trade program.

Mr. Chairman, I too share the President's goal to end our addiction to oil, address the global climate change, and create new American jobs. However, raising taxes on one industry will not end our addiction to foreign oil. In fact, it would increase our reliance on cheaper foreign imports. And I say that because in our country per MCF in Libya it is a dollar per MCF. We can't produce natural gas in our country with our cost structure for a dollar per MCF to be able to use in our industry and our homes.

If we do not address the global climate crisis, we will fail to provide the natural gas needed to meet our short-term carbon reduction targets of providing affordable and reliable supplies energy to all American consumers and businesses. It will not create new Americans jobs, as small businesses will curtail production.

Mr. Chairman, I hope the Budget Committee looks at this. A number of us from energy producing areas, and particularly I have an industrial area that has a lot of refinery jobs and chemical plant jobs that could be directly impacted in the negative by this budget resolution or by the President's budget.

Thank you.

Mr. BLUMENAUER. Thank you very much, sir. I appreciate your sharing your information with us. It will be made a part of the record.

Mr. GREEN. Thank you.

[The prepared statement of Gene Green follows:]

PREPARED STATEMENT OF HON. GENE GREEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Chairman Spratt, Ranking Member Ryan and Members of the Committee: I am pleased to be here today to provide views on the importance of developing a budget resolution that will help us address health care reform, global climate change, and our energy and economic security.

This is no easy task. The United States is facing one of the largest fiscal crises in a generation. The economy is faltering, unemployment is rising, and our national debt continues to skyrocket.

This committee and Congress must balance these demands to create a budget blueprint that will help us meet the challenges of our time.

HEALTH CARE PROVISIONS

In reviewing the President's budget, I am pleased the President will be addressing our current health care crisis by setting aside a reserve fund of more than $630 billion over 10 years that will be dedicated towards financing health reform and providing health care coverage for everyone in this country.

I am a member who represents a state that has the highest number of uninsured in the US and a medically underserved working class district where most individuals never have access to health care because they work in low wage jobs.

The Texas Medical Center is a premier medical center, but most of the folks in my district cannot access care there because they do not have health insurance.

All individuals in this country deserve health care coverage no matter where they work, which is why I fully support efforts in the budget to provide health care coverage for all Americans.

ENERGY PROVISIONS

The budget also includes several provisions aimed at America's natural gas and oil producers with the purported goals to "* * * end our addiction to oil, address the global climate crisis, and create new American jobs * * *"

Unfortunately, the proposed budget could unintentionally undermine each of these efforts and must be carefully re-evaluated to actually support our economic, environmental and energy security goals.

America's Natural Gas and Oil Producers

According the President's own budget, over 3.5 million jobs have been lost over the past year, and an additional 8.8 million Americans in part-time jobs are unable to find full time employment.

Now is not the time to weaken economic opportunities in our domestic energy industry with punitive tax hikes.

Far from the misconception of a domestic industry run by "Big Oil" companies, America's independent producers are responsible for 90% of the wells drilled in America, and they produce 82% of American natural gas and 68% of American oil.

The average independent producer company has 12 employees—the definition of a true small business.

Almost 2 million jobs are attributed to American natural gas and oil production and its closely related industries.

Increasing costs on the energy industry and on U.S. companies operating abroad will jeopardize these small business jobs, export production overseas, and increase our reliance on foreign sources of energy.

Importance of Natural Gas to Meet Our Climate Goals

Without increasing supply from our vast North American natural gas resources, or if we make it more expensive or difficult to produce natural gas domestically, it will hinder our ability to meet any potential climate change goals while also increasing natural gas prices for American consumers and business.

Any climate change policy will inevitably rely on clean natural gas—which emits half the carbon dioxide emissions of coal—as a short-term "bridge" fuel while our economy transforms to lower-carbon energy sources.

Last year, the Natural Gas Council produced a model that predicted demand for natural gas will increase by as much as 10 trillion cubic feet per year under climate change legislation.

Natural gas is also required to make energy-efficient products, make wind turbine blades and solar panels, provide back-up power for intermittent renewable energy sources, and to run biomass facilities.

Simply put, without additional American natural gas supplies, we will fail to reduce our short-term carbon emissions and instead dramatically raise the cost of energy.

High natural gas prices over the past few years have already led to higher heating, cooling, and power bills for consumers, in addition to the loss of approximately 100,000 manufacturing jobs.

Unfortunately, the President's budget proposal includes certain provisions which unfairly target and penalize the oil and natural gas industry with tax hits totaling over $30 billion.

This does not include the Budget's proposed new fees on so-called "non-producing" leases, royalty rate adjustments, the repeal of general accounting rules which can disproportionally impact refineries, and the cost of complying with any cap and trade program.

CLOSING

Mr. Chairman, I too share the President's goal to "* * * end our addiction to oil, address the global climate crisis, and create new American jobs * * *"

However, raising taxes on one industry will not "end our addiction to foreign oil;" in fact, it will increase our reliance on cheaper foreign imports.

It will not "address the global climate crisis", as we will fail to provide the natural gas needed to meet our short-term carbon reduction targets while providing affordable and reliable supplies of energy to American consumers and business.

And it will not "create new American jobs" as small businesses will curtail domestic production and shift operations abroad.

Mr. Chairman, I believe Congress should instead develop a climate and energy policy that maximizes greenhouse emission reductions while minimizing negative impacts to the economy.

Thank you Mr. Chairman. I look forward to any questions the committee may have.

Mr. BLUMENAUER. Congresswoman Woolsey.

STATEMENT OF THE HON. LYNN C. WOOLSEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. WOOLSEY. Thank you, Mr. Chairman. Thank you for allowing me to be here to testify on the fiscal year 2010 budget.

Actually, no one can envy the job of this committee that you are faced with in this Congress, because it is going to be so hard to make a budget work with the numbers that confront us with this continuing financial crisis.

Thank you for taking on this immense challenge.

I am here today to ask for some common-sense adjustments to the budget, adjustments which the Congressional Progressive Caucus has been advocating for the last few years. And these are changes that are more critical now than ever, because we are looking for ways to strengthen the economy and cut out wasteful spending.

Defense spending, for example, needs to be brought under control; and now is the time to do it. The United States doesn't just lead the world in defense spending; we almost outspend the rest of the world combined. That is right. A full 43 percent of the world defense spending comes from the United States and the United States alone. And when you add what our NATO allies spend, we are well over 50 percent. Our annual Defense budget dwarfs that of our biggest rivals. We spend four times as much as China and eight times as much as Russia.

The President himself said during his address to Congress that we need to, and I quote him, reform our Defense budget so that we are not paying for Cold War-era weapons systems that we don't use, unquote.

I couldn't agree with him more, Mr. Chairman. For the past two Congresses, the Progressive Caucus, which I co-Chair, has been working to do just that; and it is going to be the center of this year's congressional caucus alternative budget.

Our budget includes immediate savings by eliminating over $60 billion in unneeded spending at the Pentagon, much of which is spent on weapons designed to fight the Soviet Union—not Russia, the Soviet Union. We can save $15 billion a year by reducing the number of nuclear warheads in our arsenal from 10,000 to 1,000. One thousand is still more than we will ever need and more than enough firepower to blow up the world many, many times over.

We can save $6 billion a year by getting rid of the F-22 Raptor and the Virginia-class submarine, which were built to fight the next generation of Soviet weapons.

Mr. Chairman, we are building to beat the weapons that have never been built. Missile defense has never been proven and just doesn't make sense in facing our current military challenges. So we recommend that we save another $8 billion by drastically scaling back that program.

The V-22 Osprey needs to be scrapped after almost 30 years of overruns and unproven tests. We have lost too many servicemen in accidents during testing of this thing and shouldn't lose any more.

The Cold War has been over, Mr. Chairman, for almost 20 years. It is time these weapons programs are ended. Current events and modern warfare have passed these weapons by. It is time that the Department of Defense take stock with a critical eye and spend money on only what they need, not what they want.

Along with scrapping these weapons, we can achieve a 25 percent reduction in the Pentagon's budget by ending the occupation of Iraq. By bringing our troops home now, we can save $105 billion this year alone.

The initial invasion of Iraq made no sense, and with the current financial problems we are facing it makes even less sense. We have already spent over $600 billion in Iraq, and the cost is estimated to be $3 trillion, even if we act now.

The time of unquestioned spending, Mr. Chairman, at the Pentagon must come to an end. That is why Congresswoman Barbara Lee and I have been working with the Government Accounting Office to have the Department of Defense implement the over 2,000 recommendations that GAO has made to reduce waste, fraud, and abuse at the Pentagon. In the last 7 years since these recommendations have been made, those that have been implemented have saved taxpayers over $89 billion. Unfortunately, there are still almost 800 recommendations that need to be addressed that could save over $8 billion a year.

To this point, Mr. Chairman, I thank this committee. I thank you so much for the language included in last year's budget instructing the GAO to continue its work at the Pentagon to implement these recommendations, and I look forward to continuing to work on this issue with the committee.

So, Mr. Chairman, we must get Defense spending under control if we are going to turn our economy around. Please consider making the aforementioned Defense spending cuts as part of your budget for fiscal year 2010.

I thank you again for allowing me to come before your committee today. Thank you.

Mr. BLUMENAUER. Thank you. We deeply appreciate your testimony and look forward to working with you.

[The prepared statement of Lynn Woolsey follows:]

PREPARED STATEMENT OF HON. LYNN C. WOOLSEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Chairman Spratt, Ranking Member Ryan and Members of the Budget Committee, thank you for allowing me to be here to testify on the Fiscal Year 2010 Budget. No one can envy the job that you all have in making a budget work, with the dismal numbers that confront us with the continuing financial crisis in this country. So thank you for taking on this immense challenge.

I'm here today to ask for some common sense adjustments to the Budget, for which the Congressional Progressive Caucus (CPC) has been advocating for the last few years, but are now more critical than ever as we look for ways to strengthen the economy and cut out wasteful spending.

Defense spending needs to be brought under control, and now is the time to do it. The United States doesn't just lead the world in defense spending; we almost outspend the rest of the world combined. That's right, a full 43% of the world defense spending comes from the U.S., and the U.S alone, and, when you add in what our NATO allies spend, we are well over 50%. Our annual defense budget dwarfs that of our biggest rivals * * * we spend four times as much as China, and eight times as much as Russia.

The President himself said during his address to Congress, that we need to "reform our defense budget so that we're not paying for Cold War-era weapons systems we don't use."

And I couldn't agree more. For the past two Congresses, the Progressive Caucus, which I Co-Chair, has been working to do just that.

We can see immediate savings by eliminating over $60 billion in unneeded spending at the Pentagon, much of which is spent on weapons designed to fight the Soviet Union.

We can save $15 billion a year by reducing the number of nuclear warheads in our arsenal from 10,000 to 1,000 * * * which is still more than we'll ever need, and, more than enough fire power to blow up the world many times over.

We can save $6 billion a year by getting rid of the F-22 Raptor and Virginia Class submarine which were built to fight the next generation of Soviet weapons. Mr. Chairman, we're building weapons to beat weapons that have never even been built.

Missile Defense has never been proven and just doesn't make sense in facing our current military challenges. We can save another $8 billion by drastically scaling back this program.

The V-22 Osprey needs to be scrapped after almost 30 years of overruns and unproven tests. We've lost too many servicemen in accidents during testing of this thing, and shouldn't lose any more.

The Cold War has been over for almost twenty years, it's time these weapons programs are ended. Current events and modern warfare have passed these weapons by. It's time that the DoD take stock with a critical eye and spend money on only what they need, not what they want.

Along with scrapping these weapons, we can achieve a 25% reduction in the Pentagon's Budget by ending the occupation of Iraq. By bringing our troops home now, we can save $105 billion this year alone.

The initial invasion of Iraq made no sense, and with the current financial problems we are facing it makes even less sense. We've already spent over $600 billion in Iraq, and the cost is estimated to be $3 trillion even if we act now.

The time of unquestioned spending at the Pentagon must come to an end. That's why Congresswoman Barbara Lee and I have been working with the Government Accountability Office (GAO) to have the DOD implement the over 2,000 recommendations the GAO has made to reduce waste, fraud, and abuse at the Pentagon. In the last 7 years since these recommendations have been made, those that have been implemented have saved taxpayers over $89 billion dollars. Unfortunately, there are still almost 800 more recommendations that need to be addressed that could save over $8 billion a year. To this point, Mr. Chairman, I thank this committee for the language included in last year's budget, instructing the GAO to continue its work at the Pentagon to implement these recommendations, and I look forward to continuing to work on this issue with the Committee.

Mr. Chairman, we must get defense spending under control if we are going turn our economy around. Please consider making the aforementioned defense spending cuts a part of your Budget for Fiscal Year 2010. Thank you again for allowing me to come before your committee to express my views. I look forward to any questions you or our colleagues may have.

Mr. BLUMENAUER. Congressman Rodriguez.

STATEMENT OF THE HON. CIRO D. RODRIGUEZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. RODRIGUEZ. Thank you very much; and, Mr. Chairman, let me take this opportunity to thank you for allowing us the opportunity to testify and talk about our individual districts and some of our individual needs.

First, I would like to just describe to you a little bit about my district and then talk to you about some of the projects that I think are important.

My district is extremely large. It is one of the largest in the Nation. It spans 785 miles on the border with Mexico. I also represent both the south and northwest areas of San Antonio. San Antonio is the seventh largest city in the Nation. My district is both urban as well as rural. It has a variety of different types of economies that I have and that I represent. The budget that has been presented by the administration does not reflect the many priorities and needs of my constituency, and I hope that this committee under your leadership will be able to help out in addressing some of our needs.

First of all, I wanted to address the issue of the Base Realignment and Closure, which is referred to as BRAC. We need to continue to move on that. Military installations in San Antonio are expected to bring an unprecedented economic boom as a result of that. We need to make sure that those resources are out there as quickly as possible. Otherwise, those programs and projects will cost a lot more. So I respectfully request that the committee not only provide full funding for the BRAC recommendations but also to provide legislative language prioritizing any BRAC construction, especially the health programs and the DOD health facilities as a priority.

Secondly, Mr. Chairman, we need the funding of the VA to be directly in advance. Late funding negatively impacts the operations of the VA and can lead to the reduction and elimination of viable programs and mental health services that are needed by our veterans. So I strongly urge advanced funding for the VA, which would essentially fund the VA 1 year ahead of time. It is one of the few agencies that continues to be at the discretion of the Congress instead of getting funded directly.

Third, as I mentioned, I represent a large part of the border. We have law enforcement on the border, which is extremely important. I recommend that this committee look toward to prioritizing local law enforcement officers in the border. We have resources for the local cities, counties, and tribal groups on the border. I would ask that you continue to look at those as a priority area.

Fourth, U.S.-Mexico border program. The U.S.-Mexico Border Program at the Environmental Protection Agency funds the Project Development Assistance Program as well as the Border Environment Infrastructure Fund, BEIF. These are U.S.-Mexico programs

that have been drastically cut by $25 million. They had received at one time over $100 million. So I strongly urge the committee and recommend that we go back to that $100 million for EPA U.S.-Mexico border programs as they had been funded in the past.

And, fifth, the International Boundary Water Commission, which is also funded by the U.S., I request that—that also has been defunded. It is a new program that requires—has the language but no funding whatsoever, and so I request the committee recommend $30 million to the IBWC construction account and the needs of that particular program.

And, sixth, the Southwest Border Regional Commission. The Southwest Border Regional Commission was established under the 2008 farm bill. This is a particular piece of legislation that hasn't been funded at all; and we request, Mr. Chairman, $30 million in funding for this particular commission that would look at border economic development and which is important. The language is already there. The resources are the ones that are not there. We are asking for 2010 that you look at funding $30 million for that particular program.

Let me also quickly mention a couple of other areas.

The Cattle Fever Tick Eradication Program, it impacts everyone who eats beef in this country. It seems like a program that—but it can be something extremely serious if you start quarantining our beef. So the tick eradication program is something that is extremely important. So I would ask that you look at that as a way of funding it. So I respectfully request that the committee consider $12 million for the Cattle Fever Tick Eradication Program under USDA.

Finally, I would like to thank the committee for the time that I have had to be able to testify before you; and I want to also once again congratulate you for allowing me the opportunity to be able to talk about my district and some of my needs. So Mr. Chairman, I look forward to working with you and thank you very much. I see that I leave a little extra of the seconds are left for you. Thank you very much.

Mr. MCGOVERN [presiding]. You still have 3 seconds.

Thank you very much. I appreciate your thoughtful testimony, and this committee will certainly give it every consideration. Thank you.

Mr. RODRIGUEZ. Thank you very much.

[The prepared statement of Ciro Rodriguez follows:]

PREPARED STATEMENT OF HON. CIRO D. RODRIGUEZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. Chairman, Ranking Member Ryan and Members of the Committee: I would like to begin by telling you a bit about the district I represent, the 23rd District of Texas. My district is very large, spanning 785 miles of border with Mexico. I also represent South and Northwest San Antonio. My district is both very urban in San Antonio and very rural in West Texas. We have farming and ranching and we have state of the art military and biotech research. And just like the district itself, the needs of the district are very diverse.

As you well know, the President released his budget requests last month. That budget does not reflect the many priorities and needs of my constituents and I hope this committee, under the leadership of Chairman Spratt and Ranking Member Ryan, will provide a budget blueprint that better suits the needs of my district.

The budget recently submitted by the President shows a definite shift in priorities and shows much promise to begin to set a new course for our economy. I would like to talk specifically about programs that are important to my constituents.

BASE REALIGNMENT AND CLOSURE (BRAC)

Military installations in San Antonio are expected to bring an unprecedented economic boom to the entire region. San Antonio will provide much of healthcare as well as the medical training for the entire Department of Defense as a result of BRAC. Funding to implement BRAC recommendations is widely supported in Congress. Any delay or under funding can increase future construction costs. I respectfully request the committee not only provide for full funding of the BRAC recommendations but also provide legislative language to prioritize any BRAC construction related to Defense Health Programs.

ADVANCE FUNDING FOR VA

I am a member of the House Appropriations Committee. The VA budget is one of the 12 major appropriations bills that we are tasked to pass every year. But the VA has only received one on-time budget in the past 12 years. Late funding negatively impacts operations, and can lead to the reduction or elimination of vital programs, such as mental health and traumatic brain injury research and treatment, or recruitment programs for doctors, nurses and other healthcare providers. The health care and services of our veterans should not be subject to delays cause by the annual struggle to pass appropriations bills. I strongly support advance funding for the VA, which would essentially fund the VA one year ahead of time in order to be more efficient.

LAW ENFORCEMENT ON THE BORDER

As I mentioned I represent the longest stretch of border with Mexico. Our law enforcement is tasked with securing our homeland and protecting our people. This mission is not just the mission of our able federal law enforcement on the border. Our local police and sheriff's department dedicate much time and resources to keeping our communities safe. Local law enforcement on the border for the most part are small agencies in very poor, and rural areas. While they do the best with what they have, they often do not have the resources to adequately deal with drug smuggling and trafficking that is on going along the border. Just like we have the obligation to adequately train and equip our federal law enforcement, we should do our best to not leave our police and sheriff's deputies behind on the border. I recommend this committee look toward prioritizing local law enforcement to our officers on the border.

US-MEXICO BORDER PROGRAM

The US-Mexico Border Program at the Environmental Protection Agency funds the Project Development Assistance Program (PDAP) and Border Environment Infrastructure Fund (BEIF). The US Mexico Program account received $25.5 million in FY08, a $24.5 million cut from FY07. Recent budget requests have been as low as $10 million in FY09 that would have lead to fulfilling only 5% of the program needs. This program has received as much as $100 million in annual appropriations. From FY03 to FY06 the US-Mexico Border Program received $50 million. The US-Mexico Border program leverages $2 additional dollars for every $1 of federal funds. This is a great program. Many small, rural, low income communities rely on programs like this to provide the most basic necessities such as water and wastewater infrastructure. In most cases this is the only source of federal funding for water and wastewater programs on the border. I strongly urge the committee recommend $100 million for EPA's US-Mexico Border Program.

INTERNATIONAL BOUNDARY AND WATER COMMISSION (IBWC)

Last year, a small border town in my district suffered a major disaster after storms and multiple water releases from rear by Mexican Dams cause levees along the Rio Grande to break. This inundated this community and displaced many residents. The International Boundary and Water Commission, is in charge of maintaining infrastructure and enforcing water treaties with Mexico. The IBWC has to virtually replace 18 miles of levee at a cost of over $57 million. Additionally, a recent routine safety inspection found that four dams operated and maintained by IBWC were all found to be unsafe. IBWC does not believe there is immediate danger, but continued neglect could lead to disrepair and danger. IBWC has estimated the U.S. costs to rehabilitate dam infrastructure to be around $30 million. The largest and

most in need of repair is the Amistad Dam also in my district. The water reservoir created by the dam is the Amistad National Recreation Area. This unit of the National Parks system hosts over a million tourists a year and is home to some of the best bass fishing in the world. Despite these extensive infrastructure challenges, this agency remain severely under funded. The agency was able to receive emergency funding after the flood and additional some economic stimulus funding. There are still lots of improvements to be made and issues to be addressed. A significant commitment to maintaining and rehabilitating our infrastructure is needed. I request this committee recommend $30 million for IBWC's construction account.

SOUTHWEST BORDER REGIONAL COMMISSION

Southwest Border Regional Commission (SBRC) was established under the 2008 Farm Bill. The Commission was modeled after the successful Appalachian Regional Commission to help develop economically-distressed regions.

The SBRC would be an enormous boost to local economies and infrastructure along the border. This commissions would help the economically-distressed southwest border communities create and implement regional economic development plans to reduce chronic poverty and improve the quality of life for border residents. The SBRC is authorized to receive $30 million in funding but has yet to be budgeted. This should be a major funding priority for FY10.

CATTLE FEVER TICK ERADICATION PROGRAM

Animal and Plant Health Inspection Services (APHIS) operates a program to eradicate cattle fever ticks from cattle in South and West Texas. Fever ticks, which are native to Mexico and spread from white-tailed deer to cattle, are a devastating to the cattle industry along the border. The president requested $9.674 million for FY2007, but the program received only $7.653 million. Funding levels have been stagnant while the need has increased. USDA dedicated an additional $513,000 in contingency funds for the program during FY2007 due to increased tick presence. Maverick County and other counties in my district have been hit hard and a cut in resources means a greater strain on both local resources and the cattle industry of Texas. I respectfully request that the committee consider $12 million for the Cattle Fever Tick Eradication Program at USDA.

CONCLUSION

I would like to thank the committee for the time. As I mentioned, these are only a few programs that are important to the communities of the 23rd district of Texas. This committee's leadership in creating a funding blueprint by which the Congress provides appropriations is vital to the process. I strongly urge you to consider the needs of my constituents. Thank you for your time and I'll be glad to answer any questions you may have.

Mr. MCGOVERN. Without objection, the committee stands in recess, subject to the call of the chair.

[Recess.]

Mr. MCGOVERN. The Budget Committee will come to order.

We are happy to welcome the Honorable Bob Goodlatte from Virginia. We are happy you are here and anxious to hear your testimony. You may proceed.

STATEMENT OF THE HON. BOB GOODLATTE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. GOODLATTE. Mr. Chairman, thank you very much for allowing me to testify before you today.

Thomas Jefferson once wrote: "To preserve the independence of the people, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty or profusion and servitude."

Unfortunately, it increasingly appears that Congress has chosen the latter path.

We have a spending addiction in Washington, D.C., and it has proven to be an addiction that Congress cannot control on its own.

We have gone in a few short years from a deficit of billions of dollars to a deficit of trillions of dollars. We are printing money at an unprecedented pace, which presents risks of inflation the likes of which we have never seen. Our debt is mounting rapidly, and so is the waste associated with paying the interest on that debt. Yet Congress has so far refused to address these unsettling problems.

This is not a partisan addiction. It reaches across the aisle and afflicts both parties, which is why neither party has been able to master it. We need outside help. We need pressure from outside Congress to force us to rein in this out of control behavior. We need a balanced budget amendment to our Constitution.

Families all across our Nation understand what it means to make tough decisions each day about what they can and cannot afford. According to a recent Zogby interactive survey, approximately 70 percent of Americans said they had reduced spending on entertainment in the past year. Forty percent have limited or cancelled vacation plans due to the economic environment. Forty percent have decreased spending on food or groceries. Almost 10 percent have either changed their education plans or have chosen not to pursue education plans at all. Most troubling, 16 percent have foregone medical treatment or prescription drugs. These numbers show how sobering our economic recession is, but they also show something more. They demonstrate a basic principle that honest, hard-working American citizens understand. When your income drops, your spending must drop one way or the other.

Yet far too frequently this fundamental principle has been lost on a Congress that is too busy spending to pay attention to the bottom line. If Americans must exercise restraint with their own funds, then government officials must be required to exercise an even higher standard when spending other peoples' hard-earned income.

On the first day of the 111th Congress, I reintroduced legislation to give Congress the necessary pressure to rein in spending. My legislation would amend the United States Constitution to require a balanced Federal budget each year. Over one-third of the Members of the House of Representatives have joined this effort already. It would require that total spending for any fiscal year not exceed total receipts and require the President to propose budgets to Congress that are balanced each year. It would provide an exception in times of war and during military conflicts that pose imminent and serious military threats to national security, as well as in other emergency situations, like the one we face right now. It would make it harder to increase taxes by requiring that legislation to increase revenue be passed by a true majority of each Chamber and not just a majority of those present and voting. Furthermore, the bill requires a three-fifths majority vote for any increases in the debt limit.

Our Nation faces many difficult decisions in the coming years, and Congress faces great pressure to spend beyond its means rather than to make difficult decisions about spending priorities. Unless Congress is forced to make the decisions necessary to create a balanced budget in most years, it will always have the all-too-tempting option of shirking this responsibility. The balanced budget constitutional amendment is a common-sense approach to ensure

that Congress is bound by the same fiscal principles that America's families face each day.

I urge the committee to demonstrate leadership by proposing that the Federal Government's budget be balanced at the end of the time that is currently provided for in the budget that you will propose or sooner, and I urge support of a balanced budget constitutional amendment to ensure that no future Congress is allowed to continue to saddle our children and grandchildren with debt that is not their own.

Mr. Chairman, I thank you very much for the opportunity to testify before you and urge the committee to examine the importance of requiring that the budget of our country be balanced in most years. In the last 40 years, it has only been balanced four times. Really, I think it should be the opposite. There are times of national crisis like today when you could not expect the budget to be balanced immediately. But I think if we had the budget under control over that period of time that our economy has done well and Presidents of both political parties had generated surpluses to pay down the debt as we were successful in doing for a few years in the late 1990s and beginning of the 2000s, we would be in much better shape today to address the problems that we face right now and I think those problems would be lesser in their nature.

So I thank you again, Mr. Chairman, for the opportunity.

Mr. MCGOVERN. Thank you very much for your testimony, and you can be assured that this committee will consider every word that you said today. So thank you very much.

Mr. GOODLATTE. Thank you, Mr. Chairman.

[The prepared statement of Bob Goodlatte follows:]

PREPARED STATEMENT OF HON. BOB GOODLATTE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Thank you for allowing me to testify before you today.

Thomas Jefferson once wrote: "To preserve [the] independence [of the people,] we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude." Unfortunately, it increasingly appears that Congress has chosen the latter path.

We have a spending addiction in Washington, D.C., and it has proven to be an addiction that Congress cannot control on its own. We have gone in a few short years from a deficit of billions of dollars to a deficit of trillions of dollars. We are printing money at an unprecedented pace, which presents risks of inflation the likes of which we have never seen. Our debt is mounting rapidly and so is the waste associated with paying the interest on that debt. Yet, Congress has so far refused to address these unsettling problems.

This is not a partisan addiction. It reaches across the aisle and afflicts both parties, which is why neither party has been able to master it. We need outside help. We need pressure from outside Congress to force us to rein in this out-of-control behavior. We need a balanced budget amendment to our Constitution.

Families all across our nation understand what it means to make tough decisions each day about what they can and cannot afford. According to a recent Zogby Interactive survey, approximately 70% of Americans said they have reduced spending on entertainment in the past year. 40% have limited or canceled vacation plans due to the economic environment. 40% have decreased spending on food or groceries. Almost 10% have either changed their education plans or have chosen not to pursue education plans at all. Most troubling, 16% have foregone medical treatment or prescription drugs. These numbers show how sobering our economic recession is, but they also show something more. They demonstrate a basic principle that honest, hard-working American citizens understand—when your income drops, your spending must drop, one way or the other.

Yet far too frequently this fundamental principle has been lost on a Congress that is too busy spending to pay attention to the bottom line. If Americans must exercise

restraint with their own funds, then government officials must be required to exercise an even higher standard when spending other peoples' hard-earned income.

On the first day of the 111th Congress, I re-introduced legislation to give Congress the necessary pressure to rein in spending. My legislation would amend the United States Constitution to require a balanced federal budget each year. Over one-third of the Members of the House of Representatives have joined this effort to date. It would require that total spending for any fiscal year not exceed total receipts and require the President to propose budgets to Congress that are balanced each year. It would provide an exception in times of war and during military conflicts that pose imminent and serious military threats to national security, as well as in other emergency situations. It would make it harder to increase taxes by requiring that legislation to increase revenue be passed by a true majority of each chamber and not just a majority of those present and voting. Furthermore, the bill requires a ⅗ majority vote for any increases in the debt limit.

Our nation faces many difficult decisions in the coming years, and Congress faces great pressure to spend beyond its means rather than to make difficult decisions about spending priorities. Unless Congress is forced to make the decisions necessary to create a balanced budget, it will always have the all-too-tempting option of shirking this responsibility. The Balanced Budget Constitutional amendment is a common sense approach to ensure that Congress is bound by the same fiscal principles that America's families face each day.

I urge this committee to demonstrate leadership by balancing the federal budget for 2010 and each year thereafter, and I urge support of a balanced budget Constitutional amendment to ensure that no future Congress is allowed to continue to saddle our children and grandchildren with debt that is not their own.

Mr. MCGOVERN. Happy to welcome Congresswoman Titus from Nevada. Welcome. You have 5 minutes, and we appreciate you being here.

STATEMENT OF THE HON. DINA TITUS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEVADA

Ms. TITUS. Thank you, Mr. Chairman, for this opportunity to express my views on the President's budget before you and your committee.

During this time of economic uncertainty, it has never been more important than now to closely examine each and every dollar of Federal spending. I appreciate the work that you all are doing to ensure that all points of view are considered throughout this budget process.

While I am pleased by much of the President's requests, particularly the investments in clean energy technology, I have some concerns about some of the tax provisions that are included in the budget outline.

The President's budget outline indicates important investments in the research, development, and deployment of renewable energy technologies. I have heard from many of the businesses in my congressional district that the credit crisis has caused the renewable energy industry to come to a screeching halt. I strongly supported provisions in the economic recovery package that will make it easier for solar, wind, and other renewable energies to gain access to the capital necessary to deploy these new technologies at speed and scale; and I am pleased now that the President's budget builds on that recovery package and supports the loan guarantee program for innovative technologies, including renewable energy projects and transmission projects.

I also strongly support investments in research, development, and deployment of renewable energy technologies and investment in the electric grid, as outlined in the President's request.

And, lastly, I applaud and I applaud loudly the President for scaling back the Yucca Mountain program. For years, Nevadans have fought against this disastrous plan to store nuclear waste in our backyard. Nevada is not a wasteland, and the President's budget is a significant step in the right direction.

Now I recognize that we have to make difficult choices in order to reduce the deficit and improve the economy. However, I remain concerned about President Obama's proposal to reduce the itemized deduction rate for families with incomes over $250,000. I am particularly concerned with the impact this provision could have on housing and charitable giving.

The Mortgage Interest Deduction is an important incentive that encourages Americans all over the country to buy homes. Many consider the MID to be the single most important tax incentive facilitating home ownership in this country. I am concerned that reducing the value of this incentive would lead to the further deterioration of the housing market. It has become evident over the past few years that the housing market, of course, is tied closely to the national economy as a whole; and with the economy in its current state, we simply cannot afford to make changes to the Tax Code that could lead to a further decline in home prices.

The housing market in Congressional District Three in Nevada, previously one of the fastest-growing markets in the Nation, is currently in shambles. Today, nearly 58.2 percent of Las Vegas homes have negative equity. We can't afford to let prices drop any further by making it less attractive to buy a home.

I am similarly concerned about the impact the proposal to reduce the itemized deduction rate could have on charitable giving. The tax deduction for charitable giving encourages Americans to make contributions to philanthropic organizations, many of which have been hard hit by the economic crisis. With so many people in need, the services many charities provide are in high demand. I believe it is the wrong time to make changes to the Tax Code that could make charitable contributions less attractive and less available.

So thank you again, Mr. Chairman, for the opportunity to express my views about the President's fiscal year 2010 budget request. I have stated some of the things that I like and pointed out some of the things I have concerns about, and I look forward to working with you all to ensure that the Congress passes a responsible budget that puts our economy back on track.

Mr. MCGOVERN. Thank you very much. We appreciate your views. This is the beginning of an interesting process, so all of your testimony will be carefully considered by this committee. And thank you very much.

Ms. TITUS. Thank you.

[The prepared statement of Dina Titus follows:]

PREPARED STATEMENT OF HON. DINA TITUS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEVADA

Thank you, Chairman Spratt, for the opportunity to express my views on the President's budget before your committee. During this time of economic uncertainty, it has never been more important to closely examine each and every dollar of federal spending. I appreciate the work you are doing to ensure that all points of view are considered throughout this budget process. While I am pleased by much of the President's request, particularly the investments in clean energy technology, I have concerns about some of the tax provisions included in the budget outline.

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I recognize that we must make difficult choices in order to reduce the deficit and improve the economy. However, I remain concerned about President Obama's proposal to reduce the itemized deduction rate for families with incomes over $250,000. I am particularly concerned with the impact this provision could have on housing and charitable giving.

The Mortgage Interest Deduction (MID) is an important incentive that encourages Americans all over the country to buy homes. Many consider the MID to be the single most important tax incentive facilitating home ownership in the United States. I am concerned that reducing the value of this incentive would lead to the further deterioration of the housing market. It has become evident over the past few years that the housing market is closely tied to the national economy as a whole. With the economy in its current state, we simply cannot afford to make changes to the tax code that could lead to a further decline in home prices. The housing market in my Congressional District in Nevada—previously one of the fastest growing markets in the nation—is currently in shambles. Today, nearly 58.2 percent of Las Vegas homes have negative equity. We can't afford to let prices drop any further by making it less attractive to buy a home.

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Thank you again, Mr. Chairman, for the opportunity to express my views about the President's FY 2010 budget request. I look forward to working with you to ensure that Congress passes a responsible budget that puts our economy back on the right track.

Mr. MCGOVERN. The committee is now pleased to welcome the honorable Ann Kirkpatrick of Arizona. We appreciate you being here and look forward to your testimony.

STATEMENT OF THE HON. ANN KIRKPATRICK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mrs. KIRKPATRICK. Thank you, Mr. Chairman, and members.

I appreciate this opportunity to be here today and to speak to our budget priorities. The district I represent spans more than 58,000 square miles and contains an incredible diversity, both in climate and culture. There are common connections between the dozens of rural communities that I represent, and that is what I want to focus on in our discussion about the budget for 2010.

The first thing that unites my district is concern for our security. Especially in the southwest, violence on the U.S. and Mexican border is of utmost concern. Though the worst of the violence has so far occurred on the Mexican side of the border, it remains a daily threat to our community, and related criminal activity has already been documented hundreds of miles from the actual border.

I strongly support the President's proposed increase of $400 million for Immigrations and Customs Enforcement, or ICE. These are efforts to identify and remove immigrants who have broken our laws. However, this funding must not come at the expense of other ICE priorities, such as dealing with the pressing problems at our border.

In addition to important funding for Homeland Security, our local law enforcement, including the men and women who face the consequences of increased violence at the border, need our help. I support the proposal to hire an additional 50,000 officers, and I strongly support sustaining resources for our local communities to help them keep these law officers on their staffs.

The second common tie across these communities I represent is concern for our Nation's veterans. Folks in my district are acutely aware of the great service our veterans have offered us and are very mindful that we respect them accordingly. My district is home to one of two veterans hospitals in Arizona, and in our region, like in many rural areas of the country, access to medical and other benefits is a top priority for our veterans and their families.

As a member of the House Veterans' Affairs Committee, I have followed closely the independent budget, a set of budget and program recommendations assembled by the leading veterans service organizations. For the first time ever, the VA's discretionary resources in this proposed budget will exceed the amount recommended by the independent budget. That is no small feat.

However, I want to be clear about my opposition to a concern raised by my constituents in Arizona and in a recent Veterans' Affairs Committee hearing. I strongly oppose any proposal that would allow the VA to bill a veteran's private insurance for treatment of a service-connected disability. Though I have not seen details of such a proposal in this budget, I cannot stress enough how devastating this would be for veterans and their families in my district and across the country.

Finally, I want to touch briefly on the small businesses that are the economic engine of our country. In the rural areas of northern Arizona, every business is a small business, and I am committed to helping those small business owners succeed, especially in this difficult economy when every bit of help is needed.

More than ever our small businesses need help accessing the capital that allows them to thrive. Fully funding programs like 7(a) loans through the Small Business Administration and reducing fees that increase the cost of loans can only help our rural economies that depend on family-owned small businesses.

I strongly support proposals extending the elimination of the capital gains tax for small businesses and addressing the estate tax, which would otherwise dramatically increase in 2011. Proposals such as these move us toward a fairer, simpler Tax Code, something we sorely need.

But I am opposed to budget proposals that would increase taxes for small business owners and working families. We need a responsible budget and one that gets us closer to eliminating the deficit but not at the expense of working Americans.

Thank you for your consideration of my testimony. I look forward to working with the Budget Committee as our work continues.

Thank you, Mr. Chairman.

[The prepared statement of Ann Kirkpatrick follows:]

PREPARED STATEMENT OF HON. ANN KIRKPATRICK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Mr. Chairman and Members of the Committee, thank you for this opportunity to be here today and to speak to our Budget priorities. The district I represent spans more than 58, 000 square miles and contains an incredible diversity—both of climate and culture. There are common connections between the dozens of rural communities that I represent, and that is what I want to focus on in our discussion about the Budget for 2010.

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But I am opposed to Budget proposals that will increase taxes for small business owners and working families. We need a responsible Budget, and one that gets us closer to eliminating the deficit, but not at the expense of working Americans.

Thank you for your consideration of my testimony. I look forward to working with the Budget Committee as work continues.

Mr. MCGOVERN. Thank you very much for your testimony, and we will consider your testimony very carefully. Appreciate your time.

The Budget Committee will stand in recess subject to the call of the chair.

[Recess.]

Ms. TSONGAS [presiding]. Good afternoon.

The next Member to testify will be the gentleman from Florida, Mr. Grayson.

Welcome. We are pleased to receive your testimony. You are recognized for 5 minutes. Without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. ALAN GRAYSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. GRAYSON. Well, good afternoon.

Thank you and the members of the committee. It is an honor to address you and testify on behalf of programs and initiatives within President Obama's budget targeted at addressing waste, fraud, and abuse in the Federal Government, and meeting the human needs of my constituents and our Nation.

I am troubled, however, by the $250 billion contingent fund set aside by the President to assist with further troubled assets relief.

The United States taxpayers have made a tremendous sacrifice in these times of economic hardship to bail out the financial industry, not once but twice, already. Bad banks must be held accountable for their incompetence or we will all go broke.

I can no longer sit back and watch our constituents be exploited by failed banks dangling desperately needed access to credit and capital over the heads of small businesses and individuals in order to get Uncle Sam to hand them a blank check.

I realize that the $250 billion is not a direct request for funds. However, it represents the potential for another bad bank bailout, and for me, that is unacceptable.

The President must be applauded for making a serious effort, though, to address waste, fraud, and abuse in the Defense and health accounts. This budget has eliminated costly and effective programs that do not work and increases funds for the programs that do.

But we must go beyond reducing funds for individual programs. We have to reform the procurement process by emphasizing cost in source selection and by insisting that contractors pay a share of cost overruns that they cause. Cutting these wasteful programs and changing the way that the government spends money, will save the American taxpayer billions of dollars and redirects our energy and attention to programs serving the needy.

I am also glad to see that the costs of the wars in Iraq and Afghanistan are finally exposed for what they are in the budget process, because now is the time to be completely transparent and accountable for the billions of dollars that we are spending in Iraq and Afghanistan at a time when our needs at home are so great.

I care much more about the well-being of Floridians than I do about the well-being of Shiites, Sunnis and Kurds.

The Iraq War has cost America at least $1.5 trillion in tax dollars, and for that money that we have doled out to pay for the war, we could have provided health care coverage to every American who doesn't have it. In fact, for a tiny fraction of what we have paid, we could have hired every single adult Iraqi for the past 6 years, which would have done a lot more to rebuild Iraq than KBR ever has.

Regardless of that, I am pleased to see that the President's priorities are to take care of needs here at home. Although I would prefer to draw down our troops immediately in Iraq and transfer those billions of dollars to domestic programs long neglected by President Bush, I am pleased to see that President Obama will champion increases in spending in health care, education, and expanded benefits for our veterans, the elderly, and our children and to do this while reducing taxes on a great majority of Americans.

Despite this, however, I remain gravely concerned about taxes in the President's budget, and in fact, I remain concerned about our overall tax policy. With our economy in deep recession, this does not seem to be a good time to raise taxes on anyone. I would ask my colleagues to consider these times and do our best to avoid or postpone any tax increases in any way, shape, or form, because now is not the time for that.

Thank you. I appreciate this opportunity, and I yield to any questions the committee may have.

[The prepared statement of Alan Grayson follows:]

PREPARED STATEMENT OF HON. ALAN GRAYSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Good morning Chairman Spratt, Ranking Member Ryan, and Members of the Committee. It is an honor to address you and testify on behalf of programs and initiatives within President Obama's budget targeted at addressing waste, fraud and abuse in the federal government and meeting the human needs of my constituents and our nation.

I am, however, troubled by the $250 billion contingent fund set aside by the President to assist with further troubled asset relief.

Mr. Chairman, the United States taxpayers have made a tremendous sacrifice in these times of economic hardship to bailout the financial industry TWICE already. Bad banks must be held accountable for their incompetence, or we will all go broke.

I can no longer sit back and watch our constituents be exploited by failed banks—dangling desperately-needed access to capital and credit over the heads of small businesses and individuals in order to get Uncle Sam to hand them a blank check.

I realize that the $250 billion is not a direct request for funds; however, it represents the potential of another bad bank bailout, and for me that

is unacceptable.

Mr. Chairman, the President must be applauded for making a serious effort to address waste, fraud and abuse in the defense and health accounts. This budget has eliminated costly, ineffective programs that do not work and increases funds for programs that do.

But we must go beyond reducing funds for individual programs. We have to reform the procurement process, by emphasizing cost in source selection, and by insisting that contractors pay a share of cost overruns that they cause.

Cutting these wasteful programs and changing the way that the Government spends money will save the American taxpayer billions of dollars, and redirect our energy and attention to programs serving the needy.

Mr. Chairman, I am also glad to see the cost of the wars in Iraq and Afghanistan are finally exposed in the budget process.

Now is the time to be completely transparent and accountable for the BILLIONS of dollars we are spending in Iraq and Afghanistan, at a time when our needs at home are so great.

I care much more about the well being of Floridians then I do about Shiites, Sunnis and Kurds.

Mr. Chairman, the Iraq War, has cost America at least $1.5 trillion in tax dollars. For the money we have doled out to pay for the war, we could have provided:

1. Health care coverage to every American without it.

In fact, for a tiny fraction of that, we could have hired every adult Iraqi for the past six years, which would have done a lot more to rebuild Iraq than KBR ever has.

Regardless of that, I am pleased to see that the President's priorities to take care of the needs here at home.

Although I would prefer to draw our troops down immediately from Iraq and transfer those billions of dollars to domestic programs long-neglected by President Bush; I am pleased to see that President Obama will champion increases in spending for healthcare, education, and expanded benefits for our veterans, the elderly and our children.

While reducing taxes on the great majority of Americans despite this, however, I remain gravely concerned about taxes in the President's budget and overall tax policy.

Mr. Chairman, with our economy in deep recession, this does not seem a good time to raise taxes on anyone.

I would ask my colleagues to consider the times, and do our best to avoid or postpone tax increases in any way, shape or form. Thank you Mr. Chairman, I yield to any questions the Committee may have.

Ms. TSONGAS. There being no questions, I want to thank you for your testimony.

Mr. GRAYSON. Thank you very much, Madam Chair.

Ms. TSONGAS. Without objection, the committee stands in recess subject to the call of the Chair.

[Recess.]

Mr. LARSEN [presiding]. I call the Committee on Budget back into session to continue hearing from Members on the budget priorities.

The next Member to testify will be the gentleman from Puerto Rico, Mr. Pierluisi.

Welcome. We are pleased to receive your testimony. You are recognized for 5 minutes, and without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. PEDRO R. PIERLUISI, A RESIDENT COMMISSIONER IN CONGRESS FROM THE TERRITORY OF PUERTO RICO

Mr. PIERLUISI. Thank you very much, Mr. Chairman, and distinguished members of the committee.

Thank you for the opportunity to comment on the fiscal year 2010 budget. I will begin with a general remark on the President's budget as outlined to Congress and then briefly highlight several matters of particular importance to the 4 million U.S. citizens I represent. I respectfully ask that you address these issues in your report and funding allocations.

I believe President Obama's submission to Congress represents a sound plan to jump-start the national economy in the short term and to lay a new foundation for growth over the long term. In my view, the budget resolution should embrace the President's plan in its broad contours.

Moving from the general to the specific, I urge the committee to consider the following issues that are unique to Puerto Rico or that concern both Puerto Rico and the other U.S. territories.

The first issue I would like to address is health care. The President's budget reflects his commitment to fundamentally reform our health care system to provide quality care to all Americans. For Puerto Rico, true reform will be impossible unless changes are made to the way the island is treated under the Medicaid and Medicare programs.

Recognizing this fact, President Obama has pledged most recently in a letter to our Governor, Luis Fortuno, to "seek equal coverage of Puerto Rico" under these two programs.

With respect to Medicaid, Puerto Rico is subject to a cap that limits the amount the Federal Government can contribute to the island's Medicaid program each year. No such cap applies in the States. Because Puerto Rico's cap is so low, the actual Federal contribution to the island's Medicaid program, its effective FMAP, is about 22 percent. The Puerto Rico government is responsible for the remaining 78 percent.

By contrast, the minimum Federal share for any State is 50 percent, and Medicaid programs in the poorest States can receive more than three-quarters of their funding from the Federal Government. The harm caused to patients in Puerto Rico and to the local government's finances is difficult to overstate. For this reason, President Obama has promised "to continually raise the cap and Federal contributions to Medicaid in Puerto Rico until it disappears." I respectfully request that the budget resolution honor this commitment.

President Obama has also pledged to provide equal treatment to Puerto Rico under Medicare. Although island residents pay the same Medicare payroll taxes as their fellow citizens in the States, Puerto Rico is treated worse than the States under this Federal program in at least four respects:

First, Puerto Rico is the only jurisdiction under the prospective payment system, PPS, where hospitals do not receive 100 percent of the national payment rates. Instead, payments to island hospitals are derived from a unique formula based on 75 percent national rates and 25 percent local costs. This formula yields per-patient payments to Puerto Rico hospitals that are considerably lower than the payments made to State-side hospitals.

Second, Puerto Rico hospitals serving large numbers of low-income patients do not receive their DSH reimbursement because SSI, a major factor in calculating such payments, has not been extended to the island. A commonsense short-term solution, to simply adjust the DSH formula to account for Puerto Rico's particular situation, has not been adopted by the Congress to date.

Third, Puerto Rico is the only U.S. jurisdiction where individuals enrolled in Part A are not automatically enrolled in Part B. The result is that Puerto Rico has the lowest Part B participation in the country, and Puerto Rico seniors pay millions of dollars in recurring late enrollment fees each year.

Finally, whereas the States receive Federal subsidies based on need to help their low-income residents purchase prescription drugs under Part D, Puerto Rico receives only a limited block grant for this purpose.

In light of these disparities as well as President Obama's stated intentions, I respectfully ask that the budget resolution provide equal treatment for Puerto Rico under Medicare.

The second issue I wish to raise is Federal assistance to working families and students. Let me first address the Refundable Child Tax Credit program. Workers in Puerto Rico with three or more children are eligible for CTC assistance based on payroll taxes, but island workers with one or two children are not. President Obama has expressed support for including low-income Puerto Rico workers with one or two children in the city program. The final Federal budget should reflect this extension.

In addition, both the Making Work Pay credit for workers and the refundable portion of the American Opportunity Credit for students have been extended to Puerto Rico through block grants that will enable the island's local treasury to provide this assistance. Since the President's budget would make both forms of assistance permanent, I respectfully request that the final budget account for these grants to Puerto Rico.

Furthermore, I note that the President's budget would expand the Earn Earned Income Tax Credit program. Under current law, working families in Puerto Rico are not eligible to receive the EITC. The 2008 Democratic National Platform specifically pledged to provide "equitable treatment to the U.S. citizens in Puerto Rico under programs providing refundable tax credits to working families." I respectfully ask that the final budget reflect this commitment.

The last topic I would like to raise with this committee involves two other tax-related programs, Mr. Chairman. For over 90 years, a percentage of the excise tax collected by the Federal Government on rum produced in Puerto Rico and imported to the United States has been transferred back to the island's treasury. Current law provides for $13.25 of the $13.50 per-proof-gallon tax collected by the Federal Government to be covered over in this manner. The law providing for $2.75 of this amount to be transferred will expire at the end of this fiscal year. That provision has been regularly extended in the past, and I would ask that the final budget account for a further extension.

Lastly, Section 199 of the Internal Revenue Code provides a tax deduction for domestic manufacturing. The deduction applies to income from domestic subsidiaries in Puerto Rico of companies based in the States. This deduction expires at the end of this fiscal year. In order to provide parity with the States, the final Federal budget should include a permanent extension of this deduction in Puerto Rico.

Mr. Chairman, and members of the committee, thank you very much for your consideration of my requests.

[The prepared statement of Pedro Pierluisi follows:]

PREPARED STATEMENT OF HON. PEDRO R. PIERLUISI, A RESIDENT COMMISSIONER IN CONGRESS FROM THE TERRITORY OF PUERTO RICO

Chairman Spratt, Ranking Member Ryan, and distinguished Members of the Committee: Thank you for the opportunity to comment on the Fiscal Year 2010 Budget. I will begin with a general remark on the President's Budget as outlined to Congress and then briefly highlight several matters of particular importance to the four million U.S. citizens I represent. I respectfully ask that you address these issues in your report and funding allocations.

I believe President Obama's submission to Congress represents a sound plan to jump-start the national economy in the short term and to lay a new foundation for growth over the long term. In my view, the Budget Resolution should embrace the President's plan in its broad contours.

Moving from the general to the specific, I urge the Committee to consider the following issues that are unique to Puerto Rico—or that concern both Puerto Rico and the other U.S. territories.

HEALTH CARE REFORM

The first issue I would like to address is health care. The President's Budget reflects his commitment to fundamentally reform our health care system to provide quality care to all Americans. For Puerto Rico, true reform will be impossible unless changes are made to the way the Island is treated under Medicaid and Medicare.

Recognizing this fact, President Obama has pledged—most recently in a letter to Governor Luis Fortuno—to "seek equal coverage of Puerto Rico" under these two programs.

MEDICAID

With respect to Medicaid, Puerto Rico is subject to a cap that limits the amount the federal government can contribute to the Island's Medicaid program each year. No such cap applies in the states. Because Puerto Rico's cap is so low, the actual federal contribution to the Island's Medicaid program—its effective FMAP—is about 22%. The Puerto Rico government is responsible for the remaining 78%. By contrast, the minimum federal share for any state is 50%, and Medicaid programs in the poorest states can receive more than three-quarters of their funding from the federal government. The harm caused to patients in Puerto Rico and to the local government's finances is difficult to overstate. For this reason, President Obama has promised "to continually rais[e] the cap on federal contributions to Medicaid in Puerto Rico until it disappears." I respectfully request that the Budget Resolution honor this commitment.

MEDICARE

President Obama has also pledged to provide equal treatment to Puerto Rico under Medicare. Although Island residents pay the same Medicare payroll taxes as their fellow citizens in the states, Puerto Rico is treated worse than the states under this federal program in at least four respects.

First, Puerto Rico is the only jurisdiction under the Prospective Payment System where hospitals do not receive 100% of the national payment rates. Instead, payments to Island hospitals are derived from a unique formula based on 75% national rates and 25% local costs. This formula yields per patient payments to Puerto Rico hospitals that are considerably lower than the payments made to stateside hospitals.

Second, Puerto Rico hospitals serving large numbers of low-income patients do not receive fair DSH reimbursement because SSI, a major factor in calculating such payments, has not been extended to the Island. A commonsense short-term solution—to simply adjust the DSH formula to account for Puerto Rico's particular situation—has not been adopted by Congress to date.

Third, Puerto Rico is the only U.S. jurisdiction where individuals enrolled in Part A are not automatically enrolled in Part B. The result is that Puerto Rico has the lowest Part B participation in the country and Puerto Rico seniors pay millions of dollars in recurring late enrollment fees each year.

Finally, whereas the states receive federal subsidies—based on need—to help their low-income residents purchase prescription drugs under Part D, Puerto Rico receives only a limited block grant for this purpose.

In light of these disparities, as well as President Obama's stated intentions, I respectfully ask that the Budget Resolution provide equal treatment for Puerto Rico under Medicare.

ASSISTANCE TO WORKING FAMILIES AND STUDENTS

The second issue I wish to raise is federal assistance to working families and students.

Let me first address the refundable child tax credit program. Workers in Puerto Rico with three or more children are eligible for CTC assistance based on payroll taxes, but Island workers with one or two children are not. President Obama has expressed support for including low-income Puerto Rico workers with one or two children in the CTC program. The final federal budget should reflect this extension.

In addition, both the Making Work Pay credit for workers and the refundable portion of the American Opportunity credit for students have been extended to Puerto Rico through block grants that will enable the Island's local treasury to provide this assistance. Since the President's budget would make both forms of assistance permanent, I respectfully request that the final budget account for these grants to Puerto Rico.

Furthermore, I note that the President's Budget would expand the Earned Income Tax Credit. Under current law, working families in Puerto Rico are not eligible to receive the EITC. The 2008 Democratic National Platform specifically pledged to provide "equitable treatment to the U.S. citizens in Puerto Rico [under] programs providing refundable tax credits to working families." I respectfully ask that the final budget reflect this commitment.

OTHER TAX ISSUES AND PROGRAMS

The last topic I would like to raise with this Committee involves two other tax-related programs.

For over 90 years, a percentage of the excise tax collected by the federal government on rum produced in Puerto Rico and imported to the states has been transferred to the Island's treasury. Current law provides for $13.25 of the $13.50 per proof gallon tax collected by the federal government to be "covered over" in this manner. The law providing for $2.75 of this amount to be transferred will expire at the end of this fiscal year. That provision has been regularly extended in the past, and I would ask that the final budget account for a further extension.

Lastly, Section 199 of the Internal Revenue Code provides a tax deduction for domestic manufacturing. The deduction applies to income from domestic subsidiaries in Puerto Rico of companies based in the states. This deduction expires at the end of the fiscal year. In order to provide parity with the states, the final federal Budget should include a permanent extension of this deduction in Puerto Rico.

Mr. Chairman and Members of the Committee: thank you very much for your consideration of my requests.

Mr. LARSEN. Thank you very much.

I just have one question to clarify. The last point you made about Section 199, does that expiration date apply only to Puerto Rico?

Mr. PIERLUISI. You are right. It only applies to Puerto Rico, basically reduces the top tax rate from 35 to 32 percent, but in the case of Puerto Rico, it expires at the end of this fiscal year.

Mr. LARSEN. This is on the domestic manufacturers tax credit?

Mr. PIERLUISI. You are right, absolutely right. These are—the manufacturing companies are structured in a way that their subs are operating in Puerto Rico.

Mr. LARSEN. Thank you, and thank you for your service to the island.

Mr. PIERLUISI. Thank you very much.

Mr. LARSEN. Next Member we have is Mr. Davis from Illinois.

STATEMENT OF THE HON. DANNY K. DAVIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. DAVIS. Thank you very much, Mr. Chairman, and members of the committee. I want to thank you for holding today's hearing on President Obama's proposed fiscal year 2010 budget.

I am indeed pleased to be here today and welcome this opportunity to testify and express my support for the administration's proposal to address a recession of great magnitude and a global economic downturn that is negatively impacting markets around the world.

On a daily basis, Americans are reminded of economic meltdown with historical job losses, unemployment rates, and home foreclosures that are being felt in a very painful way. I commend President Obama for his forward-focused comprehensive approach to addressing inherited interconnected socioeconomic woes. And I indeed thank the President for having the audacity to propose a budget that invests in early childhood education, doubles funding for early Head Start programs, and reauthorizes child nutrition to provide much needed help.

It extends TANF supplemental grants to subsidized families experiencing prolonged periods of unemployment and States that are experiencing rapid increases in TANF applications.

It invests $1.0 billion over 6 years in a trust fund and enhances the Housing Choice Voucher Program to help States and commu-

nities develop and preserve affordable housing and help more than 2 million low-income families rent safe and decent housing.

It expands Pell grants through mandatory funding and triples the number of graduate fellowships in science to provide lower-income students access to mainstream society and global demand for human capital.

It transforms and modernizes the health care system by setting aside a reserve fund of more than $630 billion over 10 years to hedge the impact of increasing health care costs being borne by families and businesses across America.

And foremost, it expands Department of Justice prisoner reentry programs, including an additional $75 million for the Office of Justice Programs to expand grant programs authorized by the Second Chance Act to provide counseling, job training, drug treatment, and other transitional assistance to more than 5 million people on parole and probation up from 1.6 million just 25 years ago.

These issues are near and dear to my heart because they affect lower-income families that reside on the side streets across America, and I commend the President and stand firmly behind him for having the courage to address socioeconomic issues plaguing in a major way metropolitan areas like Chicago.

Mr. Chairman, while I am in basic agreement with the budget approach, I am always concerned about the amount of money that we spend for our defense and other military purposes and that we never seem to allocate what I feel is appropriate and greatly needed for world hunger and medical needs, especially in so-called underdeveloped or Third World Nations.

Mr. Chairman, I want to finish up by expressing my great concern that we are not adequately investing in social rehabilitation programs in the Department of Justice. We are not adequately funding training opportunities for disadvantaged individuals. And we are not adequately attacking the core problems associated with poverty and criminal justice issues, such as substance abuse prevention and treatment.

The President's proposed $75 million for implementation of the Second Chance Act is greatly appreciated. However, with more than 2 million people languishing in our jails and prisons, with more than 650,000 returning home each year, and more than 5 million on parole and probation, we need at least $150 million to meaningfully implement these program activities in all 50 of the States and territories.

Unfortunately, these are large numbers of young people who did not complete high school and are in need of contained environments where they can receive remedial instruction as well as job training and skill development. Therefore, we need to adequately fund our job corps centers, so that these individuals can be prepared for entry into the world of work.

Again, Mr. Chairman, I thank you for the opportunity to share some of my views, and I am hopeful that at the end of the process, we will have a document and the resources to more closely reflect my views on the budget.

I thank you very much and yield back the balance of my time.

[The prepared statement of Danny Davis follows:]

PREPARED STATEMENT OF HON. DANNY K. DAVIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Chairman Spratt, Ranking Member Ryan and members of the Subcommittee I thank you for holding today's hearing on President Obama's proposed FY 2010 Budget.

I am indeed pleased to be here today and welcome this opportunity to testify and express my support for the administration's proposal to address a recession of great magnitude and a global economic downturn that is negatively impacting markets around the world. On a daily basis Americans are reminded of economic meltdown with historical job losses, unemployment rates and home foreclosures that are being felt in a very painful way.

I commend President Obama for his forward-focused comprehensive approach to addressing inherited interconnecting socio-economic woes.

Indeed, thank you Mr. President for having the audacity to propose a budget that:

• Invests in early childhood education, doubles funding for Early Head Start program and reauthorizes Child Nutrition to provide much needed ;

• Extends TANF supplemental grants to subsidize families experiencing prolonged periods of unemployment and states experiencing rapid increases in TANF applications;

• Invests $1.0 billion over six years in a trust fund and enhances the Housing Choice Voucher Program to: help states and communities develop and preserve affordable housing; and more than two million low-income families rent safe and decent housing;

• Expands Pell Grants through mandatory funding and triples the number of graduate fellowships in science to provide lower-income students access to mainstream society and global demand for human capital;

• Transforms and modernizes the health care system by setting aside a reserve fund of more than $630 billion over 10 years to hedge the impact of increasing health care costs being borne by families and businesses across America; and foremost

• Expands Department of Justice prisoner reentry programs, including an additional $75 million for the Office of Justice Programs to expand grant programs authorized by the Second Chance Act to provide counseling, job training, drug treatment, and other transitional assistance to more than 5 million people on parole and probation, up from 1.6 million just 25 years ago.

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Again, Mr. Chairman, I thank you for the opportunity to share some of my views and I am hopeful that at the end of the process we will have a document and the resources to more closely reflect my views on the budget.

Thank you very much and I yield back the balance of my time.

Mr. LARSEN. Thank you, Mr. Davis.

There are no questions.

We will move on to the next Member. The next Member to testify will be the gentleman from Pennsylvania, Mr. Carney.

We are pleased to receive your testimony. You will be recognized for 5 minutes, and without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. CHRISTOPHER CARNEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. CARNEY. Thank you, Mr. Chairman, and thank you for the opportunity to appear before you today to discuss the fiscal year 2010 budget.

Since I last appeared before the committee, I have met with countless Pennsylvanians from across the 10th District and identified a number of issues that are paramount to families, businesses and communities in northeast and central Pennsylvania.

I respectfully request you take into consideration the following budget priorities: the Clean Water State Revolving Fund; salaries and expenses and buildings and facilities for the Federal Bureau of Prisons; cancer research at the National Institutes of Health; and the Department of Energy's Office of Science.

I urge you to increase funding for the Clean Water State Revolving Fund so that municipalities in northeastern and central Pennsylvania have the resources to make necessary sewage upgrades.

The administration has proposed a $3.9 billion fiscal year 2010 budget, but every year there is a gap of up to $11.1 billion between wastewater infrastructure needs and actual spending.

I continually hear from municipalities, townships, boroughs and villages across northeast and central Pennsylvania that they are facing a tremendous burden to upgrade their wastewater infrastructure. While they want to make the repairs as efficiently and economically as possible, they must also do so in a way that does not harm or pollute the natural beauty of one of our Nation's great rivers, the Susquehanna, which ultimately feeds the Chesapeake.

The Clean Water State Revolving Fund, or SRF, provides grants to all 50 States to be distributed as low or zero-interest loans for high-priority activities, water-quality activities, with an emphasis on sewage treatment plant upgrades. These are the precise needs that so many Pennsylvania communities are facing. In fact, SRF loans are the primary source of capital for sewage treatment plant upgrades throughout the Nation.

On a different topic, I encourage you to provide more funding for the Federal Bureau of Prisons. Of the 18 high-security U.S. penitentiaries nationwide, three are in Pennsylvania's 10th district: Lewisburg, Allenwood, and New Canaan. The district is also home to medium- and low-security facilities co-located at the Allenwood complex. Additionally, there are a number of BoP guards from FCI Schuylkill and FCI Otisville who I have the pleasure of representing.

The administration request for BoP is $6 billion, which is less than that BoP ultimately was appropriated for fiscal year 2009 by almost $200 million.

I have been to all three of these penitentiaries in the 10th, and I can assure you that there is an urgent need for significantly more

dollars than the Federal prison system receives. The system is shockingly overpopulated and woefully understaffed, all at a time when our other Federal law enforcement efforts are more effective than ever at investigating, prosecuting and locking up criminals.

Violent attacks on guards across the country are now considered isolated incidents but happen fairly frequently. Staffing is typically at 85 percent compared to when these attacks were so isolated that they actually drew attention.

And I hope we don't lose another guard this year like we did last year at U.S.P. Atwater. We must ensure that the BoP has adequate funding to hire additional guards instead of building just another electric fence in their place.

On another topic, as a cancer survivor, I am heartened by the administration's promise to double the amount of funding for cancer research over the next few years. The President has proposed funding $6 billion for cancer research at the NIH for fiscal year 2010.

Cancer touches all Americans. In 2008, the American Cancer Society estimates that over 1.4 million people were diagnosed with cancer and over 560,000 people lost their lives fighting some form of the disease. These victims and survivors are our children, our brothers, our sisters, our parents and our grandparents.

We owe it to them to do everything we can to defeat this terrible disease. Unfortunately, from 2004 to 2009, funding for cancer research at the NIH remained virtually flat.

While I was pleased to see that the American Recovery and Reinvestment Act and this year's omnibus bill increased funding for cancer research, we must sustain and expand on this effort.

If we are going to win the battle against cancer, our scientists and researchers must have the tools they need to improve cancer prevention, treatments and, ultimately, to find a cure.

I strongly encourage the Budget Committee to meet the President's request regarding cancer research funding.

And finally, the United States must become a leader in renewable energy. Our continued dependence on foreign sources of oil threatens our economic, environmental, and national security.

In 2007, the Congress passed the American COMPETES Act, bipartisan legislation that authorized the doubling of funding for the Department of Energy's Office of Science by 2016. The Office of Science provides more than 40 percent of total funding for basic research in physical science. It manages and supports research in basic energy sciences, biological and environmental sciences, computational science, climate change, geophysics, genomics, and life sciences, all of which can truly bring our energy options into the 21st century.

That is why I am calling on the Budget Committee to increase funding for the Office of Science.

And Mr. Chairman, I respectfully thank you for the time you have given me, and I appreciate what you have done, and I hope you take these under consideration at the Budget Committee.

Thank you. I yield back.

[The prepared statement of Christopher Carney follows:]

PREPARED STATEMENT OF HON. CHRIS CARNEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Chairman Spratt, Ranking Member Ryan and Members of the Committee: Good afternoon.

I appreciate the opportunity to appear before you today to discuss the Fiscal Year 2010 budget.

Since I last appeared before the committee, I've met with countless Pennsylvanians from across the 10th district and identified a number of issues that are paramount to families, businesses and communities in northeast and central Pennsylvania.

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The Office of Science provides more than 40 percent of total funding for basic research in physical science. It manages and supports research in basic energy sciences, biological and environmental sciences, computational science, climate change, geophysics, genomics, and life sciences, all of which can truly bring our energy options into the 21st century.

That is why I am calling on the Budget Committee to increase funding for the Office of Science. Not only will increased funding help fuel our nation's economic recovery by supporting high-tech, high-paying jobs, but it will help lead to the development of viable alternative sources of energy and help our nation become the global supplier of energy, instead of the global consumer.

As the budget process moves forward, I look forward to working with you to ensure that Congress adopts a budget that makes necessary investments in the areas I've discussed.

Thank you for your consideration.

Mr. LARSEN. Thank you, Mr. Carney.

Just a question about cancer. I just had—my own father died after a long battle last October, and I know that you said you yourself, you are a cancer survivor as well. So what we can do to put dollars to NIH and continue that long trek to untie that knot of how to solve the cancer riddle is very important.

Mr. CARNEY. It certainly is, and I appreciate your attention to that, sir.

Mr. LARSEN. Thank you.

The next Member to testify will be the gentleman from New Mexico, Mr. Teague.

Welcome. We are pleased to receive your testimony. You will be recognized for 5 minutes, and without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. HARRY TEAGUE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Mr. TEAGUE. Thank you, Chairman Spratt, Ranking Member Ryan, and Congressman Larsen, for inviting me here today to testify before your committee. I appreciate the opportunity to share my concerns about the impact the President's proposed fiscal year 2010 budget will have on our Nation's veterans and to express my strong views that we in Congress must do everything that we can to ensure that we are sufficiently funding the Veterans Administration.

I would first like to applaud the administration for proposing a budget that for the first time exceeds the amount requested by the Independent Budget of Veterans Service Organizations by at least $1 billion. That shows the serious and long overdue commitment to those who have sacrificed so much for our Nation.

Like many of you, I think it is about time that we start doing as much for our veterans as they have done for us. And this budget will help us do that. It will help us eliminate the shameful backlog

of 400,000 veterans benefits claims and finally get those veterans the services and support they deserve.

As we are well aware, with so many new veterans entering the VA system's issues are arising, and it is clear that the VA system is not yet ready to properly address all of these needs.

That is why I am particularly pleased that the President's proposed budget prioritizes the mental health needs of our veterans, with a great emphasis on care for those suffering from PTSD, traumatic brain injury, and substance abuse. We know the number of PTSDs and TBI cases are on the rise, and the effects can be catastrophic. That is why we should be screening all returning service members for PTSD and traumatic brain injuries and then doing all that we can to support those who need help.

This budget allows us to do that, and it also enhances the VA Suicide Prevention Campaign, an increasingly important program.

While the budget does do many great things for our veterans, it is disappointing that President Obama has opted not to include an advanced appropriations for the VA. Funding the VA with advanced appropriations rather than just every year doesn't cost any additional money. It just allows hospitals and clinics in the VA system to plan ahead. Right now, VA caregivers don't know what their budget is for next year, and when funding bills are approved late as they usually are, care gets rationed.

When VA budgets are delayed, veterans pay the price. While President Obama has shown that he has many of the right priorities in this VA budget, the VA funding system itself is down right broken. Advance appropriations is a commonsense solution to that problem. It should be in the budget.

On another subject, I would like to bring to the committee's attention what I believe are some misinformed decisions by the Obama administration to eliminate certain tax provisions that the oil and gas industry needs. I applaud President Obama for his proposals to build on the work of the American Recovery and Reinvestment Act, and point our Nation toward a renewable energy future, but this investment in green energy cannot take place on the back of a fuel source that we will need for the next few decades at the least.

I do not say this as a cheerleader for the oil and gas industry. Rather, I come before you as someone who knows the industry inside and out and would like to provide members of the committee with information about how these changes would affect the production of American oil and gas.

First, the President's budget repeals the expensing of intangible drilling costs. Intangible drilling costs generally include any cost incurred that has no salvage value and is necessary for the drilling of wells or the preparation of wells for the production. Only independent producers can fully expense IDC on American production. Eliminating IDC expensing would remove over $3 billion that would have been invested in new American production.

Second, the President proposes repealing the percentage depletion for oil and gas. Natural gas and oil percentage depletion is available only for American production. Only available to independent producers, only available for the first thousand barrels per day of production, limited to the net income of a property, and lim-

ited to 65 percent of the producer's net income. Percentage depletion provides capital primarily for small independents and is particularly important for marginal well operators.

And third, the President's budget wipes out the marginal well tax credit. This credit provides a safety net for what we call stripper wells during periods of low prices. These wells account for 20 percent of American oil and 12 percent of American natural gas production and are the most vulnerable to shutting down forever when prices fall to new lows.

It is important for the committee to know that the repeal of these needed tax provisions would not take place in a void. The proposals I have addressed would mean that wells would shut down, the bread winners in families in districts like mine would lose their jobs, and there would be that much more oil and gas that we would need to import from foreign sources.

In New Mexico specifically, there would be impacts on critical State services like law enforcement and education. Between 17 and 22 percent of the State's General Fund Budget comes from the oil and gas revenues, and up to 65 percent of the education budget is paid for by receipts from oil and gas. If the proposed repeals are enacted, one of the effects you will see is fewer resources in New Mexico classrooms.

I thank the committee, and I am happy to take any questions. Thank you.

[The prepared statement of Harry Teague follows:]

PREPARED STATEMENT OF HON. HARRY TEAGUE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

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ing system itself is downright broken. Advance appropriations is a common-sense solution to that problem. It should be in the budget.

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It is important for the committee to know that the repeal of these needed tax provisions would not take place in a void. The proposals I have addressed would mean that wells would shut down, the breadwinners in families in districts like mine would lose their jobs, and there would be that much more oil and gas we would need to import from foreign sources.

In New Mexico, specifically, there would be impacts on critical state services like law enforcement and education. Between 17 and 22 percent of the state's general fund budget comes from oil and gas revenues, and up to 65 percent of the education budget is paid for by receipts from oil and gas. If the proposed repeals are enacted, one of the effects you'll see is fewer resources in New Mexico classrooms.

I thank the committee and am happy to take questions.

Ms. SCHWARTZ [presiding]. I thank the gentleman from New Mexico for his testimony, and we will certainly consider it as we move forward with the budget.

So thank you very much for your input.

Mr. TEAGUE. Thank you.

Ms. SCHWARTZ. Next I would like to recognize the gentlewoman from New York, Ms. McCarthy.

We are pleased to receive your testimony, and you are recognized for 5 minutes. And without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. CAROLYN MCCARTHY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CAROLYN MCCARTHY

Mrs. MCCARTHY. Thank you, Chairwoman. I appreciate you allowing me to speak in front of you.

I am here to speak about funding in the fiscal year 2010 budget resolution on the Department of Justice Community Oriented Policing Services to implement H.R. 2640, the NICS Improvement Amendments Act of 2007, Public Law 110-180.

H.R. 2640 was signed into law on January 8, 2008, after passing both the House and the Senate unanimously.

I know the budget is tight, Madam Chairwoman, but fully funding this program is so important because currently, the National Instant Criminal Background Check System, or NICS, is deeply flawed.

NICS is a national database system that flags individuals precluded under current law from purchasing and possessing firearms. Millions of criminal records are currently missing from the databases that make up NICS due to funding restrictions and technology issues at the State level.

Many States have not automated individuals' records concerning mental illness, restraining orders, or misdemeanor convictions for domestic violence. Simply put, NICS must be updated on a State level so that it can properly function on the Federal level.

The shooting that just occurred this past Sunday at First Baptist Church in Merryville, Alabama, reminds me of a similar shooting that took place in my own district at Our Lady of Peace Church in Lynbrook. That is where this bill actually started.

Peter Troy, who was the perpetrator at that time, purchased a 22-caliber semiautomatic rifle. He had a history of mental illness problems, and his own mother had a restraining order against him as a result of his violent background. Those are two reasons why he should have never been able to buy a gun.

Four days later, Mr. Troy walked into Our Lady of Peace Church in Lynbrook, New York, and opened fire, killing Reverend Lawrence Penzes. It was illegal for him to purchase a gun, but for many reasons, he was able to slip through the NICS system.

The breakdown in the system is further underscored by the circumstances surrounding the shootings that took place at Virginia Tech in April of 2007. The shooter at the Virginia Tech massacre was also prohibited legally from buying a firearm. Unfortunately, flaws in the NICS system allowed his record to slip through the cracks, and he was able to purchase two handguns and used them to brutally murder 32 individuals. He passed a Brady background check because NICS did not have the necessary information.

Sadly, this same scenario happens every day across our country. The NICS Improvement Amendments Act requires all States to provide NICS with the relevant records needed to conduct effective background checks. It is the State's responsibility to ensure this information is current and accurate. They must update their records to ensure violent criminals do not have access to firearms, and then they must share the information with NICS.

However, I recognize many State budgets have already been overburdened, the same as our budget. This law distributes grants to States to update their records and provide those records to NICS. States will receive the funds they need to make sure relevant records are up to date.

While NICS has its flaws, the NICS Improvement Amendments Act 2007 corrects the primary flaw and will prevent thousands of individuals precluded from purchasing firearms from doing so.

Approximately 916,000 people that should be in the system are not in the system. They are precluded from purchasing a firearm for failing a background check between November 30th, 1998, when

NICS began operating, and December 31st, 2004. During this same period, nearly 49 million Brady background checks were processed through NICS.

These numbers prove that NICS works and will continue to work. However, since NICS is only as good as the information it contains, we must ensure that NICS has the most up-to-date records to stop criminals, those adjudicated as mentally ill, and those under a restraining order from purchasing firearms.

It has been estimated that more than 40 million records are missing from the various databases that make up NICS. By providing this funding, we will move one step closer to bringing the records of millions of barred individuals into NICS.

This law imposes no new restrictions on gun owners and does not infringe on Second Amendment rights of law-abiding citizens. It simply makes improvements to a program that saves lives.

I respectfully request that you include $375 million in the fiscal year 2010 budget resolution under the Department of Justice Community Oriented Policing Services in order to fully fund the NICS Improvement Amendments Act of 2007.

I thank you for your time, and I will be happy answer any questions.

[The prepared statement of Carolyn McCarthy follows:]

PREPARED STATEMENT OF HON. CAROLYN MCCARTHY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

• Thank you Chairman Spratt, Ranking Member Ryan, and Members of the Budget Committee.

• I appreciate your allowing me to testify today in support of including necessary funding in the Fiscal Year 2010 Budget Resolution under the Department of Justice Community Oriented Policing Services to implement H.R. 2640, the NICS Improvement Amendments Act of 2007, Public Law Number 110-180.

• H.R. 2640 was signed into law on January 8, 2008, after having passed both the House and Senate unanimously.

• I know the budget is tight, Mr. Chairman, but fully funding this program is so important because currently the National Instant Criminal Background Check System, or NICS, is deeply flawed.

• NICS is a national database system that flags individuals precluded under current law from purchasing and possessing firearms.

• MILLIONS of criminal records are currently missing from the databases that make up NICS due to funding restrictions and technology issues at the state level.

• Many states have not automated individuals' records concerning mental illness, restraining orders, or misdemeanor convictions for domestic violence.

• Simply put, NICS must be updated on the state level so that it can properly function on the federal level.

• The shooting that just occurred this past Sunday at First Baptist Church in Merryville Illinois, reminds me of a similar shooting that took place in my district at Our Lady of Peace Church in Lynbrook NY in 2002.

• Peter Troy purchased a twenty-two caliber semi-automatic rifle. He had a history of mental health problems and his own mother had a restraining order against him as a result of his violent background.

• 4 days later, Mr. Troy walked into Our Lady of Peace Church in Lynbrook New York and opened fire, killing Reverend Lawrence Penzes.

• It was illegal for him to purchase a gun, but for many reasons he was able to slip through the NICS system.

• The breakdown in the system is further underscored by the circumstances surrounding the shootings that took place at Virginia Tech in April of 2007

• The shooter in the Virginia Tech massacre was also prohibited from legally purchasing a firearm.

• Unfortunately, flaws in the NICS system allowed his record to slip through the cracks and he was able to purchase two handguns, and used them to brutally murder THIRTY TWO individuals.

• He passed a Brady background check because NICS did not have the necessary information.
• Sadly, this same scenario happens every day.
• The NICS Improvement Amendments Act requires all states to provide NICS with the relevant records needed to conduct effective background checks.
• It is the state's responsibility to ensure this information is current and accurate. They must update their records to ensure violent criminals do not have access to firearms. And then, they must share the information with NICS.
• However, I recognize many state budgets are already overburdened.
• This law distributes grants to states to update their records and provide those records to NICS.
• States will receive the funds they need to make sure relevant records are up-to-date.
• While NICS has flaws, the NICS Improvement Amendments Act of 2007 corrects the primary flaw and will prevent thousands of individuals precluded from purchasing firearms from doing so.
• Approximately NINE-HUNDRED AND SIXTEEN THOUSAND individuals were precluded from purchasing a firearm for failing a background check between November 30, 1998, when NICS began operating, and December 31, 2004.
• During this same period, nearly FORTY NINE MILLION Brady background checks were processed through NICS.
• These numbers prove that NICS works and will continue to work. However, since NICS is only as good as the information it contains, we must ensure that NICS has the most up-to-date records to stop criminals, those adjudicated as mentally ill, and those under a restraining order from purchasing firearms.
• It has been estimated that more than 40 million records are missing from the various databases that make up NICS.
• By providing this funding, we will move one step closer to bringing the records of millions of barred individuals into NICS.
• This law imposes no new restrictions on gun owners and does not infringe on the 2nd Amendment rights of law-abiding citizens. It simply makes improvements to a program that saves lives.
• I respectfully request that you include $375 million in the Fiscal Year 2010 Budget Resolution under the Department of Justice Community Oriented Policing Services in order to fully fund the NICS Improvement Amendments Act of 2007.
• Thank you for your time and I would be happy to answer any questions you may have.

Ms. SCHWARTZ. I thank you for your testimony, and certainly the Congresswoman is well-known for your tremendous work in ensuring reduction in gun violence and keeping guns out of the hands of those who shouldn't have them. So thank you for your work on this and for your leadership.

Mrs. MCCARTHY. Thank you, Ms. Chairwoman.

Ms. SCHWARTZ. And thank you. Next Member to testify is the gentleman from Utah, Mr. Matheson.

And I welcome you, and I am pleased to receive your testimony and recognize you for 5 minutes. Without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. JIM MATHESON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF UTAH

Mr. MATHESON. Thank you, Madam Chair.

I thought that what I would do today, as the Budget Committee goes about drafting the budget resolution for the House to consider, I thought I would talk about a couple of items in the President's budget that were of concern to me and that I would encourage the House to take a look at and maybe pursue an alternative path.

First, I would like to talk about the components of the President's budget relative to health care. The concern I have is there is a large, large amount of money that is placed in the budget kind of as a place-holder without the policy having been defined, without

Congress having legislated for health care reform. I am concerned about putting a cart before the horse in terms of how we go about engaging the health care reform, which by the way is an issue we have got to engage in.

Madam Chair is on the Ways and Means Committee. I am on Energy and Commerce. Both of our committees are going to be actively involved in the health care reform debate, and it is a debate that needs to take place. The fact this country spends more than anyone in the world on health care right now tells me there are massive opportunities for a more efficient system than what we have got, more than anyone in the world per capita, and I am concerned about just the large additional cost being thrown in the budget without knowing what it means.

Specifically in the President's budget I want to mention two items that I think we ought to be very careful about. First, the President's budget assumes that we eliminate Medicare Advantage. Now, there are issues with Medicare Advantage, not the least of which is, by various different studies, it costs about 114 percent of the cost of traditional Medicare. I don't think that is appropriate. The whole idea behind Medicare Advantage was that it could compete with traditional Medicare, perhaps even provide more services at the same cost or maybe save costs.

To the extent it hasn't worked out that way, I think we ought to take a look at Medicare advantage. We ought to hold that program's feet to the fire, if you will, in terms of competing with traditional Medicare as opposed to costing 14 percent more.

With that being said, I don't think we should completely eliminate the program.

Secondly on health care in the President's budget, there is a suggestion for allowing the reimportation of prescription drugs. This is an issue that has got a lot of emotion associated with it, and it has had a lot of discussion here in Congress. None of us are really happy with the price we pay for prescription drugs here in the United States of America, but again, we should acknowledge that the Food and Drug Administration is unable to verify that drugs that are reimported into this country are safe. And in fact, there is ample amount of evidence that occurs, if you look at our postal system and get data from the postal system, about significant amounts of counterfeit medications that are attempted to be sent into this country as we speak.

We all care about costs. There is no question about that. But we also should care about the fact that consumers in this country when they take medication are actually taking the medication that is indicated on the label of the container.

Those are issues in the health care arena that I would encourage as the House Budget Resolution is drafted that you consider taking a bit of a different approach than the President in maybe creating more definition in the overall plan.

Second area I want to talk about beyond health is energy. In the President's budget, there is a significant amount of assumed revenue from a cap-and-trade program, over $600 billion I believe over 10 years; again, a program that does not exist today, that has not been legislated by Congress yet, and it has certain assumptions associated with that revenue number that have not even been consid-

ered in Congress. And I don't think that is responsible budgeting, to go ahead and assume that this type of program is going to exist in that form with that level of revenue.

Climate change is a critical issue. I think it is something we have to deal with in Congress. I look forward to engaging in that debate, but I do not think our budget should already make an assumption about how that debate is going to turn out.

Even more disturbing to me is that the President's budget assumes that some of these revenues from a cap-and-trade program will be dedicated to fund something outside of the impacts of cap and trade. It is really going to fund the middle class tax cut. Now, we all like the middle class tax cut, and we want that to be paid for, but we should acknowledge that a cap-and-trade program is going to cause transitional issues in our economy and for individuals, and in my opinion, any revenues derived from that program ought to be dedicated to mitigating the impact of that transitional period to allow that to happen in as least a disruptive manner to consumers as possible.

So with that, Madam Chair, those are really the two items I thought I would mention. I encourage the Budget Committee to look for more clarity and more reasonable efforts on those two issue areas, and I yield back the balance of my time.

Ms. SCHWARTZ. I appreciate the gentleman's comments, and those are some issues that I know some other Members have as well.

I know that, as a member of the Budget Committee, we are very interested and appreciate the President putting forward a more honest budget and anticipating that, if we do take action, that there will be dollars set aside to do that.

But certainly you raise some very important points, and as a Member of the Energy and Commerce and certainly in my role as well, on a more personal note, I expect we are going to spend some time debating this and having a thorough discussion. But your point is well taken, and certainly it will be part of the testimony for the budget and really appreciate your taking time to testify.

And with that, the Budget Committee is adjourned.

[Whereupon, at 4:16 p.m., the committee was adjourned.]

MEMBERS' DAY PART II

WEDNESDAY, MARCH 18, 2009

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC.

The committee met, pursuant to call, at 2:11 p.m. in room 210, Cannon House Office Building, Hon. Gwen Moore presiding.

Present: Representatives Doggett, Tsongas, Etheridge, McCollum, and Moore.

Ms. MOORE. The meeting is called to order. I would like to welcome you to the second part of our annual members day hearing where the Budget Committee has a chance to receive input from our House colleagues about the budget resolution. I am filling in for Chairman Spratt, who could not be here but wanted us to proceed without him. Others of the Budget Committee colleagues will take over the chair later. As you know, last Wednesday we held the first part of this hearing, but had to cut it short before everyone had the opportunity to testify. So I appreciate your flexibility in rescheduling and look forward to hearing testimony today.

Today the committee welcomes the gentlewoman from Maine Ms. Chellie Pingree. Welcome. We are pleased to receive your testimony, and you are recognized for 10 minutes. Without objection, your full statement will be entered into the record. Before you start Ms. Pingree, I would like to just take care of a little business. I ask unanimous consent that all members be allowed to submit an opening statement for the record at this point. Hearing no objection so ordered. Will you proceed with your testimony. Thank you. For 10 minutes.

STATEMENT OF THE HON. CHELLIE PINGREE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE

Ms. PINGREE. Thank you very much, Madam Chair. I will submit my full testimony into the record, and I will read you a few of the highlights that are of concern to the people home in my home district. And I appreciate the chance to both be before you and to be with the Chair of my own committee, Ms. Slaughter, from the Rules Committee, so I am honored to go first. So Madam Chair, and to all of the members of the Budget Committee, thank you very much for having me here today. Over the coming weeks you will be leading the reprioritization of our budget and finding the right balance between jump starting our economy and fiscal responsibility. I know that we all agree that our number one goal is to get our economy back on track and get Americans back to work.

Today I want to talk about two things that must be done to achieve that goal. We need to fix our broken health care system and make a real and significant commitment to developing clean energy. I am pleased to see that the proposed budget reflects a serious commitment to health care reform. I strongly believe that the time has come for guaranteed affordable access to quality health care for every American. Health care reform is the single most effective investment that we can make to bring economic relief to workers and families, particularly small business owners who are struggling in Maine and across the country.

All too frequently I hear from my constituents who are struggling to provide for their families in the face of soaring health care costs and despite the fear of looming job loss. Many hard working Mainers have full-time jobs but are still uninsured or underinsured. And far too many of them are just one illness or accident away from bankruptcy. For a long time now, we have known that out-of-pocket health care costs are a major factor in personal bankruptcy. The challenge of finding quality affordable health care is particularly daunting to small businesses that make up the heart of Maine's economy.

As a small business owner myself, I know firsthand how difficult be to pay the ever increasing health care costs of my employees, and for many small business owners, it is the cost of health care that finally makes it possible to make ends meet. For this and many more reasons, I am pleased that for the first time in a long time, the President's proposed budget represents a serious down payment on health care reform. By starting to provide the Department of Health and Human Services with the necessary funding to achieve its mission, President Obama has demonstrated that he will live up to his promise to work with us to make affordable quality health care for all Americans a reality. But this is just the beginning of the long road head of us. After years of inattention to this country's health care needs, there is much work to be done to put us on the path of a more efficient cost effective system.

I look forward to reviewing additional details in the President's proposed budget as they become available and to working with my colleagues and this Congress to create and support a health care system that we can all be proud of. I would also like to express my support for serious significant investment in energy efficiency and renewable energy. By developing new sources of clean energy we will create sustainable jobs, lessen our dependence on foreign oil and begin to meet the greatest environmental challenge our planet has ever faced. America can and should be a leader in developing the energy technology that will support the world's economy in the 21st century.

I am particularly proud of the work on developing clean energy that has taken place already in Maine. We have over 100 megawatts of wind power on line with another 1,000 megawatts in the planning stages and a goal of 3,000 megawatts on line by 2020. Meanwhile, the University of Maine, small businesses and others are undertaking groundbreaking research on wind blade efficiency and composite technology. And our wind and tidal power resources are among the best in the country. Maine's offshore wind resource is estimated to be over 100 gigawatts or 10 percent of the total

electric production in the United States. But without significant investments, we won't be able to realize the full potential to develop clean energy in Maine or around the country. Investing in the research and infrastructure hastens the development of renewable energy.

Without significant investment, we will miss the opportunity to develop good paying sustainable jobs and the new sources of energy that will power our economy in the 21st century. Finally, while it is important to invest in health care and clean energy, we must do so wisely and carefully. While investing in the future, we must also commit ourselves to reducing the deficit, eliminating wasteful spending and finding ways to do more with less. To this end, and as a member of the House Armed Services Committee, I am pleased that President Obama is practicing truth in budgeting, particularly when it comes to the cost of wars in Iraq and Afghanistan and the increasing transparency in our budget process.

If we are to build a budget that reflects our priorities, it is essential to put all of the true costs on the table to begin with. And I am looking forward to taking a close look at the budget and vigilantly seeking out any wasteful spending where we can achieve savings and make changes that reflect our shared priorities.

Madam Chair, I greatly appreciate the opportunity to testify in front of your committee and sincerely hope that the committee keeps these thoughts in mind throughout the budget process. I am looking forward to working with all the members on this committee throughout the budget process. Thank you very much.

Ms. MOORE. And thank you so much.

[The prepared statement of Chellie Pingree follows:]

PREPARED STATEMENT OF HON. CHELLIE PINGREE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE

Mr. Chairman, Members of the Budget Committee, thank you very much for having me here today. Over the coming weeks you will be leading the reprioritizing of our budget, and finding the right balance between jumpstarting our economy and fiscal responsibility.

I think we all agree that our number one goal is to get our economy back on track and get Americans back to work. Today I want to talk about two things that must be done to achieve that goal: we need to fix our broken health care system and make a real and significant commitment to developing clean energy.

I am pleased to see that the proposed budget reflects a serious commitment to health care reform. I strongly believe that the time has come for guaranteed, affordable access to quality health care for every American. Health care reform is the single most effective investment that we can make to bring economic relief to workers and families, particularly small business owners, who are struggling in Maine and across the country.

All too frequently I hear from my constituents who are struggling to provide for their families in the face of soaring health care costs and despite the fear of looming job loss.

Many hard working Mainers have full time jobs but are still uninsured or underinsured. And far too many of them are just one illness or one accident away from bankruptcy. For a long time now, we have known that out of pocket health care costs are a major factor in many bankruptcies.

The challenge of finding quality, affordable health care is particularly daunting to the small businesses that make up the heart of Maine's economy. As a small business owner myself, I know firsthand how difficult it can be to pay the ever increasing health care costs of my employees and for many small business owners, it is the cost of health care that finally makes it impossible to make ends meet.

For this and many more reasons, I am pleased that for the first time in a long time the President's proposed budget represents a serious down payment on health care reform. By starting to provide the Department of Health and Human Services

with the necessary funding to achieve its mission, President Obama has demonstrated that he will live up to his promise to work with us to make affordable, quality health care for all Americans a reality.

But this is just the beginning of the long road ahead of us. After years of inattention to this country's health care needs, there is much work to be done to put us on the path to a more efficient, cost-effective system. I look forward to reviewing additional details in the President's proposed budget as they become available, and to working with my colleagues in this Congress to create and support a health care system that we can all be proud of.

I would also like to express my support for serious, significant investment in energy efficiency and renewable energy. By developing new sources of clean energy, we will create sustainable jobs, lessen our dependence on foreign oil and begin to meet the greatest environmental challenge our planet has ever faced. America can and should be a leader in developing the energy technology that will support the world's economy in the 21st Century.

I am particularly proud of the work on developing clean energy that has taken place in Maine. Already we have over 100 megawatts of wind power online, with another 1,000 megawatts in the planning stages and a goal of 3,000 megawatts online by 2020. Meanwhile, the University of Maine, small businesses and others are undertaking groundbreaking research on wind blade efficiency and composite technology. And our wind and tidal power resources are among the best in the country. Maine's offshore wind resource is estimated to be over 100 gigawatts, or 10% of the total US electric production.

But without significant investments, we won't be able to realize the full potential to develop clean energy in Maine or around the country. Investing in the research and infrastructure hastens the development of renewable energy. Without significant investment, we will miss the opportunity to develop good-paying, sustainable jobs and the new sources of energy that will power our economy in the 21st century.

Finally, while it is important to invest in health care and clean energy, we must do so wisely and carefully. While investing in the future we must also commit ourselves to reducing the deficit, eliminating wasteful spending and finding ways to do more with less. To this end, and as a member of the House Armed Services Committee, I am pleased that President Obama is practicing "truth in budgeting," particularly when it comes to the costs of the wars in Iraq and Afghanistan and increasing transparency in our budget process. If we are to build a budget that reflects our priorities, it's essential to put all of the true costs on the table to begin with, and I am looking forward to taking a close look at the budget and vigilantly seeking out any wasteful spending where we can achieve savings and make changes that reflect our shared priorities.

Mr. Chairman, I greatly appreciate the opportunity to testify in front of this committee and sincerely hope that the committee keeps these thoughts in mind throughout the budget process. I am looking forward to working with this committee throughout the budget process. Thank you.

Ms. MOORE. I want to remind everyone that your entire written testimony will be made a part of the permanent record.

Ms. PINGREE. Thank you.

Ms. MOORE. I am so pleased to welcome the Chair of the Rules Committee, the Honorable Louise Slaughter from upstate New York for her testimony at this time. We are yielding 5 minutes, and we offer you an opportunity to enter your entire testimony for the record. And welcome to the committee, but before you proceed let me just mention that all committee members who are not here may submit written questions for the record.

Ms. PINGREE. Thank you.

Ms. MOORE. Thank you. And so with that we have the Honorable Louise Slaughter who has joined us.

STATEMENT OF THE HON. LOUISE SLAUGHTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Ms. SLAUGHTER. Madam Chairman, thank you. It is such a pleasure to see you sitting in that chair. It becomes you. I do thank you for the opportunity to address you today on an issue of great

importance I think to the entire Nation. As a co-chair of the Congressional Great Lakes Task Force, I am here to discuss critical funding for the restoration and protection of the Great Lakes. Lake Erie, Huron, Michigan, Ontario and Superior contain more than 18 percent of the world's fresh water, more than 90 percent of North America's surface fresh water and supply drinking water to more than 35 million people. Millions of people benefit from the commerce and business that depend on the waters of the Great Lakes. The Lakes are not only a prized natural resource but a significant economic engine for our country.

This committee has the opportunity to create jobs, revive many regional economies and to bolster communities, businesses and industries by funding the protection and restoration of the Great Lakes. The Brookings Institute released a report in 2007 finding that a $26 billion investment to restore the Great Lakes will create $50 billion in economic gains, a two for one return on our investment. That is a net gain of at least $24 billion from increases in tourism, the fishing industry, recreational activity and home values, and again, of course, keeps that valuable supply of fresh water available to our citizens.

Restoring the Lakes will also put people to work immediately. The recommendation to fix old sewers in the region, $7.65 billion in Federal investment, will create at least 265,000 jobs according to the U.S. Department of Transportation statistics. We must protect the Great Lakes in order to ensure that we and future generations continue to reap its many benefits. Every day the Lakes are threatened by serious problems, such as sewage contamination and invasive species. More than 24 billion gallons of sewage contaminate the Lakes every year, closing beaches and threatening the public's health. The EPA estimates that the Nation must invest $390 billion to fix old sewers to prevent the combined sewer overflows and storm sewer overflows, many of which occur in the Great Lakes and northeast regions of the country.

New York alone needs $36.2 billion over the next 20 years to repair failing infrastructure that leads to billions of gallons of sewage in the New York waterways every year. Nonnative aquatic invasion species continue to reek havoc on our economy and way of life. A new nonnative aquatic invasive species is discovered in the Lakes every 28 weeks. Invasive species like the zebra mussel cause more than $200 million in damage, and costs are borne by people, cities, industries and the businesses. I am happy to say that the Coast Guard reauthorization bill, which passed last April and is still stalled in the Senate, was a good first step to creating a strong balanced water management program. We should never have been on the buddy system or the good faith system to have shipping interests from other parts of the world simply state no ballast on board, then get into the Great Lakes and dump it.

Unless action is taken, the problems will only get worse and solutions will cost more. To underscore the point, leading scientists released a report in 2005 that found a cumulative impact of these threats is pushing the Lakes toward a tipping point. That is critical information and it is already 4 years old. In short, deterioration of the ecosystem is accelerating dramatically and if not addressed, now the damage might be irreversible.

Unfortunately Federal efforts tor restore the Lakes have not kept pace with the threats to the Lakes. In 2002, a Government Accountability Office report found that efforts to restore the Great Lakes had been stymied by a lack of coordination and clear strategy. The GAO found that a lack of funding and strategies similar to the other restoration efforts, such as the Chesapeake Bay and the Florida Everglades for instance, have impeded the restoration efforts of the Great Lakes. And the report also, of course, indicated lack of funding because we put very little funding since I have been in Congress to help the Great Lakes. The report recommended that the EPA administrator charge EPA's Great Lakes National Program Office with developing an overarching Great Lakes strategy, submitting a proposal to Congress for funding the plan and developing most importantly a way to measure progress.

In 2005 Federal leaders took a major step forward in the effort to restore the Great Lakes when the EPA spearheaded a broad stakeholder process to craft a multiyear plan to restore this great natural resource. More than 1,500 stakeholders participated in the one year effort representing industry, business, State and local government, tribes, advocacy organizations and State and Federal agencies.

Ms. SLAUGHTER. And in conclusion, I appreciate that President Obama has put $475 million in this budget, recognizing the great need to restore the Great Lakes. And I am here to humbly ask you to protect that investment that President Obama wants to make. And I thank you all very much.

[The prepared statement of Louise Slaughter follows:]

PREPARED STATEMENT OF HON. LOUISE MCINTOSH SLAUGHTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Thank you for this opportunity to discuss an issue of great importance not only to communities like mine that border the Great Lakes but to our country as well.

As a Co-Chair of the Congressional Great Lakes Task Force, I am here to discuss critical funding for the restoration and protection of the Great Lakes.

Lakes Erie, Huron, Michigan, Ontario and Superior contain more than 18 percent of the world's, and more than 90 percent of North America's, fresh surface water. Combined, they supply drinking water to more than 35 million people.

What's more, millions of people benefit from the commerce and business that depend on the waters of the Great Lakes.

The Lakes are not only a prized natural resource, but also a significant economic engine for our country.

This Committee has the opportunity to create jobs, revive many regional economies, and bolster communities, businesses and industries by funding the protection and restoration of the Great Lakes.

The Brookings Institution released a report in 2007 which found that a $26 billion investment to restore the Great Lakes would create $50 billion in economic gains for the region, a two-to-one return on investment.

That is a net gain of at least $24 billion from increases in tourism, the fishing industry, recreational activity and home values.

Restoring the lakes will also put people to work immediately.

The recommendation to fix old sewers in the region—$7.65 billion in federal investment—will create at least 265,000 jobs, according to the U.S. Department of Transportation.

We must protect the Great Lakes in order to ensure that we, and future generations, continue to reap its many benefits.

Every day, the Lakes are threatened by serious environmental problems such as sewage contamination and invasive species.

More than 24 billion gallons of sewage contaminate the Lakes every year, closing beaches and threatening public health.

The Environmental Protection Agency (EPA) estimates that we must invest $390 billion to fix old sewers to prevent combined sewer overflows and storm sewer overflows—many of which occur in the Great Lakes and Northeast regions of the country.

New York alone needs $36.2 billion over the next twenty years to repair failing infrastructure that leads to billions of gallons of sewage in New York waterways every year.

Moreover, non-native aquatic invasive species continue to wreak havoc on our economy and way of life.

A new non-native aquatic invasive species is discovered in the Lakes every 28 weeks. Invasive species like the zebra mussel cause more than $200 million in damage and control costs to people, cities, industry and businesses.

The Coast Guard Reauthorization Act, which passed the House last April and stalled in the Senate, was a first step to creating a strong ballast water management program.

This program sets a tough new standard for treating ballast water discharges, finally closes the "No Ballast on Board" loophole, and sets a goal of getting treatment on board vessels as quickly as possible.

Unless action is taken, these problems will get worse, and the solutions will cost more.

To underscore that point, leading scientists released a report in 2005 that found the cumulative impact of these threats is pushing the Lakes toward a tipping point.

In short, deterioration of the ecosystem is accelerating dramatically, and if not addressed now, the damage could be irreversible.

Unfortunately, federal efforts to restore the Lakes have not kept pace with the threats to the Lakes.

A 2002 Government Accountability Office (GAO) report found that efforts to restore the Great Lakes have been stymied by a lack of coordination and a clear strategy.

The report also indicated that lack of funding hampered clean-up efforts.

The report recommended that the EPA Administrator charge EPA's Great Lakes National Program Office with developing an overarching Great Lakes strategy, submitting a proposal to Congress for funding the plan, and developing a way to measure progress.

In 2005, federal leaders took a major step forward in the effort to restore the Great Lakes when the EPA spearheaded a broad stakeholder process to craft a multi-year plan to restore this great national resource.

More than 1,500 stakeholders participated in the one-year effort, representing industry, business, state and local government, tribes, advocacy organizations, and state and federal agencies.

The result was the Great Lakes Regional Collaboration Strategy to Restore and Protect the Great Lakes.

In the Great Lakes region, chambers of commerce, mayors, governors, industry and non-governmental organizations, have united behind a plan—and for good reason: Great Lakes restoration is an economic driver and key to the economic recovery of the region and our nation.

I commend President Barack Obama for recognizing the urgent need to restore the Great Lakes and the tremendous economic benefit healthy Lakes will bring to communities, businesses and industries. I applaud him for including $475 million to restore the Lakes in his proposed fiscal year 2010 budget.

These federal dollars represent the most serious commitment to Great Lakes restoration ever by a President.

This is new money for some of the most successful and important Great Lakes restoration efforts, like the Great Lakes Legacy Act. This commitment is a serious down-payment on the multi-year effort to restore the lakes.

I respectfully request that you include $475 million for Great Lakes restoration and economic recovery.

Thank you for your time.

Ms. MOORE. And thank you. I will recognize myself for a moment for a question, Congresswoman Slaughter. You mentioned that the Coast Guard Reauthorization Act is held up in the Senate.

Ms. SLAUGHTER. Yes.

Ms. MOORE. Can you share with the committee what the stated problems are with the bill in the Senate.

Ms. SLAUGHTER. I probably would have to be a psychic to be able to answer that. The ways of the Senate are an enigma to me. And

having been here for, this my 23rd year, I have never been able to decide for what it is they do over there and by what rhyme or reason they do it. But this is critically important. And since this money is in the budget—but you are absolutely right, to stop other countries from dumping ballast and bringing us invasive species is probably the most important thing that we can do, so that bill has to pass the Senate.

Ms. MOORE. Well, I certainly agree with you, living on great Lake Michigan. Besides loving the people of Milwaukee, Wisconsin, I love that lake. It is a constituent of mine. I would like to now yield to my colleague Mr. Doggett for questions that he may have of you. And I also may offer him an opportunity to question Ms. Pingree who testified earlier, Mr. Doggett, about the need for a guaranteed health care program in the budget, and also the urgency of energy. And so I will yield now to Mr. Doggett.

Mr. DOGGETT. Thank you very much. And thank you Chairwoman Slaughter. And I think it is very important to have that provision in the budget and to assure that I have time on every rule that is coming up this year on your end of that.

Ms. SLAUGHTER. You do know the way to my heart.

Mr. DOGGETT. And Congresswoman Pingree, you touch on one of the issues that I think is the most critical for us. We all know the stories of families across the country that face personal bankruptcy, the largest cause of credit card debt, because of the neglect and indifference to the growing health care crisis in our country. And having a significant amount in this budget as a reserve, giving us the opportunity to deal with health care, I hope immediately this year, I think is very important. I think that is probably the way we will handle it, is with a reserve fund, so that we can begin then to really just be assured we have the opportunity to approve health care this year, and then we can work through the details of what we can get passed to do the most we can under the circumstances we have. Your State has certainly been a leader in this area at a time that the Federal Government, under the Bush administration, did nothing for families facing a health care crisis. Do you think that the State of Maine has some experience that will be insightful as we try to develop a national health system?

Ms. PINGREE. Thank you very much for your question, and for the opportunity to address the committee on budget priorities. And I am glad to know this is a concern of yours, as I think it will be of many of the members of this committee, and I appreciate it as well that the President has both set aside some financial resources for this, and clearly made it a priority. So yes, I concur on that. And I have to say, sitting right behind me is actually my daughter, who is the Speaker of the House in Maine, who happens to be here for a legislative conference.

And I probably don't have to tell you that I receive frequent calls from her saying when are you going to help out States like ours. She is a former chair of the Health and Human Services Committee, where I also served as a State legislator. Maine has been an innovator in trying to expand access to care and hold down the costs of prescription drugs. So you can imagine that all of our legislative leaders who are visiting from all around the country for the

next couple of days to talk about these issues will be putting that as their high priority.

And I know speaking from the State of Maine, where we have tried very hard to be innovative with a high level of need and a very low level of cash resources, we need the Federal Government to step in and level the playing field and help out states like ours.

Mr. DOGGETT. Thank you for your leadership and that of your daughter.

Ms. PINGREE. Thank you.

Ms. MOORE. And thank you. I see that we have the Honorable Paul Tonko from New York here. And we also have the Honorable Representative Wolf from Virginia here with us as well. The Chair recognizes Mr. Tonko for 5 minutes. We welcome you before the committee. And your entire written testimony will be made part of the record. And we do welcome your summary of your statements. We know you have much more to say than you can say in 5 minutes. And after you we will recognize Mr. Wolf, and then we will recognize Representative Schrader after that.

STATEMENT OF THE HON. PAUL TONKO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. TONKO. Thank you very much, Madam Chair, to you and Chair Spratt and Ranking Member Ryan and members of the committee. I offer my sincere thank you for giving me an opportunity to speak here today. I represent the 21st Congressional District of New York State, the area is also known as the capital region. The area is home to many towns which saw a boom during the first industrial revolution. However, since those times, the area has seen a dwindling population in response to more and more companies closing or moving overseas. In recent years, the area has been heavily involved with luring research companies and fundings to help revive these surrounding communities. However, we still have work to do with regard to our education system and our infrastructure in help us lure even more investments into our communities. Education is the foundation on which our country can grow, but it is often one of the first areas states cut in their budgets when facing fiscal crises.

The Federal Government has not traditionally had a role in school construction as you know, but the American Recovery and Reinvestment Act invested heavily in school infrastructure, especially those with green energy efficient components. Many of our Nation's schools are crumbling and children's ability to learn in these environments does indeed suffer. I hope to see increased education funding in our fiscal year 2010 budget, and especially hope to see more flexibility granted to States in their ability to use this money for green renovation for repair for modernization and construction similar to the flexibility accorded to states for the use of education related State fiscal stabilization funds in the Recovery Act. I also consider the arts a very important part of not only the education of our children but also our American culture.

This sector of the economy has traditionally been supported by philanthropic donations as well as by State and Federal dollars. Unfortunately because of the economic downturn many art programs have seen their donations plummet forcing them to lay off

employees and reduce services. The Recovery Act demonstrated the importance of the arts in job creation and retention by investing some $50 million in the National Endowment for the Arts, and I hope to see increased funding for NEA, as well as the National Endowment for the Humanities and other arts funding.

Foreign language instruction, in my opinion, starts from the earliest of ages and is a key component to ensuring that the next generation of American workers is equipped to function in an increasingly globalized economy. I advocate a greater emphasis balanced on the importance of foreign language instruction, especially in our elementary schools. Also vitally important for American workers entering the global economy is increased funding for the America Competes Act. The science, technology, engineering and math, or STEM education programs authorized in the Competes Act, will help the next generation of workers to compare to compete globally, advance our efforts to become energy dependent and compete new jobs and new exports also to inspire those atypical students, be it minority or female, to search forward in the opportunities for science and tech as a major some day in their career advancements.

Full funding for these programs is essential in reaching these goals. It is time that Washington fully invest in the sciences and work to truly promote an energy agenda. It is often quoted that a crisis is a terrible thing to waste. Madam Chair we have a crisis in this country. Our country's energy system is in shambles and it is time for us to lay out the blueprint for a new bold vision here in the United States. I believe that the budget should do much more to provide funding to agencies like DOE for programs such as clean cities to promote ways for our urban cores to stop using petroleum based modes of transportation.

Here I would insert the value of high speed rail to communities across the northeast. Certainly in upstate New York, we need high speed rail investment to bring back our economic recovery. We need to drill and mine energy efficiency like we currently drill for oil and mine for coal. We need investments focused on demand side energy solutions rather than simply through supply side solutions. We need to diversify our energy portfolio and carry out increased funding in areas such as energy efficient block grant programs. As we did during the space race so many years ago we must turn toward innovation and leadership on the energy front to lead the world again. We can effectively become the standard bearer in energy policy and energy sources by ensuring that we increase funding for our research and development to put investments toward advanced energy programs, programs like renewable generation, transmission upgrades, carbon capture, methane and allowing for more demonstration projects that could deploy to the commercial sector.

For decades, upstate urban cores, once the center for bustling economic and manufacturing activity in the New York State have been slowly eroding away. Urban areas in my district, such as Albany, Troy, Schenectady, and Amsterdam, to name a few, served as the engine for our upstate's economy and growth. However for decades these cities have sat in a State of disrepair as the population moves away and businesses dwindle to nothing. For the sake

of our economy, environment and the preservation of culture and architecture we must commit money to better and advance our urban agenda.

In the fiscal year 2010 budget I support increased funding for heritage corridors and areas of historical preservation to improve building facades, demolition of unsalvageable buildings and the replacement and retrofitting of our buildings to levels of lead certification. Such resources will not only beautify our downtown corridors, but also encourage efficient energy usage and be a model for modernization in blending old buildings with new ideas and giving us a much stronger sense of placed esteem, which I think is as critical as self-esteem. We must also target investments toward waterfront development in waterfront communities.

Mr. TONKO. And in conclusion, Madam Chair, in addition to that water and sewer infrastructure a huge need in this budget. I have over 80-year old structures that need to be, infrastructures that need to be repaired and improved or replaced. And finally we must not allow ourselves to fall further behind in today's global economy, broadband opportunities for our rural districts and for my core neediest neighborhoods need to see that sort of investment for communications purposes that can link us to the outside world. I do thank you Madam Chair, the Chair and ranking member and members of the Budget Committee, and it is a great opportunity to be able to share these thoughts with you.

[The prepared statement of Paul Tonko follows:]

PREPARED STATEMENT OF HON. PAUL D. TONKO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Chairman Spratt, Ranking member Ryan, respected members of the committee, I want to sincerely thank you for giving me the opportunity to speak here today. I represent the twenty first congressional district of New York, the area is also known as the Capital Region. The area is home to many towns which saw a boom during the first industrial revolution. However, since those times the area has seen a dwindling population in response to more and more companies closing or moving overseas. In recent years, the area has been heavily involved with luring research companies and funding to help revive the surrounding communities. However, we still have work to do in regard to our education system and our infrastructure to help us lure even more investments into our communities.

Education is the foundation on which our country can grow, but it is often one of the first areas states cut in their budgets when facing fiscal crises. The federal government has not traditionally had a role in school construction, but the American Recovery and Reinvestment Act (ARRA) invested heavily in school infrastructure, especially those with green, energy efficient components. Many of our nation's schools are crumbling, and children's ability to learn in these environments suffers. I hope to see increased education funding in the fiscal year 2010 budget, and especially hope to see more flexibility granted to states in their ability to use this money for green renovation, repair, modernization and construction, similar to the flexibility accorded to states for the use of education related State Fiscal Stabilization Funds in the ARRA.

I also consider the arts a very important part of not only the education of our children, but also our American culture. This sector of the economy has traditionally been supported by philanthropic donations, as well as by state and federal dollars. Unfortunately, because of the economic downturn, many art programs have seen their donations plummet, forcing them to lay off employees and reduce services. The ARRA demonstrated the importance of the arts in job creation and retention by investing $50 million in the National Endowment for the Arts (NEA). I hope to see increased funding for the NEA, as well as the National Endowment for the Humanities and other arts funding.

Foreign language instruction, starting from the earliest ages, is a key component to ensuring that the next generation of American workers is equipped to function

in an increasingly globalized economy. I advocate a greater emphasis balanced on the importance of foreign language instruction, especially in our elementary school.

Also vitally important for American workers entering the global economy is increased funding for the America COMPETES Act. The science, technology, engineering and math (STEM) education programs authorized in the COMPETES Act will help the next generation of workers prepare to compete globally, advance our efforts to become energy independent, and create new jobs and new exports. Full funding for these programs is essential in reaching these goals.

It is time that Washington fully invests in the sciences and works to truly promote an energy agenda. It is often quoted that "a crisis is a terrible thing to waste." Mr. Chairman, we have a crisis in this country. Our country's energy system is in shambles and it is time for us to lay out the blueprint for a new bold vision here in the United States.

I believe that the budget should do much more to provide funding to agencies like the DOE for programs such as Clean Cities, to promote ways for our urban centers to stop using petroleum based modes of transportation. We need to drill and mine energy efficiency like we currently drill for oil and mine for coal; investment focused on demand-side energy solutions rather than simply through supply-side, diversify our energy portfolio and can be carried out by increased funding in areas such as the Energy Efficient Block Grant Program.

As we did during the Space Race so many years ago, we must turn towards innovation and leadership on the energy front to lead the world again. We can effectively become the standard bearer in energy policy and energy sources by ensuring that we increase funding for Research & Development to put investments towards advanced energy programs—including renewable generation, transmission, carbon capture, methane and allowing for more demonstration projects.

For decades, upstate urban cores, once the center of bustling economic and manufacturing activity, have been slowly eroding away. Urban areas in my district, such as Albany, Troy, Schenectady and Amsterdam to name a few served as the engine for our upstate's economy and growth. However, for decades these cities have sat in a state of disrepair as the population moves away and businesses have dwindled to nothing. For the sake of our economy, environment and the preservation of culture and architecture, we must commit money to better and advance our urban agenda.

In the fiscal year 2010 budget I support increased funding for heritage corridors and area's of historical preservation to improve building facades, demolish unsalvageable buildings and replace and retrofit our buildings to levels of LEED certification. Such resources will not only beautify our downtown corridors but also encourage efficient energy usage and be a model for modernization in blending old buildings with new ideas.

We must also target investments towards waterfront development in waterfront communities. Increasing river access in our downtowns encourages economic development and environmental stewardship. This type of involvement has a high success rate nationally in revitalizing urban communities.

Also, water and sewer infrastructure investments are crucial to redevelop our urban centers. Many of the towns in my district have water and sewer infrastructure which is over 80 years old. For safety, security and developmental needs it is critical that we replace these systems. Local taxpayers cannot bear the entire burden of upgrading this infrastructure but it is essential. Its implementation will encourage economic and population growth in urban areas.

Finally, we must not allow ourselves to fall further behind in today's global economy. We must make a push to increase funding to the rural utility service programs which is run through the USDA. This will provide broadband services in areas which desperately need it and allow our rural citizenry the access to information and commerce they need to compete in today's economy.

Again, I want to thank Chairman Spratt, Ranking Member Ryan and the rest of the committee for allowing me to come in today.

Ms. MOORE. Well, Mr. Tonko, you are not without ideas, I can tell you that. One question with respect to the green renovation of schools, the arts programs, foreign languages, which I had the privilege in my younger years to study four foreign languages at public schooling. And of course STEM education. The criticism that we often hear is that these programs are the responsibility of local school jurisdictions. And I guess, I just want to give you a moment to defend why you think, particularly with respect to a bricks and

mortar sort of project, I want to give you a moment to try to explain to the committee why we ought to consider at least expanding our commitment to education in this regard.

Mr. TONKO. Certainly. I think that as we see more and more local opportunities dwindling with a tax base declining in several of my communities, it is very difficult for them to come up with a local match, or for States that have been impacted by this devastating economy, to go forward with advanced commitments in education. Many of them are holding the line. I think that it is so critically important that we not allow or ask our children to go to schools that are unsafe. There are many inner city areas where there have not been investments in that infrastructure. They deserve the same sort of opportunity that children going to school in wealthier settings have, and that is a haven, a safe place, a comfortable place and a green bit of space that enables them to have the same environmental benefits that any lead certified education structure has.

In addition, with the foreign language study, I think those are part of a global economy retrofit. And we should encourage our children. Any language instructor will tell you the best time to reach a student is in that K through 6 sector. I think that we should not only provide for funds for that opportunity to prepare our workforce of the future in a global context, but also to offer those atypical languages that aren't often taught in our schools, from African and Asian and South American cultures.

We have had a European-based model, and I think we need to go forward with all the other languages and dialects that will enable them to be language literate. I think there is too much of an emphasis at times by some in this society to think only English, which I think sets our students back and creates a sense of lack of commitment to educational development.

Ms. MOORE. Well, thank you so much for your very sage testimony. And I will remind you that members who did not have the opportunity to ask you questions have 7 days to submit questions, and they may indeed do that. Thank you so much for your testimony.

Mr. TONKO. I thank you Madam Chair.

Ms. MOORE. We are now going to hear from the very Honorable Frank Wolf. My able assistant in my office said to me with a smile that this is her member. So I suppose we will have to treat him with kid gloves. And we welcome you to the committee, Mr. Wolf. We will make your full testimony a part of the record, and we encourage you to give summary remarks.

STATEMENT OF THE HON. FRANK WOLF, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. WOLF. Thank you, Mr. Chair. I will be brief, very, very brief. The American people are frankly experiencing a crisis of confidence in this institution and in government. Our unemployment rate is 8.1 percent. Factories are closing. We have got the biggest deficit for as far as the eye can see. National debt on yesterday at 6:43 a.m. went to $11 trillion. The country is broke. China holds our debt. Secretary Clinton went to China with a tin cup begging never wanting to offend the dictators of Beijing because they want us to

borrow money, and never speaking out on the issue of the genocide taking place in Darfur because they just did not want to offend the Chinese. Jim Cooper and I put a bill in yesterday. We had it in last year. We put it in yesterday; 26 Republicans, 26 Democrats. It puts every spending program on the table on tax policy.

I was the author of the Iraq study group where we got the Baker-Hampton Commission. We have taken that same concept and added the Base Closure Commission. We put every spending program and tax policy on the table. They take a period of time. They go around the country holding public hearings, come back, and the Congress is required to vote up or down, supported by the Heritage Foundation, the Brookings Foundation, Alice Rivlin, former vet of OMB during the Clinton Administration, Pete Peterson, on and on and on, David Broder, David Brooks. This institution is broken. The people have no confidence. I don't think this institution is going to fix it. And it is so partisan, it is so bitterly mean. I have been here for 28 years. I have never seen a more hostile bitter partisan divided Congress than I have.

So I don't think the committee will do what I am asking. We are just asking to get a vote on it. Jim, I don't know, Jim was on the committee. I know Jim will make his own case. It is partisan. There is enough blame to go around. I have said publicly the Bush administration missed their opportunity. Here is an opportunity here.

And so with that, I think I have said enough. If you can get this in. Whatever comes out of here I would very much appreciate it. Basically on the table up or down. And in closing, he is talking about all these closing factories. The economists believe if we will do this, we will bring about a renaissance in this Nation. More jobs, more economic development. When you are out of shape to get back in shape and also to put more money into math and science and physics and chemistry, biology and cancer research, autism, Alzheimer's, and right now we are just, we are broke.

So with that I hope you can put it in the bill. I doubt you will, but I wanted to come here. Woody Allen said just showing up is 80 percent of the game, and I wanted to show up. And I am going to offer this to every appropriation bill that comes out. I am going to offer it in subcommittee in Appropriations, I am going to offer it in full committee in Appropriations, I am going offer it on the floor. I will offer this until we eventually pass it, because I am not going to stand by and allow this country to collapse simply because this Congress can't come together and work together with Republicans and Democrats, as Jim Cooper and I have done. And I yield back the balance of my time, Madam Chair.

Ms. MOORE. Thank you so much for yielding back the balance of your time.

[The prepared statement of Frank Wolf follows:]

PREPARED STATEMENT OF HON. FRANK R. WOLF, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Chairman Spratt, Ranking Member Ryan, last February I testified before you and opened by pointing out the enormous challenge this committee has before it crafting our nation's budget. I believe that challenge is even more formidable today and appreciate your giving me the opportunity to address the committee again this year.

Look around. Main Street USA is suffering. It doesn't take an economic expert to know that the country is in trouble. The American people are experiencing a crisis of confidence. While there was a modest rally last week, the Dow dipped below 7,000 the week before—a 12 year low—while the unemployment rate has jumped to 8.1 percent for the month of February.

The American people believe that elected officials will work together to solve the nation's most pressing matters, but this confidence is dwindling with every piece of bad news that factors into the country's economic narrative.

Our nation's long-term fiscal health is also in serious jeopardy. The statistics are staggering—we have over $56 trillion in unfunded obligations through Social Security, Medicare, and Medicaid. The national debt is nearing $11 trillion. China has surpassed Japan as the largest foreign holder of U.S. Treasury debt, owning over $1 trillion in such securities as of December, marking a massive 52 percent increase from the previous year.

Meanwhile, the federal deficit has reached $765 billion in the first five months of the budget year. President Obama's budget request projects a $1.8 trillion deficit for this year and a $533 billion deficit in FY 2013, a number many private forecasters believe are based on optimistic assumptions. Anyway you look at it, the budget request amounts to red ink as far as the eye can see.

We are in crisis mode today and the window of opportunity is before us. If we don't get our country's financial house in order and make the sacrifices necessary today, the future for our children and grandchildren will be bleak.

The bipartisan commission Jim Cooper and I have proposed with every spending program and tax policy on the table is the approach that will lead to a solution. Congress would be forced to vote on the commission's recommendations. Over 111 members of this House pledged their support last session, and Senate Budget Chairman Kent Conrad and ranking member Judd Gregg have authored similar legislation.

The Brookings Institution supports this bill. So does the Heritage Foundation, the Concord Coalition, the Committee for a Responsible Federal Budget, AEI, and a host of others.

Last week the Peter G. Peterson Foundation, headed by former U.S. Comptroller General David Walker, released the results of a survey conducted by Peter Hart Research Associates and Public Opinion Strategies which looked specifically at public attitude toward America's fiscal policies.

According to this survey, by a significant margin—56 percent to 30 percent—registered voters prefer a bipartisan commission to the regular congressional process as the best means to begin tackling our growing budget deficit and national debt.

It's time for Congress to deliver on its responsibilities to the American people and have an honest conversation about the state of our finances and come together—Democrats and Republicans—to help turn things around.

I have little faith that this Congress will act through regular order and believe it will take a commission with teeth for Congress to act. Adopting the bipartisan SAFE Commission process would renew the confidence of Americans in the economy and in the ability of our elected leaders to act. It would provide a brighter future for the next generation of Americans and ensure we have discretionary dollars for education, cutting edge technology and medical research, infrastructure, and other critical programs that Americans care so much about.

The committee's budget resolution and any substitute should have a general provision establishing such a panel so that we can deal with America's future and help give some hope to our children and grandchildren.

Ms. MOORE. I am going to ask you again, perhaps I wasn't listening well enough, but you are going to offer an amendment that, evaluates every spending bill and every tax——

Mr. WOLF. No, ma'am. It doesn't evaluate. What it does is it puts them all the table. And this bipartisan panel then crafts a legislative proposal and sends it up to Congress and the Congress will require to vote it up or down. Right now the Ways and Means Committee has neglected to deal with this issue. So some in your party would only put one thing on, some in my party would say we don't put any tax policy. We put everything on and we come together as a bipartisan way. The Pete Peterson Institute just did a survey. 56 percent of the people, bipartisan, in every part of the country fa-

vored this concept because they felt if you go through the normal rules and order it will never happen.

Ms. MOORE. I will recognize myself for questions now. I really appreciate your spirit of bipartisanship in saying that everything ought to be on the table. Because typically what we hear, Mr. Wolf, is an argument that we ought to just simply cut spending as if it were true, that we could just cut every spending program to the bare bones and still balance our budget or reduce our deficit, which is not the case.

Or that we could simply somehow create some sort of Houdini prospects for our country by simply giving more tax breaks and that somehow this will trickle down and repair our proposal.

So with the bill that you have, do you have any metrics that give us some sort of general sense that we could balance the budget and still maintain essential services, Social Security funded, or is your proposal simply to put it on the table, put it before this bipartisan commission and see where it goes. I mean, if it means that we have to tax people at a higher rate, then so be it. If it means that we have to cut things to the bare bones, then so be it. Do you have a sense of where this will go, or is your proposal to let us see where this thing goes.

Mr. WOLF. This is supported by Alice Rivlin, Reischauer, I think, who was maybe the budget director here, the former heads of the CBO, I think the last five former heads of CBO, Democrats and Republicans. They believe that we can do this now in a very systematic way, whereas if you let it go for 4 or 5 or 6 more years in the year 2012 when President Obama will be running for reelection, Moody's says we lose our triple A bond rating in 2012. That will bring about an economic impact on this country like we will not even imagine. So we put everything on the table. We do it in a bipartisan way.

If you just do it one way or the other way. There is a movie out called IOUSA that Pete Peterson is funding. Some people, if you ask them what the answer is, they say the answer to this problem is to cut waste, fraud and abuse. Well, there is not a line item for waste and there is not one for fraud and there is not one for abuse. So we just say good people coming together, as we did in the Iraq Study Group. We have got Jim Baker and Lee Hamilton, both good men, different political views. We had Leon Panetta, and we had Ed Meese, chief of staff for Clinton, chief of staff for Ronald Reagan. They never politicized it. They came together. And I will tell you that the recommendation of the Iraq Study Group, as you know, Secretary Gates was on the Iraq Study Group, really led to where we are today. So I think it is good people coming together for the best interest of this country. And some of the best minds have said this will work.

Ms. MOORE. Thank you so much, Mr. Wolf, for your very sage testimony. And as you know, this has been a very provocative testimony, and so we will let you know that members have up to seven days to ask you questions regarding your testimony. Thank you so much. I can see that we have been joined by the Honorable Donna Christensen. But before we hear from her, we are going to recognize the Honorable Kurt Schrader, who has been waiting for quite a while from Oregon. Certainly, your remarks, your entire remarks

will be submitted in the record. And we offer you the opportunity to summarize. We know you have much more to say than the 5 minutes that we are yielding. And so with that, welcome to the committee.

STATEMENT OF THE HON. KURT SCHRADER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. SCHRADER. Thank you very much, Madam Chairwoman. I would like to thank you for the opportunity to testify before the House Committee on Budget today. And take the opportunity not to ask for more spending, but rather express my support for President Obama's commitment to honest budgeting, deficit reduction and performance management. The fiscal challenge that the Obama administration and we in Congress face today is daunting. Eight years ago, President Clinton left President Bush a projected ten-year budget surplus of about $5.6 trillion. This past January, President Bush left President Obama an effective national debt in excess of $10 trillion, a projected 10-year budget deficit of $9 trillion, $1.3 trillion in this year alone, and an economy badly in need of repair operating $1 trillion below its potential capacity. We have an obligation to restore this economy and return the United States to a fiscally responsible course.

Many changes are needed, and the Obama administration's budget respects and understands that. The deficit inherited for fiscal year 2009 constitutes about 12.3 percent in GDP. In fiscal year 2010, as the economy economic recovery takes hold, President Obama's proposed budget will bring the budget deficit down to 8 percent of GDP. By 2013 the hope is to reduce it to 3 percent of GDP or $533 billion. These estimates are made honestly. They account for the cost of military operations here and overseas, fixing the AMT, and numerous other things that are off budget in the previous administration. And they also include opportunities for health care reform, energy independence and the economic recovery.

In 4 years, President Obama's projected budgets reduces that deficit by 9 percent to $1.2 trillion. This will be substantial progress moving the level of the deficit to a point where we will allow for the normal operation of our economy. However, continued deficit spending is not a sustainable fiscal course. I would like to see the deficit reduction continue past 2013 when deficits are currently projected to plateau at that 3 percent level. I am particularly concerned about realizing the projected deficits as a percentage of GDP when the Congressional Budget Office is expected to release more conservative estimates this Friday. We need to return to budget surpluses and pay down on this national debt.

Borrowing from foreign governments and the Federal trust funds have their limits. We are rapidly approaching and may be beyond them right now. The Federal Government needs to be working on cost containment and performance sustainability. I look forward to working with this administration, this committee and my Democrat and Republican colleagues to develop these budgets in future years that will continue to reduce our deficits.

I also believe there are things we can do right now to help reduce the deficits even more. The proposed budget will save $48.5 billion

between 2010 and 2019 by eliminating waste and inefficiency through program integrity savings. The President is creating the new position of chief performance officer with the directive to establish and monitor performance targets across Federal Government. I support these and the President's other efforts. But we can do more. For example, each year, $345 billion in taxes is not paid to the Treasury. The IRS collects about $55 billion of that money, leaving a tax gap of $290 billion. Of that the administration's program integrity project garners about $16.6 billion over the next 10 years.

We can do better. There are billions of dollars that can be saved through this program integrity and performance-based management, not just in our Federal agencies, but with our State and local partners. Fiscal responsibility is a tough challenge in these very difficult times, but it is a challenge we can and must meet. Extraordinary challenges require extraordinary efforts. I look forward to working with this administration.

Chairman Spratt, Ranking Member Ryan and the rest of my colleagues on both sides of the aisle that want our government to return to true fiscal responsibility and instill confidence in the American people. We can preserve the future of this country through fiscal stability that comes with more balanced budgets and a positive account balance. We in Congress are charged by the Constitution with the power and the purse, and it is our duty to exercise that power responsibly.

I would like to thank my colleagues on the committee for hearing me today, and I look forward to working with each and every one of you to secure our future. Thank you.

[The prepared statement of Kurt Schrader follows:]

PREPARED STATEMENT OF HON. KURT SCHRADER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. Chairman, thank you for the opportunity to testify before the House Committee on the Budget today. I want to take this opportunity to express my support for President Obama's commitment to honest budgeting, deficit reduction, and pursuing performance based management. This budget also makes the necessary investments in our health care, education, energy, and transportation systems that will provide for the future strength of the United States.

The fiscal challenge the Obama Administration and we in Congress face today is daunting. Eight years ago, President Clinton left President Bush a projected ten-year budget surplus of $5.6 trillion. Had the policies of the Clinton Administration been carried forward, the National Debt would have been retired in 2013. This past January, President Bush left President Obama a National Debt in excess of $10 trillion, a projected ten-year budget deficit of $9 trillion, $1.3 trillion in this year alone, and an economy badly in need of repair, operating a trillion dollars below potential capacity.

We have an obligation to restore the economy and return the United States to a fiscally responsible course. Many changes are needed. The Obama Administration's budget proposal asks for much of this change, and it is our responsibility to help them achieve it and to push it further.

The deficit inherited for fiscal year 2009 will exceed $1.7 trillion and constitutes 12.3 percent of GDP. In fiscal year 2010, as economic recovery takes hold, President Obama's proposed budget will bring the deficit down to 8 percent of GDP. By 2013, the hope is to reduce the deficit to 3 percent of GDP, or $533 billion. These estimates were made honestly; they account for the cost of military operations, fixing the AMT, and contain a place holder for future economic recovery efforts.

In four years, President Obama's projected budget reduces the deficit by 9 percentage points GDP, or $1.2 trillion. This would be substantial progress, moving the level of deficit to a point that will allow for the normal operation of our economy.

However, continued deficit spending is not a sustainable fiscal course. I want to see deficit reduction continue past 2013, when deficits are currently projected to plateau around 3 percent of GDP. I am particularly concerned about realizing the projected deficits as a percent of GDP when the Congressional Budget Office is expected to release more conservative estimates on Friday. We need to return to budget surpluses and begin to pay down the National Debt. Borrowing from foreign governments and Federal trust funds each have their limits, which we are rapidly approaching. Rather than making the final payment to retire the principle of the National Debt in 2013, the Federal Government will instead waste hundreds of billions of dollars making interest payments on the National Debt. This is an unsustainable and unacceptable course.

I look forward to working with the Administration, this Committee, and my Democratic and Republican colleagues to develop budgets in future years that will continue to reduce deficits and return the Federal government to budget surpluses.

I believe there is more we can do presently to help the Administration reduce deficits now and in the future. The proposed budget will save $48.5 billion between 2010 and 2019 by eliminating waste and inefficiency through program integrity. The President is creating the new position of Chief Performance Officer with the directive to establish and monitor performance targets across the Federal Government. I support these and the President's other efforts, but we can do more.

For example, each year $345 billion in taxes are not paid to the Treasury. The IRS is currently able to collect about $55 billion of that money, leaving an annual tax gap of $290 billion. Of that money, the Administration's budget for IRS program integrity will save the Treasury $16.6 billion over the next ten years. We can do more. The problem is large and we cannot get every dollar due the Federal Government, but we can help the Administration ensure that Federal contractors pay their taxes and corporations are not allowed to hide money in off shore accounts. There are billions of dollars that we can save through program integrity and performance based management.

The National Debt concerns me greatly. It is a difficult challenge, but a challenge that we can and must meet. Extraordinary challenges require extraordinary efforts. I look forward to working with the Administration, Chairman Spratt, Ranking Member Ryan, and the rest of my colleagues on both sides of the aisle who want to return the government to fiscal responsibility. We can secure the future of the United States through the fiscal stability that comes with balanced budgets and positive account balances. We in Congress are charged by the Constitution with the power of the purse, and it is our duty to exercise that power responsibly.

I thank my colleagues on the Committee for hearing me today, and I look forward to working with all of you to secure our future.

Ms. MOORE. The gentleman yields back his time. Thank you so very much. I can see that we have been joined by the Honorable Carol Shea-Porter from New Hampshire. Very, very nice to have you here. I am going to yield myself a couple of seconds to ask you a question, Congressman Schrader. Very well prepared testimony. I think I am going to ask you a very provocative question. Do you think that sort of measuring the progress or lack thereof by whether by the percentage of the deficit that we reduce is in toto a way to determine our progress. And I say this because I think many people forget—and I want you to respond to what I am going to say—many people forget that deficit spending, as it were, is part of the gross domestic product. That, in fact, it is the only tool that governments have in their tool kit in times like recessions.

In fact, back in the Great Depression one of the criticisms of Hoover at that time, and of course FDR ran on, I am going to reduce or eliminate the deficit, and he, in fact, found that in order to stimulate the economy, he had to institute the new deal. And in fact, by 1945, even though the deficit was 100 percent of GDP, it was a very strong economy because of the investments that had been made. And so a concern that I have is that when you have this very narrow view of progress, just measuring our progress in terms of deficit reduction, that we might find ourselves in a pickle as it relates to doing some of the bigger bolder things that I do think

can carry us to that next generation of energy, that next generation of health care coverage and so on. Your response, sir.

Mr. SCHRADER. Actually, I totally agree with you, Madam Chair. I think you have hit the nail on the head. And I think this administration, and hopefully this Congress, understands that deficit spending in times of great economic stress, like we are enduring right now, is acceptable. As a matter of fact, top economists across this country who were rather cool perhaps to fiscal response to this economic crisis, after spending much time, effort and pretty much every monetary tool in their tool chest to stimulate the economy, having had that fail, now have supported, almost universally, this economic stimulus package that this Congress voted on, and I would like to think a lot of the elements are in this President's budget.

You make another good point that the future and the confidence building in the future is not just measured by the percentage of GDP as it relates to the deficit. It also has a lot to do, confidence has a lot to do with what sort of cost containment there are for the cost drivers that got us into this problem to start with, such as health care, such as being dependent on foreign sources of oil, such as not having a 21st century education system in our great country like we used to.

This administration recognizes it and puts these elements on the table in his current budget. I am fully supportive of that, I know you are Madam Chair, and I would like to think most Members of Congress are. However, as we get out into the out years, hopefully past this economic crisis, I think it behooves us to continue to instill confidence in the American people, and particularly foreign governments that do own a substantial part of our debt, that we are also committed to looking at the deficit and is it the appropriate deficit that we should have as economic good times return, and as hopefully our private enterprise partners regain their ability to help drive that economy.

So for now I totally agree, I hope there is an opportunity for also more recent discussion on measuring the results of this recovery and every program and service that we put out in the future so American taxpayers can feel that they are getting the biggest bang for their buck. And I think they will be surprised they are getting some good results.

Ms. MOORE. Thank you so much for your testimony, and I have appreciated this dialogue. I can see that we have been joined by my great friend and colleague, the representative from Buffalo, New York, Brian Higgins in the background. Let me announce to you that I think we are expecting some votes coming up. So we are going to hear from the Honorable Donna Christensen and then we are going to hear from the Honorable Carol Shea-Porter. And I fear that we will have to take a break at that point. And so I think another colleague of mine will be taking over the chair at that point. And so we are eager to hear your testimony, but not at this time, sir. And so with that I want to welcome the Honorable Donna Christensen from the Virgin Islands, Dr. Honorable Christensen here.

I hear the bell ringing, but I would let her know that her entire testimony will be entered into the record. And she is welcome to summarize for us at this time.

STATEMENT OF THE HON. DONNA CHRISTENSEN, A DELEGATE IN CONGRESS FROM THE TERRITORY OF THE VIRGIN ISLANDS

Ms. CHRISTENSEN. Thank you, Chairwoman Moore, and thank you for the opportunity to testify before this committee again. On behalf of the Congressional Black Caucus Health and Wellness Task Force and communities of color poor territorial rural residents across the country, I want to focus on the health care portion of the President's budget and to underscore that because of the grave differences in health care access, the quality and health outcomes that are experienced by people of color, it is time for this country to intervene through a budget like this to save the 100,000 or more lives that are lost unnecessarily prematurely from preventible causes every year.

Despite the deficit the debt and the dire economic circumstances that exist in this country today we have the opportunity in this budget to right the wrongs of hundreds of years of unequal treatment of racial and ethnic minorities, women, rural and territorial Americans. The President's budget in total provides a fully integrated blueprint for wellness, because it addresses health care issues in specific, but at the same time it also addresses improving the social determinants of health.

Today disparities are not any longer only a racial and ethnic minority health issue, they are an American issue. We need to understand the universal coverage alone will not eliminate them and that the elimination of health disparities needs to be a central part of health care reform. So we ask that the $334 billion health care budget be left intact, but also that we be prepared to add to it when the pay-fors are found to support the increases that will likely be needed. But we should also be prepared to add to it for the tens of millions of people who need health care and have no access even when there is no immediate offset.

I agree with our President, this is something we cannot afford not to do. In addition to the $643 billion that are included as a down payment on the health care reform, the 2010 budget does include a number of provisions that supports the following CBC health priorities. One, the passage of an Health Equity and Accountability Act. We are preparing to introduce it for a fourth time in a few weeks. The President's budget, at least in part, supports many of the provisions, such as those for the Indian health service, the health professions, HIV and AIDS, rural health, preventing teen pregnancy in the zero to five program, all of which are included in some way in that legislation.

We also have, as a priority, the creation of health empowerment zones to help communities, communities that are impacted by high health disparities to become their own agents of wellness. Third, a third priority is the national comprehensive strategic plan to eliminate HIV and AIDS, one which will include Ryan White, the Ryan White Care Act, the minority AIDS initiative and the National Minority AIDS, Education and Training Center with adequate fund-

ing to meet the needs of today's epidemic where more than half of the infections and disease are in people of color. The fourth priority is the elevation of the National Center For Health Disparity and Minority Health Research to an institute at the National Institutes of Health with a $1 billion annual budget which reflects a significant increase.

While we want to ensure that funding is available for these priorities, it is also important that I state that we support the entire budget outline because we see it as an attempt at an integrated approach. We can't achieve wellness and reduce the escalation of the cost of health care for everyone or stop the drain on the health care system across our communities by disparities and uninsurance without addressing the defects of deficiencies in our interdependent system. But just to go a step further, I think we should also require that every department considers the health impact of their programs and their policies.

Madam Chairwoman, we not only have a distinct opportunity to develop a budget that allows us to build a health care system for the 21st century, but also to get it right. Together we can develop and pass a budget that meets all of the unmet needs of Americans, we can achieve health equity and we can improving the health and well being of all Americans, and together make this Nation by one person and one community at a time healthier, stronger and better prepared for tomorrow. Thank you.

Ms. MOORE. And thank you so much. And I can tell you that as a physician and as a member of the Energy and Commerce Committee I certainly trust and look forward to your hammering out the details of this health care plan for the 21st century. Thank you so much for your testimony.

Ms. CHRISTENSEN. Thank you for the opportunity to testify.

[The prepared statement of Donna Christensen follows:]

PREPARED STATEMENT OF HON. DONNA CHRISTENSEN, A DELEGATE IN CONGRESS FROM THE TERRITORY OF THE VIRGIN ISLANDS

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Thank you for the opportunity to testify.

Ms. MOORE. We have plenty of time to hear from our good friend, the Honorable Carol Shea-Porter before we go off to vote, and I would like to welcome her to the committee. I want to let her know that we offer the opportunity to summarize, because I know she has a great deal to say, and to reassure her that her entire testimony will be submitted for the record and that members will have up to seven days to question you. So with that we recognize the Honorable Carol Shea-Porter.

STATEMENT OF THE HON. CAROL SHEA–PORTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW HAMPSHIRE

Ms. SHEA-PORTER. Thank you. Thank you for holding this hearing today and for the opportunity to highlight just a few of the fiscal year 2010 policy highlights for my First District of New Hampshire. The budget that the President will present and the Congress will consider for fiscal year 2010 will reflect some very difficult choices as we know. These choices must be made in the face of an economic crisis and years of harmful cuts and inadequate funding for critical programs by the previous administration. Over the past 8 years, we have seen cuts to programs like the National Institutes of Health and the Centers for Disease Control, a war in Iraq that has cost the country hundreds of billions, if not trillions of dollars, and budgeting gimmicks that hit the true cost of a failed fiscal policy.

Now with the new administration and a new President, we have the opportunity to develop a budget that is both honest in our assessment of the country's finances and adequately reflects the need

of our great country. The LIHEAP program is one of the most crucial support structures for millions of families throughout the country. Every winter, tens of thousands of New Hampshire households, over 40,000 each of the past two years alone, apply to our fuel assistance program for help with their heating bills. The committed people who run this program work long hours to deliver assistance to those who need it most. In 2006, the New Hampshire Fuel Assistance Program was able to provide an average benefit of $638 per applicant.

In 2007, the average benefit fell to $533, obviously not enough. Last year in the face of skyrocketing oil prices Congress responded by fully funding the LIHEAP program, providing $5.1 billion. In 2008, thanks to Congress' work to increase funding for the program, the average benefit in New Hampshire is about $1,000. For the first time in many years, the program is able to provide a significant benefit. If oil prices go back up fully funding the program will be even more important.

If prices stay low, continuing to fully fund the program will mean that next winter a meaningful benefit can be provided once again. In the President's summary of his budget $3.2 billion was set aside for LIHEAP. This is a welcome change from proposed budgets of years past, but it does not fully fund the program. As you begin work on the fiscal year 2010 budget resolution, I urge you to include full funding of $5.1 billion for the LIHEAP program. Too many people in my State and around the county rely on LIHEAP to keep their heat on or their houses cool. There are many priorities that require Congress' attention in this budget process.

As a member of the Armed Services Committee I would also like to talk briefly about the services we are going to provide to veterans. This committee in this Congress have made great strides over the past 2 years in improving veteran services. The historic funding levels approved by this Congress are helping the Veterans Administration tackle some of the long-standing problems that have plagued the industry. Now with President Obama's and General Shinseki's pledges to increase funding for the VA and to improve VA benefits, our Nation's heroes stand to see even further progress.

I urge you to work with the administration and the VA Secretary to provide funding that will further reduce the backlog and wait times that our veterans suffer while waiting for their claims to be approved. I also urge you to increase funding for the Veterans Health Administration and to provide the resources so that the VA can deliver more care in communities throughout the country.

I want to speak particularly about New Hampshire and a problem that we face. New Hampshire remains the only State in the country without a full service VA hospital or access to a comparable facility in State. This is simply outrageous and intolerable. New Hampshire's veterans have fought as bravely and as honorably as the veterans in every other State. We must keep our promise to them and to their families. We must give them access to full service medical care in New Hampshire.

I have been working to fix this inequity since I came to Congress 2 years ago, and I look forward to working with you to pass a budg-

et that will give the VA the resources needed to provide more medical care to our New Hampshire veterans.

We face incredibly difficult financial decisions that we must make over the next few months. While we must rein in spending where we can, these are two areas where I believe we must continue to invest.

Again, thank you for the opportunity to appear before you. I look forward to working with you to pass a strong budget resolution that reflects the moral and the fiscal priorities of this Congress and those of the American people. Thank you very much.

[The prepared statement of Carol Shea-Porter follows:]

PREPARED STATEMENT OF HON. CAROL SHEA-PORTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW HAMPSHIRE

Chairman Spratt, Ranking Member Ryan and Members of the Budget Committee, thank you for holding this hearing today and for the opportunity to highlight just a few priorities for the Fiscal Year 2010 budget on behalf of the First Congressional District of New Hampshire.

The budget that the President will present and the Congress will consider for Fiscal Year 2010 will reflect very difficult choices. These choices must be made in the face of an economic crisis and years of harmful cuts and inadequate funding for critical programs by the previous Administration.

Over the past eight years we have seen cuts to programs like the National Institutes of Health and the Centers for Disease Control, a war in Iraq that has cost the country hundreds of billions, if not trillions of dollars, and budgeting gimmicks that hid the true cost of a failed fiscal policy. Now, with a new Administration and President, we have the opportunity to develop a budget that is both honest in our assessment of the country's finances and adequately reflects the needs of the country.

Mr. Chairman, the LIHEAP program is one of the most crucial support structures for millions of families throughout the country. Every winter, tens of thousands of New Hampshire households—over 40,000 each of the past two years—apply to our Fuel Assistance Program for help with their heating bills. The committed people who run this program work long hours to deliver assistance to those who need it most.

In 2006, the New Hampshire Fuel Assistance Program was able to provide an average benefit of $638 per applicant. In 2007, the average benefit fell to $533.

Last year, in the face of skyrocketing oil prices, Congress responded by fully funding the LIHEAP program—providing $5.1 billion. In 2008, thanks to Congress' work to increase funding for the program, the average benefit in New Hampshire is about $1,000. For the first time in many years, the program is able to provide a significant benefit.

If oil prices go back up, fully funding the program will be even more important. If prices stay low, continuing to fully fund the program will mean that next winter a meaningful benefit can be provided once again.

In the President's summary of his budget, $3.2 billion was set aside for LIHEAP. This is a welcome change from proposed budgets of years past, but it does not fully fund the program. Mr. Chairman, as you begin work on the Fiscal Year 2010 Budget Resolution, I urge you to include full funding of $5.1 billion for the LIHEAP program. Too many people in my state and across this country rely on LIHEAP to keep their heat on, or their houses cooled.

There are many priorities that require Congress' attention in this budget process. As a Member of the Armed Services Committee, I would also like to talk briefly about the services we provide to our veterans.

This Committee and this Congress have made great strides over the past two years in improving veterans services. The historic funding levels approved by this Congress are helping the Veteran's Administration tackle some of the long standing problems that have plagued that agency. Now, with President Obama's and General Shinseki's pledges to increase funding for the VA and to improve VA benefits, our nation's heroes stand to see even further progress.

I urge you to work with the Administration and the VA Secretary to provide funding that will further reduce the back log and wait times that our veterans suffer while waiting for their claims to be approved. I also urge you to increase funding

for the Veterans Health Administration and to provide the resources so that the VA can deliver more care in communities throughout the country.

New Hampshire remains the only state in the country without a full-service VA hospital or access to a comparable facility in-state. This is simply outrageous and intolerable. New Hampshire's veterans have fought as bravely and honorably as the veterans in every other state. We must keep our promises to them and their families. We must give them access to full-service medical care in New Hampshire. I have been working to fix this inequity since I came to Congress two years ago and I look forward to working with you to pass a budget that will give the VA the resources needed to provide more medical services to New Hampshire's veterans.

Mr. Chairman we face incredibly difficult financial decisions that we must make over the next few months. While we must rein in spending where we can, these are two areas where I believe we must continue to invest.

Again, thank you, Chairman Spratt and Ranking Member Ryan, for the opportunity to appear before you. I look forward to working with you to pass a strong budget resolution that reflects the moral and fiscal priorities of this Congress and the American people.

Thank you.

Ms. MOORE. And the gentlelady yields back the balance of her time. But let me take that time to ask you a question.

Did you find that even with the LIHEAP program being funded at a more adequate level, that there were many people that did not meet the eligibility criterion for the program, that suffered because of it?

Ms. SHEA-PORTER. Absolutely. There are many families that really should receive this, must receive it, but they don't fall inside the strict eligibility program. The other problem that we have is that many people never even applied. They have heard that the money is not there. They hear stories about how difficult it is, but they just don't even know. So they don't apply.

And one particular story that pushes me to keep fighting is a story about a young woman who was waitressing and I went into the restaurant and she recognized me. And she told me that they didn't have any money for heat for their two children but they were getting used to it. And this is as the winter was coming on. You cannot get used to being that cold. In New Hampshire at those temperatures, you can die from it.

So this is really critical, and it is part of our moral responsibility when we look out across our great Nation to reach out for those who through no fault of their own have not been able to simply heat their homes or feed their children or those issues that make a budget a moral document. So I thank you again for the chance to talk about this

Ms. MOORE. And thank you so much for your testimony.

The Chair, hearing no objection, will announce that the committee will stand in recess subject to the call of the Chair.

[Whereupon, at 3:15 p.m., the committee was recessed, subject to the call of the Chair.]

Mr. ETHERIDGE [presiding]. The next member to testify will be the gentleman from Illinois, Mr. Foster. Welcome. We are pleased to receive your testimony. You are recognized for 5 minutes. And without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. BILL FOSTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. FOSTER. I would like to thank Chairman Etheridge and Ranking Member Ryan, who is apparently not here, for the opportunity to speak here today.

The decisions that we make in drawing up this budget will have tremendous impact on the lives of all Americans for years to come. The importance of our success in crafting this budget is magnified by our economic crisis and the series of high profile bills that just passed through the House. While it is necessary for our economic success, I am very conscious of the debts that have come along with these measures, as well as the deficit and long-term investments in recent years. We owe it to the American people to act responsibly as possibly in all of our future decisions.

That is why I come before the committee today with several items that I support and concerns that I have about the current budget proposal.

To itemize them briefly, one, many aspects of our financial policies are now seeming to have exacerbated the boom and bust cycle of our economy, particularly in real estate. I urge the committee to consider carefully the pro-cyclical and anti-cyclical effects of any budget policies they adopt.

Number two, budget projections should be based on conservative assumptions. In particular, I am concerned that interest rate expense in future years is being underestimated.

Number three, I would like to voice my support for the proposal to enroll employees in 401(k) and IRA accounts by default.

Number four, I would like to voice my support as well for the budget's proposed increases in basic science funding.

Number five, I do not support the suggestion that the cutoff for the farm safety net should be placed at $500,000 of total sales.

Number six, last, I offer my suggestion to the committee that we create and formalize a new system for scoring and tracking the long-term success or failure of our investments. In such critical policy areas as basic scientific research, education, and commercial infrastructure investments, we must plan and score performance over the same time scale that they demonstrate their value, in terms of decades rather than years.

I will now elaborate on each of these points. Number one, procyclicality. Many elements of our current financial policies now seem to have exacerbated the boom and bust cycle of our economy. We did our construction and real estate industries no favors by adopting policies that encourage the enormous overinvestment in residential real estate that is a major cause of our current financial crisis. Many elements of our Tax Code, including the treatment of mortgages, capital gains, and the level of progressivity or regressivity can exert a powerful damping or anti-damping effect on the business cycle. We must therefore proactively adopt policies that suck the energy out of asset bubbles of the future to reduce the human misery when these bubbles burst.

Number two, interest expense. While I recognize the need for short-term spending for economic stimulation, I urge the committee to consider aggressive measures to reduce the national debt as soon as the economy is back on track. Budget projections should be

based on conservative assumptions. In particular, I draw the committee's attention to the interest expense in future years. I am very concerned that as soon as the world economy recovers, there will be a flight from treasuries and our interest rate expense will be considerably higher than people are presently willing to talk about. Properly recognizing this risk will encourage us to minimize our debt and begin paying it down as soon as possible.

Number three, IRA/401-k default enrollment. I would like to voice my strong support for the innovative and new proposal to boost employees' retirement savings by requiring employers to automatically enroll employees in 401(k) and IRA accounts. Undersaving by Americans has been a significant problem for years. This simple plan will encourage many, including those who would benefit most from years of compound interest, to prepare for a better retirement.

Number four, doubling science funding over the next decade. I strongly support the budget's proposed increases in basic science funding. We cannot expect the United States to stay internationally competitive if we continue recent trends of reducing our R&D budget to a smaller and smaller fraction of the GDP. I support the goal of doubling basic science funding over the next decade.

Number five, protect the farm safety net at current levels. I do not support the suggestion that the cutoff of the farm safety net should be placed at $500,000 of total sales. For a farmer in my district in a typical year, this corresponds to about $37,000 in income, hardly the big agribusiness that should be targeted in this kind of reform.

Number six, scoring and tracking the long-term economic benefits of programs. As a scientist and a new Member of Congress, one of my frustrations is the tendency of politicians to consider all issues in terms of how they play out in the next election rather than evaluating what is in the long-term best interest of our country. An example of this was the recent debate over the GI Bill for the 21st century, which was portrayed on some sides as a budget buster despite the fact that over time the original GI Bill paid for itself many times over, both in terms of economic activity and revenue. I therefore offer my suggestion to the committee that we create and formalize a new system of scoring and tracking the long-term success and budgetary impact of our investments. In such critical policy areas as education and basic scientific research, we must score performance in the same way that they demonstrate their value in terms of decades rather than years.

In highlighting these concerns, I do not mean to assault the existing budget proposal. It is a vast improvement over the budgets in recent years, and I hope to support it in its final form.

Thank you for your time and attention.

[The prepared statement of Bill Foster follows:]

PREPARED STATEMENT OF HON. BILL FOSTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

First, I want to thank Chairman Spratt and ranking member Ryan for the opportunity to speak here today. The decisions we make in drawing up this budget will have tremendous impact on the lives of all Americans for years to come.

The importance of our success in crafting this budget is magnified by our economic crisis and the series of high profile bills just passed through the House. While

necessary for our economic success, I am very conscious of the debts that have come along with these measures, as well as the deficit in long-term investments in recent years. We owe it to the American people to act as responsibly as possible in all our future decisions.

That is why I come before the committee today with several items that I support and that I have concerns about in the current budget proposal. To name them briefly:

1. Many aspects of our financial policies are now seen to have exacerbated the boom-and-bust cycle of our economy, particularly in real estate. I urge the committee to consider carefully the pro-cyclical and anti-cyclical effects of any budget policies they adopt.

2. Budget projections should be based on conservative assumptions. In particular, I am concerned that interest expense in future years is being underestimated.

3. I would like to voice my support for the proposal to enroll employees in 401(k) and IRA accounts by default.

4. I would like to voice my support as well for the budget's proposed increases in basic science funding.

5. I do not support the suggestion that the cutoff for the farm safety net should be placed at $500k of total sales.

6. Last, I offer my suggestion to the committee that we create and formalize a new system of scoring and tracking the long-term success or failure of our investments. In such critical policy areas as basic scientific research, education, and commercial infrastructure investments, we must plan and score performance over the same time scale they demonstrate their value—in terms of decades, rather than years.

I will now elaborate on each of these points.

1. Pro-cyclicality: Many aspects of our current financial policies are now seen to have exacerbated the boom-and-bust cycle of our economy. We did our construction and real estate industries no favors by adopting policies that encouraged the enormous over-investment in residential real estate that is a major cause of our current financial crisis. Many elements of our tax code, including the treatment of mortgages, capital gains, and the level of progressivity or regressivity, can exert a powerful damping or anti-damping effect on the business cycle. We must therefore proactively adopt policies that suck the energy out of the asset bubbles of the future, to reduce the human misery when the bubbles burst.

2. Interest Expense: While I recognize the need for short term spending for economic stimulation, I urge the committee to consider aggressive measures to reduce the national debt as soon as the economy is back on track. Budget projections should be based on conservative assumptions. In particular, I draw the committee's attention to interest expense in future years. I am very concerned that as soon as the world economy recovers, there will be a flight from Treasuries, and our interest rate expense will be considerably higher than people are presently willing to talk about. Properly recognizing this risk will encourage us to minimize our debt and to begin paying it down as soon as possible.

3. IRA/401(k) Default Enrollment: I would like to voice my support for the innovative new proposal to boost employee's retirement savings by requiring employers to automatically enroll employees in 401(k) and IRA accounts. Under-saving by Americans has been a significant problem for years. This simple plan will encourage many, including those who would benefit most from the years of compound interest, to prepare for a better retirement.

4. Doubling Science Funding over the next Decade: I strongly support the budget's proposed increases in basic science funding. We cannot expect the United States to stay internationally competitive if we continue recent trends of reducing our R&D budget to a smaller and smaller fraction of the GDP. I support the goal of doubling basic science funding over the next decade.

5. Protect the Farm Safety Net at Current Levels: I do not support the suggestion that the cutoff for the farm safety net should be placed at $500k of total sales. For a farmer in my district in a typical year, this corresponds to about $37,000 in income—hardly the "Big Agribusiness" that should be targeted in this kind of reform.

6. Scoring and Tracking the Long-Term Economic Benefits of Programs: As a scientist and a new member of congress, one of my frustrations is the tendency of politicians to consider all issues in terms of how they play out in the next election, rather than evaluating what is in the long term best interests of our country. An example of this was the recent debate on the G.I Bill for the 21st Century, which was portrayed on some sides as a budget-buster despite the fact that over time the original GI bill paid for itself many times over, both in terms of economic activity and revenue. I therefore offer my suggestion to the committee that we create and formalize a new system of scoring and tracking the long-term success and budgetary

impact of our investments. In such critical policy areas as education and basic scientific research, we must score performance in the same way they demonstrate their value—in terms of decades, rather than years.

In highlighting these concerns I do not mean to assault the existing budget proposal. It is a vast improvement over the budgets in recent years, and I hope to support it in its final form.

Thank you for your time and attention.

Mr. ETHERIDGE. I thank the gentleman for his testimony. And now I would recognize the gentleman from New York, Mr. Massa, for 5 minutes.

STATEMENT OF THE HON. ERIC J.J. MASSA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MASSA. Thank you very much, and let me express my appreciation for being allowed to appear before the Budget Committee today. My remarks will be brief and will center on one point.

I come before the Budget Committee today to express my strong opposition and concern to proposed changes in the 2008 bill which would eliminate direct payments to all farms making over $500,000 in gross sales. Please do not imagine that we are speaking of fabled "millionaire's farms" made possible by making huge profits. The greed of these farms is incredible, and they truly lack oversight. Many of the farms that would be affected are the homes and livelihoods that have been supporting the same families for generations in my district. They are not a lavish lifestyle and, in fact, represent generations of investment.

There are several things very wrong here. First, this proposal ignores completely the production costs required to create that level of sales. Depending on the farm type, size and production conditions, the input costs will vary enormously from year to year as we have seen just in the past yearly cycle. But this reality is not reflected in the current budget. Next, in contrast to the current payment limit plan that uses adjusted gross income, a measure which accurately portrays farm income in relation to input fluctuations, using gross sales does not account for the increasingly high cost of production. How can this possibly be fair? A farm making $500,000 is not keeping that money. Anyone who farms knows that. Increasing costs in fertilizer, energy, seeds, and equipment are forcing many producers and family farms to scale back planting and frankly pay more to produce less.

So there are huge uncertainties of impact on individual farms here. We only know for sure what that impact will have been when it is too late, the farm is bankrupt and the family has moved away from what could have been a generation's homestead.

Have any estimates actually been done on the number of farms to be launched in the United States, New York and in my district? And if they have been, is it possible to see that data? If not, then how can we dare to proceed? I stand with the administration with farmers in the hope that we will find a common solution to this problem.

In these troubled times, they have seen the challenges of massive foreign subsidies, many of them in Europe. How can the American farm compete? Farmers on a limited income need the sort of stability that these payment programs are designed for and, in fact, provide. With agricultural input costs increasing by some 40 per-

cent over the past 5 years, the net farming income is estimated to drop by some 20 percent this year alone, according to the USDA. Now is not the time to be putting a huge number of farmers at risk. Cutting this assistance, as proposed by the current administration, would potentially be devastating. Without help in maintaining struggling farm operations under current financial pressures and protecting against just these kinds of catastrophes, like the hailstorms that damaged fruit and vegetable crops throughout much of New York late last year, many of these producers won't last long.

Finally, farms with the greatest sales over $500,000 produce some 74 percent of the total value of agriculture production in our country and provide the majority of domestic food supply, according to a recent CRS report. These same farms receive 47 percent of government payments in the farm safety net. Without important Farm Bill programs, many of these producers will almost certainly have to close their doors, compromising our national food security and further damaging the national economy.

I implore the Budget Committee not to rest the weight of recent fiscal catastrophes and carelessness on the shoulders of American farmers. In this harsh economic culture, our family farmers deserve the same attention and support as Wall Street bankers.

I thank you for your time today and appreciate the opportunity to make this case for America's family farms.

[The prepared statement of Eric Massa follows:]

PREPARED STATEMENT OF HON. ERIC J.J. MASSA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

I come before the Budget committee today to express my strong opposition to proposed changes in the 2008 Bill which would eliminate direct payments to all farms making over $500,000 in gross sales. Please do not imagine that we are speaking of the fabled "millionaire's farms" made possible by huge profits, greed and a lack of oversight. Many of the farms that would be affected are the homes and livelihoods that have been supporting the same families for generations. These are not lavish.

There are several things very wrong here. Firstly, it ignores completely the production costs required to create that level of sales. Depending on the farm type, size and production conditions, the input costs will vary enormously from one year to the next. But this reality is not reflected in this scheme. Next, in contrast to the current payment limit plan that uses Adjusted Gross Income—a measure which accurately portrays farm income in relation to input fluctuations—using gross sales does not account for the increasingly high costs of production. How can this possibly be fair? A farm making $500,000 is not keeping most of that money. Increasing costs such as fertilizer, energy and equipment are forcing many producers to scale back planting and pay more to produce less.

So there is huge uncertainty of impact on individual farms here. We will only know for sure what the impact will be when it is too late, the farm is bankrupt and the farm family has moved away. Have any estimates of the number of farms to be lost in New York or in my district been done? If yes, can I please have these numbers? If no, how can we dare to proceed? I stand with the Administration and with farmers in the hope that we can find a common solution.

In these troubled economic times, facing the challenges of massive foreign subsidies, how can the American farm compete? Farmers on a limited income need the sort of stability that these payment programs provide. With agricultural input costs increasing 40% over the past 5 years and net farm income estimated to drop this year by 20%, according to the USDA, now is not the time to be putting a huge number of farmers at risk. Cutting this assistance, as proposed by President Obama, would be devastating. Without help in maintaining struggling farm operations under current financial pressures and protecting against catastrophes like the hailstorms that damaged fruit and vegetable crops throughout much of New York last year, many producers won't last long.

Finally, farms with gross sales over $500,000 produce 74% of the total value of agricultural production in our country, and provide the majority of domestic food supply, according to a recent CRS report. These same farms receive 47% of government payments. Without important Farm Bill programs, many of these producers will almost certainly have to close their doors, compromising our national food security and further damaging the national economy.

I implore the budget committee not to rest the weight of recent fiscal carelessness on the shoulders of American farmers. In this harsh economic climate, our family farmers deserve the same attention and support as Wall Street's bankers.

Thank you.

Mr. ETHERIDGE. Thank you very much. Mr. Perriello, you are recognized for 5 minutes.

STATEMENT OF THE HON. THOMAS S.P. PERRIELLO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. PERRIELLO. Thank you very much, and thank you for giving us this opportunity to speak.

As one of the younger Members of Congress, I am one of the few who may actually have to end up paying for the deficits that we are currently running up, and therefore my main concern here is that of fiscal responsibility. And I want to emphasize in that regard the tremendous leadership and effort of the chairman of this committee throughout the past couple of decades to fight for that and the tremendous personal pain it must have caused to see all of the hard work that went in to turning record deficits into record surpluses only to see in the last 8 years those once again erode into record deficits. We must take very seriously the ideas of balancing this budget and not moving burdens on to future generations or in my case future earning years. This is a very, very important issue, and I appreciate the move to get the budget back down to 3 percent of GDP. And I realize that some economists estimate as much as a $10 trillion hangover in the deficit from the previous administrations.

That having been said, we must do more. We must go beyond this to move ourselves towards fiscal sanity. Before I get to that, though, I just want to mention one other positive aspect or encouraging aspect of this budget, and that is its honesty.

I think in addition to the irresponsibility of recent years, we have also—in terms of the sheer amount spent and the deficits run up, we have also had an irresponsibility in the lack of honesty of how much we were spending and how large these deficits were. The first step towards recovery in this case is to admit the problem that we have. And clearly in the case of this, there are some unprecedented moves towards being up front and honest about the situation in the budget. Unfortunately, that honesty means that it is a huge wakeup call of a possibility of a $1.7 trillion deficit in the current year. Now, given the $2 trillion contraction in the economy and us as the spender of last resort, there are some necessities at this time. And I think there are some important decisions made here to get us towards fiscal sanity. On the other hand, after 3 or 4 years of that, we start to see an uptick again in the real dollars even though it continues to be a decrease in real GDP.

So one of two concerns that I want to—one of a few concerns I want to raise. One is after making the difficult decisions to start to bring the deficit down dramatically within the President's first

term, I hope we will continue that pace rather than move in the other direction, both in real dollars as well as percent of GDP.

A second concern that I have is while I respect the honesty of including the possibility of a second or an additional bailout in this budget, I think the case against such a move is tremendous. And in our efforts to balance the budget rather than doing anything that might make it easier for us to move in the direction of such a bailout, we need to be moving in the opposite direction. There is currently, I believe, a $250 billion contingency, which could translate into about $750 billion in asset purchases based on the track record we have been on. I think it is dangerous to include that even if the motivation of honesty and planning for contingencies is a good one. I think we have already seen the way the first and second TARP were set up, that that is a move in a dangerous direction.

The final thing is while there are some very positive moves made in terms of changes in agricultural policy, some that could actually be quite beneficial to the small farmers in my district, we do not see a requisite shift in support for small towns and rural communities that still make up 20 percent of this country's population and I believe an even greater percentage of our potential for energy independence. We have farmers ready to go in our area to be part of this, and I think we need to continue to build on the investments and energy independence with a particular emphasis on the small towns and rural communities that have been left out so much in recent years.

So I again commend the chairman for his efforts over the years to move us towards a balanced budget and even a surplus. I hope we will continue in that direction. I believe there is much more that can be done than is in the current proposal to move us towards that fiscal stability.

[The prepared statement of Thomas S.P. Perriello follows:]

PREPARED STATEMENT OF HON. THOMAS S.P. PERRIELLO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

RETURN TO FISCAL RESPONSIBILITY; NO MORE BAILOUTS—
EIGHT YEARS DEFICIT SPENDING, MISPLACED PRIORITIES

• The President's Budget projects a deficit of more than $1 trillion in Fiscal Year 2009, as high as $1.75 trillion. That is almost as high as total spending in Fiscal Year 2000, which was $1.79 trillion. The deficit is now larger than total government spending just nine years ago.

• Government spending increased at a 3.6 percent annual average rate between 2000 and 2008, compared to a 1.2 percent annual average rate between 1992 and 2000. Spending has been out of control, but * * *

• Where Did the Money Go?—Not to the Middle Class!

• Health care isn't more affordable, college isn't affordable, our food system isn't safer, our roads and bridges aren't safer, our economy isn't stronger, etc.

AN HONEST BUDGET

• The President's Budget accurately reflects reality by ending accounting tricks that hide the real costs for the wars in Iraq and Afghanistan, disaster spending, and other expenditures.

• Returns to Pay-As-You-Go.

BUT NOT ENOUGH TO RETURN TO FISCAL RESPONSIBILITY

• The President's Budget outlines some cuts and has promised to identify more cuts and savings in subsequent years, but we need big ideas, big changes now, not tomorrow.

• The President's Budget outlines cutting the federal budget deficit in half by the end of his first term, from $1.75 trillion in 2009 to $533 billion in 2013. But then the deficit is projected to increase in fiscal year 2014, and again in 2015, and again in 2016. Why not come up with a plan to half the deficit and then continue to shrink it down, returning to the surpluses we had in the 1990s?

• The President's Budget projects that the national debt will almost double over 10 years, from $8.3 trillion in 2009 to $15.3 trillion in 2019.

• Future Generations will pay for this debt.

MORE BAILOUTS: "RESERVE FOR FINANCIAL STABILIZATION EFFORTS"

• The President's Budget contains a $250 billion contingent reserve for further "financial stabilization" efforts. This reserve would enable a $750 billion bailout in asset purchases.

• Last October, Congress authorized the $700 billion Trouble Asset Relief Program (TARP).

• The Congressional Oversight Panel concluded in its January report that there was no evidence that TARP funds had been used to avoid preventable foreclosures and that there had been no demonstrable effect on lending. Transparency was still lacking in understanding how banks were using the money. Companies that have received bailout money continue to spend on lobbying and campaign contributions. Top executives continue to receive extravagant salaries and bonuses.

• In January, the House passed overwhelmingly H.R. 384, the TARP Reform and Accountability Act, which would have strengthened oversight of the program. The Senate has failed to act.

• Companies receiving TARP money continue to cross over the line of common sense and dole out excessive bonuses, luxury expenses, etc.

• No More Bailouts.

Mr. ETHERIDGE. I thank the gentleman from Virginia and I can assure you this committee is going to work on that as time goes on and in this budget as well.

The gentlelady now from Ohio, Ms. Sutton, is recognized for 5 minutes.

STATEMENT OF THE HON. BETTY SUTTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Ms. SUTTON. Thank you, Mr. Chairman, for the opportunity to testify today on budget issues of importance to Ohio's 13th District.

The budget is a moral document that reflects the priorities and values of our Nation, and working families are facing skyrocketing education, energy, and health care costs. The country can no longer afford not to address these challenges. We must chart a new path in line with the needs of the American people, and President Obama and Congress have already taken bold action.

Over the next few weeks communities across the country will begin to see the impact of the Recovery Act as construction and other renewal projects create jobs and help local economies. The 2010 budget builds on this package by focusing on economic recovery, strategic investments and fiscal responsibility.

Today I want to discuss a few of the programs vital to the people I represent in Ohio. Our first responders are out in our communities every day providing important services to keep our families and communities safe. I urge the committee to support full funding for the assistance to firefighter grants and the community-oriented policing services program. Now more than every these grant opportunities are important to the cities that are faced with the difficult choices of having to lay off firefighters and to communities to help prevent the growth of crime during this economic downturn.

We also need a budget that recognizes the need of job creation, provides funding for research and development, and supports pro-

grams to ensure our workers have the education and skills necessary for the jobs of the future.

The University of Akron in my district is a world leader in polymer research and home to the National Polymer Innovation Center. The polymer industry accounts for annual shipments exceeding $5 billion, representing one-fourth of Ohio's manufacturing output and 12.4 percent of Ohio's gross State product. Investments and research in this area have led to job creation and new marketable technologies, largely in the areas of engineering and health care.

The University of Akron has also developed an exciting program for research into corrosion mitigation. Preventing the forces of corrosion on equipment, technology and infrastructure could result in enormous cost savings to our government.

The United States has also made significant progress in battery materials, including the development of new lithium ion batteries. However, advanced battery manufacturing is almost entirely done overseas, particularly in Pacific Rim countries. Robust funding for advanced battery manufacturing in the United States would help jump-start a new multi-billion dollar industry.

I also urge the committee to support an additional $25 billion for the Advanced Technology Vehicles Manufacturing Incentive Program. This program provides low cost loans to auto companies for investments in engineering, component production, and the retooling of existing factories to manufacture new advanced technology vehicles such as hybrids, plug-in hybrids, advanced diesel and fuel cell cars. Clean energy means American jobs now and in the future.

Yesterday I introduced the CARS Act, H.R. 1550. This bill provides consumers with financial incentives to recycle older high emissions vehicles and replace them with new, cleaner and more fuel efficient vehicles. H.R. 1550 will benefit consumers, preserve jobs, improve the environment and stimulate our economy.

And since manufacturing in the United States matters, I urge the committee to fully fund the Manufacturing Extension Partnership which has helped create or retain over 439 jobs in my district alone in the last 4 years. This program is the only national initiative to support, strengthen and grow U.S. manufacturing.

During these challenging times, State and local organizations also need resources to invest in and expand economic opportunities for low-income families. And Community Development Block Grants provide those resources. I cannot stress enough the positive impact that these grants have had in my congressional district, and I urge the committee to support the President's request of $4.5 billion.

I am also pleased to support an increase in funding for veterans by $25 billion over the next 5 years. The more than one million veterans in Ohio and 24 million nationwide deserve nothing less than our full support. We must remember that the full measure of what we owe our service members does not end after they leave the battlefield. Our responsibility extends to what we provide for our soldiers once they return home.

On the issue of health care, I believe that quality affordable health care should be available to all Americans, regardless of income or employment. Over the past 8 years, the number of uninsured has jumped by 6.9 million and now totals 45.7 million Ameri-

cans. In Ohio alone, there are over 1.2 million people without health insurance. And as more Americans lose their jobs, the number of individuals and families without health insurance continues to rise.

Our system is broken and must be fixed. The President's budget makes tackling health care reform a priority, and we in Congress are already working on this to get it done. As a member of the Energy and Commerce Subcommittee on Health, I look forward to working with the administration and my colleagues to reform our health care system.

Our food safety system also needs reform, and I support the administration's budget request of $1 billion—in excess of $1 billion in food safety to increase and improve inspections, domestic surveillance, and domestic response to prevent and control food borne illnesses.

On February 3, 2008, I reintroduced the Protect Consumers Act to give the FDA mandatory recall authority over food products. Mandatory recall is just one step in fixing our broken food inspection system. We also have to provide the funding.

As one who has served on this esteemed committee, I know that it is difficult to balance the many competing priorities before you. However, I urge you to keep the needs of working families in mind as you make your decisions. We cannot afford to turn our backs on them during these difficult economic times.

Thank you again for the opportunity to appear before you today.

[The prepared statement of Betty Sutton follows:]

PREPARED STATEMENT OF HON. BETTY SUTTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Thank you for the opportunity to testify before your Committee today. I am very proud to have served on the Budget Committee in 2007, and I am pleased to join you today to speak on budget issues of importance to Ohio's 13th District.

The budget is a moral document that reflects the priorities and values of our nation.

Working families are facing skyrocketing education, energy, and healthcare costs. The country can no longer afford not to address these challenges.

We must chart a new path—one that is in line with the needs of the American people.

President Obama and Congress have already taken bold action to create and save 3.5 million jobs, keep families in their homes, and stabilize our financial markets.

Over the next few weeks, communities across the country will begin to see the impact of the Recovery Act as construction and other renewal projects create jobs and help local economies.

The 2010 budget builds on this package by focusing on economic recovery, strategic investments, and fiscal responsibility.

Today, I would like to discuss a few of the programs that are vital to the people I represent in Ohio.

Our first responders are out in our communities every day providing important services to keep our families and communities safe.

As such, I urge the Committee to support full funding for the Assistance to Firefighter Grants and the Community Oriented Policing Services program.

Now more than ever, these grant opportunities are important to cities that are faced with the difficult choice of having to lay off firefighters, and to communities to help prevent the growth of crime during this economic downturn.

We need a budget that recognizes the need for job creation, provides funding for research and development, and supports programs to ensure our workers have the education and skills necessary for the jobs of the future.

The University of Akron, for example, is a world leader in polymer research and home to the National Polymer Innovation Center.

The polymer industry accounts for annual shipments exceeding $50 billion, representing one-fourth of Ohio's manufacturing output and 12.4 percent of Ohio's gross state product.

Investments in research in this area have led to job creation and new marketable technologies, largely in the areas of engineering and healthcare.

The University of Akron has also developed an exciting program for research in to corrosion mitigation. Preventing the forces of corrosion on equipment, technology and infrastructure could result in enormous cost savings to our government.

The United States has also made significant progress in battery materials, including the development of new lithium-ion batteries. However, advanced battery manufacturing is almost entirely done overseas, particularly in Pacific Rim countries.

Robust funding for advanced battery manufacturing in the United States will help jump-start a new, multibillion-dollar industry.

I also urge the Committee to support an additional $25 billion for the Advanced Technology Vehicles Manufacturing Incentive Program.

This program provides low-cost loans to auto companies for investments in engineering, component production, and the retooling of existing factories to manufacture new, advanced technology vehicles such as hybrids, plug-in hybrids, advanced diesel and fuel cell cars.

Clean energy means American jobs now and in the future.

Yesterday, I introduced the CARS Act, H.R.1550. This bill provides consumers with financial incentives to recycle older vehicles and replace them with new, cleaner and more fuel efficient vehicles.

H.R. 1550 benefits consumers, preserves jobs, improves the environment, and stimulates our economy.

And since manufacturing in the United States matters, I also urge the Committee to fully fund the Manufacturing Extension Partnership which has helped create or retain over 439 jobs in my district alone over the last four years.

This program is the only national initiative to support, strengthen, and grow U.S. manufacturing.

During these challenging times, state and local organizations need resources to invest in and expand economic opportunities for low-income families.

And, Community Development Block Grants provide these resources.

I cannot stress enough the positive impact these grants have had in my congressional district and I urge the Committee to support the President's request of $4.5 billion.

I am also pleased to support increased funding for veterans by $25 billion over the next five years.

The more than one million veterans in Ohio and 24 million nationwide deserve nothing less than our full support.

We must remember that the full measure of what we owe our service members does not end after they leave the battlefield. Our responsibility extends to what we provide for our soldiers once they return home.

On the issue of healthcare, I believe that quality, affordable healthcare should be available to all Americans, regardless of income or employment.

Over the past 8 years, the number of uninsured has jumped by 6.9 million and now totals 45.7 million Americans.

In Ohio alone, there are over 1.2 million people without health insurance. And, as more Americans lose their jobs, the number of individuals and families without health insurance continues to rise.

Our system of healthcare is broken and must be fixed.

The President's budget makes tackling healthcare reform a priority and we in Congress are already working this year to get it done.

As a member of the Energy and Commerce Subcommittee on Health, I look forward to working with the Administration and my colleagues to reform our healthcare system.

Our food safety system also needs reform. I support the Administration's budget request of over $1 billion in food safety to increase and improve inspections, domestic surveillance, and domestic response to prevent and control foodborne illness.

On February 3, 2008, I reintroduced the "Protect Consumers Act" to give the FDA mandatory recall authority over food products. Mandatory recall is just one step in fixing our broken food inspection system.

As one who has served on this esteemed Committee, I know that it is difficult to balance the many competing priorities before you.

However, I urge you to keep the needs of working families in mind as you make your decisions.

We cannot afford to turn our backs on them during these difficult economic times.

Thank you for the opportunity to appear before you today.

Ms. TSONGAS [presiding]. Thank you, Ms. Sutton, for your testimony.

The next member will be the gentleman from New York, who is Mr. Higgins. Welcome. We are pleased to receive your testimony. You are recognized for 5 minutes. And without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. BRIAN HIGGINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. HIGGINS. Thank you, Madam Chair. The Nation's budget is not only a spending plan, but it is also a statement of values. And in a $3½ trillion budget, there is a lot of room for a lot of statements. But I don't think that there is a more important statement in the President's proposed budget than that for cancer funding for research prevention and early detection. Thirty years ago if you were diagnosed with cancer, less than 50 percent of those lived beyond 5 years of their diagnosis. Today it is 65 percent for adults and 80 percent for kids. Between 1998 and 2003, cancer funding doubled. Then in 2003, cancer funding was halted and there was about a 17 percent reduction from that point to today.

President Obama has proposed a doubling of cancer funding for each year from 6 to $12 billion. This will fund promising new research, the development of new smart drugs which target the cancer cells without damaging the healthy cells. This is an extraordinary time of hope and promise, providing that the money is available to the National Cancer Institute and the National Institutes of Health. An extraordinary time of discovery, of new drugs, of new treatments that will increase the survival rate in virtually every category of cancer and cancer funding.

A couple of years ago, the American Cancer Society came to Capitol Hill, and they asked every Member of Congress to sign a resolution that supported the principles of the 2015 campaign. The 2015 Campaign was—the goal was to eliminate all human suffering is and death due to cancer by the year 2015. Now, there was a lot of controversy within the cancer community as to whether or not that goal was achievable. That is not important. What is important is that we are making progress toward the goal. And in virtually every measure, it is a confirmation that we are making progress toward that goal.

But there was another thing, Madam Chair, and that was that in asking Members of Congress to sign this resolution and the resolution was voted on that night, it was called a nonbinding resolution of the congressional will. No force of law behind it, no force of budget. This changes that objective by putting a massive investment of dollars behind the fight against cancer. So the goal of 2015 Campaign to cure cancer in our time, to eradicate cancer in our lifetime, even if we don't meet the full objective of that goal, it should be to make progress toward the goal. It should be America's goal. And as a Nation, we should insist on a massive investment behind cancer research, prevention, and early detection. Thank you for listening.

[The prepared statement of Brian Higgins follows:]

PREPARED STATEMENT OF HON. BRIAN HIGGINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Chairman Spratt, Ranking Member Ryan, members of the Committee, thank you for allowing me to testify before the Committee today. Mr. Chairman, I'd like to make the case that the Budget Resolution for Fiscal Year 2010 should take the first step toward doubling funding for cancer research at the National Cancer Institute and the National Institutes of Health.

President Obama, in his address to Congress on February 25th, announced his goal of doubling federal cancer research funding during his administration from $6 billion a year to $12 billion a year. I am proud to share the President's goal, and it is one that I think should be America's goal, to end suffering due to cancer in our lifetime.

Simply put—we are not doing enough to fight cancer. After we doubled cancer research funding from 1998 to 2003, the Bush Administration proposed decreasing funding by $250 million, forcing research grants to dry up, labs to go dark, and making promising young researchers move overseas or leave the field altogether.

These funding decreases, if factored for inflation, represent a devastating 17 percent cut in research funding for the National Institutes of Health since 2003. This is unacceptable, appalling, and offensive, and the cuts must stop.

A doubling of cancer research funding over time will ultimately improve the quality of life for cancer patients. This funding will lead to new ways to treat cancer in a less invasive and more efficient way for both those undergoing treatment for cancer and survivors of cancer who live with the side-effects of cancer treatment every day. New research will lead to better ways to screen for cancerous cells as well as using the Human Genome Project to understand who is predisposed to getting cancer, so we can prevent cancer from spreading by treating it early.

A doubling of funding will also have a stimulative economic effect on areas of the country like Western New York, which I represent. For example Roswell Park Cancer Institute in Buffalo, the first comprehensive cancer institute in our country, has a tremendous economic impact on my community and represents the future of what is good in our economy.

Roswell is struggling due to the rising cost of research and stagnant federal funding. In these tough economic times, we need to provide institutions like Roswell with more support. With more support, Roswell can increase the number and size of research grants exploring the development of cancerous cells. This funding would also allow Roswell increase its translational research activities and create the next generation of biotechnology firms, creating high quality jobs.

I strongly urge this Committee to produce a budget document that reflects the President's call to double cancer research funding with all immediate speed, and I thank the Committee for giving me the opportunity to come before you this afternoon.

Ms. TSONGAS. Thank you, Mr. Higgins, for your testimony.

The next member to testify will be the gentlewoman from California, Ms. Watson. Welcome. We are pleased to receive your testimony and you are recognized for 5 minutes. Without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. DIANE E. WATSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. WATSON. Madam Chairman, thank you so much for offering an opportunity for me to testify before the committee and address some of my top priorities as we consider the budget for fiscal year 2010. I have three main target areas I would like to highlight.

The first is reforming No Child Left Behind. The second is seeing that the Iraqis pay for their own national defense and minimizing the use of emergency supplementals to fund armed conflicts. Implementing education policy reform is imperative.

To meet the intellectual needs of the 21st century, we must confront the educational debt of the disadvantaged students which has accrued over decades due to unequal access to quality teachers and resources. The Bush administration's 2002 No Child Left Behind policy aimed to raise overall achievement and to close the gap for

underserved students of color, those living in poverty and English as a second language pupils and students with disability by setting test score targets for disaggregated subgroups. However, in practice this policy has proven to be counterintuitive. By linking funding to performance on standardized tests, this fostered a drill and kill approach to teaching rather than a critical thinking approach. As a result of this policy, underperforming schools were penalized by cutting their already inadequate funding. The punitive sanctions of No Child Left Behind only increased the likelihood that the most vulnerable students will be further left behind by a system not designed to support their learning.

To empower our children with skills and confidence, our educational system must have two-way accountability. This means that not only are the students and the schools accountable to the State for test performance, as they are under the current No Child Left Behind paradigm, but the State and Federal Government must also be accountable to the student and the school for providing adequate and equitable resources for achievement.

We should seek higher reading, math and science comprehension from all American students. But to do so we must provide them with quality teachers, a world class curriculum, and equal opportunities to learn and succeed.

Now, during the prosecution of the Iraqi war, Congress and the President used the emergency supplemental to fund more than $600 billion towards the war in Iraq. The use of this funding tactic has resulted in many cases of waste, fraud, and abuse.

Recently, President Obama stated that he plans to not use the emergency supplemental and will actually budget the remainder of the war in Iraq according to the normal budgetary process. I would like the committee to strongly consider adding a section to the budget that will only allow the use of the emergency supplemental for up to one year after armed conflict begins and then mandate that the normal budget process be utilized throughout the remainder of the engagement. This would prevent the type of wasteful spending we have seen in the conflict in Iraq.

Also, I would like to see the defense budget reduced by $90 billion. The Iraqi Government has an estimated surplus of up to $97 billion and maybe even more. $23.7 billion in oil proceeds are deposited in the Federal Reserve Bank of New York and is audited by the United Nations. $15.6 billion is deposited in the Central Bank of Iraq and other Iraqi banks. And the remaining $51 billion are based in three variables, expected oil exports, estimated price that Iraq will get for all the oil, and Iraq's budget versus what they will actually spend.

Since Iraq has a surplus, I see no need for the United States to continue to bear the burden of their national defense. However, I do understand the need to fund some reconstruction projects considering we invaded the country, looking for weapons of mass destruction and never found any. So we must rebuild what we destroyed, but we do not have to continue to pay for their defense.

Thank you so much, Madam Chairwoman.

[The prepared statement of Diane E. Watson follows:]

PREPARED STATEMENT OF HON. DIANE E. WATSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Chairman Spratt and Ranking Member Ryan thank you for the opportunity to testify before your committee and address some of my top priorities as we consider the budget for Fiscal Year 2010. I have three main points I would like to cover, reforming No Child Left Behind, have Iraq pay for their own national defense, and minimize the use of the emergency supplemental to fund armed conflicts.

Implementing education policy reform is imperative to meet the intellectual needs of the 21st century. We must confront the educational debt of disadvantaged students which has accrued over decades due to unequal access to quality teachers and resources.

The Bush Administration's 2002 No Child Left Behind Policy aimed to raise overall achievement and to close the gap for underserved students of color, those living in poverty, English as a Second Language pupils, and students with disabilities by setting test-score targets for disaggregated subgroups.

However, in practice this policy has proven to be counter-intuitive, by linking funding to performance on standardized tests. This fostered a "drill and kill" approach to teaching rather than a critical thinking approach. As a result of this policy, under performing schools were penalized by cutting their already inadequate funding. The punitive sanctions of No Child Left Behind only increased the likelihood that the most vulnerable students will be further left behind by a system not designed to support their learning.

To empower our children with skills and confidence our educational system must have two-way accountability. This means that not only are the students and the schools accountable to the state for test performance as they are under the current No Child Left Behind paradigm, but the state and Federal Government must also be accountable to the student and the school for providing adequate and equitable resources for achievement.

We should seek higher reading, math, and science comprehension from all American students, but to do so we must provide them with quality teachers, a world-class curriculum, and equal opportunities to learn and succeed.

During the prosecution of the Iraq War, Congress and the President used the emergency supplemental to fund more than $600 billion towards the war in Iraq. The use of this funding tactic has resulted in many cases of waste, fraud, and abuse. Recently, President Obama stated that he plans to not use the emergency supplemental and will actually budget the remainder of the war in Iraq according to the normal budgetary process. I would like the committee to strongly consider adding a section to the budget that will only allow the use of the emergency supplemental for only up to one year after armed conflict begins, and then mandate that the normal budget process be utilized throughout the remainder of the engagement. This would prevent the type of wasteful spending we have seen in the conflict in Iraq.

Also, I would like to see the Defense budget reduced by $90 billion dollars. The Iraqi Government has an estimated surplus of around $90 billion. $23.7 billion in oil proceeds are deposited in the Federal Reserve Bank of New York and is audited by the United Nations, $15.6 billion is deposited in the Central Bank of Iraq and other Iraqi banks, and the remaining $51 billion are based on three variables, expected oil exports, estimated price that Iraq will get for the oil, and Iraq's budget versus what they will actually spend.

Since Iraq has a surplus, I see no need for America to continue to bear the burden of their national defense. However, I do understand the need to fund some reconstruction projects, considering we invaded the country looking for weapons of mass destruction and never found any, so we must rebuild what we destroyed, but we do not have to continue to pay for their defense when they can do so.

Mr. Chairman, thank you for this opportunity to address the committee and I look forward to your questions.

Ms. TSONGAS. Thank you, Ms. Watson, for your testimony.

The next member to testify will be the gentlewoman from California, Ms. Lee. Welcome. We are pleased to receive your testimony. You are recognized for 5 minutes. And without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. BARBARA LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. LEE. Thank you very much, Madam Chair. I would like to thank you and the members of the Budget Committee, including Congressman Bobby Scott, for giving me the opportunity to testify today on the 2010 budget. As Chair of the Congressional Black Caucus, I want to briefly lay out several priorities of our caucus in the areas of poverty, health care, criminal justice programs, national defense, and international affairs, which I believe the committee should consider as it crafts the House budget resolution.

The fundamental point I wish to make to the committee today is that a budget is really a moral document. It should reflect our values as a Nation and what we as a community and as a society and as a country hold sacred. Particularly during these tough economic times, the budget should strive to protect and care for the least among us, even as it puts our Nation on a path to economic recovery.

I am pleased at this year for the first time in a long time we have a President and an administration that finally gets it. However, we cannot underestimate the magnitude of the problem that our Nation is facing. All of us recognize that budget priorities and the policies of the last administration have quite literally left our Nation in shambles.

Although the challenges that our Nation faces are great, I believe that with the leadership of President Obama we can put our Nation back on the right path. Fundamentally, that means we must address the issue of poverty and funding programs that help put people back on their feet.

As job losses continue, we must support vital income security programs such as the Supplemental Nutrition Assistance Program; and we must safeguard access to unemployment insurance, Medicaid, and the Recovery Act's COBRA subsidy.

The CBC also urges the committee to consider including the necessary budget authority to account for the cost of increasing the Federal minimum wage and indexing it to inflation.

In addition, the committee should consider the cost of reforming current asset tests for economic assistance.

We ask that the committee also commit to making the expanded earned income tax credit and child tax credit in the American Recovery and Reinvestment Act permanent.

Also, the committee should also consider the cost of redefining the Federal poverty level to create a "decent standard of living threshold" to determine the amount of annual income that would allow families a safe and decent, but modest, standard of living.

The Congressional Black Caucus supports the President's call for health care reform; and we urge the Budget Committee to account for the cost of health care reform to ensure that the 45 million uninsured—4 million of which are children—have access to quality affordable health care.

Also, we urge the committee to address the ongoing racial and ethnic health disparities, for example, by including additional funding for initiatives to combat HIV and AIDS and sexually transmitted infections among minority communities, including the $610 million for the Minority Aids Initiative.

We also urge the committee to zero out funding for ineffective abstinence-only-until-marriage programs and redirect those funds to teach comprehensive sex education, which includes abstinence. Ultimately, making this shift in funding priorities will save taxpayers dollars.

The CBC urges the committee to account for funding efforts to combat and reduce juvenile crime and efforts to rehabilitate ex-offenders.

The CBC urges the full funding of the Second Chance Act, increased funding for the Justice Assistance Program, the Juvenile Justice Program, Civil Rights Enforcement, the COPS Program, the Byrne Justice Grant Program, and State and Local Law Enforcement Assistance.

With regard to national defense, we support robust funding for our troops and America's national defense. But even as we maintain the capacity of our military and fully fund support for our returning veterans, we should eliminate the excesses of the previous administration.

The Congressional Black Caucus supports reducing funding for the failed ballistic missiles defense system and has consistently supported the work of the GAO to weed out waste, fraud, and abuse within DOD. The Defense Department has already saved an estimated $89 billion between fiscal year 2001 and fiscal year 2007 by implementing 1,600 of the GAO's recommendations; and we urge this committee to include direction to the Armed Services Committee supporting further action on the GAO recommendations.

We also recommend the President's request for a $15 billion increase for the Department of State. This is very important to us for the Department of State and other international programs, minimally $15 billion. We urge the increase. We urge the committee to increase this in the budget resolution and to support a range of critical programs that help combat global AIDS, tuberculosis, and malaria and assist in peacekeeping efforts in Darfur and fund development and educational exchange programs.

So let me thank the committee again for the opportunity to share just a few of the Congressional Black Caucus' priorities with you today; and, if there are no objections, I would like to enter into the record a detailed list of what our budget priorities are.

As you can see, the Congressional Black Caucus has a broad range of priorities, but we share a common purpose: to safeguard our shared values and to invest in an America that will ensure opportunities and prosperity for generations to come.

Thank you, Madam Chair. I want to thank the committee once again, and I would like to submit the entire list for the record.

Ms. TSONGAS. Without objection, and thank you for your testimony.

[The prepared statement of Barbara Lee follows:]

PREPARED STATEMENT OF HON. BARBARA LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Thank you Mr. Chairman. I'd like to thank you, Ranking Member Ryan, the staff, and the members of the Budget Committee, including Congressman Bobby Scott, for giving me the opportunity to testify today on the 2010 budget.

As the Chairwoman of the Congressional Black Caucus, I want to briefly lay out several priorities of our caucus in the areas of poverty, healthcare, justice programs, national defense, and international affairs which I believe the Committee should consider as it crafts the House budget resolution.

The fundamental point I wish to make to the committee today is that a budget is really a moral document. It should reflect our values as a nation, and what we as a community and a society hold sacred.

Particularly during these tough economic times, the budget should strive to protect and care for the least among us, even as it puts our nation on a path to economic recovery.

I'm pleased that this year, for the first time in a long time, we have a President and an administration that finally gets it, and I'm proud to support President Obama's budget.

However, we cannot underestimate the magnitude of the problem that our nation is facing.

As all of us know, the budget priorities and the policies of the last administration have quite literally left our nation in shambles.

Although the challenges that our nation faces are great, I believe that with the leadership of President Obama we can put our nation back on the right path.

Fundamentally that means addressing the issue of poverty, and funding programs that help put people back on their feet.

ON POVERTY

As job losses continue, we must support vital income security programs, such as the Supplemental Nutrition Assistance Program (SNAP/food stamps), and we must safeguard access to Unemployment Insurance, Medicaid, and the Recovery Act's COBRA subsidy.

The CBC also urges the Committee to consider including the necessary budget authority to account for the cost of increasing the federal minimum wage and indexing it to inflation.

In addition, the Committee should consider the cost of reforming current asset tests for economic assistance.

We ask that the committee also commit to making the expanded earned income tax credit and child tax credit in the American Recovery and Reinvestment Act permanent.

Finally, the Committee should also consider the cost of redefining the Federal Poverty Level to create a "Decent Living Standard Threshold" to determine the amount of annual income that would allow families a safe and decent, but modest, standard of living.

HEALTHCARE

The CBC supports the President's call for healthcare reform.

The CBC urges the Budget Committee to account for the cost of healthcare reform to ensure that the 45 million uninsured Americans (four million of which are children) have access to quality and affordable healthcare.

The CBC also urges that we equalize payments to Medicare Advantage and Medicare. This simple move will save $55.9 billion over the next 5 years alone.

In addition, the CBC urges the Committee to address ongoing racial and ethnic health disparities, for example by including additional funding for initiatives to combat HIV/AIDS and sexually transmitted infections among minority communities, including $610 million for the Minority AIDS Initiative.

We also urge the committee to zero out funding for ineffective abstinence-only-until-marriage programs, and redirect those funds to teach comprehensive sex education, which includes abstinence. Ultimately making this shift in funding priorities will save taxpayers money.

JUSTICE PROGRAMS

The CBC urges the Committee to account for funding efforts to combat and reduce juvenile crime and efforts to rehabilitate ex-offenders.

The CBC urges the full funding of the Second Chance Act, increased funding for the Justice Assistance Program, the Juvenile Justice Program, Civil Rights Enforcement, the COPS Program, the Byrne Justice Grant Program, and State and Local Law Enforcement Assistance.

ON NATIONAL DEFENSE

The CBC supports robust funding for our troops and America's national defense.

But even as we maintain the capacity of our military and fully fund support for our returning veterans, we should eliminate the excesses of the previous Administration.

The CBC supports reducing funding for the failed Ballistic Missile Defense program and has consistently supported the work of the Government Accountability Office to weed out waste, fraud and abuse within the DOD.

The Defense Department has already saved an estimated $89 billion between FY01 and FY07 by implementing 1,682 of the GAO's recommendations. And we urge the Committee to include direction to the Armed Services Committee supporting further action on the GAO recommendations.

INTERNATIONAL AFFAIRS

The CBC commends the President for requesting a $15 billion increase for the Department of State and other international programs in FY2010.

We urge the Committee to include this increase in the budget resolution to support a range of critical programs that help for example to combat global AIDS, tuberculosis, and malaria, assist in peacekeeping efforts in Darfur, and fund cultural and educational exchange programs.

CLOSING

Let me thank the committee again for the opportunity to share the priorities of Congressional Black Caucus with you today and if there are no objections I would like to submit a detailed list for the record.

As you can see the Congressional Black Caucus has a broad range of priorities but they share a common purpose, to safeguard our shared values and to invest in an America that will ensure opportunities and prosperity for generations to come.

Ms. TSONGAS. The next member to testify will be the gentleman from Ohio, Mr. Loebsack.

Welcome. We are pleased to receive your testimony, and you are recognized for 5 minutes. Without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. DAVID LOEBSACK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. LOEBSACK. Thank you, Madam Chair. Thank you for the opportunity to testify before the committee on the fiscal year 2010 budget proposal.

As I consider my priorities for the fiscal year 2010 budget, I believe it is necessary to focus on the effects of the current economic crisis on our States. The States across this country are facing severe budget cuts.

To make matters worse, Iowa and many other States are dealing with the situation in the wake of severe natural disasters. During the summer of 2008, the State of Iowa experienced the worst natural disaster in our history. In Iowa, 85 of 99 total counties were declared disaster areas by President Bush. We were not alone. The floods of 2008 affected many in the Midwest.

I want to thank my colleagues in this Congress for their support in the last Congress. The supplemental funding appropriated by Congress helped begin our recovery process, but still Iowa continues to struggle to recover and to rebuild.

President Obama has submitted a budget blueprint for fiscal year 2010 that is thoughtful and balances the need for investment with a need for fiscal restraint. For States like Iowa, perhaps one of the most significant differences between this budget and those of the past is that it takes into account the cost of major disasters and the cost of disaster recovery. Iowa alone has billions of dollars in damage Statewide. There are thousands of families with dam-

aged homes who suffered in subzero temperatures this past winter, a winter that is not finished yet. Businesses rapidly closing their doors and an increasing amount of unemployed individuals.

While we have made great strides through hard work and the realization that disaster recovery is a long-term commitment, I strongly urge the committee to recognize the need in the fiscal year 2010 budget for continued and additional assistance to those States which had severe natural disasters in 2008 and are still struggling in 2009.

I represent the Second District of Iowa with arguably the most significant amount of damage from the flooding in the State. This District includes Iowa's second largest city, Cedar Rapids, which is seeing most of the significant damage, although numerous other towns in my District, such as Palo and Oakville, suffered devastating damage as well.

The university, our largest university, with an enrollment of over 30,000 students, additionally suffered severe damage, upwards of three-quarters of a billion dollars worth of damage.

The State continues to have unmet needs, including assistance for housing, business, public services, social services, and future disaster mitigation. To highlight Iowa's continuing struggles, I would like to submit for the record letters from all over my District—this is a very large pile of letters, as you can see—from both city and county officials of Cedar Rapids, Coralville, Columbus Junction, Fort Madison, Iowa City, Keokuk, Keosauqua, Muscatine, Oakville and Palo, and additional letters from Davis County, Des Moines County, Linn County and Lee County Boards of Supervisors and the State legislature's Rebuild Iowa Committee chairman, which further demonstrate the broad range of needs in the State and the damage in each of these areas.

I am also submitting a letter from the Economic Planning and Redevelopment Corporation, a group that was formed post disaster to aid economic redevelopment efforts in the city of Cedar Rapids. All of their combined hard work has helped immensely with the rebuilding effort.

As the Nation experiences one of its most severe economic downturns in its history, it is exceedingly important to address the needs of States recovering from severe disasters. I want to thank you again, Madam Chair, and the committee for this opportunity; and I will be happy, of course, to answer any questions on the status of Iowa in the future and the status of Iowa in the wake of the 2008 disasters and any other concerns you have, and I would like to enter these letters for the record as well. Thank you.

Ms. TSONGAS. Without objection. Thank you, Mr. Loebsack, for your testimony.

[The prepared statement of David Loebsack follows:]

PREPARED STATEMENT OF HON. DAVID LOEBSACK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

I want to thank the Chairman and Ranking Member for the opportunity to testify before the Committee on the Fiscal Year 2010 Budget proposal.

As I consider my priorities for the FY10 Budget, I believe it is necessary to focus on the effects of the current economic crisis on our States. States across this country are facing severe budget cuts. To make matters worse, Iowa, and many other states, are dealing with this situation in the wake of severe natural disasters.

During the summer of 2008, the State of Iowa experienced the worst natural disaster in our history. In Iowa, 85 of 99 total counties were declared disaster areas by President Bush. We were not alone; the floods of 2008 affected many in the Midwest.

I want to thank my colleagues for their support last Congress. The Supplemental funding appropriated by Congress helped begin our recovery process but still Iowa continues to struggle to recover and rebuild.

President Obama has submitted a budget blueprint for Fiscal Year 2010 that is thoughtful and balances the need for investment with the need for fiscal restraint. For States like Iowa, perhaps one of the most significant differences between this budget and those of the past is that it takes into account the cost of major disasters and the cost of disaster recovery.

Iowa alone has billions of dollars in damage statewide. There are thousands of families with damaged homes in sub-zero temperatures, businesses rapidly closing their doors, and an increasing amount of unemployed individuals. While we have made great strides through hard-work and the realization that disaster recovery is a long-term commitment, I strongly urge the Committee to recognize the need in the Fiscal Year 2010 budget for continued and additional assistance to those states which had severe natural disasters in 2008 and are still struggling in 2009.

I represent the 2nd District of Iowa with arguably the most significant amount of damage from the flooding. This District includes Iowa's second largest city, Cedar Rapids, which sustained some of the most significant damage although numerous other towns in my District such as Palo and Oakville suffered devastating damage as well. The State continues to have unmet needs ranging from assistance for housing, business, public services, social services, and future disaster mitigation.

To highlight Iowa's continuing struggles I would like to submit for the record letters from all over my district, from both city and county officials of Cedar Rapids, Coralville, Columbus Junction, Fort Madison, Iowa City, Keokuk, Keosauqua, Muscatine, Oakville, and Palo in addition to letters from Davis County, the Des Moines County and Linn County Boards of Supervisors, and the State Legislature's Rebuild Iowa Committee Chairman which further demonstrate the broad range of needs in the state and the damage in each of these areas. I am also submitting a letter from the Economic Planning & Redevelopment Corp., a group that was formed post-disaster to aid economic redevelopment efforts in the City of Cedar Rapids. All of their combined hard work has helped immensely with the rebuilding effort.

As the nation experiences one of its most severe economic downturns, it is exceedingly important to address the needs of states recovering from severe disasters. Thank you again for this opportunity and I will be happy to answer any questions on the status of Iowa in the wake of the 2008 disasters or other concerns you may have.

Ms. TSONGAS. The next member to testify will be the gentlewoman from New York, Ms. Clarke.

Welcome. We are pleased to receive your testimony, and you are recognized for 5 minutes. Without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. YVETTE D. CLARKE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Ms. CLARKE. Thank you very much, Madam Chairwoman.

Madam Chairwoman and members of the committee, I would like to thank you for this opportunity to discuss the Federal budget and its impact on the housing and economic recovery of New York City. I believe that the fiscal year 2010 budget is this country's first major step and blueprint for fiscal recovery, stability and responsibility.

Everyday we hear and read in the news how the increasing number of mortgage foreclosures poses a financial threat to local housing markets, financial institutions, homeowners, and State and local governments. The financial crisis has evolved into an international economic recession which has not only adversely impacted my congressional District in Brooklyn but our Nation as a whole. For example, the Center for Responsible Lending Projects states

that for 2009 there will be 435 foreclosures in New York's 11th Congressional District; and over the next 4 years that number will increase to 1,448.

That is why I would like to use my time today to highlight one critical aspect of the Federal budget, the Community Development Block Grant, CDBG, program. As you know, the CDBG program is flexible and therefore provides resources to provide a wide range of unique community development needs. One of the Department of Housing and Urban Development's longest-running programs, CDBG funds local community development activities such as affordable housing, antipoverty programs, and infrastructure development. These funds can also be used to create jobs in many communities by expanding or retaining local businesses.

Historically, New York City tends to utilize between 50 to 65 percent of CDBG funding towards housing programs. In particular, the funding is used to maintain and improve the city owned housing stock. Additionally, CDBG funds have been used on a critical—excuse me, on critical public social service and infrastructure programs, such as child care, senior citizen services, and recreation centers.

What many people do not know is that the CDBG program was instrumental in the aftermath of the September 11th terrorist attacks in New York City. After that tragic event, New York City applied for and received a waiver for increased CDBG funding for food and medical care without cutting into much-needed funding used for the housing programs. The Community Development Block Grant program also provided funds to New York City for economic development initiatives, planning and administration, and improving public facilities.

That is why I am pleased that HUD is committed to fulfilling its mission to increase home ownership, support innovative and sustainable community development, and increase the availability of affordable housing.

In the President's budget blueprint, President Obama stated that he wants to restore funding for many HUD programs to achieve these important goals. Specifically, the President wants to provide $4.5 billion to CDBG for fiscal year 2010 to ensure that communities continue to invest in and expand economic opportunities for low-income families. I respectfully urge this committee to support President Obama's request, which is an important step in the right direction towards fully funding the CDBG program.

Thank you again for the opportunity to testify before this committee today. I look forward to working with you over the next several weeks to craft a budget that provides fiscal recovery, stability, and responsibility, as well as addresses the needs and priorities of the people of the 11th Congressional District of New York City and all Americans across our country. Thank you.

Ms. TSONGAS. Thank you, Ms. Clarke, for your testimony.

[The prepared statement of Yvette Clarke follows:]

PREPARED STATEMENT OF HON. YVETTE D. CLARKE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. Chairman, Ranking Member Ryan, and Members of the Committee, I would like to thank you for this opportunity to discuss the federal budget and its impact

on New York City. I believe that the FY 2010 Budget is this country's first major step towards fiscal recovery and responsibility.

Every day I hear on the news how the increasing number of mortgage foreclosures poses a financial threat to local housing markets, financial institutions, homeowners, and state and local governments. This financial crisis has morphed into an economic recession which has not only adversely impacted my congressional district, but New York City as a whole. For example, the Center for Responsible Lending projects that for 2009 there will be 435 foreclosures in New York's 11th Congressional District, and over the next four years that number will increase to 1,448.

That is why I would like to use my time today to highlight one critical aspect of the federal budget—the Community Development Block Grant (CDBG) program. As you know, the CDBG program is flexible and therefore provides resources to address a wide range of unique community development needs. One of the Department of Housing and Urban Development's (HUD) longest running programs, CDBG funds local community development activities such as affordable housing, anti-poverty programs, and infrastructure development. These funds can also be used to create jobs in many communities by expanding or retaining local businesses.

Historically, New York City tends to utilize between 50 to 65 percent of CDBG funding towards housing programs. In particular, the funding is used to maintain the city-owned housing stock. Additionally, CDBG funds have been used on critical public service programs such as child care, senior citizen services, and recreation centers.

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That is why I am glad HUD is committed to fulfilling its mission to increase homeownership, support innovative and sustainable community development, and increase the availability of affordable housing. In the President Budget Blueprint Obama stated that he wants to restore funding for many HUD programs to achieve these important goals. Specifically, the President wants to provide $4.5 billion to CDBG for Fiscal Year 2010 to ensure that communities continue to invest in and expand economic opportunities for low-income families. I respectfully urge this Committee to support President Obama's request, which is an important step in the right direction towards fully funding the CDBG program.

Thank you again for the opportunity to testify before this committee today. I look forward to working with you over the next several weeks to craft a budget that provides fiscal recovery and responsibility, as well as addresses the needs and priorities of the people of New York City and all Americans.

Ms. TSONGAS. The next member to testify will be the gentlewoman from California, Ms. Richardson.

Welcome, and thank you for your patience.

STATEMENT OF THE HON. LAURA RICHARDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. RICHARDSON. Thank you, Chairwoman Tsongas, Chairman Spratt, Ranking Member Ryan, and members of the House Budget Committee. I thank you for allowing me the opportunity to appear before you today to discuss what priorities are critical to California's 37th Congressional District.

The 37th Congressional District is rich with ethnic and economic benefits but also challenges.

More than half of the District speaks a language other than English.

We are located adjacent to the Ports of Long Beach and Los Angeles that facilitate the impacts of 45 percent of the Nation's cargo.

Twenty-one percent of the individuals live in poverty. That is one out of five.

We have an educational system that is unable to offer adequate after-school tutoring, job training programs; and, as a result, 30 percent of the population, they are over 25 years old, and they don't have a high school diploma.

With the sharp downturn in our economy, hard times have come to Americans. The hardest hit, though, are those like in my District who have already, prior to this crisis, already experienced not having a sufficient education, without marketable work place skills, and already burdened by a 13.6 percent unemployment rate.

While California's unemployment is now 10.1 percent, above the national average of 8.1 percent, one community in the heart of my District, the city of Compton, is already being hit with an unemployment rate of 18 percent.

Therefore, my first priority is preserving the jobs already in the 37th District, such as the last surviving middle-class jobs derived from Boeing's C-17 production facility in Long Beach, California. Failure to procure more aircraft will have the detrimental effect of losing over 30,000 jobs nationally and our Nation's last military cargo manufacturing site. The C-17 is routinely utilized in Iraq and Afghanistan to move critically injured patients, has delivered troops, gun tanks and humanitarian aid with the tsunami in Thailand, Hurricane Katrina and earthquake relief in Pakistan, all in 2005 alone.

My second priority is increasing funding for the Workforce Investment Act programs that will play a major role in whether our economy recovers, whether our workforce will compete globally, and whether Congress with its current actions will only be acting as a mere insufficient stopgap that will deteriorate and burden Americans for generations to come.

Specific job training programs such as Job Corps, Youth Build, Summer Work, and programs for nontraditional and dislocated workers are critical to ensuring that those living in districts like mine, urban, low-income areas, will be able to fill available jobs and make a stable life for themselves and their communities. As.

Congress and the administration continue to battle an increasing deficit, now close to $500 billion and projected to climb to over $1 trillion this year, I recommend implementing two financial considerations.

I sit before you today not only as a Member with a series of needs for my District but as someone with experience that I would like to share with you. I wish to bring my masters in business administration and 14 years of private-sector experience to the table to help.

In California, I led the effort as chairwoman to create a Budget Oversight Committee in the Nation's 32nd largest city that led to establishing a sound fiscal policy and resolutions to over a two-decade old mounting deficit. Consequently, I solicit your consideration of a legislative action that would conduct a thorough user fee study.

The GAO, for example, could collect data from respective agencies that evaluated when fees were last assessed to determine whether those fees meet or exceed the current cost recovery required to provide that very service or program.

When this strategy was utilized in the second largest city in the largest county in the United States, data indicated the general fund was subsidizing 25 percent of its budget with inadequate fee structures. That is, to the fees we do on a Federal level, is $233 billion. Imagine recouping 25 percent of those dollars.

While we confront strategies that include cutting waste and inefficiencies from the budget, the long-overdue reform of the Harbor Maintenance Tax must also be on the table. For years, the Federal Government has held billions of dollars in the Harbor Maintenance Tax Trust Fund to patch and reduce the size of the deficit. This means Congress is holding over $5 billion hostage in a trust fund meant to improve maritime commerce through dredging projects which, in turn, would reduce impacting costs.

Lastly, as someone who represents a District that sees 45 percent of the entire Nation's cargo pass through its streets, I can tell you that having a nationwide dedicated freight funding program is critical.

Again, I want to work with the Budget Committee. I applaud all of your hard work, and I stand ready to work with you to adopt these strategies that benefit not only my District but our Nation as a whole.

Thank you, and I am ready to answer any questions.

Ms. MCCOLLUM [presiding]. Thank you, Congresswoman Richardson. I don't see any questions currently at the time; and your full statement, of course, will be entered into the record, as earlier mentioned. Thank you.

[The prepared statement of Laura Richardson follows:]

PREPARED STATEMENT OF HON. LAURA RICHARDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Chairman Spratt, Ranking Member Ryan, and Members of the House Budget Committee: I thank you for allowing me the opportunity to appear before you today to discuss what priorities are critical to California's 37th District.

OVERVIEW

The 37th Congressional District is:

- Rich with ethnic and economic benefits and challenges
- Located adjacent to the Ports of Long Beach and Los Angeles that facilitates 45% of the nations cargo
- 21% of individuals live in poverty (1 in 5), and an
- Education system unable to offer adequate after-school, tutoring and job training programs

With the sharp downturn in our economy, hard times have come to Americans. The hardest hit are those like many in my district who already prior to this crisis were:

- without a sufficient education
- without marketable workplace skills, and
- already burdened by 13.6% unemployment rates

While California's unemployment (9.3%) above the national average of 8.1%, one community in the heart of my District, the City of Compton, is being hit with unemployment over 18%.

PRESERVING JOBS

Therefore, my first priority is preserving the jobs already in the 37th District, such as the last surviving middle class jobs derived from Boeing's C-17 production facility in Long Beach. Failure to establish an Air Force aircraft needs assessment and long term procurement process will have a detrimental effect of losing over 30,000 jobs nationally and our nation's last military cargo manufacturing site.

The C-17 is routinely utilized in Iraqi and Afghanistan to move critically injured patients to medical centers for treatment and has significantly increased the surviv-

ability rate for wounded soldiers. Additionally, the C-17 has served multi-functionally to deliver troops, gun tanks and humanitarian aid with the Tsunami in Thailand, Hurricane Katrina and earthquake relief in Pakistan in 2005 alone.

CREATING JOBS

My second priority is increasing funding for the Workforce Investment Act programs that will play a major role in whether our economy recovers, whether our workforce will compete globally and whether Congress' current actions are merely an insufficient stop gap that will deteriorate and burden Americans for generations to come. Specific job training programs such as Job Corps, YouthBuild, Summer Work, Non-traditional and Dislocated worker employment are critical to ensuring that those living in urban, low-income areas will be able to fill available jobs and make a stable life for themselves and their communities.

FISCAL RESPONSIBILITY

As Congress and the Administration continue to battle an increasing deficit now close to $500 Billion and projected to climb to over a trillion dollars this year, I recommend the implementation of two financial considerations.

I sit before you today not only as a Member with a series of needs for their District, but as someone with experience with and a passion for budgets. I wish to bring my MBA and 14 years of private sector experience to the table to assist you in your work. In California, I led the effort as Chairwoman, to create a budget oversight committee in the nations 32nd largest city that led to establishing sound fiscal policies and the resolution of our two decade old mounting deficit.

Consequently, I solicit your consideration of legislative action that would conduct a thorough "User Fee" study. The GAO, for example, could collect data from respective agencies that evaluated when fee's were last assessed, and determine whether those fee's meet or exceed the current cost recovery required to provide that service or program.

When this strategy was utilized in the second largest city in the largest county in the United States, data indicated that the general fund was subsidizing over 25% of its budget with inadequate fee structures. Enacted adjustments both increases and reductions, led to millions of dollars in additional revenue that eliminated the structural deficit.

Lastly, while we confront strategies that include cutting waste and inefficiencies from the budget; reform of the Harbor Maintenance Tax must be on the table as well. For years, the federal government has held billions of dollars in the Harbor Maintenance Tax Trust Fund to patch and reduce the size of the deficit. The money is desperately needed for its intended purpose, dredging projects, which in turn will result in economic benefits and fewer impact costs.

As someone who represents a District that sees 45% of the entire nation's cargo pass through its streets, I can tell you that a dedicated nationwide generating and spending federal freight policy is vital to our future economic success. I intend to introduce the MOVEMENT Act to assist in that effort.

Again, I want to thank the Budget Committee for your hard work. I stand ready to support the Committee with nationally beneficial priorities and solutions for consideration that will support what is best for the American people and our economy. Thank you and I am ready to answer your questions.

Ms. MCCOLLUM. The next member to testify will be the gentlewoman from Guam, Congresswoman Bordallo.

We are pleased to receive your testimony, and you are recognized for 5 minutes. Without objection, your full statement will be entered into the record. Welcome.

STATEMENT OF THE HON. MADELEINE Z. BORDALLO, A REPRESENTATIVE IN CONGRESS FROM THE TERRITORY OF GUAM

Ms. BORDALLO. Good afternoon, Madam Chairman; and I thank you for the opportunity to testify today.

I have three issues to address relative to the 2010 budget resolution. The first, I respectfully request an appeal to the committee to include in the budget resolution sufficient budgetary headroom to allow for Congress to pass legislation implementing the rec-

ommendations of the Guam War Claims Review Commission; second are the budgetary needs associated with the planned military buildup on Guam; and third are matters pertaining to the scheduled reauthorization of the Compact of Free Association between the United States Government and the Republic of Palau and a need to increase the level of Compact-impact assistance provided to affected jurisdictions, including Guam, Hawaii and the Commonwealth of the Mariana Islands.

First, with respect to Guam war claims, I thank this committee for including reference to the Guam war claims legislation in its reports accompanying the budget resolutions passed by the House for fiscal years 2008 and 2009. This was critical to overcoming budgetary hurdles that slowed the bill's progress in reaching the House floor. So we hope that the committee can continue its commitment again this year to help enable Senate passage of the legislation and its ultimate implementation by the Foreign Claims Settlement Commission.

On the opening day of the 111th Congress, I reintroduced the Guam World War II Loyalty Recognition Act as H.R. 44. On February 23rd, the House voted 299 to 99 to pass this legislation; and, currently, H.R. 44 is in the Senate. In the last Congress, identical legislation was not considered by the Senate before they adjourned, so this a very important request that we have.

And going on now to the Guam War Claims Review Commission, which was authorized by the 107th Congress, conducted hearings on Guam to receive testimony from survivors. In addition to these hearings, the Review Commission also received questionnaires. In total, approximately 8,000 questionnaires were received by the Review Commission; and based upon these returned questionnaires, it is estimated that the amounts of actual claims would be significantly lower than the Commission's original estimates. Death claims may be as low as 330, based on the self-declarations in the questionnaires. And I have all the other notes, Madam Chair, on my statement here.

So I feel that the Congress has a moral obligation to bring closure for the loyal Americans who experienced the brutality of the occupation on Guam. For 4 long years, our people experienced the horrors of war, beheading, rapes, and forced march and so on. So I respectfully request that the budget resolution for fiscal year 2010 take into account the costs associated with H.R. 44.

Now, secondly, we are looking forward to the planned realignment of the military forces on Guam; and this is creating substantial budget pressures on the Department of Defense and the Government of Guam. We are going to receive 8,300 Marines from the Third Marine Expeditionary Force; and, additionally, the Air Force is realigning a Red Horse Squadron from Osan, Korea, adding nearly 3,000 more airmen to Andersen Air Force Base, along with a planned increase of Navy personnel in Guam.

So the realignment of these forces alone is estimated to cost $14 billion over the next 5 to 6 years; and, of this $14 billion cost, nearly $6 billion will be taken up by the Government of Japan. So it is a joint operation.

Planning for the realignment is well under way and is ongoing under the direction of the Joint Guam Program Office. I continue

to work with our Federal partners in local government to accomplish the many details associated with the buildup.

Although we do not have final details on the amount of funding in the President's fiscal year 2010 budget for military construction or to support civilian infrastructure upgrades on Guam, we ask that the committee provide sufficient funding for initial horizontal infrastructure projects. Additionally, Guam civilian infrastructure has significant requirements to improve its capacity and quality in order to facilitate and sustain the military buildup as well as meet basic civilian community requirements.

The third point I have, in particular Guam is facing a $160 million requirement to close the Ordot landfill and open a new landfill and recycling center to comply with the February, 2004, U.S. District Court of Guam Federal consent decree to close the dump; and the Port of Guam has a requirement for $195 million in improvements to facilitate commerce. This also has to do with the military buildup, because the military will be using the dump site as well as some of our other civilian operations.

The last, finally, Madam Chairwoman, is the Subcommittee on Insular Affairs, Oceans and Wildlife. I would respectfully request that the committee reevaluate the level of mandatory spending associated with the Compact-impact assistance. The law currently provides $30 million each year until 2023 for Federal grants to Guam, Hawaii, the Commonwealth of the Northern Marianas, and to American Samoa. Now, this is to provide services for the citizens of the Compact states who migrate to our islands. The amount of $30 million each year, however, does not fully account for the actual impact; and I ask that the committee consider providing for an increase to mandatory Compact-impact assistance in its budget resolution.

These are the three points I would like to make. I do have everything written in more detail in my written statement, and I appreciate the opportunity to submit this testimony for the record. Thank you, Madam Chairman.

Ms. MCCOLLUM. I thank the gentlewoman from Guam for her testimony; and, as you said, without objection, your full statement will be entered into the record.

[The prepared statement of Madeleine Bordallo follows:]

PREPARED STATEMENT OF HON. MADELEINE Z. BORDALLO, A DELEGATE IN CONGRESS FROM THE TERRITORY OF GUAM

Good afternoon Chairman Spratt and Ranking Member Ryan. Thank you for the opportunity to testify before the House Committee on the Budget on the Obama Administration's budget proposal for Fiscal Year 2010 and Guam's budget priorities for the upcoming year. I greatly appreciate your attention to and consideration of the priorities that I will address with this statement.

First, I respectfully request and appeal to the Committee to include in its proposed budget resolution for Fiscal Year 2010 sufficient budgetary headroom to allow for Congress to pass legislation implementing the recommendations of the Guam War Claims Review Commission. Second, I will address the budgetary needs associated with the planned military build-up on Guam. And last, I will call attention to the scheduled reauthorization of the Compact of Free Association between the United States Government with the Republic of Palau and update the committee about Compact-impact assistance.

With respect to the first matter and highest priority, I thank this committee for including reference to the Guam war claims legislation in its reports accompanying the budget resolutions passed by the House for fiscal years 2008 and 2009. This was critical to overcoming budgetary hurdles that slowed the bill's progress in reaching

the House floor. We hope that the committee can continue its commitment again this year to help enable Senate passage of the legislation and its ultimate implementation by the Foreign Claims Settlement Commission.

On the opening day of the 111th Congress, I re-introduced the Guam World War II Loyalty Recognition Act as H.R. 44. On February 23, 2009 the House of Representatives voted 299-99 to pass this legislation. Currently H.R. 44 is in the Senate, where it has been referred to its Committee on the Judiciary. In the last Congress, identical legislation, H.R. 1595 was not considered by the Senate before they adjourned for the 110th Congress other than by a unanimous consent request for its passage that was objected to on April 17, 2008. Support for the enactment of the Guam World War II Loyalty Recognition Act continues to grow, and I hope that the Senate will pass the bill this year.

As in previous years, the Congressional Budget Office (CBO) estimates that the budget should provide for a least $126 million over the next three fiscal years for the implementation of H.R. 44. This estimate is based on pay out of every conceivable claim whose payment would be authorized by H.R. 44.

The issue of Guam war claims is not a new issue. Bills seeking to resolve this matter have been introduced in every Congress since the first such bill was introduced in the 99th Congress. Ensuring there is ample budget authority and ability of the Committee on Appropriations to appropriate the amounts needed to pay the claims that would be authorized is integral to resolving this issue.

The Guam War Claims Review Commission, which was authorized by the 107th Congress, conducted hearings on Guam to receive testimony from survivors. In addition to these hearings, the Review Commission also received questionnaires from survivors on their occupational experiences. In total, approximately 8,000 questionnaires were received by the Review Commission primarily from survivors on Guam and to a smaller extent, from throughout the entire United States. Based upon these returned questionnaires, it is estimated that the amounts of actual claims would be significantly lower than the Commission's original estimates and the conservative estimate provided by CBO. Death claims may be as low as 330 based on the self-declarations in the questionnaires. While injury claims may actually number closer to 4,000 to 5,000. It should also be noted that the final report of the Guam War Claims Review Commission included estimates for the potential death and personal injury claims. The Commission estimated total funding for claims to be $126 million based on 1,000 deaths and 8,551 survivors. The amount of $126 million matches the CBO estimate for H.R. 44.

The Congress has a moral obligation to bring closure for the loyal Americans who experienced the brutality of the occupation on Guam. Therefore, I respectfully request that the budget resolution for Fiscal Year 2010 take into account the costs associated with H.R. 44.

Second, looking forward, the planned realignment of military forces to Guam is creating substantial budget pressures on the Department of Defense (DOD) and the Government of Guam. The largest part of this force posture change is the realignment of nearly 8,000 Marines from the III Marine Expeditionary Force currently stationed in Okinawa, Japan. Additionally, the Air Force is realigning a Red Horse Squadron from Osan, Korea adding nearly 3,000 more airmen to Andersen Air Force Base along with a planned increase of Navy personnel on Guam. The realignment of these forces alone is estimated to cost $14 billion dollars over the next five to six years.

Unlike other major personnel movements and base closures, this realignment also includes a cost contribution from the Government of Japan. Nearly $6 billion dollars of the total $14 billion dollar cost will come from the Government of Japan and related entities. Although this will relieve some financial pressure on the United States Government, it will still require the Department of Defense to program nearly $8 billion in resources over the next five to six years. The Department has not identified all the authorities that will be required in order to execute the Japanese funding through special purpose entities. As such, the Department of Defense will likely need budget room to program the Japanese funding dollars so they can be executed for projects on Guam.

Planning for the realignment is well under way and it is ongoing under the direction of the Joint Guam Program Office (JGPO) in coordination with U.S. Naval Facilities Engineering Command. I continue to work with our federal partners and the local government to accomplish the many details associated with the buildup. Additionally, the Department of Defense is working with the Department of the Interior through the Interagency Group on Insular Areas (IGIA) to coordinate further investment by other vested federal agencies that can provide Guam with funding to improve their medical, educational and physical infrastructure.

Although we do not have final details on the amount of funding in the President's Fiscal Year 2010 budget for military construction or to support civilian infrastructure upgrades on Guam, we ask that the committee provide sufficient funding for initial horizontal infrastructure projects will enable vertical construction in future fiscal years. This type of initial infrastructure support in the military construction budget is particularly important to ramping up construction capacity on Guam so that the on-island workforce will be ready for the substantial increases in construction in future years.

Additionally, Guam's civilian infrastructure has significant requirements to improve its capacity and quality in order to facilitate and sustain the military build-up as well as meet basic civilian community requirements. This point was recently highlighted in a September 2008 Government Accountability Office report entitled "Opportunity to Improve the Timeliness of Future Overseas Planning Reports and Factors Affecting the Master Planning Effort for the Military Build-up on Guam". The report indicates that immediate improvements are needed for Guam's civilian infrastructure in order to support the build-up.

In particular, Guam has a $160 million requirement to close the Ordot landfill and open a new landfill and recycling center to comply with a February 2004 U.S. District Court of Guam federal consent decree to close the dump. The Port of Guam has a requirement for $195 million in improvements to facilitate commerce and throughput of construction materials for the military build-up. The Department of Defense has indicated that the port could be a potential choke-point in delivery of construction materials. This Congress took action to begin the process of alleviating the choke-point with passage the National Defense Authorization Act for Fiscal Year 2009 which, under Section 3512, authorizes the Maritime Administration to work with the Port Authority of Guam to undertake the necessary capital improvements at the port. Funding is needed from the Maritime Administration, the Department of the Interior and the Department of the Defense to begin immediate improvement projects. Finally, two primary wastewater treatment plants on Guam have been denied a waiver to operate with primary treatment only under the Clean Water Act. The Guam Waterworks Authority estimates that it will cost an immediate $50 million in renovations to make the two wastewater plants compliant and eligible for a waiver and an additional $300 million to enable both plants with secondary treatment capabilities.

Guam's growing importance as a strategic asset to our national security is evidenced by the planned increase in DOD investment in the island's bases. Guam is proud to serve the United States in this manner. But it is important that the Federal Government begin now to help the island prepare for this enhanced role. The Committee's support by means of providing budgetary headroom for the enactment and implementation of H.R. 44, the Guam World War II Loyalty Recognition Act, will go far toward achieving this goal as well as for providing headroom for certain civilian infrastructure projects needed to facilitate the build-up.

Finally, as Chairwoman on the Subcommittee on Insular Affairs, Oceans and Wildlife, I would respectfully request that the Committee re-evaluate the level of mandatory spending associated with Compact-impact assistance that is stipulated by Section 104(e) of Public Law 108-188. That section provides $30 million each year until 2023 for grants to Guam, Hawaii, the Commonwealth of the Northern Mariana Islands, and American Samoa, to assist with services provided to citizens of the Compact states who migrate to these islands under the terms of the Compact. The amount of $30 million each year does not fully account for the impact, and I ask that the Committee consider providing for an increase in its budget resolution.

There is no question that the Compacts of Association have a significant on financial impact on our local governments in providing certain basic services to citizens from the Compact states. The GAO has documented this impact and an enumeration of FAS citizens in each jurisdiction was undertaken last year by the Census Bureau. That Census reveals a migration increase for Guam and Hawaii. Furthermore, the Compact with Palau, which was first signed in 1994, requires a reauthorization this year. I would respectfully request that the Committee address the budgetary increases in the Fiscal Year 2010 resolution associated with the reauthorization of the Compact with Palau.

I appreciate the opportunity to submit this testimony for the record. Thank you for your consideration of my testimony.

Ms. MCCOLLUM. The committee is going to, without objection, stand in recess for a few moments to the call of the Chair.

[Recess.]

Ms. JACKSON LEE. Thank you, Madam Chair, very much for your kindness. In fact, I am chairing a subcommittee upstairs; and you are very kind to yield me this time.

Ms. MCCOLLUM. Well, we welcome the gentlewoman, Representative Jackson Lee, from Texas; and we are pleased to receive your testimony. You are recognized for 5 minutes; and, without objection, your full statement will be entered into the record.

STATEMENT OF THE HON. SHEILA JACKSON–LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Ms. JACKSON LEE. Thank you very much.

Let me say that this budget process is enormously important, and I am hoping that we can work on these matters together. I serve on the Foreign Affairs Committee, Judiciary, and, as well, founded the Congressional Children's Caucus. I would like to speak broadly and ask unanimous consent if I might revise and extend my remarks.

Ms. MCCOLLUM. Without objection.

Ms. JACKSON LEE. Thank you very much.

So let me just globally speak to issues; and there may be some pointed questions, recognizing that we suffer a deficit that was generated not by the actions of the majority or of this present administration. However, I do think our mutual vision of re-employing persons, intervening in the lives of young people are key.

So I first urge our budget to include for the first time in a number of years investment in summer youth jobs. I know that we have just voted on the Give Act, a number of overlapping programs such as AmeriCorps, VISTA, Youth Build, but summer jobs are key. In fact, they help embellish the resources of a family. I think they are key, and I would like to support that.

In my revised statement, I will have particular numbers, but I would rather in essence give you a broad statement. I would like to encourage the President's number but also the Budget Committee to increase a mark or hold for health care reform. And I, frankly, believe that the money should equal to the possibility of a public option. Obviously, there are many of us who support a single payor. That would include a public option. I think, in fact, that would save us money; and we would find that the budget would be well to have a public option and to save monies.

Minority AIDS initiative at $610 million this year. With an increase of nearly $200 million, I would hope that we would keep that mark.

Funding for the Ryan White CARE Act, $2.8 billion this year, an increase $578 million. I think these are people-oriented requests, and I would like to ensure that we keep that mark.

Our work on the Foreign Affairs Committee regarding HIV, STD, TB, viral hepatitis, even though these are U.S.-based, would certainly warrant keeping the—and/or seeing an increase in the CDC prevention activities for those diseases.

Housing for people living with AIDS is clearly—as we look at the report that came out of the District of Columbia, we are not sure how many other area jurisdictions have the increase of people infected or affected by HIV/AIDS. I would support the $360 million increase, which is an increase of $50 million.

I also support zeroing out funding for ineffective abstinence, only because it hurts those who are in most need.

Again, though, on the international assistance, we have been holding hearings in the Foreign Affairs Committee. I do believe that the international assistance that has been utilized by the military have been effective over the years, that we have needed them in Iraq and Afghanistan in particular. I have actually visited and seen that assistance. But I want to up the numbers on the State Department USAID.

In addition, we want to look in the authorizing committee at flexibility in using those dollars. But I would like to keep the 57.1—I think it is—million dollars. I will revise it in my statement, as I am trying to move quickly, Madam Chair. But, in any event, I support the present mark for the international assistance for USAID in the State Department.

Let me also join in urging the Budget Committee to account for the increased need for income security programs such as supplemental nutrition assistance, unemployment assistance, Medicaid, and the Recovery Act of COBRA subsidy. As a member of the House Judiciary Committee, I would encourage increased funding. I think there has been an obvious and conspicuous case in domestic violence and the funding of violence against women, particularly in educational outreach, which apparently we are missing the boat on, is to educate women how to protect themselves.

Also what seems to get lost is a Community Relations Division, which even in this new climate of partisanship and opportunity for looking beyond people's race, we do have issues that continue in our community; and the Community Relations Division, where people go out and try to broker a solution to racial tension or otherwise, has suffered.

The Civil Rights Division in the Department of Justice has suffered as well, and I would argue for the increased funding of that.

Then I would also ask the committee to consider the cost of redefining the Federal poverty level, which is currently $22,050 for a family of four 100 percent. I urge the creation of a decent living standard threshold to determine the amount of annual income that will allow an individual to live beyond deprivation at a safe and decent but modest standard of living.

Let me also, as I move quickly, reinforce the need for affordable housing. Right now, in Houston, Texas, besides the affordable housing Section 8 vouchers, 25,000 people remain on our list of Section 8 vouchers. I think with the crisis of decreased access to housing there is going to be an increased need for apartments or other living conditions.

I would hope that we would be able to deal with some of those issues; and, as well, I urge the committee to support the administration's proposal again for the National Affordable Housing Trust Fund at $1 billion and to fully fund the Community Development Block Grants and the Neighborhood Stabilization, which is going to be very important in these issues.

Let me close quickly by supporting funding, as I indicated, for the Justice—let me add Juvenile Justice, Civil Rights, and the COPS Program and, in education, TRIO and the GEAR UP program, Youth Build, but also K through 12 and IDEA.

Lastly, veterans. I want to increase and commend the President's budget for $25 billion above the baseline and focus on health care for veterans and other priorities, community block grant, public housing, capital funds; and I will just add those to my statement as I revise it in the record.

I believe we should be people oriented; and I, frankly, believe that on many of the issues of military funding I want to focus on the issues of our military personnel. And I believe that there is an opportunity under this climate to redirect some of those funds to the needs of our domestic interests.

With that, Madam Chair, I yield back.

Ms. TSONGAS. Thank you, Congresswoman Jackson Lee, for your testimony. As we had said earlier, without objection, your full statement will be entered into the record as it is revised and extended.

[The prepared statement of Sheila Jackson Lee follows:]

PREPARED STATEMENT OF HON. SHEILA JACKSON-LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

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Ms. TSONGAS. With that, the committee is now adjourned.

[Additional statements submitted for the record follow:]

[The prepared statement of Michele Bachmann follows:]

PREPARED STATEMENT OF HON. MICHELE BACHMANN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Thank you, Mr. Chairman.

Bloomberg, one of the nation's most respected financial news sources, recently reported that the multi-hundred-billion-dollar stimulus package recently signed into law will push the government's total commitment to addressing our economic crisis over the past year to a total of about $11.7-trillion.

That's enough to send a $1,730 check to every man, woman and child in the world.

It's enough to pay off more than 90 percent of all home mortgage loans in the U.S.

We've dealt so much in hundreds of billions and trillions over the past several months that these massive numbers have become almost commonplace.

But, the truth of the matter is: This is anything but trivial. Because when we talk about the "government's commitment," we're talking about the taxpayers' commitment. We're talking about our constituents' hard-earned money and their children's hard-earned money—generations of taxpayers will be paying for this commitment.

What's more disturbing than the $11.7-trillion total is that more than $8 trillion of it was spent without a vote by the elected representatives in Congress. It was

lent or pledged under the authority of the Federal Reserve Bank and the Federal Deposit Insurance Corporation (FDIC).

There's no open debate on the House floor for these programs. No chance for our constituents to provide input to Senators. So, the commitment of the taxpayers' money occurs with little fanfare and little notice by anyone. In fact, as Congress considers the Administration's budget and writes its own, the question becomes whether Congress is really cognizant of what money has already been spent and how far over-extended taxpayers not only of this generation but of future generations already are.

With the bipartisan support of Blue Dog Democrats and the Ranking Republican on the House Budget Committee, I've reintroduced the Truth In Accounting Act (H.R. 943) to make government finances truly transparent and open. Not only would financial commitments be crystal clear to Congress, but also to the taxpayers.

Thomas Jefferson once said that, "Whenever the people are well-informed, they can be trusted with their own government * * * whenever things get so far wrong as to attract their notice, they may be relied on to set them to rights." (1789)

For our representative government to work as the Founders envisioned, the public must have full access to the facts. And, I don't mean sound bites and little snippets of information fed to them by 24-hour cable news.

The Truth in Accounting Act would, in technical terms, measure the present value of projected spending minus projected revenues, over both a 75-year horizon and an indefinite-time horizon, for several long-term spending obligations. The resulting report to the public would be the budget shortfall that must be financed to put American fiscal policies on a sustainable path.

Currently, when Congress and the president prepare budget proposals and pass spending bills, they have the luxury of ignoring the shortfalls year after year. They prepare, present and approve budgets that project these estimates over the short-term—usually five or 10 years. And, there are a lot of things that can be done on paper to paper over the long-term shortfalls.

My Truth in Accounting Act would require the President to consider these long-term shortfalls when he proposes his budget. And, it would require both the Government Accountability Office (GAO) and the U.S. Treasury to report this information to the Congress so that the numbers can be used when we're finalizing the annual budget.

Furthermore, my legislation would require that the report be translated into easily comprehensible terms so that nothing could be hidden by complex jargon.

The government's fiscal imbalance would be presented in the whole, and as distributed per person, per worker, and per household.

The President has just proposed a $3.9-trillion budget. Congress, the president and—most importantly—the taxpayers should be fully apprised of what's truly at stake.

When Enron lifted the veil on the accounting problems that riddled Wall Street's finances, Congress insisted on real transparency for shareholders. The American people deserve no less from their government.

Thank you, Mr. Chairman, and I yield back the balance of my time.

[The prepared statement of Sam Farr follows:]

SAM FARR
17TH DISTRICT, CALIFORNIA

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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
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Committee on the Budget
Members Testimony
MARCH 19, 2009

STATEMENT FOR THE RECORD

I respectfully ask that the Budget Committee allocate $450 million for Peace Corps in the Fiscal Year 2010 Budget Resolution.

Peace Corps continues to be one of America's finest expressions of friendship and solidarity across the globe. Peace Corps is an important element of America's soft power. Investing in Peace Corps enhances our credibility and moral standing abroad, while exposing people around the world to the core American values of peace, progress, tolerance and prosperity.

In 2008, more than 13,000 Americans applied to serve their country through the Peace Corps[1]. However, fewer than 30 percent of the applicants were placed due to budget constraints. This year, Peace Corps is reporting that an inspired citizenry is applying at a record clip.

Peace Corps reports that 20 nations without existing programs have requested American volunteers. Even more countries would welcome the expansion of existing programs. Additional resources would allow Peace Corps to establish nearly 20 new missions and provide the opportunity to serve to thousands of Americans.

Last year, exchange rate issues, food and fuel costs and generally high prices through the summer months forced Peace Corps to reduce its number of trainees by 500, taking the number of volunteers in the field to well under 8,000. A robust funding increase will help to reverse this trend and allow Peace Corps to expand at a steady and responsible rate. I believe a $450 million Peace Corps budget is the minimum necessary to enable the agency to responsibly achieve the President's stated goal to double Peace Corps over a two to three year period.

I appreciate the Budget Committee's careful consideration of a $450 million Peace Corps allocation for FY 2010.

Sam Farr
Member of Congress

[1] Peace Corps received 13,011 applications in 2008 up 16% from the 11,246 received in 2007.

[The prepared statement of John J. Hall follows:]

PREPARED STATEMENT OF HON. JOHN J. HALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Chairman Spratt, Ranking Member Ryan, I want to thank you for the opportunity to testify today. I come before you with a simple, yet urgent request. We need to accurately fund treatment and compensation for veterans with Post Traumatic Stress Disorder.

For too long we have heard the harrowing stories of soldiers returning for war, bearing the scars and wounds of battle, only to face an adversarial process in seeking treatment and compensation. This is especially true for soldiers who have PTSD. In the Iraq and Afghanistan wars alone, more than 100,000 veterans have been diagnosed with PTSD. Tragically, however, only 42,000 have been granted service-connected disability for their condition.

As it currently stands, veterans have to "prove" the stressor that triggered their PTSD, even if they have already been diagnosed. They need to track down incident reports, buddy statements, present medals, and leap other hurdles to meet the threshold that VA mandates in order to receive desperately needed compensation.

In an era where mental injuries are stigmatized and in a war that has no front or rear line—it is clear that the current VA regulations are in need of change.

As Chairman of the Subcommittee on Disability Assistance and Memorial Affairs, I have introduced legislation to manifest this change. HR 952, the COMBAT PTSD Act, lowers the burdensome threshold that veterans have to meet to receive compensation. The COMBAT PTSD Act has received immense support, including the endorsement of the American Legion, the VFW, DAV, Military Order of the Purple Heart, the IAVA, and other VSOs. I have received a pledge from the new Secretary of the VA, General Shinseki, to work with me on implementing the ideas expressed in the legislation.

This legislation does not come without a cost, which is why I am taking this opportunity to testify before you so that the merits of this bill can be heard and accurately reflected in the budget. Last Congress, CBO scored this legislation at $4.7 billion over 10 years. This is due to the fact that so many veterans who have been fighting the VA for years, sometimes up to 20 or 30 years, will finally be granted long overdue compensation. However, I want to note that the RAND Corporation recently conducted a study and concluded that left untreated and undercompensated, PTSD will cost our nation $6.2 billion over 2 years—a great deal more than the CBO score of $4.7 over 10 years.

To offer one quick example, I helped a WWII veteran in my district, Ken MacDonald, receive over $100,000 in retroactive benefits for PTSD. Ken had two ships blown out from underneath him, swam in the waters with fallen and sharks, and probably witnessed atrocities that we can't even fathom—yet was denied PTSD compensation for more than 60 years. I was incredibly proud and lucky for the ability to help Ken get his benefits, but unfortunately every soldier doesn't win the battle with the VA which is why this legislation is so urgently needed.

The time to act is NOW. The number of Veterans returning from war with PTSD, depression, and, sadly, those who commit suicide, are growing every year. It is unconscionable that our veterans, like Ken McDonald, must wit in some cases 60-plus years for the benefits that they have earned defending their freedom. That is why I respectfully ask that you include in the FY 2010 Budget Resolution sufficient funding to treat the problem of PTSD in returning veterans.

Thank you again for allowing me to testify and for your consideration of my request. I am happy to answer any questions you may have.

[The prepared statement of Baron P. Hill follows:]

PREPARED STATEMENT OF HON. BARON P. HILL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Thank you Chairman Spratt and Ranking Member Ryan for the opportunity to submit my thoughts on President Obama's Fiscal Year 2010 Budget Resolution to the Committee. I applaud the President for presenting a budget to Congress that is honest and transparent. Unlike years past, President Obama has included war costs in his budget outline. The return to transparency in the budget process is welcome, and long overdue.

My primary concern about this budget is a real return to fiscal discipline. Although we are in a time of undeniable economic downturn, our massive deficit is threatening both our economic and national security. The economy was in dire need of a jumpstart—and I believe the American Recovery and Reinvestment Act is just that—but it is time for Congress to actually live within a budget.

It is time for pay-as-you-go budgeting (PAYGO) to move from rules to the law of the land. It is time for Congress to make the tough budgeting decisions we were elected to do.

President Obama and members of his Administration have been very receptive to statutory PAYGO. I appreciate their willingness to work with me on this issue and certainly hope to see statutory PAYGO language in this budget resolution.

In the past, I have also voiced concerns about balancing budgets by tapping into the Social Security Trust Fund. I opposed the last two budgets for that very reason. I certainly hope this Administration will not jeopardize entitlement programs on which many Hoosiers rely.

[The prepared statement of Steve Kagen follows:]

PREPARED STATEMENT OF HON. STEVE KAGEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

Mr. Chairman: Thank you for allowing me an opportunity to present my views and offer suggestions to the Fiscal Year (FY) 2010 budget. I believe a nation's budg-

et is a reflection of its values and its priorities, and I look forward to working with you and our colleagues in designing the FY 2010 budget.

These are tough times for all of us, everywhere in these United States. We are facing the most serious and complex economic challenges of the century and we cannot afford mistakes or miscalculations. During the last eight years the federal deficit surged to over $1.3 trillion dollars; the amount of publicly held debt has doubled; and over 3.6 million Americans have lost their jobs. Today more than ever, we need elected officials at every level of government with good judgment.

One of the most important inclusions in the President's budget outline is his down payment on health care reform. As you know, Mr. Chairman, the largest cost of any business is health care. It is my hope that Congress will collaborate with the Administration to develop practical, substantive and needed reforms to our health care delivery system.

I believe that future reforms must require all health insurance companies to openly disclose their prices within Metropolitan Statistical Areas, and no citizen should have their civil rights denied through the discriminatory actions of insurance companies who deny coverage due to pre-existing medical conditions. No citizen should pay more than the lowest price available for a given procedure or a medical treatment. In addition, Medicare and Medicaid should begin to reward value instead of volume by making certain that physicians and hospitals are paid sufficiently to cover all overhead costs plus a margin of profit. Finally, patients, their families, and their doctors must be the only ones to determine which treatments are best for the patient, without any interference from insurance companies, hospital administrators or government officials.

I am pleased President Obama has been honest about the costs of such necessary reforms, and has listed them in the federal budget. I am confident the Committee will continue its previous commitment to transparency and present these costs in its budget as well.

It is also important to note that the President is committed to ending many of the budgetary gimmicks previous Administrations utilized to portray an unreal financial picture. I am heartened that the President operates under the same realistic perspective as the Committee has utilized during my time in Congress. By clearly articulating future war costs and placing them in the budget, and by recognizing the need for future natural disaster funding, the federal government and the public are fully aware of the financial decisions we face. It is important to provide the American people the unvarnished truth so that we can move forward in reducing the deficit and establishing a federal government that is fiscally responsible in practice, not just on paper.

As the economy recovers, our workforce will also need to be responsive. I would ask the Committee to recognize the continued need for worker training programs. Manufacturing jobs are changing and are require fewer man-hours. Our government must assist workers in need to meet new standards our economy may place upon them and help to maintain our traditional knowledge advantage in the global marketplace.

It is also incumbent for Congress to recognize the consequences of our increasingly globalized economy. I support increased funding for the Trade Adjustment Assistance (TAA) Program. When a plant is moved overseas, or a foreign company undercuts our domestic market, workers are affected most. This has not gone unnoticed by the federal government, and TAA has evolved to assist workers during economic downturns. By providing temporary support as well as training programs, TAA allows workers to return to full time employment as soon as possible.

I would be remiss if I didn't remind the Committee how badly the economy has affected farmers, who don't need the rug pulled out from under them again, by cutting our support even further. The Obama Administration has mentioned revisiting the issue of direct payments for farmers. This House just passed a bipartisan Farm Bill which included significant reductions in direct payments to farmers, perhaps already accomplishing the President's goal of ending support to large agribusinesses who don't need them.

I look forward to the Committee's work in designing a budget that truly reflects the needs and priorities of the American people.

Thank you for your consideration of my views.

[The prepared statement of Howard P. "Buck" McKeon follows:]

PREPARED STATEMENT OF HON. HOWARD P. "BUCK" MCKEON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Chairman Spratt, Ranking Member Ryan, and Members of the Budget Committee: Thank you for this opportunity to submit testimony regarding the Budget

Resolution for Fiscal Year 2010. I want to raise an issue that has surfaced in the President's budget which I find deeply troubling. Specifically, I am very concerned by the proposal included in the President's FY 2010 budget to eliminate the Federal Family Loan (FFEL) program. The FFEL program, in existence for more than four decades, has a strong record of making students' dreams of a college education possible. The program provides approximately $60 billion in federal student loans to students attending over 4,400 institutions each year. Eliminating this public-private partnership now will cost the country more than 30,000 current jobs, and will have a ripple effect on thousands more. I do not believe this is a prudent path to pursue, especially during these tough economic times.

Currently, institutions of higher education are able to choose between the Direct Loan (DL) program, through which their students borrow directly from the federal government, and the FFEL program, which gives their students a choice of lenders. The DL program reached its peak in 1998 when it encompassed 34 percent of the market. Since that time, schools have migrated away from the program to the extent that only 20 percent of total loan volume was in the DL program last year. I recognize that each program will see its share of total loans fluctuate over time, and with changing circumstances. For instance, there has been a modest increase in DL volume recently, attributed to the current economic situation. In prior years, volume has shifted from DL to FFEL because of concerns about borrower benefits, customer service, or infrastructure. These shifts, representing a choice by institutions of higher education, are made possible by the existence of two programs that compete with and improve one another.

Colleges and universities and their students also benefit from individualized services and programs made possible by the diversity of FFEL program participants. A one-size-fits-all, Washington-based solution would jeopardize the ability of institutions of higher education to tailor programs that best fit their students' needs.

In talking to institutions that have been in and out of the DL program, we have learned that it could take up to nine months for a single institution, with plenty of staff, to be ready to issue its first loan. We have also learned that the cost to institutions of switching programs could be as much as $400,000 for staffing costs, system changes, updates, and other infrastructure modifications. With colleges and universities already struggling to meet their expenses and maintain high quality educational programs, I question a proposal that would force schools to spend significant time and money to switch into a program that they have rejected in the past.

Some proponents of the DL program have argued that the FFEL program should be eliminated because the federal government recently intervened to ensure the program's stability amid the global credit crisis. And it is true that, for the first time in the history of the FFEL program, the federal government did intercede in 2008, as it did with all of the financial sectors. However, this intervention is only temporary. Additionally, it is worth noting that the action taken to stabilize the FFEL program and ensure students would have uninterrupted access to student loans, was the only effort that has not cost the federal government a dime, has worked successfully in ensuring that all students were able to obtain a federally insured student loan, and may have actually earned money for the government. Once the markets have returned to their normal activity, the successful public-private partnership that has been in existence for over 40 years will resume.

The proposed elimination of the FFEL program also ignores the fact that private sector involvement in student lending has served as a vital backstop, particularly when the DL program has been unable to fully serve students. For example, in 1997, Congress was forced to intervene and pass legislation to assist the DL program in handling a significant increase in consolidation loan volume by allowing FFEL lenders to offer those services to students. At that time, the DL program had less than 34 percent of student loan volume, but had a backlog of consolidation applications that exceeded 80,000. Yet even with the DL program's failure to fulfill its obligation to students at that time, the Clinton Administration and Congress did not propose to eliminate that program. In 1998, when the Congress reauthorized the Higher Education Act, we preserved both programs and allowed colleges to choose the program which best served the needs of their students. Just this past year when the Higher Education Act was reauthorized, no one proposed killing off the FFEL program or the DL program.

Rather than hastily eliminating the FFEL program, I would hope that we would have a thoughtful and deliberate conversation with all interested parties about an alternative model to continue with a successful public-private partnership that better fits with the advancements we have made since the program's inception. For the past two reauthorizations of the Higher Education Act, Committee Republicans and Democrats have agreed to set aside partisan differences in order to examine the stu-

dent loan programs in terms of what is best for students. It is particularly disheartening to hear the President characterize his proposal as, "putting students ahead of lenders," in light of the bipartisan cooperation that has underscored the belief that healthy competition is beneficial to both programs, and has ensured that students are able to obtain student loans even when there are service or funding disruptions. Rather than pointing fingers and making accusations, I believe Democrats and Republicans must come together, as we have in the past, to engage in a constructive dialogue that could lead our efforts in developing a new model for the student loan program and, possibly, a new, simpler model for the student financial aid programs overall. I urge the House Budget Committee to retain funding for the FFEL program while the Education and Labor Committee continues to study options for improving both loan programs for the benefit of all students.

[The prepared statement of Michael McMahon follows:]

PREPARED STATEMENT OF HON. MICHAEL E. MCMAHON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Chairman Spratt, Ranking Member Ryan, thank you for providing this opportunity for all Members to testify before the Budget Committee today. This Committee serves a critical role in allowing the Congress to manage the budget process and control government spending. And I would like to offer a particular thank you to Chairman Spratt for your leadership on working to get our fiscal house in order and reduce the size of the federal deficit.

While we still have yet to see many of the details of the President's budget submission, the President's preliminary budget lays out a bold, ambitious agenda for our country. Our nation is in crisis—we face the most serious economic downturn since the Great Depression, and our people are suffering. Each month brings another half a million people losing their jobs, and unemployment is skyrocketing. Students can't get loans for college and small businesses are struggling to secure credit to keep their doors open on Main Street.

All eyes are watching us here in Washington. And we need to act now. From turning our economy around, to reforming our healthcare system, to fighting terrorism and protecting the homeland, to reducing our dependence on foreign oil, to combating global warming, to rebuilding our outdated infrastructure, and improving our education system—we are facing so many enormous challenges. But we can no longer wait to address them.

With all that said, I would urge this committee to follow the leadership of Chairman Spratt and work on all these issues in a way that is fiscally responsible. We must do what is necessary to jump start our economy now, but long-term we must work to bring our budget into balance.

I have two children—Joseph and Julia—and we cannot in good conscience pile more and more debt on them and mortgage the future of the next generation. The good hardworking people of Staten Island and Brooklyn, New York balance their checkbooks at the end of each month—and they expect nothing less from their leaders in Washington.

This budget will be a key test for us in the Congress. Will we bring the leadership that the American people are demanding? Will we change the way business is done in Washington and make the necessary investments to rebuild our county's future?

As challenging as these times are for our nation, they present us with opportunities to really make the key investments that will rescue our economy and lay the foundation for future economic growth for years to come.

Specifically, I come here today to ask all of you to include in the budget significant funding increases in our nation's transportation infrastructure. Bang for the buck, nothing will help us create more jobs than funding transportation projects and rehabilitating our crumbling mass transit, roads and bridges. It is estimated that for every billion dollars we spend on capital transportation spending, we create more than 37,000 jobs.

Adding funding for mass transit and other transportation projects won't only help jump start our economy, but it also will help improve the commutes of millions of Americans every day. The spike in oil prices during the summer of 2008 forced many Americans to try mass transit for the first time, sending bus, train and subway ridership to record levels. And even though gas prices have come down in recent months, studies have found that many people have simply chosen to continue using mass transit—and ridership has just gone up and up.

My district has some of the longest average commute times in the country—with people travelling well over an hour and a half each way to work! Traffic congestion grows every year, and our economy is suffering because of our failure to invest in mass transit. The last time we made major investments in the transportation net-

work of my district was more than 40 years ago with the opening of the Verrazano Narrows Bridge in 1964. Many of our subway stations are almost eighty years old—and some are in such bad shape that they are literally falling apart.

But unfortunately my district is far from unique. Americans are demanding more support for mass transit across the board. This Congress has a once in a generation opportunity to really rethink our transportation network—and to make the key investments that will give this country the 21st Century, integrated, well-maintained transportation network that the American people deserve.

As you begin to markup the Fiscal Year 2010 Budget Resolution, I urge you to include a large increase in the amount that can be appropriated for mass transit, highways, bridges, and airports—both in new construction projects and in funds to maintain our aging structures.

I also would urge all of you to dedicate significant resources to increase federal support for the operational budgets for municipalities and regional transit systems throughout the nation. Providing funds for operations will help ensure that we maintain current transit routes, and that mass transit remains a viable option for Americans no matter what their income level. In New York City, the Metropolitan Transportation Authority this year is considering a doomsday budget that would raise fares by almost 25% and scale back service and maintenance. These cuts would eliminate many necessary bus and subway routes and set our system back decades. And I am sorry to say that New York isn't the only city facing such dire straits.

At a time when more and more people want to ride our buses and our rails, we cannot cutback on the services they have come to rely on. Mass transit is great for our economy by reducing traffic, great for our environment by reducing vehicle carbon emissions, and great for the health of our neighbors and our communities by encouraging people to walk more.

Our budget is a statement of our priorities. So as you prepare the budget resolution that will guide the debate in the months ahead, I urge you to greatly increase the amount of resources dedicated in the budget to fund capital projects and mass transit operating budgets for agencies at every level of government. Transportation is key to our nation's growth and future competitiveness—China, Europe are all investing hundreds of billions in their transportation networks, and we must be willing to make the key investments that will propel our own nation forward and leave a lasting physical, usable legacy for years to come.

Also Mr. Chairman, as a Member of the Committee on Foreign Affairs and a representative of one of the most diverse Congressional Districts in the United States, I urge the Committee to maintain and increase our foreign assistance commitment to our allies around the world. I particularly urge the Committee to fund Israel's foreign military financing assistance as well as fulfill the Commitment of Secretary Clinton for the United States to rebuild Gaza, and provide support to democratic institutions and civil society in the Palestinian territories. In addition, I urge the Committee to re-affirm the Obama Administration's plan to double US foreign assistance, commitment to the United Nations and multi-lateral institutions.

Thank you again for the opportunity to testify today and I yield back the balance of my time.

[The prepared statement of Pete Olson follows:]

PREPARED STATEMENT OF HON. PETE OLSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Chairman Spratt, Ranking Member Ryan, members of the Budget Committee, thank you for the opportunity to testify before you today. I wanted to take this opportunity to discuss with you a significant, and highly visible national program that is at a critical crossroads for lack of sufficient resources. America's human spaceflight program.

Last year NASA celebrated its 50th anniversary. For half a century this agency has been leading the world in human space exploration, aeronautics, space science and climate research. I believe the record is quite clear. The investments we have made in America's space agency over the last fifty years have greatly enhanced the perception around the world that the United States is the world leader in the benevolent uses of science and technology, while providing high-quality jobs, delivering cutting edge research, amazing new technologies, and inspiring generations of Americans—and for that matter, billions of people worldwide—all for less than one percent of our federal budget. In fact, even with this year's welcome increase to $18.7 billion, NASA's entire budget amounts to only about one-half-of-one-percent of the total!

I understand that there is little room for pet programs in our economic environment. I want to impress upon you that this is not one. My concern however is this budget does not address the most critical issue facing the Agency. The space shuttle is scheduled to be retired in about 18 months! The program to develop our future launch capability, Constellation, is not slated to be operational until 2015 at the earliest. This means that for at least 5 years, the United States will not have independent access to space, particularly to the International Space Station, which has been paid for primarily by American taxpayers at a cost of around $100 billion. For those five years, our only access to space, and to the ISS, will be through the purchase of seats from Russia aboard their Soyuz spacecraft. The uncertainties in global politics do not allow me to feel comfortable in ceding that capability to another country.

This gap in our ability to independently access the International Space Station is the most critical issue, but make no mistake, the ramifications are not limited to the space community; they are of global significance. It is increasingly important for the United States to strengthen our bonds with our friends and allies. Space exploration is one of the most visible activities we do on the world stage, and one of the areas where other countries are eager to join with us.

The President's preliminary budget request appears to be consistent with the objectives spelled out in the NASA Authorization Act of 2008 and I'm pleased that the goal of returning humans to the Moon by 2020 is a key feature, as are efforts to stimulate the private-sector to develop and demonstrate commercial crew and cargo delivery services to the International Space Station. The details, however, have not been made clear. But even though I am heartened by the FY10 request, I do find it troubling that the President's outyear projections indicate flat or slightly reduced funding levels for NASA. The challenges confronting the agency, including its human spaceflight program, will be amplified if these projections come to pass.

Since its creation, NASA has produced many astonishing scientific and technical successes. But it's important to remember that NASA is first and foremost a research and development agency whose goal is to undertake very risky and technologically challenging missions. Unlike operational agencies that deliver goods and services at a scale commensurate with its resources, when confronted with inadequate budgets, NASA has no option but to slow the pace of its missions and programs. Too few resources, and the viability of this multi-mission agency may be jeopardized.

The human spaceflight program has, in recent years, faced significant challenges, chief among them replacing the aging Shuttle But it's not simply a matter of the cost going forward; NASA's human spaceflight program, including Shuttle, has have had to absorb huge, unanticipated costs. For instance, the cost arising out of the Shuttle Columbia tragedy was $2.7 billion, for which it has never been covered by subsequent appropriations. Instead, those costs came out of existing programs.

In addition, human spaceflight has been stressed since the rollout of the Constellation system in early 2004. Neither the Administration nor Congress have provided the resources that were assumed when the program was made public, yet the schedule of retiring the Shuttle and the first flight of its successor are still fairly much the same.

NASA has ten research centers located across the US. The skilled workforce that NASA depends on for its human spaceflight program is at risk if we don't give them the resources to help close the five year gap. Simply put, once they leave NASA, they won't return By funding Constellation at a higher level, the ability to keep this workforce in place increases by funding more test flights and setting a quicker pace in converting existing facilities as just two examples.

This Congress has debated the necessity and virtue of having projects ready to go. Please consider funding this critical national program at the levels that allow them to achieve their worthwhile goals.

[The prepared statement of Bill Posey follows:]

PREPARED STATEMENT OF HON. BILL POSEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Dear Chairman Spratt and Ranking Member Ryan: As the House Committee on the Budget prepares the Budget Resolution for Fiscal Year 2010, I ask that the Committee designate sufficient funding for the National Aeronautics and Space Administration (NASA) to move forward with manned space flight programs.

Information currently available regarding NASA's budget for 2010 by the Office of Management and Budget (OMB) is very brief, lacks specifics and makes only cursory references to the Space Shuttle's scheduled retirement in 2010 and the "devel-

opment of new space flight systems for carrying American crews and supplies to space."

While the President's budget requests an overall increase to NASA for FY 2010, I write the Committee to request that the House Budget Resolution allocate sufficient funding to close the gap as much as possible between the Space Shuttle's retirement and the Space Shuttle's successor, Constellation. This gap should be closed from both ends. I would ask the Committee to provide sufficient funding for NASA to extend Shuttle flights beyond 2010, while ensuring that funding is available also to bring the Constellation program on-line sooner than anticipated. I ask the Committee to make both of these programs a priority. This is important for our nation's leadership in space and for the thousands of workers and their families who will be affected.

The United States boasts the finest space exploration programs in the world, and we jeopardize our leadership in this important area if we fail to recognize and address the uncertainty surrounding the continuity of our manned space flight programs.

[The prepared statement of Linda Sánchez follows:]

PREPARED STATEMENT OF HON. LINDA T. SÁNCHEZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Chairman Spratt and Ranking Member Ryan, I would like to thank you for the opportunity to submit my Fiscal Year 2010 budget priorities.

As Congress begins to work on its annual budget, I would like to share with the committee what I believe to be key legislative priorities that will once again put American working families first.

The United States is in a major economic slump. Businesses, large and small alike, are laying off employees in record numbers. Unemployment figures have ballooned to numbers unseen in decades. While the challenges we face are undeniably daunting, the President's Fiscal Year 2010 Budget Request is a bold response to help steer the United States back on course.

I support the President's $634 billion investment in our health care system. For far too long, the costs have skyrocketed and the ranks of the uninsured now close to 47 million have grown. Too many never see a physician until they visit an emergency room. The costs to employers and local, state, and the federal government are unsustainable.

In my home state of California over 6.6 million people find themselves without any health care coverage. It is unacceptable that in the world's eighth-largest economy, over 18 percent of residents cannot visit a physician to receive basic medical attention when needed.

Unfortunately, even though we spend more than every other nation in the world on health care, we fail to cover everyone, and those who are covered do not necessarily achieve good health outcomes.

I urge the Committee to strongly consider adopting the President's request to reform our health care system and to work to ensure that families can obtain affordable coverage. I support changing the tax code so that those most able to pay contribute a bit more in order to help restructure our ailing health care system. Today's investments will yield substantial savings in the future that will benefit us all.

As we reform health care, we must ensure that the American workforce will provide employment opportunities. I am pleased that the President's Budget sets out an ambitious but realistic plan to develop a new economy rooted in innovated green energy technology. As the County of Los Angeles struggles with a 10.8 percent unemployment rate, the people in my Congressional District are eagerly anticipating the opportunity to be part of the Green Jobs Revolution.

Job growth critical to jumpstarting our economy by keeping our youth, including those most at risk of becoming disconnected from the labor force, employed and prepared for the new Green Economy.

The gains from investing in cleaner, renewable sources of energy will stretch far beyond the creation of an American green jobs manufacturing base. These investments will advance our country's commitment to reduce our dependence on foreign oil. I would also urge the Committee to ensure that we invest in expansion of Trade Adjustment Assistance, Unemployment Insurance, and the Workforce Investment Act. We cannot continue to be the only industrialized nation without a clear industrial and labor policy.

At a time when working families are facing ballooning health care and education costs, well-paying manufacturing jobs are being shipped overseas, and the threat of unemployment is looming, our budget must make key investments in critical programs that will help Americans through these tough economic times.

Through reforms to our nation's health care system, investments in our children's education and development of a productive American green jobs industry, the United States will regain its economic footing.

I thank the Committee for the opportunity to share my priorities and support for President Obama's Budget Request.

[The prepared statement of Jackie Speier follows:]

PREPARED STATEMENT OF HON. JACKIE SPEIER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mister Chair and members: I appreciate the opportunity to address the Committee today about what I consider to be serious deficiencies in the current structure and funding of the Food and Drug Administration—specifically its inability to adequately regulate the food and dietary supplement industries, and also the need to ensure sustained and comprehensive oversight of the Troubled Asset Relief Program and other programs established to address the current economic crisis.

Americans spend more than $1 trillion on food each year, but because of existing budgetary and regulatory constraints they have no assurances that what they are eating is safe. We have failed to provide the FDA the appropriate authority or funding to properly regulate the safety of our country's food and dietary supplement supply. From both a public safety and a health cost perspective, this is simply no longer acceptable or sustainable.

If we do not provide adequate funding for food safety regulation, an inevitable and catastrophic contamination outbreak will be not a matter of if, but when. Already, more than 76 million Americans become sick, 325,000 are hospitalized and 5,000 die each year from foodborne illnesses caused by contamination from any one of a number of microbial pathogens.

According to the GAO, as many as 15 federal agencies collectively administer at least 30 laws related to food safety. The Food Safety and Inspection Service within the USDA and the FDA carry the primary share of responsibilities, but they have not received an appropriate share of the funding provided to the two agencies relative to their responsibilities.

In the FY 2008 budget, the FDA was responsible for monitoring 80% of the US food supply, while FSIS was only responsible for the remaining 20%. Contrary to common sense, FSIS received approximately 65% of the two agencies' combined food safety budget and FDA only received 35%. For the health and well being of our country we must increase FDA's budgetary share and get them to a level where they have the resources that are so obviously necessary to regulate our food supply.

I am also concerned by the FDA's lack of authority to regulate Dietary Supplements. The Dietary Supplement Health and Education Act of 1994 removed the relatively weak regulations that we had in place until that time, replacing them with a broad presumption that dietary supplements are safe until proven unsafe. In 2008, more than 75,000 dietary supplement products were available to consumers. The minimal oversight of these products by the FDA poses a significant danger to consumers and is, frankly, an embarrassment. It took more than 16,000 adverse event reports and more than 100 deaths before the FDA finally acted in 2004 to ban ephedra-a dangerous dietary supplement used for weight loss and bodybuilding. This was a full seven years after the agency issued its first advisory, and after several states had taken their own action to ban this dangerous supplement. There are concrete steps we need to take, including providing mandatory recall authority for both food and dietary supplements, and establishing a comprehensive adverse event reporting system for dietary supplements.

As for the TARP, there are new reports each day about the lack of staff and oversight over at Treasury to help run the Troubled Asset Relief Program. Although I believed that it would take some time for a new administration to accumulate the staff necessary to properly run a program of TARP's magnitude, I don't think any of us expected it to take this long, or to be this disorganized.

When we passed the Emergency Economic Stabilization Act last October, we established three separate, yet complimentary oversight bodies to monitor the program's implementation and protect the taxpayer: the GAO, a new Special Inspector General for the TARP, and a bipartisan Congressional Oversight Panel. However, all three lack adequate resources and authority to really do the job we have given them-and that we need them to do.

Neil Barofsky, the SIGTARP has come to the Financial Services Committee asking for the power and resources to be able to do his job, including the ability to hire retired annuitants. The Financial Services committee is in the process of marking up legislation to give Mr. Barofsky the power necessary to do his job.

Dr. Elizabeth Warren, the chair of the COP, also suffers from a lack of staff and authority. Her panel does not have the subpoena power given the other two. COP may call investigatory hearings but cannot compel witnesses to come before the panel. She is also short staffed and has asked for the authority to hire retired annuitants. Dr. Warren and the rest of the panel and staff at COP have put together some of the most insightful examinations of the TARP, and we must provide them the resources they need to continue their work.

The GAO has a much different problem. I have spoken with Gene Dodaro and a lack of adequate funding remains a huge roadblock for the depth of reporting that we have come to expect from GAO across all program areas. In California we instituted a cost recovery system for our oversight body that has been widely successful in saving taxpayers millions of dollars each year, both in the cost of the examinations and the waste they are able to ferret out. I believe we must give the GAO similar authority, not only for TARP, but for all its activities.

Taxpayer dollars are too precious, especially right now, to not have these programs run correctly and efficiently. The consequences for the health, safety and financial security of the American public are too great.

[The prepared statement of Maxine Waters follows:]

PREPARED STATEMENT OF HON. MAXINE WATERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

I thank Chairman Spratt and the Members of the Committee for allowing me to testify on this important legislation. I appreciate the Committee's time and energy spent in crafting a budget that addresses the needs of the country at this vital point in history.

President Obama stated during his first address to Congress that a budget should be more than just a list of programs and dollar amounts—it should reflect our values as a Congress. Allow me to briefly mention some of the programs I feel strongly about and would like to urge the Committee to focus on while drafting the Budget Resolution for Fiscal Year 2010.

1. AFFORDABLE HOUSING

The housing crisis lies at the heart of the current economic crisis. As Chairwoman of the Housing and Community Opportunity Subcommittee on Financial Services, I believe a substantial budget for the Community and Regional Development and the Income Security functions are vital in order to account for increases in Affordable Housing programs.

I am pleased that the Obama Administration has proposed a HUD budget that increases funding for the Department by 19 percent. I urge the Committee to account for this aggressive budget authorization.

In particular, we must authorize the public housing operating subsidy at $5.5 billion, as it is currently funded at only 82 percent of need. We must reinvest in our public housing stock to ensure that this housing of last resort is always available to those who need it most.

In addition, authorization for full renewal funding is critically needed for project-based Section 8 contracts in order to prevent thousands of private landlords from leaving the program. In recent years, 10,000 to 15,000 of these units have been converted to market rates. We must also provide $16.5 billion for Section 8 tenant-based vouchers because shortfalls since 2004 have forced housing agencies to serve 150,000 fewer families.

I commend HUD Secretary Donovan for providing the National Affordable Housing Trust Fund with $1 billion in the budget. This program will prevent homelessness and create and preserve affordable housing for very low income households. Funding for the Trust can also be used to help us make good on our long-overdue promise to provide safe, decent and affordable housing to the millions of Gulf Coast families still being affected by Hurricane Katrina.

Congress must also authorize the Community Development Block Grant (CDBG) program at $4.5 billion and preserve the right of communities to borrow against future CDBG funds to finance economic development, housing rehabilitation and large scale physical improvements through Section 108 loan guarantees. I know that the administration has identified the Section 108 program for elimination but this program must be funded at $6 million, as it is critical to providing economic investment in distressed and disadvantaged areas and it comes at no cost to the Federal government.

Finally, I urge the Budget Committee to account for an increase in HUD funding by an additional $50 million in order to provide $360 million for the Housing Oppor-

tunities for Persons with AIDS (HOPWA) program. Everyone needs a safe place to call home, and that most certainly includes people who are being treated for this life-threatening condition.

2. HEAD START

Few programs in the federal budget provide as high a return on investment as the early childhood services of Head Start and Early Head Start. But currently, only 3% of eligible children receive Early Head Start services, and 50% receive of eligible children receive traditional Head Start. It is vital that we continue building on the current funding level to support program investments made to Head Start.

The Recovery Act made a much needed $2.1 billion investment in Head Start and Early Head Start on top of the $7.1 billion regular appropriation in the FY09 omnibus. In order to continue expanding Head Start services-or at least make sure no services are cut off for children and families—a higher budget authorization level is needed for Function 500. At a minimum, I recommend an increase of $1 billion for Head Start and a $1 billion for Early Head Start over last year's levels.

3. JOB TRAINING

With our economy in shambles, we need to be investing more money into a well-trained workforce. The increased funding for the Department of Labor's Workforce Investment Act provided by the American Recovery and Reinvestment Act should be maintained in the FY10 budget. Job training for nurses is one area in particular that I have identified as an investment that will reap valuable dividends in the form of increased employment opportunities and improved public health.

I request that the Budget Committee account for $215 million in FY 2010 for the Nursing Workforce Development programs in Health and Human Services; an increase of almost $50 million over FY 2009.

4. MINORITY AIDS INSTITUTE

I am deeply concerned about the continuing spread of HIV/AIDS, particularly among minorities. Overall, minorities now represent approximately 70% of new AIDS cases. While I believe there is a need for funding increases in all HIV/AIDS programs, I am especially committed to the Minority AIDS Initiative, which targets HIV/AIDS prevention and treatment funds to minority communities.

The Minority AIDS Initiative is funded through several health-related accounts within Function 550. The Initiative received a total of about $400 million each year since FY 2003 in all accounts combined. I request an increase of $210 million in Function 550 so that the Minority AIDS Initiative would receive a total of $610 million in FY 2010 across all accounts combined. This would enable minority communities to scale up their efforts to stop the epidemic and meet the growing needs for prevention education, HIV testing, and AIDS treatment in these communities.

5. HAITI

Haiti is the poorest country in the Western Hemisphere, and it has been adversely impacted by a series of unfortunate events over the past year. I urge the Budget Committee to provide a robust increase in funding for the International Affairs account in order to allow significant increases in assistance to this impoverished country. The most important accounts for Haiti are Economic Support Funds, Development Assistance, Child Survival and Health, the Global HIV/AIDS Initiative, and the PL-480 food assistance account. I intend to track these accounts throughout the budget and appropriations process and make certain that Haiti receives a share within each account that is proportionate to its needs.

CONCLUSION

Change has come to the United States, and I look forward to a budget resolution that reflects the high expectations our constituents have for Congress to meet the challenges we face as a nation. Let me again thank the members of the House Budget Committee for their time, and I look forward to working with you in the coming weeks.

[The prepared statement of Peter Welch follows:]

PREPARED STATEMENT OF HON. PETER WELCH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VERMONT

Chairman Spratt, Ranking Member Ryan, and Members of the Committee, thank you for this opportunity to come before you to discuss the federal budget and its

impact on the State of Vermont. The federal budget reflects the priorities of our nation and speaks to the needs of individuals all across America, individuals who are struggling to make ends meet. I would like to use this opportunity to highlight the cases of several Vermonters who have contacted me over the last year, Vermonters for whom the decisions we make in this budget will make a real difference in their lives.

Last fall, I met Joseph Provost, a Vermont National Guardsman and veteran of the war in Iraq, at the VFW Post in Newport, Vermont, near Lake Memphramagog. At this gathering of veterans and their families, Mr. Provost and his wife spoke about their struggles since Mr. Provost returned from serving in Iraq. He was injured during his service, and came home from Iraq a different man. Mr. Provost applied for disability compensation from the VA in January, 2008, and was still waiting for a decision about his benefits when I met with him last fall. Finally, after nearly ten months of waiting and intervention from my office, Mr. Provost was awarded his due compensation from the VA. I wish that Mr. Provost's case was an isolated incident, but based on my conversations with veterans, he is not alone. Far too many veterans are waiting far too long for a final determination on their VA claim.

Hearing stories like this helps to inform my support for the Fiscal Year 2010 Budget. The Obama administration has proposed a 16 percent increase to the VA budget, or nearly $113 billion, with a portion of these funds going to modernize the Department of Veterans Affairs disability claims process. The current process is antiquated and badly needs an overhaul. The funding included in this budget means that General Shinsecki and the VA will have the resources to address the problem head-on so that veterans like Mr. Provost do not have to keep waiting for the benefits they have earned and deserve.

The rising cost of health care is also a concern that is squeezing the budget of many Vermonters, like Dan and Cynthia Hampton, who live in my hometown of Hartland, Vermont. They have one son serving in the United States Air Force who is serving in Afghanistan and another who is in the eighth grade. I would like to read an excerpt from a letter that Dan and Lori wrote to me:

I've worked for Imperial Company Inc. of West Lebanon, NH for twenty-seven years. My wife is self-employed. My wife and I have reached a breaking point in terms of affordable health insurance for our family. I learned earlier this week that our health care insurance, which we get through my employer, will increase to $242.25 per week. This increase combined with the fact that I've gone almost three years without a pay increase and even had my pay cut 10% for over a year and a half has us reeling! We are at a loss as to what our options are.

The Hamptons are among thousands of Vermonters and millions of Americans who are desperately searching for any alternative so that they can afford their health insurance. Even more troubling, there are millions of Americans who lack even the most basic coverage of any kind—Americans for whom one health care emergency could mean bankruptcy or losing their home. This is simply unacceptable.

With this budget, President Obama has shown that he is going to address the challenge of health care reform head-on. The American Recovery and Reinvestment Act made significant investments to modernize our system of tracking and sharing medical records. It also provided a substantial subsidy for many of those who have lost their jobs and are utilizing COBRA to continue their coverage. The Administrations FY10 budget continues this trend by making a $634 billion down payment on health care reform in order to make high quality, affordable health care available for all.

The last story I will share with you today is that of Lucinda Flint from Brandon, Vermont, who contacted me about weatherizing her home. Like many seniors, Ms. Flint lives on a small income and can't afford to pay for the expensive changes to weatherize her home. She heats her home with wood and can't use parts of her house in the winter because they are too cold. As a result, she tells me, she is sick all winter long because she can't properly heat her old home. Her family is ready to help her with the installation; all she needs is some capital to buy some insulation.

The Fiscal Year 2010 budget supports weatherization programs that would help Ms. Flint, building on the Recovery Act that Congress recently passed. It is estimated that savings from weatherization could add up to $350 per household. Weatherization and other efficiency funding will not only help keep Vermonters warm in the winter, they will help reduce electricity consumption, create jobs, and cut down on greenhouse gas emissions that contribute to global warming. There are thousands of Vermonters like Ms. Flint, who want to save energy, help protect the envi-

ronment, and improve their own financial situation at the same time—this budget sets us on a path to help them do that.

I am pleased that the Obama budget takes bold, new steps on health care and energy priorities while renewing the promise to our veterans. I strongly support these steps, as they will help individuals and families and strengthen our nation for years to come. I respectfully request that the following e-mails from Daniel Hampton and Lucinda Flint be submitted to the Committee record, and I thank you, again, for the opportunity to speak here today.

E-MAIL FROM MR. DAN HAMPTON

DEAR CONGRESSMAN WELCH: My name is Dan Hampton of Hartland Vermont. I am the son of Dan and Lori Hampton, also of Hartland, and a long time resident of Hartland. Together with my wife Cindy I write you out of desperation. We are a hard working couple who have attempted to do everything right. We have two sons, one of which is serving his country as a member of the USAF and is currently in Afghanistan. Our other son is in the eighth grade. I've worked for Imperial Company Inc. of West Lebanon, NH for twenty-seven years. My wife is self-employed. My wife and I have reached a breaking point in terms of affordable health insurance for our family. I learned earlier this week that our health care insurance, which we get through my employer, will increase to $242.25 per week. This increase combined with the fact that I've gone almost three years without a pay increase and even had my pay cut 10% for over a year and a half has us reeling! We are at a loss as to what our options are. We would greatly appreciate any information you could provide us with alternative health care coverage. Anything that we're aware of has one or both of us going without insurance for a one year period before anything is available through the state of Vermont. In addition, what if anything is available for our son, as we will not consider having him without insurance.

Thank you in advance for your help regarding this issue.

Respectfully,

DANIEL & CYNTHIA HAMPTON.

E-MAIL FROM MS. LUCINDA FLINT

DEAR MR. WELCH: I voted for you, as I felt that you really concerned with the senior of this state. Well, I am a senior, (65) and I need help. I need help to insulate my home. I live on a very small income, and I am not well. What I need is to be able to get insulation to put on the outside of my home. My family will help me with putting it up. But I just have enough money at the end of the month, to the pay the basic bills. Is there some kind of grant that would help me with this. I only heat my home with wood. But I cannot use any of the back of my home, as it is so cold. The only rooms that I can use are kitchen, livingroom, and upstairs bedroom. If there is anyway that you can tell me what I can do about this, I would appreciate any help at all. I have been sick all winter long because of being cold. Thank you.

[Whereupon, at 5:53 p.m., the committee was adjourned.]

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