AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

MEMBERS' DAY

HEARING

BEFORE THE

COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

HEARING HELD IN WASHINGTON, DC, MARCH 3, 2010

Serial No. 111–24

Printed for the use of the Committee on the Budget

Available on the Internet:
http://www.gpoaccess.gov/congress/house/budget/index.html

U.S. GOVERNMENT PRINTING OFFICE

55–313 PDF WASHINGTON : 2010

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON THE BUDGET

JOHN M. SPRATT, JR., South Carolina, *Chairman*

ALLYSON Y. SCHWARTZ, Pennsylvania
MARCY KAPTUR, Ohio
XAVIER BECERRA, California
LLOYD DOGGETT, Texas
EARL BLUMENAUER, Oregon
MARION BERRY, Arkansas
ALLEN BOYD, Florida
JAMES P. MCGOVERN, Massachusetts
NIKI TSONGAS, Massachusetts
BOB ETHERIDGE, North Carolina
BETTY MCCOLLUM, Minnesota
CHARLIE MELANCON, Louisiana
JOHN A. YARMUTH, Kentucky
ROBERT E. ANDREWS, New Jersey
ROSA L. DELAURO, Connecticut,
CHET EDWARDS, Texas
ROBERT C. "BOBBY" SCOTT, Virginia
JAMES R. LANGEVIN, Rhode Island
RICK LARSEN, Washington
TIMOTHY H. BISHOP, New York
GWEN MOORE, Wisconsin
GERALD E. CONNOLLY, Virginia
KURT SCHRADER, Oregon

PAUL RYAN, Wisconsin,
Ranking Minority Member
JEB HENSARLING, Texas
SCOTT GARRETT, New Jersey
MARIO DIAZ–BALART, Florida
MICHAEL K. SIMPSON, Idaho
PATRICK T. MCHENRY, North Carolina
CONNIE MACK, Florida
JOHN CAMPBELL, California
JIM JORDAN, Ohio
CYNTHIA M. LUMMIS, Wyoming
STEVE AUSTRIA, Ohio
ROBERT B. ADERHOLT, Alabama
DEVIN NUNES, California
GREGG HARPER, Mississippi
ROBERT E. LATTA, Ohio

PROFESSIONAL STAFF

THOMAS S. KAHN, *Staff Director and Chief Counsel*
AUSTIN SMYTHE, *Minority Staff Director*

CONTENTS

	Page
Hearing held in Washington, DC, March 3, 2010	1
Statement of:	
Hon. John M. Spratt, Jr., Chairman, Committee on the Budget	1
Prepared statement of	1
Hon. Harry Teague, a Representative in Congress from the State of New Mexico	2
Prepared statement of	4
Hon. Madeleine Z. Bordallo, a Delegate in Congress from the Territory of Guam	5
Prepared statement of	7
Hon. Donna Christensen, a Delegate in Congress from the U.S. Virgin Islands	10
Prepared statement of	12
Hon. Pete Olson, a Representative in Congress from the State of Texas	17
Prepared statement of	19
Hon. Jason Altmire, a Representative in Congress from the State of Pennsylvania	20
Prepared statement of	22
Hon. Ann Kirkpatrick, a Representative in Congress from the State of Arizona	23
Prepared statement of	24
Hon. Yvette D. Clarke, a Representative in Congress from the State of New York	25
Prepared statement of	27
Hon. David Loebsack, a Representative in Congress from the State of Arizona	29
Iowa Disaster Learning Conference	30
Prepared statement of	33
Hon. Ron Klein, a Representative in Congress from the State of Florida	34
Prepared statement of	36
Hon. Bob Inglis, a Representative in Congress from the State of South Carolina	37
Prepared statement of	39
Hon. Earl Pomeroy, a Representative in Congress from the State of North Dakota	40
Prepared statement of	43
Hon. Brad Sherman, a Representative in Congress from the State of California	44
Prepared statement of	45
Hon. Henry C. "Hank" Johnson, Jr., a Representative in Congress from the State of Georgia	46
Prepared statement of	47
Hon. Eliot L. Engel, a Representative in Congress from the State of New York	48
Prepared statement of	50
Hon. Danny K. Davis, a Representative in Congress from the State of Illinois	51
Prepared statement of	52
Hon. Barbara Lee, a Representative in Congress from the State of California	53
Prepared statement of	54
Congressional Black Caucus (CBC) Priorities for the FY 2011 Budget	56
Hon. Suzanne M. Kosmas, a Representative in Congress from the State of Florida	61
Prepared statement of	62

Page

Statement of—Continued
Hon. Bill Posey, a Representative in Congress from the State of Florida ... 63
Prepared statement of ... 65
Hon. Deborah L. Halvorson, a Representative in Congress from the State of Illinois ... 67
Prepared statement of ... 68
Hon. Bob Filner, a Representative in Congress from the State of California ... 69
Prepared statement of ... 70
Hon. Betty Sutton, a Representative in Congress from the State of Ohio .. 71
Hon. Timothy J. Walz, a Representative in Congress from the State of Minnesota ... 73
Prepared statement of ... 74
Hon. Michael E. McMahon, a Representative in Congress from the State of New York ... 75
Prepared statement of ... 77
Hon. Paul D. Tonko, a Representative in Congress from the State of New York ... 79
Prepared statement of ... 81
Hon. Mike Quigley, a Representative in Congress from the State of Illinois ... 82
Prepared statement of ... 84
Hon. James P. McGovern, a Representative in Congress from the State of Massachusetts ... 85
Prepared statement of ... 86
Hon. Dina Titus, a Representative in Congress from the State of Nevada . 88
Prepared statement of ... 89
Hon. William Owens, a Representative in Congress from the State of New York ... 90
Prepared statement of ... 91
Hon. Betsy Markey, a Representative in Congress from the State of Colorado ... 93
Prepared statement of ... 94
Hon. Gabrielle Giffords, a Representative in Congress from the State of Arizona ... 96
Prepared statement of ... 98
Hon. Rush D. Holt, a Representative in Congress from the State of New Jersey ... 99
Prepared statement of ... 101
Hon. Thomas S.P. Perriello, a Representative in Congress from the State of Virginia ... 102
Prepared statement of ... 104
Hon. Carolyn McCarthy, a Representative in Congress from the State of New York ... 104
Prepared statement of ... 105
Hon. Gene Green, a Representative in Congress from the State of Texas .. 107
Prepared statement of ... 108
Letter dated February 23, 2010 ... 110
Hon. Lynn C. Woolsey, a Representative in Congress from the State of California ... 114
Prepared statement of ... 115
Hon. John L. Mica, a Representative in Congress from the State of Florida ... 116
Prepared statement of ... 118
Comments on Views and Estimates dated March 3, 2010 ... 120
Letter dated March 3, 2010 ... 128
Hon. Laura Richardson, a Representative in Congress from the State of California ... 131
Prepared statement of ... 133
Hon. Gary C. Peters, a Representative in Congress from the State of Michigan ... 138
Prepared statement of ... 140
Hon. Russ Carnahan, a Representative in Congress from the State of Missouri, prepared statement of ... 142
Hon. John Lewis, a Representative in Congress from the State of Georgia, prepared statement of ... 144

Page

Statement of—Continued
Hon. Melissa L. Bean, a Representative in Congress from the State of Illinois, prepared statement of 147
Hon. Vernon J. Ehlers, a Representative in Congress from the State of Michigan, prepared statement of 148
Hon. Marcia L. Fudge, a Representative in Congress from the State of Ohio, prepared statement of 149
Hon. Phil Hare, a Representative in Congress from the State of Illinois, prepared statement of 151
Hon. Sheila Jackson-Lee, a Representative in Congress from the State of Texas, prepared statement of 152
Hon. Bennie G. Thompson, a Representative in Congress from the State of Mississippi, prepared statement of 153

MEMBERS' DAY

WEDNESDAY, MARCH 3, 2010

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

The Committee met, pursuant to call, at 10:00 a.m., in room 210, Cannon House Office Building, Hon. John M. Spratt, Jr. [Chairman of the Committee] presiding.

Present: Representatives Spratt, Kaptur, Blumenauer, Boyd, McGovern, Etheridge, McCollum, Larsen, Schrader.

Chairman SPRATT. I call the hearing to order. Today we convene for our annual Members' Day, a hearing to give members an opportunity to testify before the Budget Committee about priorities that are of importance to them and their constituency.

As usual, we can expect a rather long day. We are scheduled to run until 2:30 p.m. this afternoon. It should also be an interesting day.

On Members' Day, we get to hear testimony from a wide range of House members coming to talk to us about the budget items that are of particular importance to them and, of course, to their constituents.

Today's testimony provides an important input to the Budget Committee as we move together towards markup of the annual budget resolution.

A brief word about the ground rules for the day. Every member will have five minutes to present his or her testimony and respond to any questions. Your printed testimony, if submitted, will be incorporated in full into the record.

The Ranking Member is not present yet. I will give him an opportunity to speak when he does arrive. But in the interest of time and getting on with the business today, I will turn to our first witness who is the Honorable Harry Teague.

Mr. Teague, you may submit your statement for the record. You have five minutes. You can read it or summarize it as you see fit. Thank you for coming.

[The prepared statement of Chairman Spratt follows:]

PREPARED STATEMENT OF HON. JOHN M. SPRATT, JR., CHAIRMAN, COMMITTEE ON THE BUDGET

I call the hearing to order. Today we convene for our annual Members' Day hearing, which is an opportunity for members of the House to testify before the Budget Committee about priorities that are of particular importance to them.

As usual, we can expect a rather long day. We are scheduled to run until about 2:30pm. It should also be an interesting day. On Members' Day, we get to hear testimony from a wide range of House Members, coming to talk to us about the budget items that are of importance to them and their constituents. Today's testimony pro-

vides important input to the Budget Committee as we put together the annual budget resolution.

A brief word about the ground rules for today. Every Member will have five minutes to present his or her testimony and respond to any questions. Your printed testimony if submitted will be incorporated in full into the record.

I would yield to the Ranking Member or his designee for any opening statement, and then turn to our first witness.

STATEMENT OF HON. HARRY TEAGUE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Mr. TEAGUE. Thank you, Chairman Spratt. Thank you 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 2011 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 VA budget of $125 billion, which is an $11 billion increase over the 2010 enacted budget. The proposed budget includes $51.5 billion in resources for VA medical care, an increase of $4.1 billion over fiscal year 2010 levels.

What I find most exciting is that under a new law that I was proud to work with Chairman Filner to pass, the Administration is able to request two budgets for the VA, one for total funding for fiscal year 2011 and another one to provide fiscal 2012 funding for certain VA medical accounts.

The proposal for fiscal year 2012 that the Administration has put forward is a five percent increase in funding above the amounts requested for fiscal year 2011.

Last year, I sat in this same chair expressing my disappointment that the President had not included advanced appropriations in his budget. This year, I am proud to say I cannot. Advanced appropriations ensure timely, sufficient, and predictable funding for veterans' healthcare. This means veterans are getting the best care that the VA can provide and decisions are based on the needs of the veterans, not budgetary constraints.

Naturally this VA budget is not perfect. Over the past year, Veteran Service Organizations such as the Iraq and Afghanistan Veterans of America have warned Congress and the VA about the impending homecoming of the surge troops from Iraq. We know that these veterans will have a great number of needs and could overwhelm the VA health system, not only with wounds that we can see, but also with wounds we cannot see.

However, increases in mental health and readjustment counseling are only six percent and four percent, respectively. With the number of these new veterans coming home with PTSD and TBI, coupled with the number of other veterans who are only now coming forward, I doubt that this increase will be enough to tend to their mental health needs.

On another subject, I would like to bring to the Committee's attention to what I believe are some misinformed decisions by the Obama Administration, to eliminate certain tax provisions that are of particular importance to the small, independent oil and gas producers in states like New Mexico.

I applaud President Obama for his proposals to build on the work of the American Recovery and Reinvestment Act and point our nation toward needed investments in renewable energy, but this investment of green energy cannot take place on the backs of the eight million Americans currently employed in the oil and gas industry.

I have spent just about every day of my life since the age of 17 working in or on behalf of the oil and gas industry. I was a roughneck on a pulling unit when that work paid a dollar and fifty cents an hour. I was lucky enough to start a business drilling and working on oil and gas wells that employed 250 New Mexicans.

So I come before you as someone who knows the industry inside and out and would like to provide you with information about how changes to oil and gas tax policy would affect the production of American oil and gas.

Mr. Chairman, the Administration's 2011 budget proposal includes the repeal of several tax policies that are critical to the development of American natural gas and oil. Many of these tax policies have been in place for close to a hundred years and remain vital to the continued production of oil and natural gas in this country.

The greatest effect of these tax increases would be felt by smaller American independent oil and gas producers who supply 68 percent of American oil and 82 percent of American natural gas. The tax increases would also disproportionately choke off the production of natural gas which is essential to energy independence and carbon emission reductions and jeopardize the existing potential of recent natural gas discoveries.

In New Mexico specifically, tax hikes on oil and gas production would hurt 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 tax 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. Ultimately, repeal of these policies would deepen our dangerous dependency on foreign oil and coal, America's good-paying jobs.

I strongly urge you to write a budget resolution that ignores the President's proposed repeal of oil and gas tax policies.

While the President's proposed tax increases on oil and gas are dangerous and ill advised, I would like to commend him for his support of nuclear energy, which offers a robust source of clean energy for our nation and a source of jobs for the people of southeast New Mexico.

President Obama has proposed $36 billion in new loan authority for a total of $54.5 billion to expand support for Department of Energy loan guarantees for nuclear power facilities. This increased loan guarantee authority would provide assistance to bring seven to ten nuclear power plant projects on line.

I ask the Committee to fully fund this request and consider further investment in the loan guarantee.

Finally, I would like to make a single request to the Committee. As you know, this country is in perilous financial shape. President Obama has proposed a budget freeze. This is a relatively small ges-

ture toward fiscal sanity. But if we can manage to just freeze spending as our deficit falls out of control, I do not have much faith that this Congress will be able to take the necessary steps to reduce our debt.

I thank the Committee and I am happy to take any questions.

Chairman SPRATT. Mr. Teague, we thank you for coming. This is the reason we have Members' Day, to put everything on the table and to extract from different members different things that affect them and their constituents. And we appreciate your setting the pace with the comments you made today in several different areas. Thank you very much.

Mr. TEAGUE. Thank you again for having me.

Chairman SPRATT. Do you have anything you would like to submit for the record?

Mr. TEAGUE. Just my statement that I read. I will leave a copy of it.

Chairman SPRATT. So ordered.

[The prepared statement of Harry Teague follows:]

PREPARED STATEMENT OF HON. HARRY TEAGUE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Thank you, Chairman Spratt and Ranking Member Ryan, for inviting me here to testify before your Committee today. I appreciate the opportunity to share my concerns about the impact the President's proposed Fiscal Year 2011 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 VA budget of $125 billion, an $11 billion increase over the 2010 enacted budget. The proposed budget includes $51.5 billion in resources for VA medical care, an increase of $4.1 billion over fiscal year 2010 levels.

What I find most exciting is that under a new law that I was proud to work with Chairman Filner to pass, the Administration is able to request two budgets for the VA: one for total funding for fiscal year 2011, and another to provide fiscal 2012 funding for certain VA medical accounts. The proposal for fiscal year 2012 that the administration has put forward is a 5 percent increase in funding above the amounts requested for fiscal year 2011.

Last year I sat in this same chair expressing my disappointment that the President had not included advanced appropriations in his budget. This year, I'm proud to say, I cannot. Advanced appropriations ensure timely, sufficient and predictable funding for veterans health care. This means veterans are getting the best care that the VA can provide and decisions are based on the needs of the veterans and not budgetary constraints.

Naturally, this VA budget is not perfect. Over the past year, veterans' service organizations, such as the Iraq and Afghanistan Veterans of America, have warned Congress and the VA about the impending homecoming of the surge troops from Iraq. We know that these veterans will have a great number of needs and could overwhelm the VA health system, not only with wounds that we can see, but also with wounds we cannot see. However, increases in mental health and readjustment counseling are only 6% and 4% respectively. With the number of new veterans coming home with PTSD and TBI, coupled with the number of other veterans who are only now coming forward, I doubt that this increase will be enough to tend to their mental health needs.

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 needed investments in renewable energy, but this investment in green energy cannot take place on the backs of the eight million American currently employed in the oil and gas industry.

I have spent just about every day of my life since the age of 17 working in or on behalf of the oil and gas industry. I was a roughneck on a pulling unit when that work paid $1.50 an hour, and I was lucky enough to start a business drilling

and working on oil and gas wells that employed 250 New Mexicans. So I come before you as someone who knows the industry inside and out and would like to provide you with information about how changes to oil and gas tax policy would affect the production of American oil and gas.

Mr. Chairman, the Administration's 2011 budget proposal includes the repeal of several tax policies that are critical to the development of American natural gas and oil. Many of these tax policies have been in place for close to 100 years and remain vital to the continued production of oil and natural gas in this country. Disturbingly, the greatest effect of these tax increases would be felt by smaller American independent oil and gas producers, who supply 68 percent of American oil and 82 percent of American natural gas. The tax increases would also disproportionately choke off the production of natural gas—which is essential to energy independence and carbon emission reductions—and jeopardize the exciting potential of recent natural gas discoveries.

In New Mexico, specifically, tax hikes on oil and gas production would hurt 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.

Ultimately, repeal of these policies would deepen our dangerous dependence on foreign oil and cost America good paying jobs. I strongly urge you to write a budget resolution that ignores the President's proposed repeal of oil and gas tax policies.

While the President's proposed tax increases on oil and gas are dangerous and ill advised, I would like to commend him for his support of nuclear energy, which offers a robust source of clean energy for our nation and a source of jobs for the people of Southeast New Mexico. President Obama has proposed $36 billion in new loan authority—for a total of $54.5 billion—to expand support for Department of Energy loan guarantees for nuclear power facilities. This increased loan guarantee authority would provide assistance to bring seven to 10 nuclear power plant projects online. I ask the committee fully fund this request and consider further investment in the loan guarantee program.

Finally, I would like to make a simple request to the committee. As you know, this country is in perilous financial shape. President Obama has proposed a budget freeze. This is a relatively small gesture toward fiscal sanity, but if we cannot manage to just freeze spending as our deficits spiral out of control, I don't have much faith that this Congress will be able to take the necessary steps to reduce our debt.

I thank the committee and am happy to take questions.

Chairman SPRATT. Thank you very much again for coming.

We will now turn to the Delegate from Guam, Ms. Bordallo.

Ms. Bordallo, you are recognized for five minutes and if you wish, you can summarize your statement and the full printed copy of it will be made part of the record.

STATEMENT OF HON. MADELEINE BORDALLO, A DELEGATE IN CONGRESS FROM GUAM

Ms. BORDALLO. Thank you, Mr. Chairman. Good to see you again, Chairman Spratt.

I have three issues to address relative to the Resolution on the Budget for fiscal year 2011.

First, I respectfully renew my request and appeal to the Committee to include in the budget resolution sufficient budgetary headroom to allow for Congress to pass legislation implementing the recommendations of the Guam War Claims Review Commission as contained within H.R. 44, the Guam World War II Loyalty Recognition Act.

I thank this Committee for including reference to the Guam War Claims legislation in its reports accompanying the budget resolution passed by the House for fiscal years 2008 through 2010. This was critical to overcoming budgetary hurdles that slowed the bill's progress in reaching the House floor.

On February 23rd of 2009, the House voted 299 to 99 to pass this legislation. Currently H.R. 44 is pending in the Senate where it has been referred to the Committee on Judiciary. Inclusion of budgetary headroom in this year's budget resolution will further help to take care of concerns raised in the Senate about how the program, if authorized, will be implemented. Language in the budget resolution can help us to move this legislation.

As in previous years, the Congressional Budget Office estimates that the budget should provide for at 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 this bill. The CBO estimate further indicates that this would be paid for as a Budget 800 function or general government expenditure.

The Congress has a moral obligation to bring closure for the loyal Americans who experienced the brutality of the occupation on Guam. Ensuring there is ample budget authority and ability of the Committee on Appropriations to appropriate amounts needed to pay the claims that would be authorized is very important in resolving this issue.

Therefore, I respectfully request that the budget resolution for fiscal year 2011 take into account the costs associated with H.R. 44.

Secondly, Mr. Chairman, the realignment of military forces to Guam is creating substantial budget pressures on the Department of Defense and the government of Guam. The largest part of this force posture change is the realignment of some 8,600 Marines from the 3rd Marine Expeditionary Force currently stationed on Okinawa and their expected 9,000 dependents.

The realignment of these forces alone is estimated to cost $14 billion over the next four to five years. Although nearly $6 billion of the total $14 billion cost will come from the government of Japan, the United States government will still require DoD to budget nearly $8 billion in funding over the next four to five years.

DoD has not identified all the authorities that will be required in order to execute the Japanese funding through special purpose entities. As such, I ask that consideration be given to providing budgetary headroom in the budget resolution to allow execution of these funds in a public/private venture concept.

Last year, Congress authorized and appropriated $734 million for military construction in fiscal year 2010 due in some measure to the support of the members of this Committee. And I would request that the Committee support the President's budget submission for military construction funding for the Navy and Marine Corps as well as all other services in order to continue moving the military buildup on Guam further.

However, I remain deeply concerned, Mr. Chairman, about the lack of any commitment for federal funding of Guam's civilian infrastructure needs. Without funding critical civilian infrastructure projects, the military buildup on Guam would be greatly slowed, adding substantial cost to the overall program. And, moreover, it will harm the quality of life for our people living on Guam.

This point has been highlighted in numerous Government Accountability Office reports, although a detailed multi-year plan for

civilian infrastructure funding is not available, I would ask that the Budget Committee provide sufficient budgetary headroom to address Guam's most pressing civilian infrastructure needs across the spectrum of federal government departments and agencies.

Most importantly, phase one of the modernization requirements at the Port of Guam would require $100 million in budgetary authority. In total, the Port of Guam has a total requirement of $195 million in improvements to facilitate to commerce and intake of construction materials necessary for this buildup.

Additionally, I request $300 million in budgetary authority for improvements to two primary wastewater treatment plants on Guam to bring them in compliance with the Clean Water Act. These plants were denied a Clean Water Act waiver by U.S. EPA in October of 2009 to operate with primary treatment only.

Again, I respectfully request that budgetary headroom be sustained under the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund so that the small territories may continue to receive funding from the Fund at the amount of 1.5 percent of the total overall obligation without impacting their jurisdictions.

And, finally, as Chairwoman of the Subcommittee on Insular Affairs, Oceans and Wildlife, I respectfully request that the Committee provide budgetary headroom to increase 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 Mariana Islands, and American Samoa to assist with services provided to the citizens of the Compact states who migrate to these islands under the terms of the Compacts.

The amount of $30 million each year, however, does not fully account for the actual impact and I ask that this Committee consider providing additional headroom to increase the mandatory Compact-impact assistance in its budget resolution.

I appreciate the opportunity to appear before you and I submit my entire written testimony for the record. And I want to thank you for the consideration of my request as the Committee develops this year's budget resolution.

And I thank you, Mr. Chair.

Chairman SPRATT. Thank you, Representative Bordallo. And for the record, if there is no objection, your statement will be entered in its entirety.

Ms. BORDALLO. Thank you.

[The prepared statement of Madeleine Bordallo follows:]

PREPARED STATEMENT OF HON. MADELEINE Z. BORDALLO, A DELEGATE IN CONGRESS FROM THE TERRITORY OF GUAM

Good morning Chairman Spratt and Ranking Member Ryan. Thank you for the opportunity to testify today. I have three issues to address relative to the resolution on the budget for Fiscal Year 2011.

First, I respectfully renew my request and appeal to the Committee to include in the budget resolution sufficient budgetary headroom to allow for Congress to pass legislation implementing the recommendations of the Guam War Claims Review Commission as contained within H.R. 44, the Guam World War II Loyalty Recognition Act. Second, are the budgetary needs associated with the planned military build-up on Guam, for both the Department of Defense and critical civilian infrastructure projects needed to support and sustain the military build-up. And third,

are matters pertaining to the scheduled reauthorization of the Compact of Free Association between the United States Government with 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 Northern 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 through 2010. 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 23rd the House voted 299-99 to pass this legislation. Currently H.R. 44 is pending in the Senate, where it has been referred to its Committee on the Judiciary. In addition, I successfully included H.R. 44 as a provision in the House passed version of H.R. 2647, the National Defense Authorization Act for Fiscal Year 2010. Although the language was not included in the final version of the bill, the conference report recognized the need for the House and Senate Armed Services Committees to hold hearings on this bill. Under the leadership of Chairman Skelton, the House Armed Services Committee fulfilled their obligation and held a hearing on Guam war claims legislation and its integral relationship with the military buildup on December 2, 2009. The Senate Armed Services Committee has not yet announced their plans to hold a hearing on Guam war claims legislation. Inclusion of budgetary headroom in this year's budget resolution will further help to meliorate concerns raised in the Senate about how the program, if authorized, would be implemented. Language to this extent will further help our cause in moving this critical legislation forward in the Senate.

As in previous years, the Congressional Budget Office estimates that the budget should provide for a least $126 million dollars 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 CBO estimate further indicates that this would be paid for as a budget 800 function or general government expenditure. 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 experiences during the occupation. 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 United States mainland. 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 than 5,000.

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 2011 take into account the costs associated with H.R. 44.

Second, the 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 some 8,600 Marines from the Third Marine Expeditionary Force currently stationed on Okinawa, Japan and their expected 9,000 dependents. 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 four to five years.

Unlike other military realignment, there is a significant cost contribution from the Government of Japan. In fact, 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 and other federal agencies to program nearly $8 billion in resources over the next four to five years. DoD has not identified all the

authorities that will be required in order to execute the Japanese funding through special purpose entities.

As such, DoD will likely need budget room to program the Japanese funding dollars so they can be executed for projects on Guam.

Last year this Congress authorized and appropriated $734 million for military construction in Fiscal Year 2010, due in some measure, to the support of members of this Committee. I would request that the Committee support the President's Budget submission for military construction funding for the Navy and Marine Corps as well as all the other services in order to continue moving the military build-up on Guam further. However, I remain deeply concerned about the lack of any commitment for federal funding of Guam's civilian infrastructure needs. Several years ago, the Government of Guam identified nearly $3 billion in funding to meet increased demands on the civilian infrastructure caused by the military build-up. Without funding for civilian infrastructure needs the military build-up on Guam will be greatly slowed adding substantial cost to the overall program. Moreover, it will harm the quality of life for people living on Guam. This point has been highlighted in numerous Government Accountability Office (GAO) reports. Most recently, a July 2009 report from GAO made the following finding, "Without sufficient utility services, major construction projects, movement of Marines and other forces, and other buildup activities may fall behind schedule and increase implementation costs due to further compression of the timeline near the end of the implementation period."

Although a detailed multi-year plan for civilian infrastructure funding is not available, I would ask that the Budget Committee provide sufficient budgetary headroom to address Guam's civilian infrastructure needs across the spectrum of federal government departments and agencies. In particular, $100 million in budgetary authority is needed to meet phase 1 of modernization requirements at the Port of Guam. In total, the Port of Guam has a total requirement for $195 million in improvements to facilitate commerce and intake of construction materials necessary for the military build-up. If civilian infrastructure upgrades do not occur in the near term then the build-up will be delayed and it is unlikely that the local infrastructure could support or sustain the military build-up. Again, I respectfully request that this Committee provide headroom to address, at a minimum, this most pressing civilian infrastructure need.

Additionally, two primary wastewater treatment plants on Guam were denied a Clean Water Act (CWA) waiver by USEPA in October of 2009 to operate with primary treatment only. The estimated cost to bring both plants into compliance with the secondary treatment requirements of the CWA amounts to approximately $300 million dollars. In their formal comments on the DEIS, the USEPA echoed the concerns I submitted in my comments regarding the need for significant water and wastewater infrastructure improvements on Guam necessary to sustain the military buildup. I, again, would respectfully request that budgetary headroom be sustained under the Clean Water State Revolving fund and the Drinking Water State Revolving Fund so that the small territories may continue to receive funding from the fund at the amount of 1.5 percent of the total overall obligation without impact other jurisdictions.

Finally, as Chairwoman on the Subcommittee on Insular Affairs, Oceans and Wildlife, I respectfully request that the Committee re-evaluate the level of mandatory spending associated with Compact-impact assistance. The law currently provides $30 million dollars each year until 2023 for federal 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 Compacts. The amount of $30 million dollars 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.

I appreciate the opportunity to appear before you and submit this testimony for the record. Thank you for your consideration of my requests as the Committee develops this year's budget resolution.

Chairman SPRATT. And before turning to the gentle lady from the Virgin Islands, let me yield the gavel to Mr. Boyd and he will take over from here.

Mr. BOYD [presiding]. Thank you, Mr. Chairman.

The Chair is pleased to recognize the gentle lady from the U.S. Virgin Islands, Mrs. Christensen.

STATEMENT OF HON. DONNA CHRISTENSEN, A DELEGATE IN CONGRESS FROM THE U.S. VIRGIN ISLANDS

Mrs. CHRISTENSEN. Thank you, Mr. Chairman, for the opportunity to testify on the 2011 budget.

My oral testimony, while the same in content will not follow my submitted one word for word.

My first and most passionate plea is that the U.S. citizens and residents in the territories be treated with fairness, equity, and justice in every program and every agency and that the uniqueness of our situation be considered where appropriate as we go through the 2011 budget.

I have spent more time at Arlington than I would have wished, the last time for burial of commingled remains which included two of my constituents from a helicopter shot down in Iraq.

Some of the other territories have had more losses than ours in Afghanistan and Iraq.

The second and particularly important point is that coverage and insurance reform is not enough to bring wellness of communities of color, poor, rural, and territorial communities.

The ILAM and other reports have clearly demonstrated this and that the lack of insurance accounts for only 20 percent of disparities. We must address the other 80 percent. Health equity is the only goal worthy of this country.

Although I am supportive of the goals the President seeks to address in his 2011 budget, it is inadequate to achieve health equity in our nation's poor and disadvantaged communities. The status quo that it would maintain is not acceptable.

About 100 to 200 African American excess preventable deaths happen every day. American Indians do not even live long enough to die from diseases of old age. Asians are so disproportionately impacted by hepatitis B and its complications when Native Americans, Latinos, and African Americans have such high incidences of diabetes and complications and make up close to 70 percent of new HIV cases.

Closing these gaps will require increases in select programs. There is, for example, hardly enough funding in the proposed budget for the healthcare workforce expansion needed to meet the needs of the newly insured 30 million plus people. We need more funding, including support for minority-serving institutions to address the need for diversity.

I want to point out a few of the other programs that are critical to this effort. ADAP, the AIDS Drug Assistance Program, even the $20 million increase leaves too many AIDS patients waiting. Close to an additional $200 million is needed in 2011 as well as a supplemental this year.

The Minority AIDS Initiative has never received the $610 million we have requested in recent years, giving a severely disproportionate impact on communities of color. We need at least $800 million.

Restoring the original intent of community capacity building, adequately funding the National Minority AIDS Education and Training Center, and having the funding finally follow the epidemic now could possibly phase out this initiative in a few years.

The $2 million increase for the Office of Minority Health and the eight million for the National Center for Minority and Health Disparity Research at National Institutes of Health in the face of the gross health disparities only continues the, quote, peculiar indifference W.E.B. DuBois spoke of concerning the health of African Americans at the turn of the 19th century and what Surgeon General Heckler in 1985 called, quote, an affront to both our ideas and the genius of American medicine.

The Office of Minority health must be expanded and funded accordingly and the Center at NIH must be elevated to an institute and its funding brought in line with the other institutes.

Fully funding these and the other provisions of H.R. 3090, the Health Equity and Accountability Act, such as health, such as strengthening our public health infrastructure, and others are needed to ensure that every American has access to quality healthcare and wellness.

While these are just a few of the programs important to bring about health equity, it is important to recognize these as investments in our people and our country's future. Eliminating disparities will raise our status in the world by reducing the maternal infant mortality and the general health status that causes us to lag behind every industrialized and some developing countries.

Although I have chiefly focused on health funding, it would also fail to close the disparity gap because we have not addressed the social determinants of health or adequately engaged the affected communities.

Increasing and sustaining healthy communities will require adequate funding for improving these determinants and every agency's budget. This is where both our efforts and our savings will be maximized.

And, finally, we have to change the scoring process and health prevention must be scored and projections have to go beyond the current ten-year window. We are missing significant opportunities to reform healthcare and improve everyone's health because we are failing to use savings to help pay for what needs to be done.

We owe change and hope to the majority in our hold. Change and hope is what we promised and what we owe to the people of this country. Our efforts must continue to support everyone's health, but we have a special duty to provide for the vulnerable, the left behind, the left out, the poor, dejected, and under-served, those who have no lobbyists, no political voice, no political clout. We cannot fail them. To fail them is to fail our country by not doing all we can to ensure that we remain strong, competitive, and the needy of the world needs us to continue to be.

Thank you for the opportunity to testify once again on the budget and I am here willing to answer any questions you might have.

[The prepared statement of Donna Christensen follows:]

DONNA M. CHRISTENSEN
DELEGATE, VIRGIN ISLANDS

COMMITTEE ON
ENERGY AND COMMERCE

MEMBER, SUBCOMMITTEE ON HEALTH

MEMBER, SUBCOMMITTEE ON
TELECOMMUNICATIONS AND THE INTERNET

MEMBER, SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

COMMITTEE ON
NATURAL RESOURCES

MEMBER, SUBCOMMITTEE ON
INSULAR AFFAIRS, OCEANS AND WILDLIFE

MEMBER, SUBCOMMITTEE ON
NATIONAL PARKS, FORESTS,
AND PUBLIC LANDS

ASSISTANT MAJORITY WHIP

MEMBER,
CONGRESSIONAL BLACK CAUCUS

MEMBER, CONGRESSIONAL CAUCUS FOR
WOMEN'S ISSUES

Congress of the United States
House of Representatives
Washington, DC 20515–5501

PLEASE RESPOND TO:

WASHINGTON OFFICE
1510 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225–1790
FAX (202) 225–5517

DISTRICT OFFICES
SUNSHINE MALL SPACE #204–205
#1 ESTATE CANE
FREDERIKSTED, VI 00840
P.O. BOX 5980
C'STED, ST. CROIX, VI 00823
(340) 778–5900
FAX (340) 778–5111

SUITE NO. 207
NISKY CENTER, 2ND FLOOR
ST. THOMAS, VIRGIN ISLANDS 00802
(340) 774–4408
FAX (340) 774–8033

#109 CONTANT-ENIGHED
CRUZ BAY, ST. JOHN
U.S. VIRGIN ISLANDS 00831
(340) 776–1212

Testimony Presented by
Congresswoman Donna Christensen
Before the
U.S. House of Representatives
Committee on Budget

Wednesday, March 3, 2010

Thank you, Chairman Spratt and Members of the Committee, for this opportunity to give testimony and weigh in on the FY 2011 budget during such a historic time.

As in years past, and as the Chair of the Congressional Black Caucus Health Braintrust, I come before you today to discuss what I consider to be one of the – if not the – most important aspect of our federal budget: health and health care spending.

I, therefore, am here today not only as a colleague, but also as a former health care provider who – as a family practice physician –sat on the front lines of health care for more than two decades and who has firsthand experience not only about the importance of health and health care, but also of the gaps and inefficiencies in the nation's health care system.

And I want to begin my testimony with a plea that as we prepare to pass a 2011 budget, we correct one of the gross inequities that has been systematic for the more than 100 years that the US has had offshore areas – otherwise known as the territories.

For example the treatment that the 4.5 million Americans living in the U.S. Territories receive in the nation's health care system has been disparate, unjust and inequitable.

PRINTED ON RECYCLED PAPER

As a direct consequence, the American men, women and children in the territories have uninsurance rates and incidence rates of chronic and acute conditions – such as cancer, diabetes and end stage renal disease– that not only rival, but often surpass the national averages. The Virgin Islands and Puerto Rico have some of the highest incidences of HIV/AIDS in the nation.

As American citizens who serve under our commander in chief without the privilege of voting for him or her, we face the humiliation of having to fight for recognition and fair treatment, not just in healthcare, but in many of the vital programs this budget will fund. My first request then is that when looking at budget needs, those of the Territories be included, especially in programs like Medicaid which is capped so low that the Virgin Islands, for example, can only cover persons at up to approximately 50% of FPL and then only with limited services.

While I fully support extending federal programs for legal immigrants, there is no acceptable reason why American citizens should be given less just because they live in a territory. The same person, born in a territory, would be immediately eligible for Medicaid and SSI if they lived in one of the states, and in the case of SSI families with disabled children do find themselves forced to move just to be able to adequately provide for those children.

Chairman Spratt, it is no secret that our nation's broken health care system has a negative impact on *all* Americans – not only those who are under- and uninsured; or those whose health care costs exceed their resources; or those living with one or more chronic or acute conditions; or those in the nation's most underserved communities; or those health care providers who have difficulty practicing their craft because of dated or inadequate reimbursement schemes.

Because the gaps in our health care system have a direct and indirect negative impact on *every* American man, woman and child, we all have a vested interest in closing these gaps – even those of us with the best health care and blessed with optimal health and well being.

That is the bad news. The good news, however, is this: many of these challenges can be fixed with robust and sound health and health care investments that reflect what we know is needed to fill the gaps and fix what is broken in our current system.

Some of these funding measures are included in President Obama's FY 2011 budget proposal and I, therefore, want to take a moment to formally applaud the President for these measures.

For example:

- the proposed $33 million increased investment in the nation's health workforce programs, especially those that will expand and diversify our primary care workforce;
- the more than $50 million in increases in support for prevention and wellness efforts launched across several HHS agencies;
- the $290 million in increased funding for community health centers; and
- the hundreds of millions in proposed increases to continue efforts to strengthen SCHIP, Medicaid and Medicare all represent steps that we need to take to heal our health care system.

I also fully support and applaud the President's increases across several other health program areas – including:

- the $261 million increase for patient-centered health research;
- the significant increases to support tobacco, HIV/AIDS, cancer and chronic disease prevention; and
- the expansion of health services to America's vulnerable children – which are key to health equity.

As such, I hope that they are all incorporated into the budget as this process proceeds.

However, Mr. Chairman, given what we know about our national health and health care challenges, these steps simply do not go far enough. What's more, many necessary health and health care investments are missing and their absence will make it impossible for us to implement thoughtful solutions to many of our most pressing and costly health and health care challenges.

As I stated earlier, I strongly urge the members on this committee to ensure that as the budget process proceeds, that you move forward with a FY2011 budget that makes adequate and appropriate investments throughout the HHS agencies and offices that will guarantee that the Americans living in the U.S. Territories are treated with equity and that efforts are made to ensure that their health, wellness and thus life opportunities are worth as much as those of Americans living in South Carolina, Pennsylvania, Wisconsin or Texas.

Another key area where the President's FY 2011 budget proposal falls short, but where this committee can assume a leadership role in achieving a public health success is around health disparity elimination and health equity.

True, the President's proposal includes some key investments in some of the areas that are integral to health disparity elimination efforts – such as health workforce diversity programs; the Indian Health Service; a modest, yet geographically disparate expansion of public health programs that serve our nation's most financially and medically needy; and initiatives to reduce chronic disease rates in up to ten of the nation's largest cities.

Equally true, however, is that we know – from numerous studies that achieving health equity requires so much more. As is true in every facet of life where inequities exist – education, jobs, etc – a rising tide does not lift all boats – not when those boats are not seaworthy because of chronic entrenched poverty, unemployment, deteriorated housing and environmental degradation. Even if we were to expand insurance to all uninsured Americans, it would not be enough because, in fact, Mr. Chairman, studies show that only 20 percent of the racial and ethnic differences we see every year in morbidity and mortality can be blamed on uninsurance.

Therefore, to close the gaps which adversely affect the health of everyone, raise the cost of health care for everyone, and make us the laughing stock of the world because of our dismal healthcare rating, the remaining 80 percent of factors causing health inequities, too, can and should be addressed with this budget.

Some of these factors are clearly related to health and health care, while others may not seem directly related to health. Nonetheless, by taking the bold step of making the initial investment in health equity – an investment that has yet to be made to date – this committee will succeed in putting forth a budget that will ensure that the direct health and health care expenditures, as well as those budget items that have a health repercussion, better reflect the priorities and needs of a very diverse America.

I, therefore, support ensuring that other measures that are integral to health equity are either added or significantly increased in the FY 2011 budget with which this committee moves forward.

For example, health disparity elimination requires far greater coordination, evaluation and accountability throughout the federal government. Numerous studies suggest that the best way to bolster this accountability and evaluation is by significantly increasing the funding for and even elevating and strengthening the capacity of the existing minority health offices and agencies – like the Office of Minority Health and HHS and the National Center on Minority Health and Health Disparities at NIH. The President's FY 2011 proposal – which includes only a $2 million increase for the Office of Minority Health and only an $8 million increase for the Center at NIH – fails to do so and instead keeps this critically important office and Center on the path of underfunding.

This committee, however, could change that by significantly increasing their budgets so that they have the resources necessary to fulfill their mandates of measuring, planning, supporting and implementing efforts to not only reduce, but eventually eliminate health inequities that leave millions of Americans in poorer health and at greater risk for premature death.

Ensuring adequate funding for HIV/AIDS programs – especially those like the Minority AIDS Initiative and AIDS Drug Assistance Programs (ADAP), which serve our most vulnerable Americans living with HIV/AIDS – also must be increased in the FY 2011 budget if we are ever to create a health care system that champions equality and fairness. Recent estimates about the extraordinary demands on state ADAP programs suggest that the $20 million increase – bringing the program funding level to $855 million – that the President is proposing is simply not enough. In fact, ADAP advocates have suggested that ADAP desperately needs an increase that is ten-times higher than that which is currently planned.

Additionally, the MAI – which supports minority community-based organizations that are located in and serve the communities that are hardest hit by HIV/AIDS – needs to be funded at $610 million.

Mr. Chairman, as I noted earlier, some budgetary line items – though not explicitly health related – have an impact on health and wellness. We know, for example, that educational attainment has a direct and indirect impact on health and health care. As such, need to ensure that we develop and pass a budget that strengthens and reforms the nation's public schools and expands opportunities for college. We also need to ensure that within that budget is adequate funding for comprehensive sex education that your nation's young people have not had for far too long and as a result, our nation's young people are presenting in health care settings with preventable sexually transmitted infections and unintended pregnancies.

We know that having access to safe and affordable housing, as well as living in communities that are structurally and socially stable has an impact on health. It, therefore Mr. Chairman, will be critical for us to develop and pass a budget that provides what President Obama has proposed: $1 billion to for an Affordable Housing Trust Fund that will develop, rehabilitate, and preserve affordable housing options for those with low incomes, as well as prevent homelessness and strengthen families – two issues that have an impact on health and well being.

Additionally, the President's plan invests a total of $3.3 billion for the Low-Income Home Energy Assistance Program (LIHEAP) to help low-income families with their home heating and cooling expenses – which not only will help prevent accidents, but also will help ensure that as families are home, that they can remain healthy.

Finally, we know that the foods we eat have a direct impact on our health and well being, which is why it is imperative that our budget include robust funding to expand access to culturally and linguistically competent nutrition programs among women and children, as well as seniors.

I want to stress, Mr. Chairman, that there are so many positive elements to the President's budget; elements that I believe we should include and build upon. My colleagues in the CBC and I have begun to do that with the CBC Budget that we will introduce shortly. I have urged that it include $1 billion to support the efforts to elevate the National Center for Minority Health and Health Disparities at the National Institutes of Health to an Institute; at least $610 million for the Minority AIDS Initiative to bolster the capacity of racial and ethnic minority communities to address HIV/AIDS; at least $350 million for ADAP; and $3.5 billion to finance our nation's health equity efforts that address the social determinants of health: the root causes of health inequities.

Mr. Chairman, given their importance on the health and wellness of all Americans, I urge the inclusion of these items in this committee's budget as well.

As I close, Mr. Chairman, I want to stress that today – as we are about to make history with health care reform – we have a distinct opportunity to demonstrate to all of our constituents that we are headed in the right direction, especially as it relates to fixing our nation's health care system.

Mr. Chairman, we have a distinct opportunity to develop a budget that will allow us to build a health care system for the 21st century and beyond, based on the lessons learned from the 20th century. And, Mr. Chairman, we have not only a distinct opportunity, but what I feel is an obligation to not just get this budget done, but to get it done right.

I know that developing and moving a budget that includes health care expenditures that address and tackle health disparities and achieves health equity will require the willingness to take bold steps and the visionary leadership to ensure that more than one step is taken. However, I also know that we have both today – both in this Congress and in this Administration.

Together, we can develop and pass a budget that meets all of the unmet needs of Americans and that champions health equity to improve the health and well being, and thus life opportunities of all Americans. And, together Mr. Chairman, we can make this nation – one person and one community at a time – healthier, stronger and prepared for tomorrow.

Thank you!

6

Mr. BOYD. Thank you, Dr. Christensen.

I am reminded listening to your presentation of something I heard once, that you never saw a great country that had an unhealthy population.

And I thank you for your focus on those issues.

Mrs. CHRISTENSEN. Thank you. And thank you again for the opportunity to testify.

Mr. BOYD. The Chair is pleased to next recognize the gentleman from Texas, Congressman Olson, for five minutes.

STATEMENT OF HON. PETE OLSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. OLSON. Congressman Boyd, thank you very much for the opportunity to testify before the Committee today.

I appear before you to ask for continued funding for the Constellation Program at NASA. But make no mistake. I do not come before you to support a program or a budget item but a principle.

Our nation has earned the right to be called the global leader in human spaceflight. This distinction took several decades, billions of dollars, both public and private technological break-throughs, and, yes, lives lost.

The Administration's budget proposal does not just put this hard-earned leadership at risk, it abolishes it. The Constellation Program was a follow-on program to the soon to be retired Space Shuttle Program. On two separate occasions, Congress endorsed NASA's path to return to the moon and beyond through the development of the Constellation Program in both the 2005 and 2008 NASA Authorization Acts.

The overwhelming bipartisan support was not accompanied, however, with sufficient funds to close the gap between when the space shuttle is retired and the constellation vehicles would come on line. There will be a gap between the retirement of space shuttle and the follow-on vehicle.

The best case scenario could have been three years, but now it is more likely to be seven. In that time, we will rely solely on Russia to get our astronauts to the International Space Station which the United States taxpayer has paid the overwhelming share to build.

With the shuttle in existence, the Russians charge $50 million per seat right now. That is up from about $22 million last year. You can imagine what the cost will be when they are the only taxi in town.

Fully funding constellation would have enabled us not only to bring a replacement vehicle on line earlier, but also to begin exploring beyond low earth orbit. The cost to cancel constellation is estimated to be $2.5 billion. These reports indicate that that number is at best an estimate which many believe is too low.

Cutting this program is the single largest cut in the fiscal year 2011 budget proposal. But when the overall budget number increases while the signature human spaceflight program is cut, I question where the agency and our nation is setting its priorities.

The Administration also proposes a drastic new way for NASA to do business. Instead of setting a destination, a goal and planning to go there, the agency will shift focus on developing technologies and determine destinations based on the outcomes of those investments and experiments.

This raises many questions, many of them budgetary. These are questions, by the way, that the agency has not yet answered itself. We should be working to get these answers before these alternatives are adopted, especially as drastic as the cuts proposed are.

NASA is establishing a fund set at $650 million for next year, increasing to $2.1 billion in fiscal year 2015 for technology demonstration. Without a clear understanding of what NASA will be developing, the possible outcomes for the agency are anybody's guess.

NASA would risk devolving into a research and development agency or to appear to be hobby shopping with federal resources in lieu of actually flying missions. And that reality or even that per-

ception could then lead towards increased pressure for funds to be either drastically cut or, worse, congressionally directed.

Either of those outcomes does not enable us to achieve any type of worthwhile exploration strategy. And in conjunction with these developments and upon cancellation of the constellation, NASA proposes funding private commercial entities to ferry cargo and eventually crew to the International Space Station.

These entities, which the budget proposes subsidizing, which will rely heavily on government investments and contracts have not sufficiently proven the right to be our nation's sole provider, sole means to space, that the business models are sustainable or that a market even exists beyond the government for its services.

Human spaceflight by definition involves taking risk, but calculated, researched, responsible ones. This Committee must sit down with NASA to fully understand why investing billions to go somewhere, somehow, sometime is a wise use of taxpayer funds. To me, the risk to our economy, to our industrial base, and to our leadership in the world are simply not worth it.

Let us work not to shift funds to technology development and NASA cancellation costs, but rather to putting constellation on secure footing. By doing so, we would also be putting human spaceflight back on track for a bright future worthy of its storied past.

And, Mr. Chairman, I am happy to answer any questions. I appreciate the opportunity to testify before the Committee today and yield back 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 appear before you to ask to continue funding for the Constellation program at NASA. But make no mistake; I don't come before you to support just a program, or a budget item, but a principle. Our nation has earned the right to be called the global leader in human space flight. This distinction took several decades, billions of dollars—both private and government—technological breakthroughs, and yes, lives lost. The Administration's budget proposal doesn't just put that hard-won leadership at risk, it abolishes it.

The Constellation program was the follow-on program to the soon to be retired space shuttle program. On two separate occasions, Congress endorsed NASA's path to return to the moon and beyond through development of the Constellation program in the 2005 and 2008 Authorization Acts. The overwhelming bipartisan support was not accompanied, however, with sufficient funds to close the gap between when the shuttle was retired and the Constellation vehicles could come online.

There will be a gap between shuttle retirement and a replacement vehicle. The best case scenario could have been three years, but is now more likely seven. In that time, we will rely solely on Russia to get our astronauts to the International Space Station, which the United States has paid the overwhelming share to build. With the shuttle in existence, the Russians charge $50 million per seat. You can imagine what the cost will be when they are the only taxi in town.

Fully funding Constellation would have enabled us not only to bring a replacement vehicle online earlier, but also to begin exploring beyond low earth orbit again. The cost to cancel Constellation is estimated to be around $2.5B. Recent reports indicate that number is at best an estimate, which many believe is too low. Cutting this program is the largest single cut in the FY11 budget proposal. But when the overall budget number increases while the signature human space flight program is cut, I question where the agency, and our nation, is setting its priorities.

The Administration also proposes a drastic new way for NASA to do business. Instead of setting a destination and planning to go there, the agency will shift focus

on developing technologies and determine destinations based on the outcomes of those investments and experiments.

This raises many questions, many of them budgetary. These are questions, by the way, the agency itself has not yet answered sufficiently. We should be working to get these answers before alternatives are decided, especially as drastic as the ones proposed.

NASA is establishing a fund, set at $650M for next year, increasing to $2.1B in FY15, for technology demonstration. Without a clear understanding of what NASA will be developing, the possible outcomes for the agency are anybody's guess. NASA would risk devolving into an R&D agency or to appear to be hobby-shopping with federal resources in lieu of actually flying missions. That reality, or even that perception, could then lead to increased pressure for funds to either be drastically cut, or congressionally-directed. Either of those outcomes does not enable us to achieve any type of worthwhile exploration strategy.

In conjunction with these developments and upon cancellation of Constellation, NASA proposes funding private commercial entities to ferry cargo, and eventually crew, to the International Space Station. These entities, which the budget proposes subsidizing, will rely heavily on government investment and contracts, have not sufficiently proven the right to be our nation's sole means to space, that their business models are sustainable, or that a market even exists outside of the government for their services.

Human space flight by definition involves taking risks, but calculated, researched, and responsible ones. This committee must sit down with NASA to fully understand why investing billions to go somewhere, somehow, sometime is a wise use of taxpayer funds. To me, the risks to our economy, to our industrial base, and to our leadership in the world, are simply not worth it.

Let us work not to shift funds to technology development programs and massive cancellation costs, but rather to putting Constellation on secure footing. By doing so we would also be putting our human space flight program back on track for a bright future worthy of its storied past.

Thank you again for this opportunity, I yield back my time.

Mr. BOYD. I thank you, Congressman Olson, for your continued interest and advocacy for our investment in science and research and the corresponding infrastructure. Thank you very much.

Mr. OLSON. Thank you, Mr. Chairman. Look forward to working on this issue in the future. Thanks.

Mr. BOYD. It is my honor now and pleasure to recognize the gentleman from Pennsylvania, Representative Altmire, for five minutes.

STATEMENT OF HON. JASON ALTIMIRE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. ALTMIRE. Thank you, Chairman Boyd.

And I want to thank the entire Committee for allowing me the opportunity to testify.

And as you prepare as a Committee the fiscal year 2011 budget resolution, I would first urge you to pay tribute to the sacrifices made by our nation's veterans by fully funding their medical care and disability benefits.

Last year, Congress answered this call by providing a record amount of funding for the VA and by meeting for the first time the recommendations put forth as part of the Independent Budget and the Veteran Service Organizations.

And I hope that we can continue this tradition and again pass a budget resolution that contains full funding for our veterans.

The President's $125 billion budget proposal for the Departments of Veterans Affairs includes an increase of $460 million, representing a 27 percent funding increase for veterans over the 2010 level. This budget will help the VA continue to strengthen services for veterans, including hiring more than 4,000 additional claims

processors to speed up the processing of veterans' benefits claims which I do not have to tell anyone on this Committee is long overdue.

I regularly hear from veterans in western Pennsylvania about the discouraging and disorganized claims processing operation that confronts them as they seek medical treatment for service-connected health issues.

And, Mr. Chairman, on behalf of the more than 60,000 veterans residing in my district alone, many of whom already struggle to access their VA benefits, I respectfully ask that you fully fund the budget recommendations and pass a budget that prioritizes the needs of veterans and ensures that they have access to every benefit that they deserve and that they have earned.

Similarly, the Department of Homeland Security budget is also of considerable concern to me and to my constituents. I am very pleased to see the Administration proposes to increase the budgets for programs focused on immigration status verification and criminal alien deportation.

And I support the budget's funding for U.S. Citizenship and Immigration Services Bureau to support and to expand its important verification programs, E-Verify and the Systematic Alien Verification for Entitlements Program, SAVE, which ensures that employment benefits never become available to those in this country illegally.

In addition, I also support the President's recommendation to provide full funding for Immigration and Customs Enforcement for the identification and removal of criminal aliens primarily through the Secure Communities Program. Those are good things.

However, I strongly urge the Committee to reject the budget's proposal to cut the customs and border protection programs as well as the U.S. Coast Guard's budget by more than $129 million.

I am also concerned that the proposal contains no money for border fence construction. This proposal fails to recognize that the 643 miles of physical border fence that we have is a good start, but it is well short of what is needed along the 2,000 mile border between the U.S. and Mexico.

And, Mr. Chairman and members of the Committee, cutting 180 members of the Border Patrol and proposing flat funding for Immigration and Customs Enforcement in my opinion are short-sighted and simply unjustifiable proposals given the current national security environment and the challenges we face in curbing illegal immigration.

I would now turn to America's small businesses which are having a difficult time accessing capital and creating jobs as all of us can see in our home districts, and I certainly see in western Pennsylvania. Small businesses drive job creation and help America emerge stronger from this recession.

And, Mr. Chairman, I would ask that you support the budget proposal's commitment to guarantee funding levels for the 7(a) Lending Program and direct micro-loans to emerging entrepreneurs.

In addition, and in closing, I would urge you support for vital tools such as Small Business Development Centers which I have

seen firsthand have helped countless small business entrepreneurs in western Pennsylvania.

Mr. Chairman and members of the Committee, thank you again for the opportunity to address you today and outline my specific priorities for the fiscal year 2011 budget. I yield back the balance of my time and would answer any questions that you have.

[The prepared statement of Jason Altmire follows:]

PREPARED STATEMENT OF HON. JASON ALTMIRE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Thank you, Mr. Chairman and members of the committee. I appreciate the opportunity to testify today on the fiscal year 2011 budget resolution and its impact on western Pennsylvania.

As you prepare the fiscal year 2011 budget resolution, I would first urge you to pay tribute to the sacrifices made by our nation's veterans by fully funding their medical care and disability benefits. Last year, Congress answered this call by providing a record amount of funding for the VA by meeting, for the first time, the recommendation put forth by the Independent Budget.

I hope that we can continue this tradition and again pass a budget resolution that contains full funding for veterans.

The president's $125 billion budget proposal for the Department of Veterans Affairs includes an increase of $460 million, representing a 27 percent funding increase over the 2010 level. The president's budget will help the VA continue to strengthen services for veterans, including hiring more than 4,000 additional claims processors to speed up the processing of veterans' benefits claims.

I regularly hear from veterans in western Pennsylvania about the discouraging and disorganized claims processing operation that confronts them as they seek medical treatment for service-connected health issues.

Mr. Chairman, on behalf of the more than 60,000 veterans residing in my district—many of whom already struggle to access their benefits—I ask that you fully fund the President's recommendations and pass a budget that prioritizes the needs of veterans and ensures they have access to every benefit they deserve.

The Department of Homeland Security budget is also of considerable concern to me and my constituents. I am pleased to see that the administration proposes to increase the budgets of programs focused on immigration status verification and criminal alien deportation.

I support the Obama budget's $103 million for the U.S. Citizenship and Immigration Services bureau to support and expand its important verification programs, E-Verify and the Systematic Alien Verification for Entitlements (SAVE), which ensure that U.S. citizens are being employed during this difficult economic climate.

In addition, I also support the president's recommendation to provide Immigration and Customs Enforcement with $1.6 billion for the identification and removal of criminal aliens, primarily through the Secure Communities program.

However, I would urge the Committee to reject the budget's proposal to cut Customs and Border Protection by $317 million and the US Coast Guard's budget by $129 million. I am also concerned that the proposal contains no money for border fence construction. This proposal fails to recognize that the 643 miles of physical border fence that we have are a good start, but well short of what is needed for the 2,000 mile border between the U.S. and Mexico.

Cutting 180 members of the Border Patrol and proposing flat funding for Immigration and Customs Enforcement are also short-sighted and unjustifiable proposals given current national security and immigration challenges.

I turn now to America's small businesses, which are having a difficult time accessing capital and creating jobs. Small businesses drive job creation and will help America emerge stronger from this recession. Mr. Chairman, I would ask that you support the budget proposal's commitment to guaranteed lending programs, the 7(a) lending program, and direct microloans to emerging entrepreneurs.

In addition, I urge your support for vital tools such as Small Business Development Centers, which I know have helped countless entrepreneurs in western Pennsylvania.

Mr. Chairman and members of the committee, thank you for the opportunity to address the Committee and outline my priorities for the fiscal year 2011 budget. I yield back the balance of my time.

Mr. BOYD. Thank you, Representative Altimire.

I appreciate your advocacy for continued adequate funding for our security needs and particularly for those who come back injured after having performed those security needs for us. And I look forward to working with you in developing a budget that addresses these needs adequately.

Mr. ALTIMIRE. Thank you, Mr. Chairman.

Mr. BOYD. Thank you.

It is my privilege now to recognize for five minutes the gentle lady from Arizona, Representative Kirkpatrick.

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

Mrs. KIRKPATRICK. Thank you, Mr. Chairman, Ranking Member, and members of the Committee. I appreciate this opportunity to talk with you about my views about the budget.

I am proud to be a life-long resident of greater Arizona. Where I am from, folks understand that times are tough and when they are tough, you have to tighten your belt.

As our economy starts to recover from some of the toughest times we have seen in decades, Arizonians are finding ways to make every dollar count and do more with less.

Unfortunately, many here in Washington are unwilling to adopt that sensible approach. My constituents and I have become increasingly concerned with the federal debt as it continues to hit new historic highs with each new week.

In the past year, prominent economists everywhere, including within the Administration, have said that continuing on this path of deepening debt is unsustainable. After a recent conference on the debt, the President of the bipartisan Committee for a Responsible Federal Budget said that we will face dire consequences if we do not act now to right our fiscal course.

Yet, Washington seems set to do what it always does, get stuck in partisan gridlock and focus on making speeches instead of taking action. This country cannot afford the same old politics anymore.

I appreciate the White House's proposal to freeze discretionary spending and their efforts to make our budget open and transparent by putting all of our nation's expenses on one balance sheet. However, I believe that such steps are not nearly enough.

I would ask that the Budget Committee use the fiscal year 2010 budget as the starting point for making significant cuts to the fiscal year 2011 budget. After all, those same fiscal year 2010 spending levels produced a record budget deficit. It is just common sense that most federal departments should be cutting from them.

This government needs to set limits and then make the tough choices that it will take to get our fiscal house in order. Part of that process is cracking down on a consequence-free spending culture in Washington. We need to put an end to waste and there are plenty examples where Congress can start.

The Government Accountability Office published a 300-page report in 2004 outlining where Congress can target, such as $160,000 puffer machines purchased by TSA but never fully deployed.

I spoke to the Committee last year on concerns in my district about security, support for law enforcement, keeping our promises

to our nation's veterans, and ensuring that small business remains the economic engine of our economy.

In greater Arizona, we are still concerned about making progress on these and other issues, but we believe it is about setting the right priorities, not just piling on more and more federal spending on failed programs.

I know budget cuts may not be easy and I know they are not popular, but business as usual in Washington has failed. It is time to stop talking and start doing what it takes to ensure that our massive federal debt does not stop our economic recovery in its tracks.

Thank you for your consideration of my testimony and I look forward to working with the Budget Committee to set fiscal priorities. I yield back the balance of my time and I am happy to answer any questions you may have.

[The prepared statement of Ann Kirkpatrick follows:]

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

Chairman Spratt, Ranking Member Ryan and Members of the Budget Committee, I thank you for providing me the opportunity to express my views today.

I am proud to be a lifelong resident of Greater Arizona. Where I'm from, folks understand that when times are tough, you have to tighten your belt. As our economy starts to recover from some of the toughest times we have seen in decades, Arizonans are finding ways to make every dollar count and do more with less.

Unfortunately, many here in Washington are unwilling to adopt that sensible approach.

My constituents and I have become increasingly concerned with the federal debt, as it continues to hit new historic highs with each new week. In the past year, prominent economists everywhere—including within the Administration—have said that continuing on this path of deepening debt is unsustainable. After a recent conference on the debt, the president of the bipartisan Committee for a Responsible Federal Budget said that we will face "dire consequences if we do not act now to right our fiscal course."

Yet, Washington seems set to do what it always does—get stuck in partisan gridlock and focus on making speeches instead of taking action. This country cannot afford the same old politics any more.

I appreciate the White House's proposal to freeze discretionary spending, and their efforts to make our budget open and transparent by putting all of our Nation's expenses on one balance sheet.

However, I believe that such steps are not nearly enough. I would ask that the Budget Committee use Fiscal Year 2010 budget levels as the starting point for making significant cuts to the Fiscal Year 2011 budget. After all, those same Fiscal Year 2010 spending levels produced a record budget deficit; it's just common sense that most federal departments should be cutting from them. This government needs to set limits, and then make the tough choices that it will take to get our fiscal house in order.

Part of that process is cracking down on the consequence-free spending culture in Washington. We need to put an end to waste—and there are plenty of examples where Congress can start. The Government Accountability Office published a 300-page report in 2004 outlining where Congress can start and continues to identify targets—such as the $160,000 puffer machines purchased by TSA but never fully deployed.

I spoke to the committee last year on concerns in my district about security, support for local law enforcement, keeping our promises to our nation's Veterans, and ensuring that small business remains the economic engine of our economy. In Greater Arizona, we are still concerned about making progress on these and other issues, but we believe it is about setting the right priorities, not just piling on more and more federal spending on failed programs like these.

I know budget cuts may not be easy or popular, but business as usual in Washington has failed. It is time to stop talking and do what it takes to ensure that a massive federal debt does not stop our economic recovery in its tracks.

Thank you for your consideration of my testimony and I look forward to working with the budget committee to set fiscal priorities.

Mr. BOYD. Thank you very much, Representative Kirkpatrick.

You have made a presentation that is obviously very near and dear to my heart. I have been working on those issues all of my career and I look forward to working with you on this.

Mrs. KIRKPATRICK. Thank you.

Mr. BOYD. Thank you.

Mrs. KIRKPATRICK. Thank you very much.

Mr. BOYD. It is my privilege now to recognize the gentle lady from New York, Representative Clarke.

STATEMENT OF HON. YVETTE CLARKE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Ms. CLARKE. Thank you very much, Mr. Chairman.

I want to thank you for this opportunity to discuss the federal budget's impact on minority and woman-owned small businesses and other engines of community development in New York State, New York City, and by extension our nation.

I am pleased with the direction that the Administration is going. However, more can be done to support and spur innovation and growth by investing in small businesses and the communities they serve.

According to the New York State Small Business Task Force, in New York State, small business is big business. Small business represents over 98 percent of all of the state's private employers, employ 55 percent of the state's active private sector labor force. Minority and women-owned small businesses employ nearly five million people and make up almost 20 percent of all businesses in the United States.

Unfortunately, the economic recession has hit these businesses especially hard, forcing more to shed jobs or scale back operations.

The credit crisis has made it more difficult for all small businesses to secure financing, limiting growth opportunities and jeopardizing short-term business stability.

The President's fiscal year 2011 budget presents us with an opportunity to reset the stage for economic growth for now and in this decade and beyond.

As a member of the House Committee on Small Business, I have been in touch with minority and women-owned businesses from all across the country, especially those from under-served and economically distressed areas that have been disproportionately affected by this difficult downturn.

Today I want to highlight three critical programs that impact these businesses and the communities they serve.

I first want to ask you to provide $260 million for the Community Development Financial Institutions Fund which is ten million above the Department of Treasury's request of $250 million.

I am proposing that an additional ten million be allocated to the CDFI Program. Founded in 1994, the Community Development Financial Institutions Fund or the CDFI Fund is a much needed economic stimulus tool. CDFIs are loan funds, banks, credit unions, community development venture capital funds, and other organizations principally engaged in economic development.

CDFI customers are 70 percent low income, 60 percent minority, and 52 percent female. In light of the economic downturn and subsequent restriction on lending to low- and moderate-income families and small businesses, the work of CDFIs is especially important right now.

On December 2nd of 2009, the FDIC released a study which reported that approximately 30 million Americans do not have access to traditional banks or credit unions. That means that 54 percent of African American households and 43 percent of Hispanic households often turn to alternative financial services such as pay-day loans, title loans, and other cash advances that charge exorbitant rates to access capital.

CDFIs work every day to provide credit to under-served populations, replacing their need to turn to high-priced alternative financial products.

While the President's request for $250 million for fiscal year 2011 illustrates the Administration's commitment to this important fund, consumer demand for CDFI Program assistance has skyrocketed during this recession.

With the additional $10 million, the CDFI Program would receive a total of $150 million to expand the availability of affordable capital and credit products to distressed families and small businesses. Congress must invest in this important economic stimulus tool.

Secondly, I want to ask the Committee to fund the Minority Business Development Agency, MBDA, at $40 million, an $8 million increase over the Department of Commerce's fiscal year 2011 budget request of over $32 million for the agency.

The Administration's $816,000 increase over the fiscal year 2010 funding level is a modest improvement, but this sum will not make the kind of tangible impact my constituents are seeking.

MBDA has served minority businesses since 1969 and it is the sole federal agency devoted specifically to the establishment and growth of minority businesses in America. Through a network of minority business centers, strategic partners, MBDA works with minority entrepreneurs who wish to grow their businesses in size, scale, and capacity. These firms are then in a better position to create jobs, impact local economies, and expand into national and global markets.

In light of the current economic climate which has been plagued by persistent job loss and high unemployment rates, MBDA can play a central role in mobilizing resources to increase minority business capacity and improve economic outcomes.

During fiscal year 2009, with a budget of just under $30 million, MBDA was able to create 3,024 new jobs and preserve thousands more while facilitating $2.9 billion in new business to business opportunities, development, and development projects.

My constituents have told me that the MBDA's efforts in 2009 were helpful to their business expansion and job creation endeavors, but they believe more can be done.

In order for the MBDA to deliver their effective, personalized services to more minority entrepreneurs, it is vital that the agency have adequate financial resources. The agency can use the in-

creased funding to open additional business development centers which has been cut, more than 100 in 1969 to just 40 as of today.

With 40 million, the MBDA would also be able to increase its team of skilled and experienced nationwide staff. By adequately funding the MBDA, hundreds more small- and medium-sized businesses would have access to technical assistance and capacity building tools necessary to help them prosper.

Our relatively small investment in this important agency would mean thousands of Americans would be able to either get back to work or keep their jobs.

Lastly, I want to express my strong support for increased funding for the Community Development Block Grant. As I discussed in my testimony last year, the CDBG Program provides vulnerable communities with resources to address a wide range of unique community development needs.

One of the Department of Housing and Urban Development's longest-running programs, CDBG helps fund local community development activities such as affordable housing, anti-poverty programs, economic development initiatives, and infrastructure development.

Unfortunately, CDBG funding has been decreasing over the last several budget years, totaling $3.9 billion in fiscal year 2009.

The Administration's fiscal year 2010 proposal raised that level, funding level to $4.45 billion, almost back to the fiscal year 2004 levels. CDBG formula grants rose from $3.6 billion to over $4 billion in the 2010 budget. Appropriated amounts for fiscal year 2010 were $4.45 billion and $3.99 billion for formula grants. This year, the Administration has stayed near these numbers with requests of $4.38 billion and $3.99 billion for formula grants.

I urge this Committee to support funding for the CDBG Program at the fiscal year 2010 level of $4.45 billion and $3.99 for formula grants.

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 while addressing the needs and priorities of the people of New York City and all Americans. And I yield back the balance of my time.

[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's impact on minority and women owned small businesses and other engines for community development in New York City. I am quite pleased with the direction that the Administration is going, however more can be done to support spur innovation and growth by investing in small businesses and the communities they serve.

According to the New York State Small Business Task Force, in New York State, small business is big business. Small businesses represent over 98 percent of all of the State's private employers and employ 55 percent of the State's active private sector labor force. Minority- and Women-owned small businesses employ nearly 5 million people and make up almost 20% of all businesses in the United States. Unfortunately, the economic recession has hit these businesses especially hard, forcing many to shed jobs or scale back operations. The credit crisis has made it more difficult for all small businesses to secure financing; limiting growth opportunities and jeopardizing short term business stability.

The President's Fiscal Year 2011 Budget presents us with an opportunity to reset the stage for economic growth for the in this decade and beyond. As a Member of the House Committee on Small Business, I have been in touch with Minority- and Women-owned businesses from all across the country, especially those from underserved and economically distressed areas that have been disproportionately affected by this difficult downturn. Today, I want to highlight three critical programs that impact these businesses and the communities they serve.

I first want to ask that you provide $260 million for the Community Development Financial Institutions Fund, which is $10 million above the Department of Treasury's request of $250 million. I am proposing that the additional $10 million be allocated to the CDFI Program. Founded in 1994, Community Development Financial Institutions Fund, or the CDFI Fund, is a much needed economic stimulus tool.

CDFIs are loan funds, banks, credit unions, community development venture capital funds and other organizations principally engaged in economic development. CDFI customers are 70 percent low income, 60 percent minority and 52 percent female. In light of the economic downturn and subsequent restriction on lending to low- and moderate-income families and small businesses, the work of CDFIs is especially important right now.

On December 2, 2009, the FDIC released a study which reported that approximately 30 million Americans do not have access to traditional banks or credit unions. That means that 54 percent of African American households and 43 percent of Hispanic households often turn to alternative financial services such as payday loans, title loans, and other cash advances, that charge exorbitant rates to access capital. CDFIs work every day to provide credit to underserved populations, replacing their need to turn to high priced alternative financial products. While the President's request of $250 million for FY 2011 illustrates the Administration's commitment to this important Fund, consumer demand for CDFI program assistance has skyrocketed during this recession. With the additional $10 million, the CDFI program would receive a total of $150 million to expand the availability of affordable capital and credit products to distressed families and small businesses. Congress must invest in this important economic stimulus tool.

Second, I want to ask the committee to fund the Minority Business Development Agency (MBDA) at $40 million, an $8 million increase over the Department of Commerce's FY2011 budget request of over $32 million for the Agency. The Administration's $816 thousand increase over the FY2010 funding level is a modest improvement, but this sum will not make the kind of tangible impact my constituents are seeking.

MBDA has served minority businesses since 1969 and is the sole federal agency devoted specifically to the establishment and growth of minority businesses in America. Through a network of minority business centers and strategic partners, MBDA works with minority entrepreneurs who wish to grow their businesses in size, scale, and capacity. These firms are then better positioned to create jobs, impact local economies, and expand into national and global markets.

In light of the current economic climate which has been plagued by persistent job loss and high unemployment rates, MBDA can play a central role in mobilizing resources to increase minority business capacity and improve economic outcomes. During FY 2009, with a budget of just under $30 million, MBDA was able to create 3,024 new jobs and preserve thousands more while facilitating $2.9 billion in new business-to-business opportunities and development projects. My constituents have told me that MBDA's efforts in 2009 were helpful to their business expansion and job creation endeavors, but they believe more can be done.

In order for the MBDA to deliver their effective and personalized services to more minority entrepreneurs, it is vital that the Agency have adequate financial resources. Te agency can use the increased funding to open additional business development centers, which has been cut from more than one hundred in 1969, to just forty as of today. With $40 million, the MBDA would also be able to increase its team of skilled and experienced nationwide staff.

By adequately funding the MBDA, hundreds more small and medium sized businesses would have access to the technical assistance and capacity building tools necessary to help them prosper. Our relatively small investment in this important Agency would mean that thousands of Americans would be able to either get back to work or keep their jobs.

Lastly, I want to express my strong support for increased funding of the Community Development Block Grant (CDBG). As I discussed in my testimony last year, the CDBG program provides vulnerable communities with 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 helps

fund local community development activities such as affordable housing, anti-poverty programs, economic development initiatives, and infrastructure development.

Unfortunately, CDBG funding had been decreasing over the last several budget years, totaling $3.9 billion in FY 2009. The Administration's FY 2010 proposal raised that funding level to $4.45 billion, almost back to FY 2004 levels. CDBG Formula Grants rose from $3.6 billion to over $4 billion in the FY 2010 budget. Appropriated amounts for FY 2010 were $4.45 billion and $3.99 billion for formula grants. This year, the Administration has stayed near these numbers with requests for $4.38 billion and $3.99 billion for formula grants. I urge this committee support funding for the CDBG program at the FY 2010 level of $4.45 billion and $3.99 for formula grants.

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, while addressing the needs and priorities of the people of New York City and all Americans.

Mr. BOYD. Thank you, Representative Clarke——

Ms. CLARKE. Thank you.

Mr. BOYD [continuing]. For your focus on economic development and jobs. And we look forward to working with you to develop a budget that reflects those priorities.

Ms. CLARKE. Thank you very much.

Mr. BOYD. At this point, before we recognize the next presenter, I would like to turn the gavel over to the gentle lady from Minnesota, Representative McCollum.

Ms. MCCOLLUM [presiding]. The Chair recognizes the gentleman from Iowa, Mr. Loebsack, for five minutes.

STATEMENT OF HON. DAVE LOEBSACK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. LOEBSACK. Thank you, Madam Chair.

I want to thank the Chairman and Ranking Member in particular for the opportunity to testify on the fiscal year 2011 budget. This will certainly be a difficult budget year and I believe that we must commit to fiscal responsibility and important pay-as-you-go rules.

This year, we must further rein in spending, reduce the deficit, and address our long-term fiscal health by enacting a spending freeze, implementing cost-saving measures for the federal government, and eliminating redundant and wasteful federal spending.

While these proposals are just first steps, they are an important jumpstart to what should be a concerted effort to significantly reduce the deficit and work toward long-term economic recovery.

Previously I testified about the importance of actually budgeting for disasters and disaster relief costs. This year, we must continue a commitment to honesty in the budget by accounting for estimated disaster response and relief costs.

Honesty in the budget is a crucial step toward responsible spending and deficit reduction. Just as an Iowa family would not honestly omit a cost they know they will face in the future from their household budget, neither should the federal government pretend that natural disasters will not affect the American people.

I come today to testify like last year about an effort relating to disaster response and recovery, specifically the Long-Term Disaster Recovery Working Group. The working group was formed by the President on September 29th, 2009 and is Chaired by the Secretaries of Homeland Security and HUD.

The purpose of the working group is to gather input nationwide from disaster-affected communities and states, other stakeholders, emergency managers, first responders, nonprofits, and private organizations in order to formulate recommendations to improve our nation's disaster response and recovery system.

In January, I was pleased to be able to host along with HUD and the Rebuild Iowa Office the Iowa Disaster Recovery Learning Conference at the Kirkwood Center for Continuing Education in Cedar Rapids, Iowa. This conference was part of the working group's national outreach effort. And while I wish Iowa did not have reason to participate, the conference was productive and brought together a wide variety of stakeholders throughout Iowa and produced common-sense suggestions and ideas for reform.

During the summer of 2008, the State of Iowa experienced the worst national disaster in our history. I want to thank my colleagues for working with me last Congress to approve two disaster recovery funding bills and a tax assistance package. My congressional district had arguably the largest amount of damage from the floods and includes Iowa's second largest city, Cedar Rapids, which sustained severe damage along with numerous other cities such as Iowa City, Palo, and Oakville.

As Iowans continue to recover, we have a unique opportunity and have had a unique opportunity to share what worked, what did not, how Iowans and the federal government worked together, and how the federal government can be a better partner in the recovery and response process.

After the floods of 2008, I began advocating and bringing attention to the need for disaster policy reforms. I will continue to advocate for reforms in Iowa's disaster recovery needs and would like to enter for the record the common-sense recommendations and best practices developed at the Iowa Disaster Recovery Learning Conference. I am also sending this information to other relevant House Committees and I have that information with me today. I would like to enter that as part of the record.

[The attachment of Dave Loebsack follows:]

IOWA DISASTER LEARNING CONFERENCE

BREAKOUT NOTES SUMMARY

January 29, 2010

Best Practices, Innovations and Lessons Learned in Disaster Recovery Efforts

Communication

- Communication needs to be consistent, from a local source, and maintained throughout the recovery.
- Communications should include daily reports on road statuses, availability of services, etc.
- Providing forums like town hall meetings will increase consistency and allow for two-way communication.
- Manage expectations regarding timelines.

Data

- A system for data sharing needs to be in place. Nonprofits and government agencies need to know who is working on what to avoid duplicating benefits and to provide for unmet needs.
- Electronic records could be shared among entities (after a release is signed). This could possibly be in the form of a database or an individual assistance card.
- Forms and applications should be filled out by agencies, not by the people who experienced the disaster.

• Stress importance of keeping track of how dollars are spent so it does not become a hassle later. Pre-development of a form, spreadsheet or database should be considered. Training should be provided for case managers.
• State agencies and nonprofits can provide training and resources to local committees.

Volunteers & Donations

• Best practice models like a volunteer reception center (Gulf Coast) to keep volunteers plugged in or a volunteer web tool (Des Moines) to match unaffiliated volunteers with local needs, should be utilized during future recoveries.
• A plan should be in place in advance on how to manage donations, including the availability of warehouses and how items can be sorted and distributed.
• Consider one organization to manage all donations of goods. Should there be a set of predetermined questions to assess needs of affected communities?
• Plug into the Corporation for National and Community Service, state service commission and to state and local COADs for resources and volunteers.

Long-Term Recovery

• Include a Long-Term Recovery Committee team in the Emergency Operations Center (EOC).
• Local plans designed by locals to address local issues should be in place.
• Innovations in local recovery include: Block by Block, Feet on the Street, JumpStart
• Conduct recovery exercises every 3 to 5 years.
• Consider recovery equivalent of National Incident Management System (NIMS).

Developing a Planning Framework for Disaster Recovery

Defining Roles and Responsibilities

• Develop common terminology and guidance on federal programs that can then be translated into state and local impacts, implementation and responsibilities.
• Agencies should collaborate on creating recovery plans so individual agency roles and responsibilities and clear.

Strengthening Pre- and Post-Disaster Processes to Better Include Nonprofits

• Dollars should be allocated to disaster recovery planning (not just response planning) and associated training, capacity building, etc., including seed money and a sustainable funding source that is available prior to disasters.
• Greater flexibility is needed for local recovery projects/programs and associated funding sources to reach recovery goals. We need to recognize that disasters are local and every community is different.
• There is a need for a formal structure/framework for identifying all necessary partners and their respective roles to facilitate an effective recovery planning and implementation process.
• The federal government should implement greater recovery planning and centralize federal recovery coordination. Partnerships should be emphasized to leverage resources.
• Consider passing federal recovery funds for planning and projects/programs (e.g. CDBG) directly to local governments and organizations.
• An effective recovery planning process includes meaningful participation. Impacted individuals need to be identified and encouraged to participate. Facilitators must ensure that input is truly considered and respected. Facilitators must effectively communicate the process and agreed-upon course of action.

Capacity Challenges

• Greater surge capacity is needed to handle hiring and activate partnerships more quickly.
• There is a need to ensure that institutional knowledge is not lost between disasters.
• There is often a shortage of staff with technical skills.
• Volunteer burnout can be a capacity challenge.

Strengthening Disaster Recovery Programs, Policy and Funding

Elements of Successful Disaster Recovery

• LTRCs mobilizing that are knowledgeable and recognized in the community.
• The mental health and state of the community can be a useful indicator of recovery efforts. There is a need to recognize that recovery has several stages of emotion.

• Practicing recovery exercises between disasters will increase the successful implementation of recovery efforts.
• Successful disaster recovery hinges on partnerships between government, nonprofits and local businesses.
• Having the ability to disburse funds quickly and to those who need it (with limited restrictions, paperwork, etc.) allow for more efficient and effective recovery efforts.
• To be successful, language and requirements/restrictions need to be clearly communicated to case managers and disaster survivors.
• Co-location of resources and "one-stop-shops" make case management more effective.

Milestones/Indicators of Recovery

• Closing shelters/ No people in temporary housing units (THUs)
• No longer debris/sandbags on curbs
• Re-opening facilities (schools, jails, churches, etc.)
• Infrastructure repair/ replacement
• Completed property acquisitions

Issues

• Generational/owner housing issues need to be resolved and clarified.
• Buyouts and reconstruction processes need to be expedited.
• Capacity planning should be a part of pre-disaster period.
• More funding is needed for hazard mitigation.
• There needs to be more funding options for small businesses and landlords.
• The recovery process is not well understood. Media decreases, funding dries up, volunteers leave, etc.
• Fraud protection and property security need to be planned for.
• More organization is needed in volunteer efforts and coordination.
• Damage to agricultural assets, farmers with unmet needs that weren't addressed by typical funding streams.

Common Unmet Needs Not Addressed by Current System

• There is "little assistance" for unmet needs beyond general housing, like utilities, first month's rent and deposit, loss of private property, etc. Income levels are too restrictive. People who make over 150% AMI are victims also.
• Generational housing restrictions need to be reworked.
• There is no plan in place for disabled persons' temporary housing.
• Child care is needed during disaster response AND recovery.

Coordinating private and public funding

• Training should be given to case managers and survivors on how funds can be used and why records need to be kept.

Providing Effective Disaster Case Management

Providing Case Management

• There needs to be a pre-existing case management plan with prescribed roles and processes, including a case management flow chart with access to local, state and federal resources.
• Long term recovery committees (LTRCs) should be activated at the same time the EOC is activated. Partners should be in place. LTRCs should immediately distribute instructions/checklists and contact lists to case managers. Readiness is key.
• Individuals should have case managers from the start to give them immediate instructions and referral.

Improving Case Management Practices

• A statewide model/guidelines should be developed with flexibility to address local needs.
• Increase surge capacity by having a bank of interim case managers.
• Training should be provided for recovery between disasters. Having a core of pre-trained case managers would be beneficial.
• There should be greater penalties for fraud.
• Provide assessments in a timelier manner.
• Increase the amount of flexible funding.
• There needs to be better control over communications, keeping them consistent and creating realistic expectations.

Nonprofits Role in Case Management

• Nonprofits assist in immediate information gathering.

• Nonprofits serve as a local face and may garner more trust than government representatives.
• Nonprofits can become a one-stop-shop for resources for individuals.

Data Sharing and Case Management

• Data sharing does not exist on a big enough level. There should standard templates, policies, procedures and guidelines in place.
• Data sharing system should be implemented to avoid duplicate of benefits (DOB) issues and unmet needs.
• A standard reporting sheet should be used so information does not have to be collected later on.
• A flowchart for the impacted individual on where to go and what to do first would make data collection easier.

Unmet Needs Program

• There is a need to have a universal agreement with stores ahead of time.
• A transition plan should be in place to determine what transitioning out will look like and how to accomplish it.

Mr. LOEBSACK. I would ask that the Committee give specific attention to these issues and ensure both the Department of Housing and Urban Development and the Federal Emergency Management Agency along with the Department of Homeland Security have the resources necessary to continue pursuing this effort and the activities of the Long-Term Disaster Recovery Working Group.

Thank you, Madam Chair, for the opportunity to testify today and I look forward to working with you in the future and this Committee to enact the common-sense reforms proposed by states like Iowa to the nation's disaster recovery policies. Thank you.

[The prepared statement of Dave Loebsack follows:]

PREPARED STATEMENT OF HON. DAVID LOEBSACK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

I want to thank the Chairman and Ranking Member for the opportunity to testify on the Fiscal Year 2011 Budget. This will certainly be a difficult budget year and I applaud the Committee's and Administration's commitment to a balanced budget, fiscal responsibility, and important "Pay as You Go" rules.

Through its Budget Request, the Administration has taken the first step toward reigning in spending, reducing the deficit, and addressing our long term fiscal health by proposing a spending freeze, implementing cost saving measures for the federal government, and eliminating redundant and wasteful federal spending. While these proposals are just first steps, they are an important jump-start to what should be a concerted effort by Congress and the Administration to bring the runaway deficit under control.

Last year I testified about the importance of actually budgeting for disasters and disaster relief costs. I am pleased that in the FY11 proposal from the President he continues his commitment to honesty in the budget by accounting for estimated disaster response and relief costs.

Honesty in the budget is a crucial step toward responsible spending and deficit reduction. Just as an Iowa family would not honestly omit a cost they know they will face in the future from their household budget; neither should the federal government pretend that natural disasters won't affect the American people.

I come today to testify, like last year, about an effort relating to disaster response and recovery; specifically, the Long-Term Disaster Recovery Working Group.

The Working Group was formed by the President on September 29, 2009 and is chaired by the Secretaries of Homeland Security and HUD. The purpose of the Working Group is to gather input nationwide from disaster-affected communities and states, other stakeholders, emergency managers, first responders, non-profits, and private organizations in order to formulate recommendations to improve our nation's disaster response and recovery system.

In January, I was pleased to be able to host, along with HUD and the Rebuild Iowa Office, the Iowa Disaster Recovery Learning Conference at the Kirkwood Center for Continuing Education in Cedar Rapids, Iowa.

This conference was part of the Working Group's national outreach effort, and while I wish Iowa didn't have reason to participate, the conference was productive

and brought together a wide variety of stakeholders throughout Iowa and produced common sense suggestions and ideas for reform.

During the summer of 2008, the State of Iowa experienced the worst natural disaster in our history. I want to thank my colleagues for working with me last Congress to approve two disaster recovery funding bills and a tax assistance package.

My Congressional District had arguably the largest amount of damage from the floods and includes Iowa's second largest city, Cedar Rapids, which sustained severe damage along with numerous other cities such as Iowa City, Palo, and Oakville.

As Iowans continue to recover, we had a unique opportunity to share what worked, what didn't, how Iowans and the federal government worked together, and how the federal government could be a better partner in the recovery and response process.

After the Floods of 2008, I began advocating and bringing attention to the need for disaster policy reforms. I will continue to advocate for reforms and Iowa's disaster recovery needs and would like to enter for the record the common sense recommendations and best practices developed at the Iowa Disaster Recovery Learning Conference. I am also sending this information to other relevant House Committees.

I would ask that the Committee give specific attention to these issues and ensure both the Department of Housing and Urban Development and the Federal Emergency Management Agency, along with the Department of Homeland Security, have the resources necessary to continue pursuing this effort and the activities of the Long-Term Disaster Recovery Working Group.

Thank you for the opportunity to testify today and I look forward to working with you in the future to enact the common sense reforms proposed by states like Iowa to the nation's disaster recovery policies.

Ms. MCCOLLUM. Thank you, Representative Loebsack, for your ideas and suggestions on emergency disaster relief and the budget.

The Chair now recognizes the gentleman from Florida, Representative Klein.

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

Mr. KLEIN. Thank you, Madam Chair.

I appreciate the opportunity for you and this Committee to listen to the members and to take the ideas that we are hearing from our constituents as we testify before the Budget Committee today. I am honored to be here with you and I look forward to working with all of you as we move through this process.

And as I was sitting here waiting to testify, I just noticed that these name cards have Office Depot, one of the main businesses in my community. Office Depot along with a lot of our small businesses are the kinds of businesses that are helping engineer our recovery.

And I just want to acknowledge not only that business, but a lot of other local small businesses because as we are working through this budget, this budget is going to be all about the plans and the architecture for getting small businesses, which are the engine to our whole economy, back on track.

Madam Chair, we recently experienced the worst financial downturn since the Great Depression and it is going to take a serious effort not only by Congress, but the public and private sector to get our economy back on track.

Unemployment remains unacceptably high and serious problems remain in the residential mortgage and commercial real estate markets. Small businesses, as we know, are struggling to access credit on reasonable terms. And I personally have spent a lot of time in my district and here working on getting banks to apply prudent standards, but make capital available for our small businesses.

We are fortunately seeing signs of economic recovery with the Gross Domestic Product increasing even more than we expected in the fourth quarter, very positive numbers, and it is not going to be easy, but we know that America will recover from this economic slump and, most importantly, we have to use this moment as a time to craft plans how we can make our economy stronger than ever over the next number of years.

Emergency measures were taken last year by this Congress to prevent the current collapse or the complete collapse of our financial system, and these policy responses were essential to planning for a successful economic recovery. However, as the economy continues to grow more and more and Americans are able to go back to work, we must turn our attention to reducing long-term budget deficits and reducing our national debt.

In south Florida, we know that tough times mean tightening our belts. Times like this require cutting back. This applies to our personal family budgets, our businesses, and our government. No exceptions.

Unfortunately, some in Washington missed that memo. For years, spending has been out of control and it is time for all of us to take real steps to reduce our deficit.

As a state legislator in Florida, I participated in the balanced budget process for 14 consecutive years and I have been and will continue to fight to bring that kind of fiscal discipline to Washington as we begin to come out of this downturn.

My parents were a public school teacher, my mom, and my dad was a small business owner. He had a variety store. Many of you might remember what variety stores were.

My wife and I passed the lesson on the value of the dollar, that my parents taught me, on to our children. Like so many in our community, we teach our kids you have to live within your means. If you cannot afford something, you cannot buy it. It is as simple as that.

Well, it is time that we heed that advice in Washington as well. And that is why I am particularly pleased that something that I have been working on, along with many of you, passed recently and that is PAYGO legislation. The President signed it a week ago.

PAYGO says that Congress can only create new programs that are fully paid for and do not increase the deficit. I have supported the passage of this legislation since I arrived in Congress and I am glad it is finally the law.

We know that PAYGO works. It was in place in the 1990s and we saw budget surpluses. We had a deficit to start with and over that decade, we made that a surplus, we as Americans. When it was abandoned in 2000, our deficit exploded over the last number of years. That cannot and will not be the case anymore as we have now passed PAYGO.

Now, this is a good first step to rein in our budget, but there must be more. Government programs that are not serving the American people cost us billions of dollars a year. We need to review the budget line by line and squeeze out every possible penny of savings, including cutting programs that are not working or that duplicate each other.

Further, I am introducing legislation that puts us on a path to fiscal responsibility and balanced budgets. My bill, Madam Chair, will require Congress to reduce spending each year until the budget is balanced, laying out a clear road map to getting our deficit under control.

Specifically my legislation will require the Budget Committee to include a detailed benchmark plan to eliminate the budget deficit by 2020 in the current budget resolution, including reconciliation instructions to committees as necessary to carry out the plan.

After the road map is established, each subsequent budget resolution must meet the goals laid out by the Budget Committee to reduce the deficit. If future budget resolutions do not meet the benchmarks, then it would not be in order to consider the budget resolution in either the House or the Senate except for times of economic emergency or war.

To balance our budget, we will have to make tough choices. Putting this road map into place and including enforceable points of order will require Congress to decide what priorities are most important just like families in south Florida and around the country do every day.

Madam Chair, working together, I really believe we can ensure our government continues to meet its commitments and provides a foundation for economic growth while protecting Medicare, Social Security, and other vital programs.

We have many opportunities ahead to strengthen our great country and I look forward to working with you, Madam Chair, our colleagues in the Congress, and the President to ensure that we keep our fiscal house in order. And I thank you very much for the time.

[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. I am honored to be here with you, and I look forward to working with you as we move forward in this process.

We recently experienced the worst financial downturn since the Great Depression, and it will take a serious effort to get our economy back on track. Unemployment remains unacceptably high, and serious problems remain in the residential mortgage and commercial real estate markets. Small businesses are still struggling to access credit on reasonable terms. Yet we are starting to see signs of economic recovery, with GDP increasing even more than expected in the fourth quarter of 2009. It will not be easy, but America will recover from this economic slump and continue to grow until our economy is stronger than ever.

Emergency measures were taken by this Congress to prevent the complete collapse of our financial system, and these policy responses were essential to ensuring a successful economic recovery. However, as the economy continues to grow and more and more Americans are able to get back to work, we must turn our attention to reducing long-term budget deficits and lowering our national debt.

In South Florida, we know that tough times mean tightening our belts. Times like these require cutting back. This applies to our family budgets, our businesses and our government. Unfortunately, some in Washington missed that memo. For years, spending has been out of control, and it's time for real solutions to reduce our deficit. As a state legislator, I participated in a balanced-budget process for 14 years. I have been and will continue fighting to bring that kind of fiscal discipline to Washington.

My parents, a public school teacher and small business owner, taught me early on the value of a dollar. My wife and I passed that lesson on to our children. Like so many in our community, we teach our kids that you have to live within your means. If you can't afford something, you can't buy it.

It is time that we heed this advice in Washington. That is why I am pleased that the President recently signed PAYGO legislation into law. PAYGO says that Congress can only create new programs that are fully paid for and do not increase the deficit. I have supported the passage of this legislation since I arrived in Congress and I am glad that it is finally the law. We know PAYGO works. When it was in place in the 1990s, we saw budget surpluses. When it was abandoned in 2000, our deficit exploded. That cannot and will not be the case anymore.

This is a good first step to reign in our budget deficits, but more must be done. Government programs that aren't serving the American people cost us billions of dollars a year. We need to review the budget line by line and squeeze out every possible penny of savings, including cutting programs that aren't working or that duplicate each other.

Further, I am introducing legislation that puts us on a path to fiscal responsibility and balanced budgets. My bill will require Congress to reduce spending each year until the budget is balanced, laying out a clear roadmap to getting our deficit under control.

Specifically, my legislation will require the Budget Committee to include a detailed benchmark plan to eliminate the budget deficit by 2020 in the current budget resolution, including reconciliation instructions to committees as necessary to carry out the plan. After the roadmap has been established, each subsequent budget resolution must meet the goals laid out by the Budget Committee to reduce the deficit. If future budget resolutions do not meet the benchmarks for deficit reduction, then it would not be in order to consider that budget resolution in either the House or the Senate, with some exceptions for times of economic emergency.

To balance our budget, we will have to make tough choices. Putting this roadmap into place, and including enforceable points of order, will require Congress to decide what priorities are most important, just like families in South Florida and around the country do every day. Working together, we can ensure that our government continues to meet its commitments and provides the foundation for economic growth while protecting Medicare, Social Security, and other vital government programs. 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 keep our fiscal house in order.

Ms. MCCOLLUM. I thank the gentleman from Florida for his ideas to the Committee on how to have fiscal responsibility.

At this time, this Chair yields the gavel to the gentleman from Washington, Mr. Larsen.

Mr. LARSEN [presiding]. The Chair now recognizes the gentleman from South Carolina, Mr. Inglis.

STATEMENT OF HON. BOB INGLIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH CAROLINA

Mr. INGLIS. I thank the Chair.

And, Mr. Chairman, I am here to suggest that leadership aimed at consensus, plus a crisis, equals change. We have the crisis. The question is whether we have leadership aimed at consensus. And I think that we are at a historic point where perhaps the American people will lead us in Congress to these solutions.

And so what I am here to suggest, Mr. Chairman, is that when the federal budget is such that tax receipts only cover mandatory spending last year and projected for this year, that all tax receipts will only be sufficient to cover Medicare, Medicaid, Social Security, and interest on the debt, everything else will be borrowing, that that is a sufficient crisis for action.

So if we have leadership and a consensus plus a crisis, we can get change. But we have the crisis. The question is whether we have leadership aimed at consensus.

And I am wondering whether this point in our history is a unique point where the general interest of the public in getting the deficit under control and in paying down the debt is beginning to

overwhelm the special interests of the few in an earmark here, for a private purpose here or there, or a special tax loophole here or there, and that this is a truly unique moment where people are rising up and they are demanding of the Congress that we get the situation under control.

So what I am here to suggest is that we seize the moment and really put forward some bold plans. This week I am excited to be a co-sponsor of Representative Ryan's Road Map for America's Future. It is a very bold plan.

And perhaps there is some on the Democratic side of the aisle that do not like it, that think it goes too far, but if that is the case, what we should expect from those on the other side of the aisle is to give us their ideas.

And we must come together and solve this challenge because the American people have figured it out. They know that we can go the way of Greece, we can go the way of Argentina, we can end up in a place of hyperinflation.

So what we must do is get our fiscal house in order and the way to do that is to make some bold moves. Typically members of Congress are afraid that their people will not understand the need to make bold changes. But as I said, Mr. Chairman, I think that this is a unique time when people are actually realizing the great risk that we have and they expect some serious action.

So if I am correct that right now the general interest is starting to overwhelm the special interest, then this is a perfect time to act, to propose some solutions. The Road Map for America's Future is a solution that I am comfortable with. There are some things in there that obviously would be changed, but the general direction of it is to make significant changes to entitlement spending.

You all remember in the debate in 2008, one of the Presidential debates, John McCain was asked what he would do to balance the budget and he came up with something about earmarks. Barack Obama really had nothing to say about how he would balance the budget.

And Afterwards George Worrell pointed out that it was rounding error in the federal budget to speak of entitlements. And George Worrell said unless you are speaking of Medicare, Medicaid, and Social Security, you are not talking about balancing the budget.

So our challenge here is to have the courage to talk about those things. But what I am here to suggest is that right now is the time because people are rising up expressing the general interest and saying that they really want to see us get the deficit under control and pay down the debt, that that is the moment to act.

Leadership aimed at consensus plus a crisis equals change. We have got the crisis. The question is whether we can get leadership aimed at consensus. I am comfortable putting forth the Road Map for America's Future with Paul Ryan. I hope that from the other side, we will hear some ideas and we must come together and figure out a way to solve this American challenge.

Thank you for the opportunity to appear before you, Mr. Chairman.

[The prepared statement of Bob Inglis follows:]

PREPARED STATEMENT OF HON. BOB INGLIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH CAROLINA

Chairman Spratt and Ranking Member Ryan, thank you for giving me the opportunity to testify about the Budget Resolution for Fiscal Year 2011.

In the past, we in Congress would make speeches about our long-term entitlement challenges. We spoke about the need to keep Social Security and Medicare solvent, even as some proposed adding more seats to the sinking ship. This year, we've passed a new marker that should serve as a wake up call to the Congress.

According to the Office of Management and Budget, in 2009, mandatory federal spending exceeded total federal receipts for the first time. Consider that for a moment. In 2009, the federal government spent more on Social Security, Medicare, Medicaid and other mandatory programs than it took in through taxes. Everything else in the budget, including defense spending, was paid for with borrowed money. Our constituents get it, and they're trying to send us a message: stop the spending.

There is a reason that we so rarely balance our budgets. No matter who is in power, regardless of party, the special interests have outweighed the general interest.

But something has changed. Faced with the economic challenges of the last two years, Americans have had to tighten their belts; they've been confronted with the dangers and consequences of living on credit. But when they look at their government they don't see those same consequences. Instead they see the same old reckless spending and borrowing, and they're outraged.

Today the American people see the danger of continuing on our current path and are demanding a change in course. They want us to cut spending, and grow the economy so that we can put out nation on a sustainable path forward. For once, the general interest is starting to outweigh the special interests. We have before us a unique opportunity, one that may not come again, to radically transform the way we budget, tax, and spend.

This week I became a cosponsor of Ranking Member Ryan's Road Map for America's Future Act, and I believe that proposal holds great promise as a way forward. But whatever the path we take, we need to agree on this: now is the time to tackle these tough challenges and provide future generations with a government that lives within its means.

Thank you.

Mr. LARSEN. Thank you, Mr. Inglis.

Would you be willing to entertain a question or two?

Mr. INGLIS. Sure.

Mr. LARSEN. Just to clarify, and this is for the record and without any prejudice one way or the other towards the concept of earmarks. I think you quoted Mr. Worrell as saying it was a rounding error to talk of entitlements. Perhaps you meant to say a rounding error to talk of earmarks.

Mr. INGLIS. Absolutely, yes. Yes. It is a rounding error to speak of entitlements as a way of balancing the budget. Of course, it is an important marker of our devotion to balancing the budget. But, yeah, the big ones, of course, Medicare, Medicaid, Social Security, and those are the ones we have go to——

Mr. LARSEN. A rounding error just to talk of earmarks?

Mr. INGLIS. Right.

Mr. LARSEN. Right? Okay. All right, sir.

And just as a second point, I think generally there are many folks on both sides of the aisle who do want to come together and solve these larger issues and we have different ways of getting at it and perhaps different conditions to getting to the table itself, but perhaps approaching the table without conditions is perhaps the best way to get started on this.

Mr. INGLIS. Yeah. And to control our rhetoric, I think. You know, I was here for six years and I was gone six years, came back in 2004. And I left and had an unfortunate experience in a U.S. Senate race.

But in that race, what was thrown up to me was, Bob Inglis, why were you voting to cut old people's benefits and starve school children and all the normal canards that really come from the Democratic side of the aisle. Those are the things we need to leave aside.

We need to say, listen, if we are going to—we all have a big problem. It is called entitlement spending and we have got to get it under control.

And so if somebody has the courage to step forward, mostly because in listening to the American people and listening to the determination that I am hearing in my district, now really this is the time to act, do something.

If you then step forward based on that commitment and what you are hearing from your people, then it is best if the other side does not then start doing things about starving school children and all that kind of stuff because the reality is nobody wants to starve school children and nobody wants to put seniors on the street. But we do need to figure out a way to make Medicare sustainable, Medicaid sustainable, Social Security sustainable. And so it is important that we come together.

Mr. LARSEN. Before I let you go, I just would note that some would say that—you said you had an unfortunate experience in the U.S. Senate race—some would argue that regardless of the outcome of the U.S. Senate race, it is an unfortunate experience.

Having said that, thank you very much for your testimony to the Committee.

Mr. INGLIS. Thanks for the opportunity to be here.

Mr. LARSEN. Sure.

Without objection, the Committee will stand in recess subject to the call of the Chair.

[Recess.]

Mr. LARSEN. Back in order for Members' Day testimony.

The Chair now recognizes the gentleman from North Dakota, Mr. Pomeroy.

STATEMENT OF HON. EARL POMEROY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH DAKOTA

Mr. POMEROY. I thank the Chair and apologize for the portion of the recess that my delayed appearance here represents. I was taking in the first part of the Memorial Service for our fallen colleague, Jack Murtha. I know we will want to remember him and his family in our prayers.

I would like to thank you for the opportunity to submit testimony to the Committee.

I want to specifically urge this Committee to exclude from the House budget resolution proposals under discussion to fund the Environmental Protection Agency's efforts to implement regulations on greenhouse gas emissions as well as this budget should, I believe, strike budget proposals that eliminate tax incentives, vital tax incentives for the oil and gas industry.

I have become increasingly concerned by the steps that the EPA has taken in recent months to regulate greenhouse gas emissions under the Clean Air Act. The Clean Air Act was passed the early part of the last decade for purposes of dealing with acid rain, principally smog and acid rain.

Well, the Supreme Court ruled that the Clean Air Act can indeed provide basis for this agency to move forward with a whole slate of regulations on greenhouse gas emissions, something that was not contemplated in the drafting of the statute and does not produce an appropriate resolution for this country.

The EPA is expected to soon finalize a rule to regulate the greenhouse gas emissions from light-duty vehicles. What concerns me in particular is not the light-duty vehicles, the mobile source regulations that would extend from the agency, but the subsequent triggering of regulatory reach to stationary sources that emit greenhouse gases such as power plants and factories for regulation.

In anticipation of this outcome, the EPA has announced a proposed rule requiring large industrial facilities and power plants to obtain construction operating permits covering their emissions. These programs would require facilities to demonstrate the use of best available control technology and energy efficiency measures to minimize greenhouse gas emissions. The President's fiscal year 2011 budget proposes to provide more than $50 million to develop and implement these regulations.

I believe that these regulations are ill conceived fundamentally because they are based on a statute that was initially enacted to address an entirely different range of issues. I believe that Congress should take the authorizing step of putting in place a statute relative to greenhouse gas emissions before agency activity moves forward.

Again, the Supreme Court has held that greenhouse gas emissions can move forward under the Clean Air Act, but Congress ultimately is the ultimate decider of the basis by which this agency acts. And by dealing with this in the budget and appropriation process, we can prohibit the agency from acting under the wrong statute until the right statute is put into place.

Our nation's energy sector is the heart of everything we do, provides the gas that fuels our cars, electricity that turns on our lights, and the fuel that heats our home.

In North Dakota and many parts of the country, the energy sector is a primary engine that has kept our economy strong while the rest of the country has struggled.

The current Clean Air Act was not developed for greenhouse gas emissions and it does not work to try and shoehorn greenhouse gas emissions into this statute.

The obvious potential, a lawsuit that will result from EPA's proposed rule relates to changing the regulatory threshold for stationary sources. I think we would all agree the thresholds in current law are completely unworkable for greenhouse gases.

There are significant questions as to whether EPA has the authority to change this threshold for purposes of attaching their regulatory reach. If it is found that they do not have the authority, we could be looking at potentially millions of stationary sources now requiring review.

There are also significant concerns over the availability of technology to meet regulations. Under the proposed rule, the EPA can force an emitter to install a Best Available Control Technology that is known by the acronym BACT.

In the early years of this program and for the foreseeable future, it is unclear what EPA would consider BACT compliant. As of yet, no commercially available technology for many existing sources and technologies for new plants that are either unproven or incredibly expensive.

I am wondering about the jobs this summer in the coal generating facilities found in the plains of North Dakota. Normally you would have the utilities or the co-ops making decisions to do their annual plant upgrades. This has the positive effect of lowering emissions and keeping the plant at best operating standard.

What will be placed in question this summer is whether or not that kind of investment will even be made because it will not know whether or not it will pass muster with rules yet to be promulgated by the EPA on best available control technology.

I think we could lose jobs. We could lose jobs as early as this summer and freeze everything in place in terms of plant maintenance, a very unfortunate result.

Now, should Congress ever institute a greenhouse gas regulation law, and I believe it will, it is likely to include substantial flexibility that will recognize economic concerns or create sensitive concerns and other issues that come to the floor in the legislative process and are appropriately considered as part of an enactment.

Now, the EPA does not have this reach and this look as they move their regulation forward. That, again, is why we need to put the statute in place first before the regulation.

For these reasons, I believe it is critical that Congress prevent the regulations and stop the cart from being put in front of the horse. Let us prevent the regulations from being implemented.

I have introduced legislation, Save our Energy Jobs Act, H.R. 4396, that would remove the current authority to implement the regulations under that Supreme Court ruling until Congress puts the statute in place.

Now, just in my final moment, Mr. Chairman, to the Committee today, I would like to discuss proposals to eliminate tax incentives for fossil fuels.

Domestic oil and gas development is critical to America's economic and strategic future and the majority of this development is currently being undertaken by independent producers, the very producers who will be hit hardest by the elimination of these tax incentives.

These independent producers come into North Dakota, develop technologies that can recover what is now estimated four billion barrels of oil, completely changing the economic outlook for North Dakota, but making a substantial change also in what we think can be contributed to domestic energy needs.

A primary example, 115,000 barrels per day moving to now more than 240,000 barrels per day just in the last two years alone.

As is the case with most new domestic sources of oil and gas, this development is not cheap. The new wells which go two miles down and then horizontally two miles cost several millions of dollars from lease to completion and the majority again of the companies picking these up are independent producers. They depend upon the existing tax structure which has basically allowed the financing of this extraordinary capital requirement to develop these oil fields.

Now, unless we are going to risk busting up the search for new domestic sources of fossil fuel, I believe that we need to keep these into place. And I would urge that as you put your budget together, you reject those budget proposals submitted by the Administration.

Thank you for your kind attention and I value the opportunity to put this into the record. Thank you.

[The prepared statement of Earl Pomeroy follows:]

PREPARED STATEMENT OF HON. EARL POMEROY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH DAKOTA

Chairman Spratt and Ranking Member Ryan, I would like to thank you for the opportunity to testify before the committee today regarding the Budget Resolution for fiscal year 2011. In particular, I urge you to not include in the House Budget Resolution proposals under discussion to fund the Environmental Protection Agency's efforts to implement regulations on greenhouse gas emissions and to eliminate tax incentives for the oil and gas industry.

I have become increasingly concerned by the steps that the Environmental Protection Agency (EPA) has taken in recent months to regulate greenhouse gas emissions under the Clean Air Act, a bill actually intended by Congress to primarily regulate smog and acid rain. In fact, the EPA is expected to soon finalize a rule to regulate greenhouse gas emissions from light-duty vehicles under the Clean Air Act which would subsequently subject stationary sources that emit greenhouse gases, such as power plants and factories, to regulation. In anticipation of this outcome, the EPA has announced a proposed rule requiring large industrial facilities and power plants to obtain construction and operating permits covering their emissions. These permits would require facilities to demonstrate the use of best available control technologies and energy efficiency measures to minimize greenhouse gas emissions. The President's Fiscal Year 2011 Budget proposes to provide more than $50 million to develop and implement these regulations. I believe that these regulations are ill-conceived and urge the Committee to not provide any consideration for their implementation within Congress's Fiscal Year 2011 Budget.

Our nation's energy sector is at the heart of everything we do—it provides the gas that fuels our cars, the electricity that turns on the lights, and the fuel that heats our homes. In North Dakota and many other parts of the country, the energy sector is the primary engine that has kept our economy strong while the rest of the country has struggled with the economic crisis. The current Clean Air Act was developed for significantly different purposes than regulating greenhouse gases. If we shoehorn the regulation of greenhouse gases into these existing regulatory structures we will almost certainly see a tremendous amount of litigation and costs around the implementation of these rules.

One obvious potential lawsuit that will certainly result from the EPA's proposed rule relates to changing the regulatory threshold for stationary sources. While I think we would all agree that the thresholds in current law are completely unworkable for greenhouse gases, there are significant questions as to whether EPA has the authority to make this change. If it is found that the EPA does not have this authority we could be looking at millions of potential sources that would be regulated including small business, family farms and even some homes.

There are also significant concerns over the availability of technology to meet regulations. Under the proposed permitting requirements the EPA can force an emitter to install a Best Available Control Technology (BACT) to meet emissions. In the early years of this program and for the foreseeable future it is unclear what EPA would consider a BACT as there is as of yet no commercially available technology for many existing sources and technologies for new plants are either unproven or incredibly expensive.

This could have the effect of increasing energy costs dramatically in a short period of time, driving employers out of business and costing jobs. This is especially dangerous for energy intensive places like North Dakota. Significant portions of our population live on a fixed income and rely on electricity to heat their homes during our cold winters. The Clean Air Act does not provide a mechanism to assist individuals and businesses with increased costs caused by regulations. These costs will inevitably be passed along to consumers forcing low income families to face the difficult decision between heating their homes, buying food or paying for critical medicines.

Should Congress ever institute a greenhouse gas regulation law, it is likely to include substantial flexibility to address economic concerns of trade sensitive indus-

tries and to mitigate the effects of the policy on end energy users. With the current EPA proposal there is no such flexibility.

For these reasons I believe that it is critical that Congress act to prevent these regulations from being implemented. To that end I have introduced H.R. 4396, the Save Our Energy Jobs Act Legislation to remove EPA's current authority to implement these regulations, restoring that authority to Congress where it belongs. In addition, I urge the committee to not provide for the implementation of these regulations within the House Budget.

I would like to use my remaining time to discuss the proposals to eliminate tax incentives for fossil fuels. Domestic oil and gas development is critical to America's economic and strategic future and the majority of this development is currently being undertaken by independent producers, the very producers who will be hit hardest by the elimination of these tax incentives.

A prime example of how the oil and gas industry can be an engine for economic growth can be seen in North Dakota. While many other states around the country have been facing high unemployment rates and budget deficits, North Dakota has the country's lowest unemployment rate at 4.4 percent and has a budget surplus of nearly $1 billion. Much of this success can be attributed to the remarkable development of the Bakken oil formation in North Dakota. Since the beginning of 2007 production has soared from 115,000 barrels per day to more than 240,000 barrels per day at the end of 2009, making North Dakota the 4th largest oil producing state, up from 9th just 3 short years ago. This has provided an ample source of jobs and tax revenue back to the state.

As is the case with most new domestic sources of oil and gas this development is not cheap. New wells in the Bakken cost several million dollars from lease to completion, with the majority of the companies drilling these wells being independent producers. These companies do not have the large sums of capital available to them that major integrated producers have. The ending of tax incentives, such as the expensing of Intangible Drilling Costs, will have the greatest effect on these producers who will be forced to spend capital on their tax liabilities rather than new wells. This will lead directly to less domestically produced oil, increased dependence on foreign oil and higher oil costs in general. It is critically important that the United States continue to explore for and develop its domestic energy resources. Inclusion of proposals to eliminate tax incentives for oil and gas, however would have a significant impact on that development and I would ask that they not be included in the House Budget.

Mr. Chairman, I would again like to thank you for the opportunity to appear before your committee today to express a few of my priorities for the Fiscal Year 2011 House Budget Resolution. It is critical that Congress work to ensure that the United States maintain an energy policy that will incentivize new sources of domestic energy and does not place undo burdens on its citizens and businesses. Budget proposals that call for unrestrained regulation of industry and increased taxes on development of domestic resources would have the exact opposite effect. Thank you.

Mr. SCHRADER [presiding]. Thank you, Mr. Pomeroy, and thank you for your advocacy on behalf of your State of North Dakota.

The Chair now recognizes the gentleman from California, Mr. Sherman.

STATEMENT OF HON. BRAD SHERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. SHERMAN. Thank you, Mr. Chairman.

I will be brief, so the staff should be on the phones trying to get your next entertainer, excuse me, Member of Congress here to make a presentation.

I come here to support the land acquisition activity in the President's budget and perhaps to urge you to even expand it. The national parks are important, particularly in a time of recession, first because families need to get outdoors, whether it be for a day trip or for a vacation that they can afford even when they are cutting back. And our national parks provide that.

Second to preserve our environment, there is nothing more important than the National Park System. Our National Park System

not only needs to be operated, it needs to add additional land within the existing borders of our national parks and national recreation areas.

I am particularly here to focus on the Santa Monica Mountains National Recreational Area. The Los Angeles Megalopolis is underparked in terms of the amount of parkland we have in the region, but we are blessed that right at the fringes of our region, we have a unit of the National Park Service, namely the Santa Monica Mountains National Recreation Area, which is visited by some 33 million people a year, visiting both the mountains and the beaches contained within its borders. This means that it is by far the most visited unit of the National Park System and, yet, much of the land has not been acquired and you have a patchwork of state and federal and private land within its borders.

Critical to the park meeting its needs are the acquisition of the Zuma/Trancas Canyon watersheds. The President's budget provides $3.75 million to acquire 16 tracts totaling 286 acres of core habitat in these canyons. The total cost of acquiring all the relevant land would be $6 million and would include 28 parcels. The owners have expressed a willingness to sell to the National Park Service subject to negotiation of the price.

So I would hope that you would preserve, and perhaps expand, the federal land acquisition activity in the budget and that within that activity, when you see the amount put forward for the Santa Monica Mountains, that you would at least preserve the $3.75 million and if I have been particularly persuasive, increase it has high as $6 million so that we can do the in-fill buying to preserve critical habitat and to build and preserve what is already the most visited unit of the National Park System.

I do not know if you have any questions.

[The prepared statement of Brad Sherman follows:]

PREPARED STATEMENT OF HON. BRAD SHERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, thank you for the opportunity to convey my top priority for the Fiscal Year 2011 Budget. The Department of the Interior Fiscal Year 2011 Budget provides $3.75 million to acquire 16 tracts totaling 286 acres to protect core habitat in Zuma/Trancas Canyons in the Santa Monica Mountains National Recreation Area. I strongly support the Administration's request and urge the Committee to include the request in the final Budget.

The National Park Services ranks the preservation of Zuma/Trancas Canyons watersheds and coastal estuaries as the top priority for land acquisition in the Santa Monica Mountains. The Santa Monica Mountains National Recreation Area Land Protection Plan identifies 484 acres in the watersheds for acquisition by the National Park Service. This includes 28 legal parcels with an estimated fair market value of $6,000,000. The parcel owners have expressed a willingness to sell to the National Park Service subject to an agreeable value.

The National Park Service has preserved approximately 6,500 acres or over 50 percent of the Zuma/Trancas Canyons watersheds, insuring their long-term preservation for public enjoyment. However, high-end real estate development on the remaining private in-holdings threatens to displace critical habitat and degrade park scenery and coastal water quality. Hiking trails within the canyons provide scenic views of the Pacific Ocean, numerous waterfalls, and natural solitude. This acquisition not only identifies critical open space for habitat protection, but it also seeks to secure critical recreational trail connections for the public. An additional $2.6 million will be required to purchase the remaining 198 acres of undeveloped parkland within Zuma/Trancas Canyons.

Each year over 33 million visitors enjoy the Santa Monica Mountains National Recreation Area's world-renowned beaches and explore the park's mountains, in-

cluding its 60-mile Backbone Trail, which stretches across the Santa Monica Mountains and traverses through Zuma/Trancas Canyons. To date, the National Park Service has acquired 22,000 acres of parkland using Land and Water Conservation Funds totaling $163 million. The Santa Monica Mountains National Recreation Area has one of the largest backlogs of acquisition needs in the national park system. Approximately 20,595 acres remains to be acquired to complete the Land Protection Plan recommendations. The value of these lands is estimated to be over $57 million.

Mr. Chairman, I urge the Committee to budget $3.75 million to acquire 286 acres of core habitat in Zuma/Trancas Canyons in the Santa Monica Mountains National Recreation Area. Thank you for this opportunity to convey my support for this important priority in the Fiscal Year 2011 Budget.

Mr. SCHRADER. Do not, but I appreciate your advocacy on behalf of the Santa Monica area and the National Park System. Certainly excellent points and I would support that action. Thank you very much.

Mr. SHERMAN. Thank you.

Mr. SCHRADER. Next we will hear from Mr. Johnson from Georgia.

STATEMENT OF HON. HENRY "HANK" JOHNSON, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

Mr. JOHNSON. Thank you, Mr. Chairman, for holding this hearing today and giving me the opportunity to testify upon President Obama's fiscal year 2011 budget proposal.

The spending decisions made in this budget will have a tremendous effect on the lives of my constituents and all Americans for many years to come.

I am pleased that we have a presidential budget request that focuses on promoting economic recovery and makes the necessary investments so that constituents in George's Fourth District will have the opportunity for a better future.

I strongly urge this Committee to give high priority to economic recovery and job creation, foreclosure prevention, viral hepatitis funding, justice programs to decrease recidivism, and transportation and infrastructure project funding that is very aggressive.

We can all agree that the key to jump-starting our economy is to put Americans back to work. I share the President's goal of creating jobs for all Americans. Georgia's unemployment rate is 10.3 percent which is higher than the national unemployment average or the national unemployment rate which is 9.7 percent. Therefore, my priority is to preserve and to create new jobs.

I applaud the President's budget request for $100 billion for a jobs package to spur economic growth. We need to continue to invest in programs that help laid off workers and their families receive the help they need until they can find a job. This is why I also supported President Obama's proposal to extend unemployment benefits and COBRA health insurance premium assistance.

Foreclosure prevention programs are also necessary to facilitate economic recovery. Foreclosure rates remain at all-time highs and are up 15 percent from January 2009. I am deeply concerned about this issue as Georgia is among the top ten states with the highest foreclosure rates. More than 1,000 homes are in the foreclosure process every month in my district and we need to do more to stem this tide.

President Obama's fiscal year 2011 budget requests $88 million for HUD to support home ownership and foreclosure prevention and $20 million to combat mortgage fraud.

In addition, the President's budget requests $250 million for the Neighborhood Reinvestment Corporation's grant. Of that, $113 million is requested for foreclosure prevention activities which is a $48 million increase over the 2010 request.

I applaud President Obama for investing in these foreclosure prevention programs.

I value the health of my constituents also. Additional funding for viral hepatitis programs at the CDC is essential for battling hepatitis B and C. Three to five million people are projected to or, put it like this, three to five million people are currently infected with either the hepatitis B or the hepatitis C virus and do not know it.

And many of those with respect to hepatitis C are approaching eligibility for Medicare because it is kind of a baby boomer type of phenomenon at this point, but the cost to society for treating liver cancer and, in fact, liver cancer cases, cases of liver cancer are among the fastest growing cancer rates in this nation.

So it is very important that we bulk up the 19.5, I believe is the budget request for the CDC viral hepatitis program. And you can see viral hepatitis actually kills more people per year than does HIV. HIV funding is about $800 million per year versus the 19 for hepatitis B and C and a higher death rate for hepatitis C.

So it is important that we develop a comprehensive viral hepatitis program to prevent new infections and control the spiraling cost of treating chronic infections.

The President's fiscal year 2011 budget only requests $21.1 million for these activities. Although this is a $1.8 million increase from the President's fiscal year 2010 request, it is still not enough. At least $50 million should be allocated to ensure that the CDC can adequately fund its viral hepatitis programs.

And it is important that we do this so that the CDC can conduct the various studies that would be necessary in order to show that there is a real need for increased funding for prevention efforts, for educating healthcare providers, and others about how to stop the transmission of these viruses.

I also urge the full funding of the Second Chance Act, the COPS Program and Byrne Justice Grant programs to combat crime and reduce recidivism.

Furthermore, substantial funding is necessary for mass transit and infrastructure programs. Investing in mass transportation and infrastructure projects will create jobs, allow people who want to work, it will give them an option for getting to work and will ultimately revitalize our economy by creating jobs.

Again, thank you for holding this hearing and giving me the opportunity to testify. And I yield back the balance of my time.

[The prepared statement of Henry "Hank" Johnson follows:]

PREPARED STATEMENT OF HON. HENRY C. "HANK" JOHNSON, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

Thank you Chairman Spratt, and Ranking Member Ryan for holding this hearing today, and giving me the opportunity to testify upon President Obama's Fiscal Year 2011 Budget proposal.

The spending decisions made in this budget will have a tremendous effect on the lives of my constituents and all Americans for many years to come.

I am pleased that we have a presidential budget request that focuses upon promoting economic recovery and makes the necessary investments so that constituents in Georgia's Fourth Congressional District will have the opportunity for a better future.

I strongly urge this Committee to give high priority to economic recovery and job creation, foreclosure prevention, viral hepatitis funding, justice programs to decrease recidivism, and transportation and infrastructure projects.

We can all agree that the key to jumpstarting our economy is to put Americans back to work. I share the President's goal of creating jobs for all Americans. Georgia's unemployment rate is 10.3 percent, which is higher than the national unemployment rate of 9.7 percent. Therefore, my priority is to preserve and create jobs.

I applaud the President's budget request of $100 billion for a jobs package to spur economic growth. We need to continue to invest in programs that help laid-off workers and their families receive the help they need until they find new jobs. This is why I also support President Obama's proposal to extend unemployment benefits and COBRA health insurance premium assistance.

Foreclosure prevention programs are also necessary to facilitate economic recovery. Foreclosure rates remain at an all time high and are up 15 percent from January 2009. I am deeply concerned about this issue as Georgia is among the top ten states with the highest foreclosure rates. More than 1,000 homes are in the foreclosure process every month in my district, and we need to do more to stem the tide.

President Obama's Fiscal Year 2011 Budget requests $88 million for HUD to support home ownership and foreclosure prevention and $20 million to combat mortgage fraud. In addition, the President's Budget requests $250 million for the Neighborhood Reinvestment Corporation's grant. Of that, $113 million is requested for foreclosure prevention activities, which is a $48 million increase over the 2010 request. I applaud President Obama for investing in these foreclosure prevention programs.

I value the health of my constituents, too. Additional funding for viral hepatitis programs at the CDC is essential for battling hepatitis B and C. Increased funding is critical in developing a comprehensive viral hepatitis program to prevent new infections and control the spiraling cost of treating chronic infections. The President's Fiscal Year 2011 Budget only requests $21.1 million for these activities. Although this is a $1.8 million increase from the President's fiscal Year 2010 request, it's still not enough. At least $50 million should be requested to ensure that the CDC can adequately fund its viral hepatitis programs.

I also urge the full funding of the Second Chance Act, the COPS Program, and Bryne Justice Grant Program to combat crime and reduce recidivism.

Furthermore, substantial funding is necessary for mass transit and infrastructure programs. Investing in mass transportation and infrastructure projects will create jobs, allow people who want to work an option for getting to work and will ultimately revitalize our economy by creating jobs.

Again, thank you for holding this hearing and giving me the opportunity to testify. I yield back the balance of my time.

Mr. SCHRADER. Thank you very much, Representative. Appreciate your testimony and your tireless advocacy for those in your district and this country. Thank you.

Mr. JOHNSON. Thank you, Mr. Chairman.

Mr. SCHRADER. Turn to the Honorable Congressman from New York, Mr. Eliot Engel.

STATEMENT OF HON. ELIOT ENGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. ENGEL. Thank you. Thank you very much for holding this hearing today and for the listening to us, I almost feel guilty making you sit through all this, but I do appreciate it. Thank you very, very much.

I represent New York's 17th District, and that is the northern most part of New York City and the northern and western suburbs.

What I would like to discuss is the need for increased funding to the Refugee School Impact Grant Program though the Office of

Refugee Resettlement, Administration for Children & Families of the Department of Health & Human Services, and it involves Haiti and the earthquake in Haiti.

I have a population of about 35,000 Haitians in my district, and obviously we are all aware of the devastation caused by the earthquake in Haiti, we have welcomed Haitian refugees, Haitian immigrants, and Haitian-Americans returning to the U.S., yet the influx of refugee children into our local schools is putting a devastating strain on school districts.

The districts are already feeling their budgets are constrained, due to the severe recession we are experiencing, you add this on top of it, it is very, very difficult. I have heard this concern not only from my New York colleagues, but also my colleagues from South Florida, as well as other areas that have large numbers of Haitian-American population.

It is estimated in New York that $15,536 is spent per pupil for overall education spending. Haitian refugee school children will also need more specialized support, requiring additional funds per pupil.

The superintendent of the East Ramapo Central School District in Rockland County in my district has estimated that 100 to 200 Haitian children will enter their schools by the end of the year and more the following year. The cost to the East Ramapo Central School District could be over several million dollars to educate and support these school children.

Since many refugee students arrive without school records, teachers and specialists often need to test entering refugee student's academic knowledge and language ability to know what grade in which to place them in. Also, many of the refugee school children need more support than traditional students for services such as grief counseling, teachers trained in cultural sensitivity, English as a second language courses, even supplies such as backpacks and notebooks.

The Refugee School Impact Grant Program provides support to impacted school districts, such as the East Ramapo Central School District, with the funds necessary to pay for activities that will lead to the effective integration and education of all refugee children.

Funding allows for educational support activities, such as English as a Second Language training, after school tutoring, remedial summer programs, or bilingual/bicultural aides. These services are desperately needed for Haitian refugee school children. I am privileged, as I said before, to represent a large concentration of Haitians and Haitian-Americans.

Local school district superintendents in Rockland County have already made clear the need for additional financial assistance required to address the influx of refugee children into local schools.

It is shocking to note that during fiscal year 2010, 2009, 2008, 2007, the funding for the Refugee School Impact Grant remained at just $15 million.

Within the Administration for Children and Families fiscal year 2011 congressional justification, a request is made again for only the same $15 million for this necessary grant program.

The fiscal year 2011 budget request was released after the earthquake in Haiti, yet there was not a proactive initiative to increase the funding for this program. So it seems a bit silly that considering we had the earthquake in Haiti and considering we now have an influx of Haitian children coming to this country, that the $15 million request would remain stagnant. And as I mentioned, that was the same request going back three years ago as well. And so with these new circumstances there certainly should be an increase in this request.

Now an additional $25 million was allocated for Social Service grant programs to assist Emerging Populations Programs, that does not include assistance for school districts. So it is a bit strange that we would have an additional $25 million for that, but not have anything on top of what we have been asking for the past three years for school districts.

I fully support funding President Obama's fiscal year 2011 budget request to fund the Social Services Programs of the ORR at $253 million, an increase of $25 million above fiscal year 2010; however, I strongly encourage additional funding above the $15 million for the Refugee School Impact Grant Program as well.

Obviously it is our responsibility to assist our local school districts in educating newly arrived refugee school children and provide them with the proper resources so they may fully integrate into our society.

I urge the Budget Committee to increase funding for the Refugee School Impact Program above $15 million in the fiscal year 2011 in the budget resolution. I will also be working with my colleagues on the House Appropriations Committee for an increase in funding for this program to be included in any future Haiti supplemental.

So I thank you again for the opportunity to testify before the Budget Committee today, and I look forward to working with you and answering any questions you may have.

[The prepared statement of Eliot Engel follows:]

PREPARED STATEMENT OF HON. ELIOT L. ENGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Chairman Spratt and Ranking Member Ryan, thank you for holding today's hearing and for the opportunity to discuss one of my priorities for New York's 17th District in the Fiscal Year 2011 Federal Budget. Specifically, I would like to discuss the need for increased funding to the Refugee School Impact Grant Program though the Office of Refugee Resettlement, Administration for Children & Families, Department of Health & Human Services.

We are all aware of the devastation caused by the earthquake in Haiti, and have welcomed Haitian refugees, Haitian immigrants and Haitian-Americans returning to the U.S. Yet the influx of refugee children into our local schools is putting a devastating strain on school districts. The districts are already feeling their budgets are constrained due to the severe recession we are experiencing. I have heard this concern not only from my New York colleagues, but also my colleagues from South Florida as well.

It is estimated in New York that $15,536 is spent per pupil for overall education spending. Haitian refugee school children will also need more specialized support, requiring additional funds per pupil. The superintendent of the East Ramapo Central School District has estimated that 100-200 Haitian children will enter their schools by the end of the year. The cost to the East Ramapo Central School District could be over several million dollars to educate and support these school children.

Since many refugee students arrive without school records, teachers and specialists often need to test entering refugee student's academic knowledge and language ability to know what grade to place them. Also, many of the refugee school children need more support than traditional students for services such as grief counseling,

teachers trained in cultural sensitivity, English as a Second Language courses, even supplies such as backpacks and notebooks.

The Refugee School Impact Grant Program provides support to impacted school districts, such as the East Ramapo Central School District, with the funds necessary to pay for activities that will lead to the effective integration and education of all refugee children. Funding allows for educational support activities, such as English as a Second Language training, after school tutoring, remedial summer programs, or bilingual/bicultural aides. These services are desperately needed for Haitian refugee school children.

I am privileged to represent a large concentration of Haitians and Haitian-Americans. Local school district superintendents in Rockland County have already made clear the need for additional financial assistance to address the influx of refugee children into local schools. It is shocking to note during FY2010, 09, 08, and 07 the funding for the Refugee School Impact grant program remained at $15 million. Within the Administration for Children and Families FY2011 Congressional Justification, a request is made again for only $15 million for this necessary grant program. The FY2011 Budget Request was released after the earthquake in Haiti, yet there was not a proactive initiative to increase the funding for this program.

However, an additional $25 million was allocated for Social Service grant programs to assist Emerging Populations programs, which does not include assistance for school districts. I support fully funding President Obama's FY2011 budget request to fund the Social Services programs of the ORR at $253 million, an increase of $25 million above FY2010. However, I strongly encourage additional funding above $15 million for the Refugee School Impact Grant Program as well.

It is our responsibility to assist our local school districts in educating newly arrived refugee school children, and provide them with the proper resources so they may fully integrate into our society. I urge your Committee to increase funding for the Refugee School Impact Program above $15 million in the FY2011 in the Budget Resolution. I will also be working with my colleagues on the House Appropriations Committee for an increase in funding for this program to be included in any future "Haiti Supplemental."

Thank you again for the opportunity to testify before the Budget Committee today. I look forward to working with you and answering any questions you may have.

Mr. SCHRADER. Thank you very much, representative, I appreciate your comments and certainly well stated and very compelling arguments about the increase necessary given the extremely extraordinary and horrific situation that is now going on in Haiti, so as the Chair I will take that in advisement and talk to my colleagues.

Mr. ENGEL. Thank you very much.

Mr. SCHRADER. Thank you very much. Well the Chair will stand in recess subject to call the Chair for a little bit.

[Recess]

Mr. SCHRADER. Back to order. Welcome the Honorable Representative Davis from Illinois. Appreciate your attending and look forward to your comments.

STATEMENT OF HON. DANNY K. DAVIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. DAVIS. Thank you very much Mr. Chairman, and I would like to begin by thanking Chairman Spratt, Ranking Member Paul Ryan and other Members of the Budget Committee for opportunity to appear here today.

Never before has there been a level of economic distress and uncertainty that for generations to come would marvel or match what we are experiencing today. According to a recent CBO report, "the recession has lowered employment by about 11 million" and automatic stabilizers will add to/increase the federal budget deficit of about "$400 billion" in 2010 and 2011. And while economic indica-

tors suggest we have passed the trough of the recession, forecasters predict that recovery will be slow.

As we move from recession to recovery, we must examine the efficacy of federal programs in fulfilling intended outcomes and resolve fragmented service-delivery at every level. More broadly, we must utilize current economic conditions to our advantage to advance cooperation, coordination, and collaboration among federal, state, and local agencies affecting our children well-being and our nation's future.

To this end, I commend President Obama for his comprehensive approach to budgeting and I commend him for holding the line, but at the same time recognizing that there are areas where we need to provide every level of service that we possibly can.

In particular I am very much concerned about the whole entry of re-entry, and I urge the Budget Committee to try and make sure that we fully fund something called the Second Chance Program, and that we budget the kind of resources for those activities that can be instrumental in helping people reconnect with society in a very meaningful way.

In addition to that, all of us know that education is important for having a decent and good life in this country, and I would urge that we put as many resources into education at every level beginning with early childhood all the way through to the highest levels of education that are needed in our society.

I also want to mention the whole need for health awareness, health education, and health promotion. We talk a great deal about what it costs to provide health services, but I can assure you that if we help people learn how to better care for themselves we can reduce the cost of delivering care, we can increase and improve the health status of our citizens, and we can make America a better place in which to live. And one of the areas in which we can do that through is community health centers which I consider to be the best thing that has happened to ambulatory healthcare in this country since the Indians discovered corn flakes. And so obviously I am very high on this type of program, and I want to thank you for the opportunity to be here and to testify, and I know that Chairman Spratt and the Committee have done exceedingly well in years past, I have no reason to believe that anything will be done differently this year, and so I want to commend Representative and Chairman John Spratt for the tremendous work that he has done, and certainly my commendations go to the Ranking Member, Paul Ryan from Wisconsin. And I thank you very much and yield back the balance of my time.

[The prepared statement of Danny K. Davis follows:]

PREPARED STATEMENT OF HON. DANNY K. DAVIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Good Morning, I would like to begin by thanking Chairman John Spratt, Ranking Member Paul Ryan and Members of the Budget Committee for today's hearing on the proposed FY '11 budgetary spending and agenda.

Never before has there been a level of economic distress and uncertainty for generations to come. Indeed, according to a recent CBO report, "the recession has lowered employment by about 11 million" and automatic stabilizers will add to/increase the federal budget deficit of about "$400 billion" in 2010 and 2011. (January 2010) While economic indicators suggest we have passed the trough of the recession, forecasters predict the recovery will be slow.

As we move from recession to recovery, we must examine the efficacy of federal programs in fulfilling intended outcomes and resolve fragmented service-delivery at every level. More broadly, we must utilize current economic conditions to our advantage to advance cooperation, coordination and collaboration among federal, state and local agencies affecting our children well-being and our nation's future.

To this end, I commend President Obama for his comprehensive forward-focus approach of investing in public programs to better serve poor, low-income Americans living at/below the poverty line by:

• Expanding the Race to the Top competition, which encourages successful educational reforms at the state and local level;

• Increasing Community Health Centers (CHC) funding aimed at renovating and improving CHC facilities and knowledge management systems;

• Spurring innovative interagency partnership between HHS and DOJ for Drug Courts, Reentry Programs and Residential (institutions);

• Increasing Department of Labor's WIA/Transitional jobs appropriations, which includes funding for Section 212 of Second Chance, transferable funding to Health and Human Services and the Department of Justice for pilot and demonstrational transitional job programs in HHS, DOJ and increasing Youth Build programs for high school dropouts who've reenrolled in alternative schools; and lastly

• Establishing a new Fatherhood, Marriage, and Families Innovation Fund in an attempt to build stronger evidence-base service intervention models aimed at removing barriers to employment and increasing family functioning and parenting capacity.

These issues and near and dear to my heart and I wholeheartedly support the Administration's proposed budget and agenda to invest in our children well-being and nation's economic viability.

In closing, thank you Chairman Spratt and Ranking Member Ryan for today's hearing and for the opportunity to lend my voice in the call for Responsible Government.

Mr. SCHRADER. Thank you very much, appreciate the comments from the gentleman from Illinois, very excellent comments recognizing the investments the President and hopefully the Congress will be putting into the re-entry issues, educational levels, and our community health centers. Really good comments, thank you.

Next we have the Honorable Congresswoman from California, Ms. Lee.

STATEMENT OF HON. BARBARA LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. LEE. Thank you very much. Well first let me thank you for inviting the Congressional Black Caucus to come share the priorities of our fiscal year 2011 budget. The Congressional Black Caucus budget priorities are a reflection of our values and address many of the challenges that we face as a nation.

While some are saying that the economy is in recovery, it is clear that we must do more to create jobs and help struggling families get back on their feet. We must maintain our commitment to the families who are struggling to find work, facing foreclosures, eviction, and even homelessness. We must especially focus on increasing support for the chronically unemployed.

By all credible amounts the Obama administration and this Congress saved our economy from total collapse under the weight of the failed policies of the past, but our budget must do more to help American families who still suffer the consequences of the ongoing economic crisis.

As the House Budget Committee begins to consider the President's fiscal 2011 budget, the Congressional Black Caucus respectfully highlights the following priorities that the Committee should consider. A full list will be submitted for the record.

First, job creation and economic development. Our efforts on job creation must do more to specifically target the chronically unemployed for opportunities for job training and employment. The solutions that are included in our budget must include worker training and the use of existing federal programs that can target job creation to those communities with the highest rates and longest history of unemployment.

The budget must support the growth of a green economy by including the $275 million in dedicated funding passed by the house in the Jobs for Main Street Act of 2009.

The CBC recommends a larger increase for Function 150 to account for additional aid for emergency relief, reconstruction in long-term development efforts in Haiti.

We also recommend that additional funds be allocated towards the global fight for HIV Aids, Tuberculosis, and Malaria. We will improve global peace and security by increasing funding for USAID, migration and refugee assistance, peace keeping efforts, and our international education, healthcare, and cultural exchange programs, child survival and health programs, and development assistance.

The CBC also supports reducing funding for the Failed Ballistic Missile Defense Program in vigorously targeting waste, fraud, and abuse at the Defense Department.

With regard to healthcare the CBC continues to support the President's call for health insurance reform. The CBC urges the Budget Committee to account for the cost and savings of health insurance reform with a public health insurance option to ensure that the 45 million uninsured Americans, 4 million of whom are children, have access to quality and affordable healthcare.

The CBC urges the committee to account for funding efforts to combat and reduce juvenile crime in efforts to rehabilitate ex-offenders, as my colleague just so brilliantly set forth.

We urge full funding of the Second Chance Act, and much needed assistance in increases for youth crime intervention programs, and to account for the passage of the Youth PROMISE Act.

The CBC strongly supports the President's request to include $8.1 billion to strengthen vital nutrition program during this terrible recession.

We urge the committee to budget for extensions to vital programs like unemployment insurance, Medicaid, and the Recovery Act's COBRA subsidy, and to include funds for a robust reauthorization of the TANF Block Grants.

Let thank the committee again for the opportunity to share the priorities of the Congressional Black Caucus. If there are no objections I would like to submit detailed list for the record.

The CBC has a broad range of priorities with a common purpose to safeguard our shared values and to invest in an America that will ensure opportunities and prosperity for generations to come.

[The prepared statement of Barbara Lee follows:]

PREPARED STATEMENT OF HON. BARBARA LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Thank you Chairman Spratt, Ranking Member Ryan and the members of the Budget Committee for giving me the opportunity to share with you, the priorities of the Congressional Black Caucus for the FY 2011 Budget.

Let me also thank Congressman Bobby Scott and Congresswoman Gwen Moore and every member of the CBC and their staffs for their work in support of the CBC and our goals for this year's budget.

Mr. Chairman, a budget is moral document. It shines a light on what the priorities of our government are. It also defines what we as a community, as a society and as a nation hold dear.

That's why I am pleased that the CBC's budget priorities are a reflection of our values and addresses many of the challenges that we face as a nation.

While some are saying that the economy is in recovery it is clear that we must do more to create more jobs and help struggling families get back on their feet.

We must maintain our commitment to the families who are struggling to find work, facing foreclosure, eviction and even homelessness.

We must especially focus on increasing support for the chronically unemployed.

By all credible accounts, the Obama Administration and this Congress saved our economy from total collapse under the weight of the failed policies of the past.

But our budget must do more to help the American families who still suffer the consequences of the ongoing economic crisis.

As the House Budget Committee begins to consider the President's Fiscal Year 2011 Budget, the Congressional Black Caucus respectfully highlights the following priorities that the Committee should consider.

A full list will be submitted for the record.

JOB CREATION AND ECONOMIC DEVELOPMENT

Our efforts at job creation must do more to specifically target the chronically unemployed for opportunities for job training and employment.

The solutions included in the budget must include worker training and the use of existing federal programs that can target job creation to those communities with the highest rates and longest history of unemployment.

The budget must support the growth of a Green Energy Economy by including the $275 million in dedicated funding passed by the House in the Jobs for Main Street Act of 2009.

INTERNATIONAL AFFAIRS

The CBC recommends a larger increase for Function 150 to account for additional aid for emergency relief, reconstruction and long term development efforts in Haiti.

We also recommend that additional funds be allocated towards the Global Fund to Fight AIDS, Tuberculosis and Malaria.

We will improve global peace and security by increasing funding for USAID; migration and refugee assistance; peacekeeping efforts in Darfur; international education, healthcare and cultural exchange programs; child survival and health programs; and development assistance.

NATIONAL DEFENSE

The CBC supports reducing funding for the failed Ballistic Missile Defense program and vigorously targeting waste, fraud and abuse at the Defense Department.

HEALTHCARE

The CBC continues to support the President's call for health insurance reform. The CBC urges the Budget Committee to account for the cost and savings of health insurance reform with a public health insurance option to ensure that the 45 million uninsured Americans (four million of whom are children) have access to quality and affordable healthcare.

JUSTICE PROGRAMS

The CBC urges the Committee to account for funding efforts to combat and reduce juvenile crime and efforts to rehabilitate ex-offenders. We urge full funding of the Second Chance Act, much needed increases in youth crime intervention programs and to account for passage of the Youth PROMISE Act.

INCOME SECURITY

The CBC strongly supports the President's request to include $8.1 billion strengthen vital nutrition programs during this terrible recession.

We urge the Committee to budget for extensions to vital programs like Unemployment Insurance, Medicaid, and the Recovery Act's COBRA subsidy and include

funds for a robust reauthorization of the Temporary Assistance for Needy Families (TANF) block grant.

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.

The Congressional Black Caucus has a broad range of priorities but with a common purpose, to safeguard our shared values and to invest in an America that will ensure opportunities and prosperity for generations to come.

[Additional submission of Ms. Lee follows:]

CONGRESSIONAL BLACK CAUCUS (CBC) PRIORITIES FOR THE FY 2011 BUDGET

As the House Budget Committee begins to draft the Congressional Budget Resolution for Fiscal Year 2011, the Congressional Black Caucus highlights the following priorities:

JOB CREATION AND ECONOMIC DEVELOPMENT

The CBC urges Congress to utilize future jobs bills to expand unemployment insurance and COBRA benefits; Locally-directed funding for Summer Youth Employment and collegiate level apprenticeships and/or fellowships; Create direct public job initiatives, involving the Department of Labor Employment & Training Administration and the Corporation for National and Community Service, to maximize direct training and hiring; Enforce the minority contracting requirements under the Department of Transportation; Promote equal access to funding for Projects of National Significant and National Corridor grant in the extension of SAFETEA-LU; include language access and culturally competent staff for job programs; include disaggregated data collection; and provide access to capital and technical assistance to micro and small businesses.

We ask that the budget include funding for the On-the-Job Training program in a future jobs bill and use the targeted approach to funding and program distribution for the bill by incorporating Public Use Microdata Areas (PUMA's) and/or other authorized approaches to identify and target areas with poverty rates of 15 percent or higher or unemployment of greater than 10 percent.

The CBC urges the Committee to ensure continued support for the growth of a Green Energy Economy by including the $275 million in dedicated energy efficiency and renewable energy training programs (Green Jobs Act), funding passed by the House in the Jobs for Main Street Act of 2009.

NATIONAL DEFENSE

The CBC supports robust funding for our troops and America's national defense. The CBC supports reducing funding for the failed Ballistic Missile Defense program and reallocating those funds within the Defense Department to fund increases in shipbuilding, troop readiness, military and civilian pay, cancer research, and mental health services.

However, the Defense Department is notoriously known for being one of the more wasteful federal agencies. The CBC commends the President for his continued efforts to reform and improve DoD procurement practices and his commitment to end wasteful and redundant weapons systems. The CBC has consistently fought for funding to weed out waste, fraud and abuse within the Department of Defense. In 2001, the Government Accountability Office made 3,099 recommendations to reduce waste, fraud and abuse at the Department. According to a December 2009 report by the GAO, the Department has implemented 60.6% of the recommendations. According to the GAO, the Department has decided to not implement 12% of the recommendations and has yet to act on 27% of them. The CBC encourages the Budget Committee to again include the necessary funding for the Defense Department to implement the remaining GAO recommendations and to provide justifications to the Congress on each of their decisions not to implement the recommendations. The CBC also recommends that the Committee provide the necessary funding for a new GAO report on waste, fraud and abuse at the Department of Defense.

INTERNATIONAL AFFAIRS

The CBC commends the President for again requesting an increase of nearly $8 billion for the Department of State and other international programs in FY2011, which is a 15.6% increase over the enacted FY2010 level. However, the CBC rec-

ommends a larger increase for Function 150 to account for additional and much needed aid for emergency relief, reconstruction and long term development efforts in Haiti. The CBC also recommends that additional funds also be allocated towards the Global Fund to Fight AIDS, Tuberculosis and Malaria; USAID; migration and refugee assistance; peacekeeping efforts in Darfur; education, healthcare and cultural exchange programs; child survival and health programs; and development assistance.

As our combat presence in Iraq continues to wind down in FY 2011, the CBC also urges the Budget Committee to further account for the need to increase Iraqi humanitarian assistance in FY 2011. Since the President has escalated U.S. military involvement in Afghanistan, the CBC also urges the Committee to budget for additional humanitarian assistance to Afghanistan.

INCOME SECURITY

The CBC strongly supports the President's request to include $8.1 billion for discretionary nutrition programs, such as the Supplemental Nutrition Assistance Program and WIC as well the $10 billion over 10 years to strengthen Child Nutrition and WIC Reauthorization legislation.

We urge the Budget Committee to include extensions to vital programs like Unemployment Insurance, Medicaid, and the Recovery Act's COBRA subsidy. The CBC commends the President for including funds to establish a practical, national asset limit floor across means-tested human services, food, and cash assistance programs. We plan to continue to work to help the millions of families who have been forced to receive government assistance due to the economic downturn. As more and more Americans lose their jobs, it makes little sense to force families to drain their savings to the extent necessary to qualify for certain temporary economic assistance programs.

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. Finally, the Committee should also consider the cost of redefining the Federal Poverty Level, which is currently $22,050 for a family of four (100%). The CBC urges the creation of a Decent Living Standard Threshold to determine the amount of annual income that would allow an individual to live beyond deprivation at a safe and decent, but modest, standard of living.

The CBC also strongly urges that the Committee include funding to accommodate the overdue reauthorization of the Temporary Assistance for Needy Families (TANF) block grant. Due to the economic downturn and subsequent rise in poverty, TANF, which was last reauthorized in the Deficit Reduction Act of 2005 and has annually been flat funded since its enactment in 1996, is in need of a substantial increase in funding. Along with this increased funding, the CBC urges that the Committees of jurisdiction work to reform this work-based program to adequately work in a recession where there are very few jobs, expand access to basic and post-secondary vocational education, expand eligibility, re-evaluate time limits, expand access to supportive services like child care, and increase the amount of cash assistance for TANF recipients.

HOUSING PROGRAMS

The housing crisis lies at the center of the economic problems we face today. The CBC encourages the Committee to reverse eight years of underfunding of the nation's affordable housing programs and we are pleased that the Administration has proposed a HUD budget that increases funding for the Department by 19 percent. We urge the Committee to match this aggressive budget authorization and to support large investments into the Community and Regional Development and the Income Security functions in order to account for increases in Affordable Housing programs.

Specifically, the Committee should consider including the necessary budget authority to fund the Section 8 public housing operating subsidy at 100% of need. In addition, the Committee must also consider providing sufficient budget authority for the renewal of all Section 8 vouchers currently in use.

Although the public housing capital fund received an injection of $4 billion in the American Recovery and Reinvestment Act, this only represented 12.5 percent of the estimated $32 billion backlog in deferred capital needs. The President's FY2011 Budget cuts the fund by more than $450 million. The CBC urges the Committee to reject this cut and to provide the necessary budget authority to meet deferred capital needs.

The President's budget cuts the Supportive Housing for the Elderly (Section 202) program by more than $550 million and the Supportive Housing for Persons with

Disabilities (Section 811) program by $210 million. The CBC strongly urges the Committee to reject these cuts. These supportive housing programs are vital to millions of Americans and should not be cut during an economic recession.

We urge the committee to continue our commitment to support the Low Income Housing Tax Credit (LIHTC) program as the economic crisis has undermined the intended funding source even as it increases the need for more affordable housing. It is a vital tool for our affordable housing community to leverage federal dollars to provide critically needed housing and will create jobs, stimulate the economy and take advantage of the window of opportunity created by the large drop in housing prices.

The CBC urges the Budget Committee reject the President's $9.9 million cut from the Fair Housing Assistance Program (FHAP) and the Fair Housing Initiatives Program (FHIP). These programs comprise the federal government's primary expenditures at the state and local levels on enforcing the nation's fair housing laws that combat housing discrimination and ensure equal housing opportunities. The CBC believes that sustained funding for this program is critically important as the housing market slowly recovers.

Additionally, while the CBC supports the positive new programs, such as Bank on USA and the National Healthy Food Financing Initiative included in the President's proposals on CDFI's, we are concerned that the recently enacted Capital Magnet Fund is being cut off during a critical time for affordable housing. For many of the same reasons we must continue to support the LIHTC programs, we must support the Capital Magnet Fund. Programs that leverage federal dollars to create public/private partnerships which invest in our most vulnerable communities are absolutely critical, now more than ever.

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, which provides transitional assistance to assist ex-offenders in coping with the challengers of reentry. Removing barriers to reentry has proven to reduce recidivism, which in the long run reduces crime. In addition, the Committee should account for much needed increases in youth crime intervention programs. The CBC also urges the Committee to account for passage of the Youth PROMISE Act, a comprehensive gang and youth violence prevention bill, and allocate funding at authorized levels. Research has shown that targeting funding towards intervention rather than incarceration is more effective at reducing crime and saving the taxpayer money in the long run.

The CBC has always supported efforts to increase 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. The CBC urges the Committee to account for sustaining many of the important increases for these programs that were included in the American Recovery and Reinvestment Act.

EDUCATION

The CBC offers its full support to the President's budget request for a $3 billion increase in K12 education programs as well as the additional $1 billion promised to Congress by the President upon passage of an overhaul of the Elementary and Secondary Education Act. However, the CBC is concerned with the President's new focus on competitive grant funding for education, his proposal to flat fund Title I, and his increased emphasis on charter schools. In addition, the CBC would like to see continued and sustained increases in education funding, especially for Title I and IDEA.

The CBC wholeheartedly supports the President's continued efforts to reform and expand the Pell Grant program.

The CBC also supports increases to Race to the Top and Promise Neighborhoods. At the same time, we urge the Committee to account for needed increases in funding for Head Start, TRIO (including Upward Bound), GEAR UP, Youth Build, and vocational education programs. In addition, the CBC urges the Committee to account for funding for expanded grants to states for workplace and community transition as authorized in the Higher Education Opportunity Act. These grants will better assist and encourage incarcerated individuals who have obtained a secondary school diploma or its recognized equivalent to acquire educational and job skills.

Finally, the CBC urges the Committee to account for fully funding the historic increases in funding for Historically Black Colleges and Universities and Minority

Serving Institutions authorized in the Higher Education Act reauthorization enacted in 2008.

TRANSPORTATION

The CBC supports, in general, the Views and Estimates of the Committee on Transportation and Infrastructure for FY 2011 urges that programs within the jurisdiction of the Transportation and Infrastructure Committee be funded at the authorized funding levels in FY 2011. The Transportation and Infrastructure Committee's legislative priorities this year include: authorization of surface transportation programs; reauthorization of the Federal Aviation Administration, the Economic Development Administration; selected provisions of the Clean Water Act and the Comprehensive Environmental Response, Compensation, and Liability Act, the Coast Guard, and the Federal Emergency Management Agency; and enactment of a water resources development act. The CBC urges that the Congressional Budget Resolution meet the important funding needs identified by the Transportation and Infrastructure Committee, to improve our nation's infrastructure and transportation safety and ensure that vital services, such as those provided by the Coast Guard, are maintained.

COMMERCE

The CBC supports the inclusion of funding for the Minority Institutions Digital and Wireless Technology Opportunity Act. The primary focus of the Act is to award grants, contracts and cooperative agreements to eligible institutions "* * * to acquire equipment, instrumentation, networking capability, hardware and software, digital network technology , wireless technology, and infrastructure to further the objective of the Program." Funding for technological updates is a crucial step towards reducing the 'digital divide' among African Americans, Asian Americans, Latinos, Native Americans, and other minority groups.

In addition, the CBC urges the Committee to account for increased funding for the Small Business Administration and Minority Business Development programs.

HEALTHCARE

The CBC continues to support the President's call for health insurance reform. The CBC urges the Budget Committee to account for the cost and savings of health insurance reform with a public health insurance option to ensure that the 45 million uninsured Americans (four million of which are children) have access to quality and affordable healthcare.

In addition, the CBC urges the Committee to account for the following:

- Funding the Ryan White HIV/AIDS program at $2.307 billion to support care and treatment programs at the local level to address the needs of people living with HIV/AIDS. This includes a $2 million increase in Part D funding that effectively prevents mother to child transmission of HIV.
- Funding for CDC Prevention activities for HIV, STD, TB and Viral Hepatitis at $1.5 billion (an increase of nearly $500 million) to fund testing initiatives and support innovative prevention efforts at the local level.
- Funding for Housing for people living with HIV/AIDS (HOPWA) at $360 million an increase of $50 million to provide supportive housing for people with AIDS.
- Funding for comprehensive sex education programs that will be authorized by the REAL Act with at least $50 million this year to reduce spread of HIV and other sexually transmitted diseases and reduce unintended pregnancies.
- Adopt the Presidential request of $2.19 million in funding for the National Center on Minority Health and Health Disparities at NIH.
- Reserve funding ($3.5 billion) for the Health Equity and Accountability Act (not yet enacted).
- Funding an increase of $12 million to the Title X family planning program.
- Adopt the President's request of $2.436 billion for Community Health Centers.
- Funding of $5.3 million for the Community Outreach Demonstration Project that supports 17 community-based demonstration sites in providing comprehensive care for newborns diagnosed with Sickle Cell Anemia, and increase of $300,000.
- Funding of $23 million for the Health Careers Opportunity Program to assist individuals from disadvantaged backgrounds to receive the education necessary to enter a health profession.

VETERANS

The House Budget Committee has shown a commitment to increased funding for the Department of Veterans Affairs. Last year, with the support of the CBC, Con-

gress passed legislation that provided $50.6 billion in advanced appropriations for the V.A. medical care program so that our veterans are not hindered by budget delays. The CBC commends the President's budget for building upon the significant increases appropriated to the V.A. since 2009 and sustaining those increases over the next five years. The CBC urges the Committee to include this increase and ensure that the necessary budget authority is available to continue to account for the large increase in V.A. claims, the need to hire more caseworkers to address the V.A. claims backlog, and to adequately fund mental health services.

President Obama and Veterans Affairs Secretary Shinseki have committed to an ambitious but achievable plan to end veterans homelessness within five years. An integral part of meeting that commitment is ongoing funding for HUD-VASH, a program that pairs HUD Section 8 housing vouchers with intensive VA case management services, to provide permanent supportive housing for severely disabled homeless veterans. However, the President's Budget requests no funding for this program in FY 2011. It is estimated that approximately 60,000 homeless veterans will need HUD-VASH vouchers. Over the past three fiscal years, Congress has appropriated $75 million a year for 10,000 new vouchers—for a total of 30,000 vouchers. To continue moving towards the goal of ending veterans' homelessness, the CBC urges the Budget Committee to provide the necessary budget authority for these vouchers.

TAX POLICY

The CBC has consistently advocated for the immediate repeal of the 2001 and 2003 Bush Tax Cuts that affect the top two income brackets. The CBC commends the President for allowing these tax cuts for the wealthiest Americans to expire at the end of 2010. The CBC also supports the President's proposal to tax banks to recoup billions of dollars in taxpayer money provided through the Troubled Asset Relief Program. However, the CBC urges the Budget Committee to continue to review inequities within the tax code that benefit the wealthiest American families.

The CBC also urges the Committee to account for expanding the earned income tax credit and child tax credit and make the increases in the American Recovery and Reinvestment Act permanent.

ADDITIONAL ECONOMIC RECOVERY EFFORTS

The American Recovery and Reinvestment Act has created or saved more than one million jobs. However, unemployment in urban areas and minority communities remains very high. The $15 billion Jobs bill recently passed by the Senate is not adequately funded nor targeted enough to alleviate the economic suffering in these communities. The President's budget proposed funding for a $100 billion temporary jobs initiative. In addition, the President has also requested $76 billion for temporary extensions of policies currently in place to strengthen the economic recovery, such as extending the Making Work Pay tax credit, the COBRA health insurance subsidy, and temporary bones depreciation provisions. The President's budget also requests an additional $90 billion for the extension of various mandatory initiatives, including a 6-month extension of FMAP relief to states, the TANF Emergency Fund, unemployment benefits, and the $250 refundable economic recovery payment to seniors and veterans. The CBC urges the Committee to account for these proposals that will have a direct and significant impact on urban and minority communities.

OTHER PRIORITIES

- Fully fund the Community Development Block Grant
- Increased funding for the Public Housing Capital Fund to continue to address eight years of stagnant funding under the Bush Administration
- Fully fund the Child Care and Development Block Grant
- Fully fund the Social Services Block Grant
- Increased funding for HOPE VI
- Fully fund the Neighborhood Stabilization Program
- Increased funding for the Affordable Housing Trust Fund
- Support for the creation of a National Infrastructure Bank
- Continued funding for Hurricane Katrina recovery and rebuilding efforts
- Increased funding for the Environmental Justice Small Grants Program
- Increased funding for the National Underground Railroad Network to Freedom program at the National Park Service.
- Restore funding and a revenue source for the Superfund clean up

Mr. ETHERIDGE [presiding]. Without objection that will be included, and I thank the gentle lady for her comments and her commitment to making life better for everybody.

Ms. LEE. Thank you so much.

Mr. ETHERIDGE. Thank you much. And without objection the Committee stands in recess subject to call of the chair.

[Recess.]

Mr. ETHERIDGE. Calling this meeting back to order. I would recognize the gentle lady from Florida, Ms. Kosmas for her comments.

STATEMENT OF HON. SUZANNE KOSMAS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Ms. KOSMAS. Thank you Mr. Chairman. I want to thank the Chairman and the Ranking Member and the Members of the Committee for giving me this opportunity to address you regarding an issue frankly that is of very serious importance to me in my district and to the nation as a whole, not only as a national security issue and an economic issue, but frankly an issue in my mind that effects our ability to inspire a generation coming now for 21st Century jobs and the kind of economic security that this Nation needs and deserves.

This is about actually the human space flight program, and we are in my district experiencing right now a transition of our human space flight program from the space shuttle program based on low earth orbit to a Next Generation Transportation and Exploration Program, and frankly the President's proposal in his budget to cancel the Constellation Program and proceed with the retirement of the shuttle fleet with no clear plans or goals for exploration has very far reaching implications. It threatens our leadership in space, it leaves us without the ability to independently launch Americans or to access the International Space Station for an unknown amount of time, and to devastate a unique world class workforce and industrial base that will be very difficult for us to reassemble.

The impacts of this proposal will be felt by the entire nation. Tens of thousands of high paying, highly skilled jobs are on the line across the country at small, medium, and large suppliers who support both the shuttle and the Constellation Programs.

Our nation's economic prosperity and the national security are also at stake, as I mentioned before, if we do not pursue technological innovation and protect our unique capabilities, we risk failing to inspire future generations of scientists and engineers, for NASA missions have inspired untold numbers of Americans to pursue science technology, engineering, and math.

Congress must signal to the Administration as well as to industry and our international partners, as well as future generations of rocket scientists and explorers, that we will not cede our leadership in space or here on earth. We must make the commitment to funding a robust human space flight program if we want to ensure our nation's future as the leader in technology and innovation.

While there is much debate over the future direction of our space program there is an area of consensus, and that is that among the members, the President, and the community, and that is the need to extend the life of the International Space Station through at least 2020. Nearly complete after a decade of construction the International Space Station now holds great promise as a national laboratory that will benefit all Americans, and I urge you to budget the funds necessary to extend its life and operation.

However, there is only one existing vehicle with the capability to deliver certain pieces of hardware that would enable this longer life span of the International Space Station, maintain continued U.S. independent access to space and to ensure the station's research mission is maximized to the fullest extent possible, and that is the space shuttle.

I am currently drafting legislation with colleagues in both houses that would spread out the four remaining shuttle missions and potentially add a certain number of additional flights following a review by NASA of hardware that will be essential to maintaining the station.

I believe that as we debate long-term future of our human space program it is prudent to take steps to ensure that the space shuttles can continue to operate in order to fully support and service the International Space Station. This action will also help to preserve the highly skilled workforce and operational expertise that will be needed for the next generation program.

I urge you to include in the fiscal year 2011 budget resolution 1.2 billion in additional funds for the Space Shuttle Program above the President's request, to possibly spread out the remaining manifest, and to add missions such as STS 135, as well as 100 million in additional funds for the International Space Station in order to provide for the procurement of additional hardware.

Our Human Space Program is as I said before a national treasure. It has served as a source of inspiration, innovation, and pride for scientists and engineers and for all of America, and it has accelerated the development of technologies that improve lives here on earth and it has greatly contributed to our nation's economic and national security.

We should take steps to protect our strategic capabilities, including the Shuttle Program and its highly skilled workers while Congress debates the President's budget proposal and the future of our Space Program.

Thank you very much.

[The prepared statement of Suzanne Kosmas follows:]

PREPARED STATEMENT OF HON. SUZANNE M. KOSMAS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Chairman Spratt, Ranking Member Ryan and Members of the Committee—thank you for allowing me the opportunity to address you regarding an issue of great importance not only to my district, but to the nation as a whole—the transition of our human space flight program from the space shuttle program based in low-Earth orbit to a next generation transportation and exploration program.

The President's proposal to cancel the Constellation program and proceed with the retirement of the shuttle fleet, with no clear plans or goals for exploration, will have far-reaching implications—it will threaten our leadership in space, leave us without the ability to independently launch Americans or access the International Space Station for an unknown amount of time, and devastate a unique, world-class workforce and industrial base that will be difficult to reassemble.

The impacts of this proposal would be felt by the entire nation. Tens of thousands of high-paying, highly-skilled jobs are on the line across the country at small, medium, and large suppliers who support both the Shuttle and Constellation programs. Our nation's economic prosperity and national security will also be at stake if we do not pursue technological innovation and protect our unique capabilities. And we risk failing to inspire future generations of scientists and engineers—for NASA's missions have inspired untold numbers of Americans to pursue STEM fields.

Congress must signal to the Administration—as well as to industry, our international partners, and future generations of rocket scientists and explorers—that

we will not cede our leadership in space—or here on Earth. We must make the commitment to funding a robust human space flight program if we want to ensure our nation's future as the leader in technology and innovation.

While there is much debate over the future direction of our space program, there is one area of consensus among Members, the President, and domestic and international scientific communities—and that is the need to extend the life of the International Space Station (ISS) through at least 2020. Nearly complete after a decade of construction, the ISS now holds great promise as a National Laboratory that will benefit all Americans and I urge you to budget the funds needed to extend its operation.

However, there is only one existing vehicle with the capability to deliver certain pieces of hardware that will enable a longer lifespan of the ISS, maintain continued U.S. independent access to space, and ensure the station's research mission is maximized to fullest extent possible—and that is the space shuttle.

I am currently drafting legislation with colleagues in both houses that would spread out the four remaining shuttle missions and potentially add a certain number of additional flights following a review by NASA of hardware that will be essential to maintaining the station. I believe that as we debate long-term future of our human space program, it is prudent to take steps to ensure the Space Shuttles can continue to operate in order to fully support and service the ISS. This action will also help to preserve the highly-skilled workforce and operational expertise that will be needed for the next generation program.

I urge you to include in the FY11 budget resolution $1.2 billion in additional funds for the space shuttle program above the President's request, to possibly spread out the remaining manifest and add missions, such as STS-135, as well as $100 million in additional funds for the International Space Station in order to provide for the procurement of additional hardware.

Our human space program is a national treasure. It has served as a source of inspiration for young scientists and engineers, it has accelerated the development of technologies that improve lives here on Earth, and it has greatly contributed to our nation's economic and national security. We should take steps to protect our strategic capabilities—including the shuttle program and its highly-skilled workers—while Congress debates the President's budget proposal and the future of our human space flight program.

Mr. ETHERIDGE. Thank you, gentle lady and thank her very much for her comments, and it will be included in the record. Thank you, ma'am.

Ms. KOSMAS. Thank you so much, appreciate the opportunity.

Mr. ETHERIDGE. I now recognize the gentleman from Florida, Mr. Posey for five minutes.

STATEMENT OF HON. BILL POSEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. POSEY. Thank you, Mr. Chairman, I would like to echo the comments of my colleague, Congresswoman Kosmas, and I appear before the Committee today to ask that you include sufficient funding for NASA to accomplish two specific missions.

First, to fly the shuttle through fiscal year 2011 including at least two missions, one of which would be to launch the Alpha Magnetic Spectrometer, and second, sufficient funding to continue the development of the Constellation Program.

The NASA proposal outlined by the Administration several weeks ago is seriously lacking in vision and mission. It appears to have been developed on the fly with little coordination with public and private stakeholders.

Just one glaring example is NASA's surprising decision to terminate the Constellation program. The Air Force last year indicated that Constellation's delay would adversely impact our military solid-rocket-motor industrial base. One can only assume that the Administration's proposal to cancel Constellation would be devastating for national security.

NASA fails to fully understand, or at least obviously does not take into consideration the much broader military, industrial, and economic implications of their proposals. It would be irresponsible for Congress to embrace this plan without further scrutiny.

NASA was placed on hold last year as the Augustine Committee undertook a review of our nation's Space Flight program. The Augustine report made clear, what many of us already knew, if America is to have a robust space exploration program it must have a budget to match it.

That, my friends, is the essential question before you and this Congress. Are we going to have a robust space program and continue down the path forged by John F. Kennedy or are we going to return to the days of Sputnik when the United States took a back seat. Are we going to cede space to Russia and China?

Apollo 7 astronaut Walter Cunningham said the Administration's proposal, "accelerates America's downward spiral toward mediocrity in space exploration." Apollo 17 astronaut Harrison Schmitt said the plan would, and I quote

"cede the Moon to China, the American Space Station to Russia, and assign liberty to the ages. Other nations would accrue the benefits—psychological, political, economic, and scientific—that the United States harvested as a consequence of Apollo's success 40 years ago. This lesson has not been lost on our ideological and economic competitors." End of quote.

Will the future that this Committee sets for our nation be bold or will it be mediocre? Bold demands a rejection of the Administration's plan. Our space program has generated thousands of inventions and spin offs that have been translated directly into the creation of tens of thousands of jobs right here in America that have contributed to our economic dominance.

The Administration makes two high risk mistakes. Number one, they bet our nation's entire space program on yet unproven commercial vendors. While I hope that commercial vendors will one day be able to get us there, we should not bet the whole program on that unproven hope.

Number two, the Administration puts Russia in the driver's seat by relying solely on them to get our astronauts to the space station and back safely.

According to the Augustine Committee and information I have received from NASA and contractors, the annual cost of flying the shuttle may cost up to one billion for two flights per year, much less than generally expected. For a budget equal to a fraction of one percent of the stimulus, we can extend the shuttle for another year or two and provide a smoother transition for thousands of Americans who rely on our space program for the well being at a time when our unemployment rate is at its highest in three decades.

Extending the shuttle through fiscal year 2011 is essential if we are to accommodate the launch of the Alpha Magnetic Spectrometer, which may not be ready until the spring of 2011, several months beyond the Administration's arbitrary December 31st, 2010 deadline for the last shuttle launch.

Providing sufficient funding for Constellation will ensure that we do not abandon the investments already made. To that end we

should work to see that the space gap is minimized. Let us heed the words of space pioneer Gene Cernan, the last human to walk on the moon, who said just last week, "Now is the time for wiser heads in Congress to prevail. Now is the time to overrule mediocrity. Now is the time to be bold, innovative, and wise in deciding how we invest in the future of America."

Thank you very much, Mr. Chairman.

[The prepared statement of Bill Posey follows:]

PREPARED STATEMENT OF HON. BILL POSEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Chairman Spratt, Ranking Member Ryan, Members of the Committee: Thank you for the opportunity to testify today. You have likely already heard a great deal about the President's FY 2011 budget request for the National Aeronautics and Space Administration (NASA). Today, I appear before this Committee to ask that the Committee provide NASA with sufficient resources to continue Shuttle operations through at least Fiscal Year 2011, sufficiently fund Constellation and see that the space gap between the two is minimized. I am here to tell you why this is the wisest policy.

The plan for human space flight, as outlined by the Administration, is significantly lacking in detail and appears to have been developed with little or no coordination with public and private stakeholders.

One glaring example is NASA's announced decision to seek termination of the Constellation program. This decision will adversely impact our nation's solid-rocket-motor industrial base, which is critical to our military. In a report from last June to the Congress, the Air Force said that delays in the Constellation program could have significant negative impact on the industrial base. When questioned about this issue last week, Air Force Secretary Donley testified that "we have a challenge on the solid-rocket-motor industrial base and on the booster industrial base."

NASA is making the decision in a vacuum, and does not fully understand, or at least obviously does not take into consideration, the much broader military, industrial, and economic implications. The plan, and I use that term lightly, demands considerably more discussion and public scrutiny. I am very concerned that they continue to develop this plan "on the fly" and that it is irresponsible for the Congress to embrace it without considerably more input from all the stakeholders.

Over the course of the last year we lost precious time in charting a course for the future for our nation's human space flight program. NASA remained without an Administrator for much of the year, and NASA was essentially placed on hold as the Augustine Committee undertook a review of our nation's human space flight program. All the while NASA continued to approach the impending retirement of the Shuttle fleet. Over the years, the Constellation program continued to be underfunded.

The Augustine Committee report made clear what many of us already knew: If America is to have a robust space exploration program it must have a budget to match it. That, my friends, is the essential question before you and this Congress. Are we going to continue to have a robust space program and continue on the path forged by John F. Kennedy? Or, are we going to return to the days of Sputnik, when the United States took a back seat to space exploration. Are we going to cede space to Russia and China? Apollo 7 astronaut Walter Cunningham recently said that the Administration's proposal "accelerates America's downward spiral toward mediocrity in space exploration."

I think Apollo 17 astronaut and former U.S. Senator Harrison Schmitt summarized it best last week when he wrote that this proposal "would cede the Moon to China, the American Space Station to Russia, and assign liberty to the ages. Other [nations] would accrue the benefits—psychological, political, economic, and scientific—that the United States harvested as a consequence of Apollo's success 40 years ago. This lesson has not been lost on our ideological and economic competitors."

It is my sincere hope that it will not be lost on this Congress either. This Committee is the one that will take the first step regarding the President's NASA budget. I urge you, my colleagues, to think about the future we are building for our children and grandchildren. Will it be a future where we do mediocre things or will it be one where we embark to accomplish bold things?

Some have suggested that this is a question of jobs. That is true. The lives of tens of thousands of Americans will be disrupted if the Administration's proposal is

adopted. There will be 10,000 direct jobs and according to a recent economic impact assessment as many as 23,000 jobs will be lost—almost immediately—in my district and that of Rep Suzanne Kosmas to my north. We are still waiting on a current NASA Workforce Transition Strategy report. The Consolidated Appropriations Act of 2008 requires NASA to produce this strategy every six months; the last one Congress received is from July of 2009. This is further evidence of a failure to plan for the future and follow Congressional intent. We need a better landing and a smoother transition for our nation's premier space launch workforce. This is a highly skilled workforce that cannot be replaced, and will be lost if we travel down the proposed path.

Space exploration touches the life of every American. Our space program has generated thousands of inventions and spinoffs that have translated directly into the creation of tens of thousands of jobs right here in America. If we accept the Administration's plan, we will be abandoning a robust space program. They may protest that it is not abandonment, but that is exactly what it is. And, as a result we will lose these future benefits, and we will see China, Russia, India and others become the beneficiaries of a robust and superior space program.

Countless products in our homes, offices, cars and airplanes owe their existence or widespread use to space exploration. Yet we often take for granted cell phones, GPS, carbon monoxide detectors, Velcro, lithium batteries, and advanced weather forecasting, just to name a few. We will be compromising advanced micro-gravity research. It is no doubt that our space program leads to cutting edge, high-skilled jobs and inspires the leaders of tomorrow to study Science, Technology, Engineering and Mathematics (STEM) fields. Among great human achievements, space exploration is inspiring in a way like no other.

Under the current plan, NASA is betting our nations' entire space program on yet unproven commercial vendors. I am very supportive of commercial, but I am concerned about sole reliance on entrepreneurs for the short-term. NASA has taken the mistaken step of once again putting Russia in the critical path for our research on the International Space Station. We saw how this almost jeopardized the ISS from the very outset and raised the cost of the ISS.

The Committee should also be aware that retiring the Shuttle will generate far less in savings that what has generally been believed. This is due to several factors. By abandoning the Shuttle prior to fulfilling our commitments to fly foreign astronauts to the ISS through 2020, NASA will incur hundreds of millions in costs associated with purchasing seats for foreign astronauts on Russian vehicles—a price Russian Space Agency officials just said they would raise once they are the only game in town. Also, hundreds of millions of dollars in infrastructure costs will not turn into savings as many assume, but rather those costs will continue to recur but from an accounting perspective will be assigned to another account.

According to the Augustine Committee, and information I have received from NASA, the annual cost of flying the Shuttle may cost up to about $1.3 billion for two flights per year. However, that cost can be cut significantly based on discussions with the contractors who currently operate the Shuttle for NASA. I would ask the Committee provide sufficient funding to allow up to two shuttle flights in Fiscal Year 2011 for the many reasons I have outlined for you. Thus, for a budget equal to a fraction of one percent of the stimulus, we can extend the Shuttle for one year and provide a smoother transition for our nation's space program and tens of thousands of dedicated workers.

Furthermore, although the Shuttle's current manifest includes four remaining launches, NASA needs to act now to assure that even these missions are completed. NASA's current, inflexible policy on flying the Shuttle beyond calendar year 2010 jeopardizes the last scheduled Shuttle mission, which would transport the Alpha Magnetic Spectrometer (AMS) to ISS. It is my understanding that this mission may not be ready until spring of 2011, beyond NASA's arbitrary deadline. Fully funding Shuttle operations through FY 2011 will not only provide for smoother transition, but it will ensure that our commitments to our international partners regarding the AMS are fully met. Absent the Shuttle, there is no means of getting AMS to the ISS. Let's also remember that Endeavor just completed its 24th mission. It was designed for 100 missions.

In addition to extending Shuttle operations, the Committee should provide sufficient funding to continue with the Constellation program. It makes little sense to abandon Constellation given the investments already made and the termination costs estimated to be in the range of $2.5 billion. We had a successful test flight of the Ares 1-X rocket in October and are building on that success.

Congress must act today to save our space program. The plan presented by the Administration has gaping holes and is not ready for prime time. They need to go back to the drawing board and the Congress needs to join with the voices of our

nation's space pioneers like Gene Cernan, the last human to walk on the moon, who said last week, "Now is the time for wiser heads in Congress to prevail. Now is the time to overrule * * * mediocrity. Now is the time to be bold, innovative and wise in deciding how we invest in the future of America."

We have a come a long way since Alan Shepard became the first American in space in 1961. I urge you, my colleagues, to work together to ensure that our 50 years of leadership in space is not abandoned. America is looking to us for leadership.

Mr. ETHERIDGE. I thank the gentleman for his comments that are well taken by this Committee, and appreciate it very much and it will be entered into the record.

Mr. POSEY. Thank you.

Mr. ETHERIDGE. Thank you. If the gentle lady from Illinois would like to go ahead we will move her up in the order since our previous speaker is not here. Mrs. Halvorson, you are recognized for five minutes.

STATEMENT OF HON. DEBORAH HALVORSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mrs. HALVORSON. I appreciate that, Mr. Chairman. Thank you Mr. Chairman, Ranking Member Ryan, and Members of the Committee on the Budget for the opportunity to testify today regarding the budget resolution for fiscal year 2011.

I just want to take a few minutes to talk about funding for the water infrastructure in the fiscal year 2011 budget.

My district covers parts of eight counties in Illinois and includes urban, suburban, and rural communities. Whenever I am back in my district and visiting all of these communities, one of the issues I fear or hear—I fear I hear because it is all the same—I hear about most often is water infrastructure. Mayors and other local elected officials tell me about the urgent need to upgrade existing waterways and drinking water systems in their communities. So the need is especially urgent in smaller towns in the rural areas of my district.

As Members of Congress it is our responsibility to stand up for the needs of our constituents and the communities we represent, and that is why there are most urgent needs.

Water infrastructure is not a Democrat or a Republican issue, it is an area where we can come together across the aisle and deliver real results. My office receives more funding requests for water infrastructure than any other project. These projects include replacement of wastewater treatments plants and drinking water systems and installation and upgrade for collector sewers, storm sewers, and sewer pipes. The towns in my district urgently need to complete these projects, but lack financial resources to do so. That is why federal funding for water infrastructure is so critical.

And I was pleased that the American Recovery and Reinvestment Act included $6 billion in total funding for the Clean Water and Drinking Water State Revolving Funds. These programs help states optimize or capitalize low interest loans to help the communities fund much needed water infrastructure improvements.

Congress should build on the progress made by the Recovery Act by continuing to fund EPA's water infrastructure programs at robust levels.

The President's fiscal year 2011 budget proposal increases funding for STAG by approximately 14 percent, but it reduces the budget authority for Clean Water SRF and Drinking Water SRF compared to fiscal year 2010 levels.

So I urge the Committee on the Budget to at least maintain budget authority for these programs at 2010 levels, or even consider including an increase.

While I understand the need to bring some fiscal discipline to our budget process, we can't ignore our country's infrastructure needs.

So I look forward to working with you and making this happen. Thank you, Mr. Chairman, for allowing me to be here and thank you for considering my requests.

[The prepared statement of Deborah Halvorson follows:]

PREPARED STATEMENT OF HON. DEBORAH L. HALVORSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Thank you Chairman Spratt, Ranking Member Ryan, and members of the Committee on the Budget for the opportunity to testify today regarding the Budget Resolution for Fiscal Year 2011.

I want to take a few minutes to talk about funding for water infrastructure in the Fiscal Year 2011Budget.

My district covers parts of eight counties in Illinois and includes urban, suburban, and rural communities.

Whenever I'm back in my district and visiting all of these communities, one of the issues I hear about most often is water infrastructure.

Mayors and other local elected officials tell me about the urgent need to upgrade aging wastewater and drinking water systems in their communities.

The need is especially urgent in smaller towns in the rural areas of my district.

My office receives more funding requests for water infrastructure than any other project.

These projects include replacement of wastewater treatments plants and drinking water systems and installation and upgrade of collector sewers, storm sewers, and sewer pipes.

The towns in my district urgently need to complete these projects, but lack the financial resources to do so.

That's why federal funding for water infrastructure is so critical.

I was pleased that the American Recovery and Reinvestment Act included $6 billion in total funding for the Clean Water and Drinking Water State Revolving Funds.

These programs help states capitalize low interest loans to help communities fund much need water infrastructure improvements.

Congress should build on the progress made by the Recovery Act by continuing to fund the EPA's water infrastructure programs at robust levels.

The President's Fiscal Year 2011 Budget proposal increases funding for STAG by approximately 14%, but it reduces budget authority for Clean Water SRF and Drinking Water SRF compared to Fiscal Year 2010 levels.

I urge the Committee on the Budget to at least maintain budget authority for these programs at 2010 levels, or even consider including an increase.

While I understand the need to bring some fiscal discipline to our budget process, we can't ignore our country's infrastructure needs.

Failure to address them will result in public health hazards in communities in my district and throughout the country.

It will also hinder the ability of these communities to attract new economic development.

Robust investment in modern water infrastructure will help these communities provide a good quality of life and economic opportunity for their citizens.

Chairman Spratt and Ranking Member Ryan, thanks again for your consideration of my input, I yield back the balance of my time.

Mr. ETHERIDGE. I thank the gentle lady for her testimony and certainly those are issues that are critical not only to her district but to this country.

Mrs. HALVORSON. Thank you.

Mr. ETHERIDGE. And with that the Committee will stand in recess.

[Recess.]

Mr. ETHERIDGE. The Committee now resumes and we welcome the gentleman from California, the Chairman of the Veterans Committee, Mr. Filner, for such comments that he will make and you are recognized for five minutes.

STATEMENT OF HON. BOB FILNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. FILNER. Thank you, Mr. Chairman, and we appreciate of course the work that this committee does for all of us in the Congress.

Our Committee, the Committee on Veteran's Affairs supports the President's historic budget request with an additional recommendation of $571 million for needed investments in VA infrastructure and to address concerns raised during our budget hearing last month.

This year's budget, as you know, is the first submitted in accordance with the advanced appropriations legislation that was enacted last year, and that we all supported. The President's request for VA medical care, which was appropriated last year, requests $48.2 billion, an increase of 8.3 percent. This year's budget requests the same funding level for fiscal year 2011, and includes an estimate for VA medical care for fiscal year 2012 of an additional $2.8 billion above the levels of fiscal year 2011 levels.

We recommend an additional $221 million for medical care in the Medical Facilities account to fund non-recurring maintenance at the levels that we had in fiscal year 2010 levels.

We are also recommending $60 million above the President's request in order to provide for increases due to biomedical inflation and to ensure that VA research receives the appropriated support it needs and does not need to rely on over-optimistic estimates of so-called third-party funding.

For our construction accounts, the Committee is recommending an additional $165 million for Minor Construction, that is for projects under $10 million, and we recommend $90 million for Grants for Construction of State Extended Care Facilities. This additional funding will help reduce the backlog of our Priority 1 projects, that is those high-priority projects where state monies are already in place, and we also recommend an additional $5 million for the Grants for Construction of State Veterans Cemeteries.

In addition, we recommend an additional $12 million for the Inspector General, $18 million for additional vocational rehabilitation and employment counselors, and $3 million in additional funding for the Education division.

Overall, the President's budget requests a total funding level of $60.3 billion, which is nearly an 8 percent increase over fiscal year 2010. We recommend a total funding level of $60.9 billion, and the Independent Budget, which is a budget put together by the various veteran service organizations as a way to have that outside input, has recommended slightly higher, $61.5 billion.

And this is important, Mr. Chairman. Building on our commitment to increase investments to bolster VA construction and infra-

structure spending, the Committee's Views and Estimates will also include a recommendation, sort of off budget, of an additional $700 million in infrastructure spending if Congress moves forward with a new round of legislation to address the economic crisis in jobs.

This additional funding, I want to point out, would be targeted to projects already identified and almost shovel ready by the VA and meet current needs, and that is if we pass a stimulus bill. We have, I think, a very good already identified set of projects that could use, as we said so, $700 million.

We support the President's budget with additional investment spending, and we also want to work closely with you of course and the Appropriations Committee as you move forward to ensure the fiscal year 2012 funding is sufficient.

We thank you for all the work that you do on behalf of the Congress and the United States.

[The prepared statement of Bob Filner follows:]

PREPARED STATEMENT OF HON. BOB FILNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

• The Committee on Veterans' Affairs supports the President's historic budget request and recommends an additional $571 million for needed investments in VA infrastructure and to address concerns raised during our budget hearing last month.

• This year's budget is the first submitted in accordance with the advance appropriations legislation that was enacted last year, and that we all supported.

• The President's request for VA medical care, which was appropriated last year, requests $48.2 billion, an increase of $3.7 billion or 8.3%. This year's budget requests the same funding level for FY 2011 and includes an estimate for VA medical care for FY 2012 of an additional $2.8 billion above FY 2011 levels.

• The Committee is recommending an additional $221 million for medical care in the Medical Facilities account to fund non-recurring maintenance at FY 2010 levels.

• The Committee is also recommending $60 million above the President's request in order to provide for increases due to biomedical inflation and to ensure that VA research receives the appropriated support it needs and does not need to rely on over-optimistic estimates of third-party funding.

• For the VA's construction accounts, the Committee is recommending an additional $165 million for Minor Construction (which provides funding for projects costing less than $10 million). We recommend $90 million for Grants for Construction of State Extended Care Facilities. This additional funding will help reduce the backlog of Priority 1 projects (those high-priority projects where State monies are already in place). We also recommend an additional $5 million for the Grants for Construction of State Veterans Cemeteries.

• The Committee is also recommending an additional $12 million for the Inspector General and $18 million for additional vocational rehabilitation and employment counselors and $3 million in additional funding for the Education division.

• Overall, the President's budget requests a total funding level (with collections) of $60.3 billion, a $4.3 billion increase over FY 2010 (a nearly 8% increase). The Committee is recommending a total funding level of $60.9 billion. The Independent Budget has recommended $61.5 billion

• Building on our commitment to increase investments to bolster VA construction and infrastructure spending, the Committee's Views and Estimates will also include a recommendation of an additional $700 million in infrastructure spending if Congress moves forward with a new round of legislation to address our economic crisis. This additional funding would be targeted to projects already identified by the VA and meet current needs.

• The Committee's recommendation supports the President's budget, adds additional investment spending and provides the VA the resources it needs in the coming year. We will also work closely with you and our colleagues on the Appropriations Committee as the process moves forward to ensure that FY 2012 funding is sufficient to meet the health care needs of veterans.

• The Committee's recommendation, and the President's budget, makes needed investments to VA's infrastructure and research efforts to improve health care quality and access while we take steps to ensure that the historic funding increases provided to veterans' programs since the start of the 110th Congress are spent wisely.

• Thank you, Mr. Chairman and Members of the Committee.

Mr. ETHERIDGE. Thank the gentleman. And as someone who represents your great post at Fort Bragg and Pope Field and a VA center rather adjacent to it, we thank you for your testimony, and certainly there is a great need for our men and women who are returning and those who have served this country over the years. Thank you, and we appreciate your testimony.

Mr. FILNER. Thank you, sir.

Mr. ETHERIDGE. We now would recognize the gentle lady from Ohio, Ms. Sutton, for five minutes. Thank you for being here this morning.

STATEMENT OF HON. BETTY SUTTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Ms. SUTTON. Thank you, Mr. Chairman, for the opportunity to testify before the Budget Committee today. I am very proud to have served on the Budget Committee in 2007 in my first year of Congress, and I am pleased to join you today to speak about the budget issues of importance to Ohio's 13th Congressional District.

The budget is a moral document that reflects the priorities and values of our nation, and the 2011 budget builds on the Recovery Act by focusing on long-term economic recovery and job creation, which is critically important to the people that I serve.

Today I would like to discuss a few of the programs that are vital to those I represent.

I urge the Committee to support the $420 million, the same level as enacted last year, for the Staffing for Adequate Fire and Emergency Response Grant Program, and $420 million for the Assistance to Firefighters Act Grants. Now more than ever these grant opportunities are important to prevent the layoffs of needed firefighters and to ensure that our fire departments will have the equipment necessary and the training necessary to keep us in our communities safe.

And I support the President's request for an almost 50 percent increase in community-oriented policing services, also known as COPS funding, which will add an additional 50,000 police officers to our streets. Every day our first responders are in our communities providing essential services and keeping our families safe.

We need a budget that recognizes, Mr. Chairman, the need for job creation that will provide funding for research and development and support programs to ensure that our workers have the education and skills necessary for the jobs of the future. And I support the President's increase of 6.4 percent for research and development.

To give an example of how important this is to our district and to our future, the University of Akron is a world leader in polymer research, and now is the home of the nation's first bachelor's degree program in corrosion engineering, and the cost of corrosion in the United States is an astounding $260 billion a year. That is right, we lose $276 billion a year to corrosion, and we can mitigate it thanks to the research and the investments that are going on in this area.

Research investments in these areas lead to job creation, marketable technologies. And in the case of corrosion mitigation, immense savings for the U.S. government and taxpayers.

With the Recovery Act the U.S. had made significant progress on battery materials, including the development of new lithium ion batteries, and we should continue to provide robust funding for advanced battery manufacturing in the United States to further help jump start a new multi-billion dollar industry which will provide great potential for those I represent.

I also urge the Committee to support an additional $25 million 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, advance diesel and fuel cell cars. Clean energy means American jobs now and in the future. It is not a question of jobs or the environment, it is a question of jobs and the environment. We must take care of both.

Manufacturing in the United States creates jobs, and I urge the Committee to fully fund the Manufacturing Extension Partnership. This program has helped create or retain over 419 jobs in my district alone over the last four years, and it is the only national initiative to support, strengthen, and grow U.S. manufacturing.

During these challenging economic times state and local organizations also need resources to invest in and expand economic opportunities for low income families, and the Community Development Block Grants provide those 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 $4.4 billion for the Community Development Fund.

I am also pleased to support an increase of 20 percent since 2009 in funding for the Veterans Administration, and I support the President's request for $800 million in funding to help end veteran homelessness.

I was inspired to go into public service by the work of Mitch Snyder who fought tirelessly to end homelessness for our veterans. No American, especially a veteran, should ever have to live without a roof over his head or her head. The nearly 1 million veterans in Ohio and 24 million nationwide deserve nothing less than our full support, and I support the President's request of $5.2 billion for mental healthcare for veterans, an increase of 8.5 percent over the 2010 enacted level.

Far too many of our servicemembers return from Iraq and Afghanistan with post traumatic stress disorder and traumatic brain injury. Taking care of our servicemembers, veterans and their families, especially in times of war, is of the utmost importance.

And Americans need quality, affordable healthcare regardless of income, age, employment, gender, or pre-existing condition. In Ohio alone there are over 1.3 million people without health insurance, and since I was here last year that number has increased by 100,000 people. Our nation, our businesses, and our citizens cannot continue to function in our dysfunctional healthcare system, and as one who has served on this esteemed Committee I know it is difficult to balance the competing priorities before you, but I urge you,

as you do so, keep the needs of working families in mind as you make those decisions. We cannot afford to turn our backs on hard-working Americans and those who want to work during these challenging economic times.

Thank you for the opportunity to appear before you today, Mr. Chairman.

Mr. BLUMENAUER [presiding]. Without objection the Committee stands in recess subject to the call of the Chair.

[Recess.]

Mr. BLUMENAUER. Mr. Walz, welcome.

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

Mr. WALZ. Thank you, Mr. Chairman, I appreciate the opportunity for being here. I wanted to thank you as the acting Chairman, Chairman Spratt, and Ranking Member Ryan for the work you do. Critically important and I personally, as a constituent, am happy for the work you do.

I want to just mention a couple things. Last year I came and testified especially dealing with veterans' issues, and I will talk a little bit more in the future. Many, many good things are happening, even at a time of great economic distress. And I think about a year after I was here last time testifying watching the changes that we have made, just yesterday in my home State of Minnesota they released numbers, 15,600 new jobs created in January. That is the largest increase in over five years.

While things are not out of the woods yet, there are signs that things are starting to move in the right direction.

This budget has to continue to balance our short-term focus on economic recovery, while at the same time bringing about long-term economic transformation that will put us back on a path of fiscal responsibility.

I am personally encouraged by the comments the President has made in his budgets on both of these fronts, and I appreciate that he recognizes we need to make tough choices to get our house back in order.

I want to take a minute to touch on something, it has become a hot topic nowadays, it is something that I have been concerned about quite a while, and I know this Committee has, and that is the issue of debt and deficit. I am pleased this year that we passed, and the President signed into law, statutory PAYGO. This was the same policy that was in effect the last time we had a balanced budget under President Clinton, and I believe it is a good first step.

I am also pleased that the President's proposal saves $23 billion in fiscal year 2011 by cutting or eliminating 120 programs that aren't performing. It also invests increased oversight and accountability and reduces improper payments at all levels of government. This has the potential to save tens of billions of dollars.

While I believe it is a good first step, I believe there is much more to be done. I believe the only way we will ever find solutions to the pressing and difficult question is to put our partisanship aside and work across the aisle to solve this, that is why I am pleased the President has established a bipartisan Deficit Commission.

I would also like to personally thank Speaker Pelosi for her commitment to bringing these recommendations for a vote on the House floor, it is something I believe needs to be done. Ultimately, we can't wait to kick this one down the road and it needs to be solved now.

The second thing I would like to touch on and thank this Committee and all of Congress, as a Member of the House Veterans' Affairs Committee and a 24 year veteran myself, the commitment that has been made over the past two congresses to providing the highest quality of care and access to our veterans is unprecedented. Anyone can stand around and say they support veterans and stand in front of them at ceremonies, but standing behind them fulfilling our moral obligation is something that this Congress is beginning to do.

That budget is not just a fiscal document, it is a moral document, and it is never more true than with our veterans. I have consistently said I believe we need to balance our budget. We can't do it on the backs of veterans.

The President's proposal continues the recent record of strong funding for our veterans and improved access to care. It continues our investment ensuring that soldier's transition seamlessly from the DoD to the VA when they return home, and makes sure the VA works more efficiently for future generations.

I am looking forward to continuing to work with Secretary Shinseki and Gates to make sure that our servicemen and women can get the best care possible.

One area that we could be doing more is in the VA Office of the Inspector General. The VA's OIG has the weakest oversight of any agency due to the lack of funding. At the same time every one dollar that the OIG spends it nets $38 in savings through reducing fraud, waste, and abuse. If we could plus up that budget making sure the OIG had the resources necessary, we will make sure that the resources this Congress puts forward will be delivered towards veterans.

Again, Mr. Chairman, I thank you for the work you do in this Committee, look forward to working with colleagues on tackling this, and I am absolutely convinced that this budget is going in the right direction. Thank you.

[The prepared statement of Tim 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 for the opportunity to testify here today. I appreciate the very important work that you do and I am honored to be able to contribute in a small way today by sharing with you some of the issues that are important to me and that I am focused on this year.

Last year, I commented that Congress was crafting and considering a budget in the midst of the worst economic crisis in a generation. Now, a year later, we are starting to see signs of economic recovery. Just yesterday, my home state of Minnesota that we've created 15,600 jobs in January, the largest increase since 2005 and our unemployment rate continues to drop.

These are all encouraging signs, but we are not out of the woods yet.

This budget has to continue to balance our short term focus on economic recovery, while at the same time bringing about a long-term economic transformation that will put us back on the path to fiscal responsibility. I am encouraged by the commitments the President's budget makes on both of these fronts and I appreciate that

he recognizes that we need to make tough choices to get our fiscal house back in order.

I want to take a minute to touch on something that has become a very hot topic in Washington these days, but something that I have been concerned about for quite some time and that is our debt and deficit.

I am pleased that this year, we passed and the President signed into law statutory PAY-GO.

This was the same policy that was in effect the last time we had a balanced budget under President Clinton and I believe it is a good first step to put us back on the road to fiscal discipline.

I am also pleased that the President's proposal saves $23 billion in Fiscal Year 2011 by cutting or eliminating 120 programs that just are not smart investments. It also invests in increased oversight and accountability to reduce improper payments at all levels of government. This has the potential to save taxpayers tens of billions of dollars per year.

While I believe these are all good first steps, I believe we will have to do more. I believe the only way we will ever find solutions to this pressing and difficult issue is to put partisanship aside and work across the aisle to make hard, but necessary choices.

That is why I am pleased the President has established a bi-partisan Deficit Commission. I have personally asked Speaker Pelosi to commit to bringing the recommendations the commission gives us to a vote on the House floor and I am please she has done so.

Ultimately, we cannot wait for our kids and our grandkids to solve this problem. When I think about my own kids and the students I taught at Mankato West High School, I know we cannot just kick the can down the road.

The second thing I want to touch on is veterans' issues. As a member of the House Veterans' Affairs Committee and a 24-year veteran myself, ensuring that our veterans have access to the highest quality benefits and care is one of my top priorities.

Of course, anyone can say they support veterans but looking at our funding priorities is how you tell whether we're putting out money where our mouth is and fulfilling our moral obligation to our veterans. Our budget is not just a fiscal document, it is a moral document and that is especially true when we are talking about our nation's veterans.

I have consistently said that while I believe we need to balance our budget, we must not do it on the backs of our veterans.

The President's proposal continues the recent record of strong funding for our veterans community to improve access to care and eliminate the claims backlog. It continues our investment in ensuring that soldier's transition seamlessly from DOD to the VA when they return home and that the VA works more efficiently for future generations. I am looking forwarding to continuing to work with Secretary Shinseki and Secretary Gates to make sure that our servicemen and women get the best possible care.

One area where we could be doing more is with VA Office of the Inspector General. VA's OIG has the weakest oversight to agency staff ration in the federal government. At the same time, every $1 spent on the OIG nets $38 in savings through reducing waste, fraud, and abuse. By investing more in OIG, we could not only make the VA more efficient, but we could free up additional funding to ensure that we fulfill our responsibility to those who have put their lives on the line in service our country.

Thank you again for the opportunity to testify here today and thank you again for the work you are doing on behalf of our country.

Mr. BLUMENAUER. Thank you. Deeply appreciate your time and your testimony. Congressman McMahon.

STATEMENT OF HON. MICHAEL McMAHON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MCMAHON. Thank you, Mr. Chairman, and I want to thank you for providing me this opportunity to testify before you today. And I want to give you a special thanks and also to Chairman Spratt for your continued leadership and your work to help get us back on a path towards fiscal responsibility through your work here on the Budget Committee.

As you know, Mr. Chairman, I have been an outspoken advocate for addressing the mental health needs of our returning soldiers, all of our returning warriors. The brave men and women in our armed forces continue to be placed in harm's way in Iraq, Afghanistan, and other foreign theaters. And we know that the least we can do to thank these brave warriors, the sailors, the airmen, the soldiers, the marines, is to take care of them when they get home.

I applaud the President's latest budget for taking steps in addressing the needs of our veterans' mental health, but it doesn't go far enough. In December 2009, I, along with my good friend Congressman Tom Rooney, sent a letter to the President recommending a $750 million increase in veterans' mental health funding for fiscal year 2011.

I come here today, Mr. Chairman, to urge this Committee to incorporate in your budget resolution an increase in support for veterans' mental health by $750 million above what was allocated by the Congress in fiscal year 2010, and to work with the appropriators to accomplish this critical funding level.

Over the last year, I have worked closely with the Administration to promote better healthcare for our servicemembers, including improved mental health counseling and a targeted response by the United States Department of Defense to deal with the record numbers of suicides by active duty servicemembers. President Obama, The Department of Defense, and the Department of Veterans' Affairs have all stated that the mental health of our vets is one of their top priorities.

My first piece of legislation in Congress was H.R. 1308 that we introduced, the Veterans' Mental Health Assessments and Screenings Act. This bill mandates in person post-deployment mental health screenings for all servicemembers returning from active duty to defeat the stigma of seeking help for Post Traumatic Stress Disorder and Traumatic Brain Injury.

Despite the wide, bipartisan support this bill received and its inclusion in the fiscal year 2010 Defense Authorization, the rates of suicide are growing.

As Members of Congress, we have unfortunately become accustomed to hearing about the lack of assistance our servicemen and women receive as they silently suffer from invisible injuries such as PTSD and TBI. Last year there were over 340 active duty and reservist suicides; we lost more veterans to suicides in 2009 than we lost men and women in combat. This is a disgrace, Mr. Chairman. It is unacceptable to those who lay their lives on the line for our country, to their families, and ultimately to the American people, and this problem will only get worse as tens of thousands of our troops come home from Iraq and Afghanistan in the next few years.

We worked to secure additional support for mental health funding in last year's defense budget, increased the mental health force in the military, and formed the Invisible Injuries Caucus to get our colleagues more involved on these issues, but we have been told time and time again that the main obstacle that stands in the way of bringing down the rate of solider suicides is the need for additional resources from Congress to hire more mental health professionals for screenings and treatments.

Increased funding will allow the Department of Defense to move away from numerous pilot programs and provide a consistent and comprehensive post deployment screening program administered by trained mental health professionals.

I commend the Administration for showing a commitment to our active duty Members with their fiscal year 2011 budget request that focuses on overhauling the transition process from the military to civilian life.

The President's proposal will provide some funds for our local VA hospitals and equip them with resources and staff to address veterans' needs. It also will help expand inpatient, residential, and outpatient mental health programs with an emphasis on integrating mental health services with primary and specialty care. But with two active wars, the mental health needs of our vets are growing so fast that the President's proposal barely scratches the surface on giving our vets the care they so rightfully have earned and deserve.

The additional $750 million I am requesting now will allow the DoD and VA to be proactive in screening for PTSD and intervening early on in order to prevent chronic problems and reduce the skyrocketing rate of soldier suicides.

Through all of this, I think we can agree that prevention is the key, so I look forward to crafting an enhanced suicide prevention campaign targeted at educating active duty members, veterans and their families. Education is the only way we can reduce the stigmas associated with seeking help with mental injuries. It is one of our most solemn obligations as Members of Congress to improve the lives of the men and women who have sacrificed so much for our country.

Our budget is a statement about priorities. As you prepare the budget resolution, Mr. Chairman, that will guide the debate in the months ahead, I urge you to increase the budget by $750 million to fund veterans' mental health. Our servicemen and women have defended their country with honor and we owe them the best benefits and services available.

I thank you for your attention and for your dedication in putting together that list of priorities so important for our Nation known as our budget.

Thank you, sir.

[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 me to testify before you today. I would like to offer a particular thank you to Chairman Spratt for your continued leadership, and your work to help get us back on a path towards fiscal responsibility.

As you know, I have been an outspoken advocate for addressing the mental health needs of our returning soldiers. The brave men and women in our armed forced continue to be placed in harm's way in Iraq, Afghanistan, and other foreign theaters. And we know that the least we can do to thank these brave soldiers, sailors, airmen, marine is to take care of them when they get home.

I applaud the President's latest budget for taking steps in addressing the needs of our veterans' mental health. But it doesn't go far enough. In December 2009, I, along with my good friend Congressman Tom Rooney, sent a letter to the President recommending a $750 Million increase in veterans' mental health funding for FY 2011.

I come here today to urge this committee to incorporate in your budget resolution, an increase in support for Veterans' Mental health by $750 million above what was allocated by the Congress in FY 2010, and to work with the appropriators to accomplish this critical funding level.

Over the last year, I have worked closely with the Administration to promote better healthcare for our service members, including improved mental health counseling and a targeted response by the United States Department of Defense to deal with the record numbers of suicides by active duty service members. President Obama, The Department of Defense, and the Department of Veterans' Affairs have all stated that the mental health of our vets is one of their top priorities.

My first piece of legislation in Congress was HR 1308, the Veterans' Mental Health Assessments and Screenings Act. This bill mandates in person post-deployment mental health screenings for ALL service members returning from active duty to defeat the stigma of seeking help for Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI).

Despite the wide, bi-partisan support this bill received and its inclusion in the FY10 Defense Authorization, the rates of suicide are growing.

As members of Congress, we have unfortunately become accustomed to hearing about the lack of assistance our service men and women receive as they silently suffer from invisible injuries such as PTSD and TBI.

Last year, there were over 340 active-duty and reservist suicides; we lost more veterans to suicides in 2009 than we lost men and women in combat.

This is a disgrace. It is unacceptable to those who lay their lives on the line for our country, to their families and, ultimately to the American people.

And this problem will only get worse as tens of thousands of our troops come home from Iraq and Afghanistan in the next few years.

We worked to secure additional support for mental health funding in last year's defense budget, increased the mental health force in the military and formed the Invisible Injuries Caucus to get our colleagues more involved on these issues.

But we have been told time and time again that the main obstacle that stands in the way of bringing down the rate of solider suicides is the need for additional resources from Congress to hire more mental health professionals.

Increased funding will allow the DoD to move away from numerous "pilot programs" and provide a consistent and comprehensive post deployment screening program administered by trained mental health professionals.

I commend the administration for showing a commitment to our active duty service members with their FY2011 budget request that focuses on overhauling the transition process from the military to civilian life.

The President's proposal will provide some funds for our local VA hospitals and equip them with resources and staff to address veterans' needs. It also will help expand inpatient, residential, and outpatient mental health programs with an emphasis on integrating mental health services with primary and specialty care.

But with two active wars, the mental health needs of our vets are growing so fast that the President's proposal barely scratches the surface on giving our vets the care they so rightfully have earned and deserve.

The additional $750 I am requesting now will allow the DoD and VA to be proactive in screening for PTSD and intervening early on in order to prevent chronic problems and reduce the skyrocketing rate of soldier suicides.

Through all of this, I think we can agree that prevention is the key, so I look forward to crafting an enhanced suicide prevention campaign targeted at educating active duty members, veterans and their families. Education is the only way we can reduce the stigmas associated with seeking help with mental injuries.

It is one of our most solemn obligations as Members of Congress to improve the lives of the men and women who have sacrificed so much for our country. Our budget is a statement of our priorities.

As you prepare the budget resolution that will guide the debate in the months ahead, I urge you to increase the budget by $750 million to fund veterans' mental health. Our service men and women have defended their country with honor and we owe them the best benefits and services available.

Thank you again for the opportunity to testify.

Mr. BLUMENAUER. Thank you. We deeply appreciate your time and your insights.

Mr. MCMAHON. Likewise.

Mr. BLUMENAUER. Congressman Tonko.

Mr. TONKO. Chairman Blumenauer.

Mr. BLUMENAUER. How are you?

Mr. TONKO. Very well, thank you.
Mr. BLUMENAUER. Welcome.

STATEMENT OF HON. PAUL TONKO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. TONKO. Thank you very much. Chairman Blumenauer, I want to thank you for offering me this opportunity to speak here this afternoon. I represent the twenty first Congressional District of New York, 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, we have seen a dwindling population in response to more and more companies closing or moving overseas.

In recent years, one of our prime focuses has been promoting research companies and funding to help revive the Capital Region and all of Upstate New York. Even with the recent revival, we still have work to do when it comes to transforming our region back into an innovation powerhouse, as it was when GE was founded in Schenectady, NY or "the electric city."

To successfully accomplish this goal, we must see additional federal funding in the areas of energy, of infrastructure, of community development, and certainly of public health programs. 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. 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 bold new vision here in the United States.

I believe that the budget should do much more to provide funding to the Department of Energy to increase funding for research, development, demonstration and deployment of energy efficiency, renewable energy, smart grid, and advanced vehicle technologies.

I would recommend that the House budget resolution include robust funding for Function 270, consistent with the President's budget proposal. 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, which 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 and development to put investments towards advanced energy programs, including advanced battery and storage programs.

For decades, upstate urban cores in New York State, once the center of bustling economic and manufacturing activity, have been slowly eroding away. Urban areas in my congressional 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.

For the sake of our economy, environment,and the preservation of culture and architecture, we must commit funding to rebuild our aging infrastructure and funding to preserve our most historical places.

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 essential infrastructure. Many are living in communities that have seen a declining tax base. New systems encourage both economic and population growth in urban areas that would then rebuild that declining tax base.

Besides rebuilding aging infrastructure in our urban areas we must also preserve sites that are historically significant. Doing so will increase community spirit as well as generate much needed tourism dollars.

A new U.S. Cultural and Heritage Tourism Marketing Council and the U.S. Department of Commerce study revealed that cultural heritage travelers contribute more than $192 billion annually to the United States economy.

That is why for the fiscal year 2011 budget I support increased funding for the National Heritage Area Program through the Heritage Partnership Program of the National Park Service. Increased funding, which is at least equal to last year's level would preserve the ability of the National Heritage Areas to continue their work to sustain partnerships that foster job creation and economic, cultural, historic, environmental, and community development.

In addition to providing increased funding for fiscal year 2011, I want to take this time to encourage my colleagues in Congress to work with me to find additional revenue streams for these vital programs, ongoing revenue streams that will provide stability and certainty to the work they do.

I also ask that the committee reject the language in the President's fiscal year 2011 budget proposal as it would impose stifling limitations on NHAs, the Heritage Areas.

Most alarming is the language that would change the current distribution of funds used to support all 49 congressionally authorized National Heritage Areas by eliminating support to 22 of them.

I also consider the arts a very important part of not only the education of our children, but also our American cultural fabric. 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.

This is why I ask that Congress respectfully increase support for the Office of Museum Services within the Institute of Museum and Library Services program. Museums are a vital part of our communities and our educational infrastructure. Each year museums provide more than 18 million instructional hours to schoolchildren and educators and spend more than $14.5 billion in their communities. They are economic engines employing more than a half million

Americans, spurring local tourism and contributing to the cultural fabric of our nation.

Lastly, we must increase federal funding for the Community Mental Health Services Block Grant, which is the single largest federal funding source for mental health programs. It is dedicated to improving state and local mental health safety net systems and serves over 6 million Americans each year. In these difficult economic times more Americans are losing their health insurance coverage and more states are facing major deficits and impending budget cuts. Adults and children with mental health issues are accessing the public mental healthcare system in greater numbers, and state mental health authorities are reporting an increased demand for their services. At the same time, many states are being forced to cut mental healthcare funding because of the economic downturn.

Just as we should make federal investments into programs that can improve our economy, we must also make investments into programs that improve the health of our nation and her people.

Again, I want to thank you Chairman, and the entire committee, for the opportunity to allow me to come before you today and present some of my highest priorities.

Thank 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, 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, we have seen a dwindling population in response to more and more companies closing or moving overseas. In recent years, one of our prime focuses has been promoting research companies and funding to help revive the Capital Region and all of Upstate New York.

Even with the recent revival, we still have work to do when it comes to transforming our region back into an innovation powerhouse, as it was when GE was founded in Schenectady, NY or "the electric city." To successfully accomplish this goal, we must see additional federal funding in the areas of energy, infrastructure, community development, and public health programs.

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 bold new vision here in the United States.

I believe that the budget should do much more to provide funding to the Department of Energy to increase funding for research, development, demonstration and deployment of energy efficiency, renewable energy, smart grid, and advanced vehicle technologies. I would recommend that the House Budget Resolution include robust funding for Function 270—consistent with the President's budget proposal.

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, which 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 advanced battery and storage programs.

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. For the sake of our economy, environment and the preservation of culture and architecture, we must commit funding to rebuild our aging infrastructure and funding to preserve our most historical places.

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 essential infrastructure. New systems encourage both economic and population growth in urban areas.

Besides rebuilding aging infrastructure in our urban areas, we must also preserve sites that are historically significant. Doing so will increase community spirit as well as generate much needed tourism dollars. A new U.S. Cultural and Heritage Tourism Marketing Council and the U.S. Department of Commerce study revealed that cultural heritage travelers contribute more than $192 billion annually to the U.S. economy.

That is why for the fiscal year 2011 budget I support $18 million for the National Heritage Area Program through the Heritage Partnership Program of the National Park Service (NPS). This funding, which is equal to last year's level, would preserve the ability of the National Heritage Areas (NHAs) to continue their work to sustain partnerships that foster job creation and economic, cultural, historic, environmental, and community development. I also ask that the committee reject the language in the President's FY 2011 budget proposal as it would impose stifling limitations on NHAs. Most alarming is the language that would change the current distribution of funds used to support all 49 congressionally authorized National Heritage Areas by eliminating support to 22 of them.

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. This is why I ask that Congress increase support for the Office of Museum Services (OMS) within the Institute of Museum and Library Services (IMLS) program.

Museums are a vital part of our communities and educational infrastructure. Each year, museums provide more than 18 million instructional hours to schoolchildren and educators and spend more than $14.5 billion in their communities. They are economic engines—employing more than a half million Americans, spurring local tourism and contributing to the cultural fabric of our nation.

Lastly, we must increase federal funding for the Community Mental Health Services Block Grant (CMHSBG), which is the single largest federal funding source for mental health programs. It is dedicated to improving state and local mental health safety net systems and serves over six million Americans each year.

In these difficult economic times, more Americans are losing their health insurance coverage, and more states are facing major deficits and impending budget cuts. Adults and children with mental health issues are accessing the public mental health care system in greater numbers, and state mental health authorities are reporting an increased demand for their services. At the same time, many states are being forced to cut mental health care funding because of the economic downturn. Just as we should make federal investments into programs that can improve our economy, we must also make investments into programs that improve the health of our nation.

Again, I want to thank Chairman Spratt, Ranking Member Ryan and the rest of the committee for allowing me to come in today.

Mr. BLUMENAUER. We appreciate your presentation and your thoughtfulness, it is very helpful.

Mr. TONKO. Thank you, Chairman.

Mr. BLUMENAUER. Congressman Quigley.

STATEMENT OF HON. MIKE QUIGLEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. QUIGLEY. Thank you, Mr. Chairman. Never been on this side of pushing the buttons.

I want to thank the Chairman and Members of the committee for the opportunity to testify today.

Our nation is on an unsustainable fiscal path. Taking into account widely expected policy changes the CBO projects that by 2035 the public debt will be almost twice the amount of our entire GDP. By 2050 it projects that the public debt will be more than three times the amount of GDP. While there are those who hold great disdain for our government, I think that our government's mission matters. Government can improve people's lives and keep them safe. Government's mission matters and that is precisely why our national debt is so troubling.

If we can't get our finances in order how can we ask taxpayers to trust us with their hard earned dollars? How can we ask taxpayers to tighten their belts when your balance sheet is so unbalanced?

To earn the public's trust, our government needs to be more transparent, more accountable, and more honest, and it all begins with our budget. We need to fix the short side of accounting that massively underestimates the cost of spending programs. The ten-year budget window is too easily gamed. A measure for which costs escalate in year 2011 can be called budget neutral while it was not.

We need to consider the net present value of spending measures that escalate in cost outside the budget window. We also need to adopt accrual, a standard for private business as well as state and local governments. Like what is done in the financial report of the U.S.

By taking into account the promises made yesterday to spend tomorrow we can provide a more accurate picture of our fiscal position.

If Greece were obligated to use full and honest accounting to budget its 2001 currency swap deal with Goldman Sachs it would not have been able to hide its deteriorating finances behind an upfront payment on the exchange.

Similar budgetary gimmickry here at home prevents us from properly evaluating our own finances. We also need to expand the scope of the budget to include implicit government guarantees of GSEs like Fannie Mae and Freddie Mac, as well as other financial exposures. We need to bring tax expenditures onto the federal budget by recording them as simultaneous collections and outlays. Only by capturing the scope of tax expenditures, nearly $1.2 trillion in redistributed revenue, can we gain an honest and accurate picture of government.

These are only the first steps, but unless we reinvent the way government does business and get our finances in order we won't be nearly as successful in achieving our other priorities.

Finally, we need debt reduction targets in place to demonstrate our seriousness about tackling the debt problem. Even if we can't agree on how to reduce our debt to GDP ratio, we should all come to a consensus on achievable targets.

That is why next week I am introducing a "Sense of the House" Resolution establishing sustainable debt and deficit targets. I urge you to join me in co-sponsoring this resolution, especially if you believe that government's mission matters. The best way to achieve better healthcare coverage or a stronger national defense is to restore the public's trust in government, and that means making government more transparent, more accountable, and more honest.

Again, thank you for your time.

[The prepared statement of Mike Quigley follows:]

PREPARED STATEMENT OF HON. MIKE QUIGLEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. Chairman—thank you for the opportunity to testify today.

Our nation is on an unsustainable fiscal path.

Taking into account widely expected policy changes, the CBO projects that by 2035 the public debt will be almost twice the amount of our entire GDP.

By 2050, it projects that the public debt will be more than three times the amount of GDP.

While there are those who hold great disdain for our government—I believe that government's mission matters.

Government can improve people's lives and keep them safe.

Government's mission matters, and that's precisely why our national debt is so troubling.

If we can't get our finances in order, how can we ask taxpayers to trust us with their hard-earned dollars?

How can we ask taxpayers to tighten their belts when our balance sheet is so unbalanced?

To earn the public's trust, our government needs to be more transparent, more accountable, and more honest.

And it all begins with our budget.

We need to fix the short-sighted accounting that massively underestimates the cost of spending programs.

The 10 year budget window is too easily gamed—a measure for which costs escalate in year 11 can be called budget neutral, but it is not.

We need to consider the net present value of spending measures that escalate in cost outside the budget window.

We also need to adopt accrual accounting—the standard for private business as well as state and local governments, and what's used in the Financial Report of the U.S.

By taking into account the promises made yesterday to spend tomorrow, we can provide a more accurate picture of our fiscal position.

If Greece were obligated to use full and honest accounting to budget its 2001 currency swap deal with Goldman Sachs, it wouldn't have been able to hide its deteriorating finances behind an upfront payment on the exchange.

Similar budget gimmickry here at home prevents us from properly evaluating our own finances.

We also need to expand the scope of the budget to include implicit government guarantees of GSEs like Fannie Mae and Freddie Mac, as well as other fiscal exposures.

And we need to bring tax expenditures onto the federal budget—by recording them as simultaneous collections and outlays.

Only by capturing the scope of tax expenditures—nearly $1.2 trillion in redistributed revenue—can we gain an honest and accurate picture of government.

These are only first steps.

But unless we reinvent the way government does business and get our finances in order, we won't be nearly as successful in achieving our other priorities.

Finally, we need debt reduction targets in place—to demonstrate our seriousness about tackling the debt problem.

Even if we can't all agree on how to reduce our debt to GDP ratio, we should all come to a consensus on achievable targets.

That's why, next week, I'm introducing a "Sense of the House" resolution establishing sustainable debt and deficit targets.

I urge you to join me in cosponsoring this resolution, especially if you believe that government's mission matters.

The best way to achieve better health care coverage or a stronger national defense is to restore the public's trust in government—and that means making government more transparent, accountable, and honest.

Thank you for your time.

Mr. BLUMENAUER. Thank you. Great observations and we appreciate you joining us. Congressman McGovern.

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

Mr. MCGOVERN. Thank you very much. And Mr. Chairman, I want to thank the committee for this opportunity to testify about the fiscal year 2011 budget resolution.

As a member of the Budget Committee, I understand the difficult fiscal and budgetary constraints facing us this year and in the immediate future. It is important, therefore, that we outline clearly in the budget resolution the most important priorities for our country and its economic recovery, and for our people, especially those who are most vulnerable.

Mr. Chairman, as you know, I am committed to ending hunger in America and around the world. I believe we can end hunger, but we haven't yet mustered the political will to do so.

We need to fully fund the President's Global Food Security Initiative, and that means robust funding for the International Affairs 150 account. Domestically, despite the budgetary difficulties facing us, increasing funding for programs like school breakfasts and lunches, and after school and summer meals is something we simply must do. It is an investment in the health of our nation, not just the physical health of our citizens, but our economic health. Hunger and poor nutrition among children translates into lost productivity and significant healthcare costs throughout the lifetime of an adult.

Mr. Chairman, we need to take dramatic action and address the growing number of children who rely on discounted and free meals during the school year and summer months.

I commend President Obama for including a $1 billion increase in funding for the Child Nutrition Programs in his fiscal year 2011 budget. It is a bold step, it is a necessary step if we are indeed going to provide more breakfasts, more after school snacks, and more summer meals to children.

Along with expanding these programs so they reach currently eligible children, we must also focus on improving the nutritional quality of the food served at school and provided through all our federal child nutrition programs.

While the USDA has laid out principles for the Child Nutrition Reauthorization Act, it has not yet provided the kind of detailed legislative language or a detailed budget estimate for these improvements. In fact, our colleague on the Budget Committee and Chair of the Agriculture Appropriations Subcommittee, Congresswoman Rosa DeLauro, recently asked Secretary Vilsack how much his proposals would cost and if they fit within the $1 billion increase in the President's budget. Unfortunately, Secretary Vilsack at this time could not provide a specific line by line response, precisely because the Department has yet to release a detailed cost estimate.

Two years ago this committee built into the budget resolution a reserve fund for the Farm Bill. That reserve fund, initially set at $20 billion, was used to enact a $4.9 billion increase in the Food Stamp Program, now called SNAP.

The fiscal year 2010 budget resolution included a similar deficit-neutral reserve fund for the Child Nutrition Reauthorization Bill.

I respectfully request that this committee include this language in the fiscal year 2011 budget resolution so we can provide the best improvements possible to this important set of programs.

Mr. Chairman, we owe it to our children to properly invest in the Child Nutrition Programs. We owe it to our nation to clearly signal that ending child hunger and improving child nutrition and health are national program and budget priorities.

The Institute of Medicine has called for significant improvements in these programs, and ultimately we can address hunger, improve nutrition, and help combat obesity and associated health problems by starting with our young children in schools.

Let me conclude, Mr. Chairman, by focusing on just one more issue confronting our budget decisions, namely the wars in Iraq and Afghanistan.

Before this Congress takes up the President's fiscal year 2010 supplemental appropriations request and the fiscal year 2011 budget, the total cumulative appropriations for the Afghan and Iraq wars is $1.08 trillion according to the Congressional Research Service. This figure does not include the costs to support our returning veterans with benefits and healthcare, or the interest on the war-related debt or aid to our allies. In constant 2008 dollars this war spending exceeds what we spent on any prior war in the history of the United States of America with the exception of World War II.

Mr. Chairman, in a nutshell, these wars are bleeding our nation's fiscal and economic health dry. They are robbing us of the resources we need to invest in the economic recovery of America, in a 21st Century infrastructure, in national priorities such as education and healthcare, in our own homeland security, and in taking care of our most vulnerable children, seniors, neighbors, and veterans.

Mr. Chairman, we must find a way to pay for these wars and to end them. Compared to the Bush Administration's handling of these war costs, I commend President Obama for including in his regular fiscal year 2011 budget request a greater portion of spending related to our policy in Iraq and Afghanistan, especially on the non-military side of the ledger. Unfortunately, most of our military operations continue to be deficit-funded and placed on the taxpayer credit card.

I strongly urge this committee to include provisions in the fiscal year 2011 budget resolution that preclude escalating war spending, require payment and offsets for war spending, and help pave the path to bring our servicemen and women home as soon as possible.

Thank you, Mr. Chairman, for the opportunity to bring these priorities to the attention of the Committee.

[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 want to thank the Committee for this opportunity to testify about the Fiscal Year 2011 Budget Resolution. As a member of the Budget Committee, I understand the difficult fiscal and budgetary constraints facing us this year and in the immediate future. It is important, therefore, that we outline clearly in the Budget Resolution the most important priorities for our country and its economic recovery, and for our people, especially those who are most vulnerable.

Mr. Chairman, as you know, I am committed to ending hunger in America and around the world. I believe we can end hunger, but we haven't yet mustered the political will to do so. Despite the budgetary difficulties facing us, increasing funding for programs like school breakfasts and lunches, and after school and summer meals is something we simply must do. It is an investment in the health of our nation—not just the physical health of our citizens, but our economic health. Hunger and poor nutrition among children translate into lost productivity and significant health care costs throughout the lifetime of an adult.

Mr. Chairman, we need to take dramatic action and address the growing number of children who rely on discounted and free meals during the school year and summer months.

I commend President Obama for including a one billion dollar increase in funding for the Child Nutrition Programs in his FY 2011 Budget. It is a bold step—it is a necessary step—if we are indeed going to provide more breakfasts, more after school snacks and more summer meals to children. Along with expanding these programs so they reach currently eligible children, we must also focus on improving the nutritional quality of the food served at school and provided through all our federal child nutrition programs.

While the USDA has laid out principles for the Child Nutrition Reauthorization Act, it has not yet provided the kind of detailed legislative language or a detailed budget estimate for these improvements. In fact, our colleague on the Budget Committee and Chair of the Agriculture Appropriations Subcommittee, Congresswoman DeLauro, recently asked Secretary Vilsack how much his proposals would cost and if they fit within the $1 billion increase in the President's budget. Unfortunately, Secretary Vilsack could not provide a specific line-by-line response precisely because the Department has yet to release a detailed cost estimate.

Two years ago, this Committee built into the budget resolution a reserve fund for the Farm Bill. That reserve fund—initially set at $20 billion—was used to enact a $4.9 billion increase in the Food Stamp program, now called SNAP. The FY 2010 Budget Resolution included a similar deficit-neutral reserve fund for the Child Nutrition Reauthorization bill. I respectfully request that this Committee include this language in the FY 2011 Budget Resolution so we can provide the best improvements possible to this important set of programs.

Mr. Chairman, we owe it to our children to properly invest in the Child Nutrition Programs. We owe it to our nation to clearly signal that ending child hunger and improving child nutrition and health are national program and budget priorities. The Institute of Medicine has called for significant improvements in these programs. Ultimately, we can address hunger, improve nutrition and help combat obesity and associated health problems by starting with our young children in schools.

Let me conclude, Mr. Chairman, by focusing on just one more issue confronting our budget decisions—namely the wars in Iraq and Afghanistan. Before this Congress takes up the President's FY 2010 supplemental appropriations request and the FY 2011 budget, the total cumulative appropriations for the Afghan and Iraq wars is $1.08 trillion dollars, according to the Congressional Research Service. This figure does NOT include the costs to support our returning veterans with benefits and health care, or the interest on war-related debt or aid to our allies. In constant 2008 dollars, this war spending exceeds what we spent on any prior war in the history of the United States with the exception of World War II.

Mr. Chairman, in a nutshell, these wars are bleeding our nation's fiscal and economic health dry. They are robbing us of the resources we need to invest in the economic recovery of America, in a 21st Century infrastructure, in national priorities such as education and health care, in our own homeland security, and in taking care of our most vulnerable children, seniors, neighbors and veterans.

Mr. Chairman, we must find a way to pay for these wars and to end them. Compared to the Bush Administration's handling of these war costs, I commend President Obama for including in his regular FY 2011 Budget Request a greater portion of spending related to our policy in Iraq and Afghanistan, especially on the non-military side of the ledger. Unfortunately, most of our military operations continue to be deficit-funded and placed on the taxpayer credit card.

I strongly urge this Committee to include provisions in the FY 2011 Budget Resolution that preclude escalating war spending, require payment and offsets for war spending and help pave the path to bring our servicemen and women home as soon as possible.

Thank you, Mr. Chairman, for the opportunity to bring these priorities to the attention of the Committee.

Mr. BLUMENAUER. Thank you for your testimony, I deeply appreciate it. We will take a 15 second recess.

[Recess.]

Mr. MCGOVERN [presiding]. The Budget Committee will reconvene, and we are happy to welcome the Honorable Dina Titus from Nevada, and we very much appreciate you being here and look forward to hearing your testimony. You may proceed.

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

Ms. TITUS. Thank you, Mr. Chairman for this opportunity to testify about my priorities for the fiscal year 2011 budget resolution.

Like all Americans, my constituents in Southern Nevada have been struggling. Our state has the highest foreclosure rate and the second highest unemployment in the nation, and our state legislature just finished a special session where they were forced to make another round of drastic cuts to education and other state agencies.

Las Vegas is no long recession proof. It used to be that if you had two nickels to rub together you would come to Las Vegas in hopes of changing your luck. That is not true anymore. If people don't have disposable income in Iowa and Georgia they can't come to Nevada for fun and for business.

So it is very clear to me that job creation must be the central focus of the 2011 budget resolution. We need to put Americans to work in clean energy jobs and other emerging fields so that the United States can position itself as a leader in this global economy.

It is my strong belief that the 2011 budget should incentivize domestic manufacturing of clean energy technologies like solar, wind, and geothermal. A focus on domestic manufacturing ensures that we don't trade a dependence on foreign oil for a reliance on clean energy exports from countries like China. We need to make the mirrors, make the windmills here in this country. And although we have started to see signs of growth in our economy, we will not be fully recovered until Americans are back to work.

I also strongly believe that the budget resolution must work to reign in the deficit and restore fiscal responsibility. All across Southern Nevada my constituents are tightening their belts, and they expect the U.S. Congress to do the same.

Under the President's budget request we see deficits decline from 10.6 percent of GDP in 2010 to 3.9 percent in 2014, and non-security discretionary spending is frozen for three years. This is an important start, but I believe we need to do more. We should work together in a bipartisan way to reduce the deficit, to cut programs that don't work, and to eventually balance the budget.

I urge your committee to draft a budget resolution that reduces the deficit even further so that we don't saddle the next generation of Americans with unmanageable debt.

Now, I recognize that we must make difficult choices in order to reduce the deficit and improve the economy. For instance, it is time we stopped funding defense acquisition programs that the Department of Defense doesn't even want.

I do remain concerned, however, about President Obama's proposal to reduce the itemized deduction rate for families with incomes over $250,000. This is a proposal that Congress has already rejected last year. And I am particularly concerned with the impact

this provision could have on the already devastated housing market in my congressional district.

The Mortgage Interest Deduction is an important incentive that encourages Americans to buy homes. In fact, some people consider the Mortgage Interest Deduction 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 is evident that the housing market is closely tied to the national economy as a whole.

The housing market in my congressional district in Southern Nevada, previously one of the fastest growing markets in the country, is currently in shambles. Today, 70 percent of homeowners in Nevada owe more on their homes than the houses are worth. We can't afford to let prices drop any further by making it less attractive to buy a home in Nevada.

Last, but certainly not least, I want to applaud the President for killing the Yucca Mountain program once and for all in his budget request. For years Nevadans have fought against this disastrous plan to store nuclear waste in our backyard. We are not a dump site. The President's budget fulfills a promise he made to Nevadans, and I could not be more supportive of his proposal to terminate funding for the Yucca Mountain program.

So I thank you again, Mr. Chairman, for this opportunity to express my views about the President's fiscal year 2011 budget request, and I look forward to working with you to ensure that Congress passes a responsible budget that puts our economy back on the right track.

[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 and Ranking Member Ryan, for this opportunity to testify about my priorities in the Fiscal Year 2011 budget resolution. Like all Americans, my constituents in Southern Nevada have been struggling. Our State has the highest foreclosure rate and the second highest unemployment in the nation, and our state legislature just finished a special session where they were forced to make another round of cuts to education and other state agencies. If there is one thing we can all agree upon, it is that the status quo is unacceptable.

It is clear to me that job creation must be the central focus of the 2011 budget resolution. We need to put Americans to work in the clean energy sector and other emerging fields so that the United States can position itself as a leader in this global economy. It is my strong belief that the 2011 budget should incentivize domestic manufacturing of clean energy technologies like solar, wind, and geothermal. A focus on domestic manufacturing ensures that we don't trade a dependence on foreign oil for a reliance on clean energy exports from countries like China. Although we have started to see signs of growth in our economy, we will not have fully recovered until Americans are back to work.

I also strongly believe that the budget resolution must work to rein in the deficit and restore fiscal responsibility. All across Southern Nevada, my constituents are tightening their belts, and they expect the United States Congress to do the same. Under the President's budget request, we see deficits decline from 10.6 percent of GDP in 2010 to 3.9 percent in 2014, and non-security discretionary spending is frozen for three years. This is a start, but we must do more. We should work together in a bipartisan way to reduce the deficit, cut programs that don't work, and eventually balance the budget. I urge the committee to draft a budget resolution that reduces the deficit even further, so that we do not saddle the next generation of Americans with unmanageable debt.

I recognize that we must make difficult choices in order to reduce the deficit and improve the economy. For instance, it's time we stop funding defense acquisition

programs that the Department of Defense doesn't want. I remain concerned, however, about President Obama's proposal to reduce the itemized deduction rate for families with incomes over $250,000—a proposal this Congress rejected last year. I am particularly concerned with the impact this provision could have on the already devastated housing market in my Congressional District.

The Mortgage Interest Deduction is an important incentive that encourages Americans to buy homes. Some consider the Mortgage Interest Deduction 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 is evident that the housing market is closely tied to the national economy as a whole. The housing market in my Congressional District in Nevada—previously one of the fastest growing markets in the nation—is currently in shambles. Today, 70 percent of homeowners in Nevada owe more on their homes than they are worth. We can't afford to let prices drop any further by making it less attractive to buy a home in Southern Nevada.

Last, but certainly not least, I want to applaud the President for killing the Yucca Mountain program once and for all in his budget request. For years, Nevadans have fought against this disastrous plan to store nuclear waste in our backyard. The President's budget fulfills a promise he made to Nevadans and I could not be more supportive of his proposal to terminate funding for the Yucca Mountain program.

Thank you again, Mr. Chairman, for the opportunity to express my views about the President's FY 2011 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. Thank you very much for your excellent testimony, and we certainly will consider all of the issues that you raised and we appreciate you being here. Thank you.

Ms. TITUS. Thank you.

Mr. MCGOVERN. The Budget Committee with stand in a brief recess.

[Recess.]

Mr. MCGOVERN. The Budget Committee will reconvene. We are delighted to welcome the Honorable Bill Owens from New York, and we look forward to hearing your testimony.

STATEMENT OF HON. WILLIAM OWENS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. OWENS. Chairman Spratt and Ranking Member Ryan, thank you for the opportunity to address the committee today, and thank you, Mr. Chairman.

There are several issues specific to my Upstate New York district that I would like to bring to your attention.

I appreciate the difficulties you face in crafting a budget this year, and I am grateful for the opportunity to speak on behalf of my constituents.

First, New York's North Country is the proud home of the 10th Mountain Division at Fort Drum, an installation recently named one of the top ten communities for military families in the world. The division is the most deployed in the Army. Today, two-thirds of the combat teams stationed at Fort Drum are fighting in Iraq and Afghanistan. The families of these soldiers depend on Congress to provide the services they need to endure these frequent deployments. When our soldiers come home they deserve to return to installations with sufficient funding to support their training and transition to garrison life.

Earlier this year Fort Drum learned that their budget would be slashed 30 percent, forcing the base to cut contracts with businesses in the community and eliminate services for soldiers. The fiscal year 2011 budget includes only a very modest increase in

these funds over fiscal year 2010 levels, and I am concerned this increase does not reflect recent adjustments the Army has had to make in base funding by shifting $500 million to worldwide base operating funds from other operational accounts. Although this shift negated further cuts, it has left many military communities uneasy about the future.

Ensuring adequate operational funding for our Army installations is critical to easing the burden on both our soldiers and the greater communities they reside in. I urge the committee to carefully consider the base operation support budget for the Army.

In addition to being home to a major Army installation, the 23rd district of New York shares an extensive border with Canada. To better secure this border, GSA has completed the planning phase of a new land port entry in Alexandria Bay, New York. Each day this port of entry receives 484 trucks and facilitates trade of nearly $19 million worth of cargo.

Future tenants of the expanded Alexandria Bay facility will include many of the agencies that protect our borders from terrorists and facilitate the flow of cargo.

GSA requested $171.5 million to continue the Alexandria Bay project in fiscal year 2011, but the President did not include the request in his budget.

Upstate New York began suffering from economic difficulties long before the current recession, and its communities rely heavily on trade with Canada. Expansion of the Alexandria Bay facility is critical to creating jobs and to securing our northern border, and I urge you to include funding for this project in your fiscal year 2011 budget.

I think it is important to note that the trade between Quebec and New York is over $80 billion a year, and between Canada and the United States in excess of $365 billion a year.

Finally, I urge you to support the President's request for a $36 billion increase to the nuclear loan guarantee program. There has been a serious effort in my district to utilize this program for the construction of a third reactor at the Nine Mile Point nuclear power plant in Oswego County, New York. Completion of this effort would create 4,000 construction jobs and nearly 400 permanent positions at the plant, but funding for this project is unavailable due to the relatively small pool of funds in the program.

With the increase requested by the President there is new hope for this significant piece of economic development to succeed in Central New York. This is exactly the type of investment we need replicated across the country to create jobs, move our local economies forward, and make clean energy a reality for America's future.

Again, thank you for the opportunity to address the committee, and I would be happy to answer any questions.

[The prepared statement of William Owens follows:]

PREPARED STATEMENT OF HON. WILLIAM OWENS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Chairman Spratt and Ranking Member Ryan, thank you for the opportunity to address the committee today. There are several issues specific to my Upstate New York district that I'd like to bring to your attention. I appreciate the difficulties you face in crafting a budget this year, and I'm grateful for the opportunity to speak on behalf of my constituents.

First, New York's North Country is the proud home of the 10th Mountain Division at Fort Drum, an installation recently named one of the top ten communities for military families in the world. The division is the most deployed in the Army. Today, two-thirds of the combat teams stationed at Fort Drum are fighting in Iraq and Afghanistan. The families of these soldiers depend on Congress to provide the services they need to endure these frequent deployments. When our soldiers come home, they deserve to return to installations with sufficient funding to support their training and transition to garrison life.

Earlier this year, Fort Drum learned that their budget would be slashed 30 percent, forcing the base to cut contracts with businesses in the community and eliminate services for soldiers. The FY11 budget includes only a very modest increase in these funds over FY10 levels, and I'm concerned this increase does not reflect recent adjustments the Army has had to make in base funding by shifting $500 million to worldwide base operating funds from other operational accounts. Although this shift negated further cuts, it has left many military communities uneasy about the future. Ensuring adequate operational funding for our Army installations is critical to easing the burden on both our soldiers and the greater communities they reside in. I urge the committee to carefully consider the base operation support budget for the Army.

In addition to being home to a major Army installation, the 23rd district of New York shares an extensive border with Canada. To better secure this border, GSA has completed the planning phase of a new Land Port of Entry in Alexandria Bay, New York. Each day this port of entry receives 484 trucks and facilitates trade of nearly $19 million worth of cargo. Future tenants of the expanded Alexandria Bay facility will include many of the agencies that protect our borders from terrorists and facilitate the flow of cargo.

GSA requested $171.5 million to continue the Alexandria Bay project in FY11, but the President did not include the request in his budget. Upstate New York began suffering from economic difficulties long before the current recession, and its communities rely heavily on trade with Canada. Expansion of the Alexandria Bay facility is critical to creating jobs and to securing our northern border, and I urge you to include funding for this project in your FY11 budget.

Finally, I urge you to support the President's request for a $36 billion dollar increase to the nuclear loan guarantee program. There has been a serious effort in my district to utilize this program for the construction of a third reactor at the Nine Mile Point nuclear power plant in Oswego County, New York. Completion of this effort would create 4,000 construction jobs and nearly 400 permanent positions at the plant.

But funding for this project is unavailable due to the relatively small pool of funds in the program. With the increase requested by the President, there is new hope for this significant piece of economic development to succeed in Central New York. This is exactly the type of investment we need replicated across the country to help create jobs, move our local economies forward and make clean energy a reality for America's future.

Again, thank you for the opportunity to address the committee, and I'd be happy to answer any questions.

Mr. MCGOVERN. Thank you very much, Mr. Owens for your excellent testimony. You are a valued member of this house and we appreciate your words, and you can be assured that we are going to carefully consider everything you said.

Mr. OWENS. Thank you very much, Mr. Chairman.

Mr. MCGOVERN. Thank you very much. The Budget Committee will now stand in a brief recess.

[Recess.]

Mr. MCGOVERN. The Budget Committee will reconvene, and we are delighted to have with us the Honorable Betsy Markey from Colorado, and we look forward to your testimony. The floor is yours.

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

Ms. MARKEY.*. THANK YOU, CHAIRMAN MCGOVERN, THANK YOU FOR ALLOWING ME TO SHARE MY THOUGHTS BEFORE THE BUDGET COMMITTEE ON THE PROPOSED FISCAL YEAR 2011 BUDGET.

I believe the President's budget makes some positive steps toward putting us on a sustainable path, and I am pleased to have the opportunity to engage in an open dialogue on the programs I support and on cuts that would have a negative impact on Colorado's Fourth District.

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 RC&D Program should be promoted, not eliminated because it fulfills a vital national goal through coordination of local organizations and national agencies.

Regrettably, the Administration's budget proposal also makes significant reductions to clean water programs that are vital to many rural communities trying to improve their clean and wastewater infrastructure.

The fiscal year 2011 budget eliminates the Army Corps of Engineers water and wastewater treatment project funding, which will allow organizations to focus on its core competencies; however, that elimination could be catastrophic when combined with the large cuts to the EPA's Clean Water State Revolving Fund and Drinking Water State Revolving Fund.

Additionally, the President's budget has terminated all vector-borne disease funding through the Centers for Disease Control and Prevention. This Fort Collins, Colorado-based division will have to contend with other disease research for a small portion of the emerging infectious disease budget. The loss of a dedicated budget will result in the termination of existing research and prevention programs, which include the state-coordinated West Nile Surveillance Program and the highly successful Dengue Research Program.

CDC research has helped to detect dengue transmission in Florida and discovered the risk posed to blood supplies in Puerto Rico. The CDC Vector-Borne division's research saves lives in communities throughout the United States and around the globe, and I encourage the continued funding of this important division at its fiscal year 2010 level.

The proposed Department of the Interior's Bureau of Reclamation Budget includes only $3 million in funding desperately needed to at long last complete the Arkansas Valley Conduit. This piece of the larger Fryingpan-Arkansas Project was first authorized in 1962, but has not received sufficient federal support.

I strongly support more complete funding in the fiscal year 2011 budget for the completion of this project, about which President John Kennedy said, "This is an investment in the future of this

country, an investment that will repay large dividends. It is an investment in the growth of the West."

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 2011 budget for healthcare and compensation. I especially appreciate the increased focus on the needs of the growing number of women veterans and their unique needs.

In addition, the investments in the high quality delivery of health care and benefits through increased technology usage will allow the VA to stay on the leading edge of medical service for veterans for years to come.

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. For this reason, I am very pleased to see that President Obama has supported making permanent the $5,550 Pell Grant maximum award, and I support the President's proposal to put the Pell Grant Program on firm financial footing. Ensuring access to higher education for Americans of all incomes is essential to our Nation's future.

I am disappointed though to see that the Department of Education budget cuts funding for the Reach Out and Read program. Reach Out and Read distributes books to children through pediatricians' office. In my district alone, Reach Out has helped nearly 10,000 children through 27 clinics. I have had the privilege to read to children at these clinics and have seen firsthand the benefits of this program. Many of these children receive new books only when they go for their annual checkup. As literacy is an essential building block for educational success, I urge the continued funding for Reach Out and Read.

Finally, I support President Obama's goal to increase the number of graduate fellowships in science, especially the investments in researchers pursuing clean energy careers; however, I would also encourage the Administration to invest in vocational education and in community college programs in 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 and 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 to create the clean energy economy of tomorrow.

To the Members of the Committee, I appreciate the opportunity to share my priorities and concerns in the fiscal Year 2011 budget. Thank you.

[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 2011 Budget. I believe that the President's budget takes some positive steps toward putting us on a sustainable path, though I know that we have many difficult choices ahead.

I am pleased to have the opportunity to engage in an open dialogue on the programs I support, and on cuts that would have a negative impact on the Fourth District of Colorado.

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 promoted, not eliminated because it fulfills vital national goals through coordination of local organizations and national agencies.

Regrettably, the Administration's budget proposal also makes significant reductions to clean water programs that are vital to many rural communities trying to improve their clean and wastewater infrastructure. The Fiscal Year 2011 Budget eliminates the Army Corps of Engineers water and wastewater treatment project funding, which will allow that organization to focus on its core competencies. However, that elimination could be catastrophic when combined with the large cuts to the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund. With Army Engineer projects being eliminated, it is important that these EPA funds be protected to allow states to develop and improve their water infrastructure.

Additionally, the President's Budget has terminated all vector-borne disease funding through the Centers for Disease Control and Prevention. This Fort Collins, Colorado-based division will have to contend with other disease research for a small portion of the Emerging Infectious Disease budget. The loss of a dedicated budget will result in the termination of existing research and prevention programs, which include the state-coordinated West Nile Surveillance program and the highly successful dengue research program. Dengue is a virus that threatens more than one-third of the global population and is endemic to Puerto Rico, Guam, Samoa, and many areas of Latin America. CDC research has helped detect a dengue transmission in Florida and discovered the risk posed to blood supplies in Puerto Rico. The CDC Vector-Borne division's research saves lives in communities throughout the United States and around the globe and I encourage the continued funding of this important division at its FY2010 levels.

The proposed Department of the Interior Bureau of Reclamation budget includes only $3 million in funding desperately needed to at long last complete the Arkansas Valley Conduit. This piece of the larger Fryingpan-Arkansas Project was first authorized in 1962 but has not received sufficient federal support. I strongly support more complete funding in the Fiscal Year 2011 Budget for the completion of this project, about which President John Kennedy said, "This is an investment in the future of this country, an investment that will repay large dividends. It is an investment in the growth of the West, in the new cities and industries which this project helps make possible."

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 2011 Budget for health care and compensation. I especially appreciate the increased focus on the needs of the growing number of women veterans and their unique needs. In addition, the investments in the high-quality delivery of health care and benefits through increased technology usage will allow the VA to stay on the leading edge of medical service for veterans for years to come.

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. For this reason, I am very pleased to see that President Obama has supported making permanent the $5,550 Pell Grant maximum award and I support the President's proposal to put the Pell grant program on "firm financial footing." Ensuring access to higher education for Americans of all income levels is essential to our nation's future.

I am disappointed to see that the Department of Education budget cuts funding for the Reach Out and Read program. Reach Out and Reach distributes books to children through pediatricians' office. In my district alone, Reach Out has helped nearly ten thousand children through 27 clinics. I have had the privilege to read to children at these clinics and have seen firsthand the benefits of this program. Many of these children only receive new books other than when they go for their

annual checkup. As literacy is an essential building block for educational success, I urge the continued funding for Reach Out and Reach and commend the program for its past efforts.

Finally, I support President Obama's goal to increase the number of graduate fellowships in science, especially the investments in researchers pursuing clean energy careers. However, I would also encourage the Administration to invest in vocational education and in community college programs in 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 to create the clean energy economy of tomorrow.

To the members of the committee, I appreciate the opportunity to share my priorities and concerns in the Fiscal Year 2011 Budget.

Mr. MCGOVERN. Well thank you very much, we appreciate you being here, you are a valued member of this institution, and we will consider all of your suggestions, you have our word on that. Thank you.

Ms. MARKEY. Thank you very much, Mr. Chairman.

Mr. MCGOVERN. The Budget Committee will stand in a brief recess.

[Recess.]

Mr. MCGOVERN. The Budget Committee will reconvene. We are honored to have with us the Honorable Gabrielle Giffords of Arizona, and we look forward to your testimony, and we welcome you to the Budget Committee.

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

Ms. GIFFORDS. Thank you so much for having me at the Budget Committee, Congressman McGovern. I really appreciate also Chairman Spratt and Ranking Member Ryan for today's testimony.

I think it is important today to have the opportunity to testify before the House Budget Committee on what I consider to be a dangerous deficiency in the funding of our border security programs proposed in the President's fiscal year 2011 budget.

As one of only ten members of Congress in a district that represents the U.S. Mexico border I am extremely concerned about stemming the flow of illegal immigrants, drugs, guns, and money across our southern border. Addressing this problem has been one of my top priorities in the United States Congress, in fact that is what my constituents sent me here to do.

The region they represent is the nation's largest and most porous sector of the U.S. Mexico border. More drugs are seized and more illegal immigrants are apprehended in the Tucson sector of the Border Patrol than anywhere else in the United States.

Last week I had an eye opening meeting with the President of the Tucson Secretary of Border Patrol Council and his executive committee. These dedicated agents told me that in no uncertain terms they will be severely hindered in doing their job of securing our border if the President's proposed budget is actually adopted, and that is why I am here today. We need to listen more closely to the men and women who are actually serving on the front lines of our border security crisis, not the folks here in Washington who are making decisions for them.

Every day our border patrol agents risk their lives in carrying out their mission in some of the harshest working conditions in the nation. I believe that they deserve our gratitude, they deserve our respect, but they also deserve being supported in our Congressional budget.

We all know that our economy is going through a challenging time, but this should not prevent us from giving the border patrol agents the critical resources they need to keep our communities safe.

We all know that our budget is a reflection of our priorities, and I don't think that any Member of Congress would dispute that our most important priority to members is to keep our homeland safe and secure.

Let me tell you a little bit about your southern Arizona district. Every day the residents of my district live with the harsh reality that the federal government has not done enough, even though they talk about border security on a daily basis, they actually haven't done enough to keep Southern Arizona's borders secure. Senior citizens in Green Valley have voiced their concerns for their safety because of the spillover of drug violence that is played out in their neighborhoods. We have ranchers and farmers in Douglas and Nogales area that are forced to contend with the impact of drug smugglers and tens of thousands of illegal immigrants every single year that cross through their property, their land. And residents of Tucson, my hometown, are constantly confronted with the immense toll brought by narco-terrorists who smuggle drugs and illegal immigrants into the Tucson area across the deserts, and then they end up setting up these drug clearinghouses within our communities that lead to drug addiction in the areas, home invasions, kidnappings, some of the highest in the world in the State of Arizona, and increased violence.

So in a word the situation is completely intolerable. The federal government cannot secure the border until we dedicate sufficient funding to prevent illegal drugs and immigrants from entering the country and force the laws that currently exist within our borders.

My first concern in the President's budget is he has proposed to scale back several border security programs that have proven to be effective. The border patrol would lose 181 agents under this proposal. And if this wasn't bad enough, 52 Air Interdiction agents and 18 Marine Interdiction agents would also be eliminated. So this would lead to a total of 251 agents who are heavily involved with our nation's interior security. Again, a giant step in the wrong direction.

I am also deeply concerned with the inadequate funding of the State Criminal Alien Assistance Program, or SCAAP, in the President's fiscal year 2011 budget proposal. In fact, I have testified before your committee in the past about the same thing under the previous president.

SCAAP was created to reimburse states and localities for the arrest, incarceration, and transportation costs associated with illegal immigrants who commit crimes in our communities. If you want to know how vital this program is talk to Pima County Sheriff, Clarence Dupnik, or Cochise County Sheriff, Larry Dever, or Santa Cruz County Sheriff, Tony Estrada. They are going to tell you that

these funds are a life line for the cash strapped law enforcement agencies that are already hard hit by the problems along the U.S.-Mexico border.

Regrettably, the President's budget contains only $330 million for SCAAP, woefully below the $950 million required to fully fund this essential program to our border communities.

Passing this extraordinary cost burden on to your localities and states is simply wrong and it is completely unfair. Funding cuts for these critical programs are a real safety and security threat for Arizona, as well as all border states, but frankly for the entire nation.

As Members of the Budget Committee you have the authority to make decisions that will keep our border secure, and I urge you to take bold action to correct these deficiencies.

I appreciate your time and your attention to this matter, it means a lot to my constituents in Southern Arizona, I believe it means a lot to the people of this country. Thank you.

[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 and Ranking Member Ryan.

I really appreciate the opportunity to address the House Budget Committee about what I consider to be a dangerous deficiency in the funding for border security programs proposed in the President's fiscal year 2011 budget.

As one of only ten members with a district on the U.S.-Mexico border, I am extremely concerned about stemming the flow of illegal immigrants, drugs, guns and money across our southern border.

Addressing this problem is one of my top priorities in Congress. That's what my constituents sent me here to do.

The region I represent is the nation's largest and most porous sector of the U.S.-Mexico border. More drugs are seized and more illegal immigrants are apprehended in the Tucson sector of the Border Patrol than anywhere else in the country.

Last week I had an eye opening meeting with the President of the Tucson Sector Border Patrol Council and his Executive Committee.

These dedicated agents told me in no uncertain terms that they will be severely hindered in doing their job of securing the border if President Obama's proposed budget is adopted.

This is why I am here today.

We need listen to the men and women who are actually serving on the front lines of our border security crisis. Not bureaucrats in Washington.

Every day our Border Patrol agents risk their lives in carrying out their mission in some of the harshest working conditions in the nation. They deserve our respect and gratitude. They deserve being supported in our Congressional budget.

We all know that our economy is going through a challenging time but this should not prevent us from giving Border Patrol agents the critical resources they need to keep our communities safe.

This is a matter of priorities and nothing is more important to any Member of Congress than the security of our homeland.

Let me tell you about my southern Arizona district:

Every day the residents of my district live with the harsh reality that the federal government still has not done enough to secure our southern border.

Senior citizens in Green Valley have voiced concerns for their safety because of the spillover of drug-fueled violence that is played out in their neighborhoods.

Ranchers near Douglas and Naco are forced to contend with the impacts of drug smugglers and tens of thousands of illegal immigrants crossing their land.

And residents of Tucson—my hometown—are constantly confronted with the immense toll brought by narco-terriorists who smuggle drugs and illegal immigrants across the deserts that surround Arizona's second largest city, and set up drug clearing houses within our communities which lead to drug addiction, home invasions, kidnappings and increased violence.

In a word, this situation is intolerable.

The federal government cannot secure the border until we dedicate sufficient funding to prevent illegal drugs and immigrants from entering the country and enforce the laws within our borders.

1. My first concern is that the President's budget proposal scales back several border security programs that have proven to be effective.

The Border Patrol would lose 181 agents under this proposal. And if this wasn't bad enough, 52 Air Interdiction agents and 18 Marine Interdiction agents also would be eliminated.

This is a total reduction of 251 agents who are heavily involved with our nation's interior security. This is a giant step in the wrong direction.

2. I am also deeply concerned with the inadequate funding for the State Criminal Alien Assistance Program or SCAAP in the President's fiscal year 2011 budget proposal.

SCAAP was created to reimburse states and localities for the arrest, incarceration and transportation costs associated with illegal immigrants who commit crimes in our communities.

If you want to know how vital this program is,

- talk to Pima County Sheriff Clarence Dupnik,
- talk to Cochise County Sheriff Larry Dever and
- talk to Santa Cruz County Sheriff Tony Estrada.

They will tell you that these funds are a lifeline for their cash strapped law enforcement agencies that are hard hit by the crisis on our border.

Regrettably, the President's budget contains only $330 million for SCAAP, woefully below the $950 million required to fully fund this essential program.

Passing this extraordinary cost burden to our localities and states is simply wrong.

Funding cuts for these critical programs are a real safety and security threat for Arizona as well as all Border States.

As Members of the Budget Committee you have the authority to make decisions that will keep our border secure, and I urge you to take bold action to correct these budget deficiencies.

Thank you for your attention to this important matter to southern Arizona and our nation.

Mr. MCGOVERN. Thank you very much, and we appreciate your testimony, you raise some very important issues, and we will carefully consider ways that we can help, but thank you so much for being before this committee.

Ms. GIFFORDS. I appreciate it.

Mr. MCGOVERN. The Budget Committee will stand in brief recess.

[Recess.]

Mr. MCGOVERN. We are honored to have the Honorable Rush Holt of New Jersey, and we look forward to your testimony, and the floor is yours. Thank you for being here.

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

Mr. HOLT. Mr. Chairman, thank you. Thank you for having me. I appreciate the opportunity to testify on the 2011 budget, and in particular its investment in science and science education.

We know that investing in innovation creates jobs, it is the engine that drives our country. Economic growth comes from new ideas and a smart, well trained workforce. Nothing else, that is it.

Our current economy is the result of investments that our country made two or three decades ago, and so I am here to urge you, my colleagues, to make the investments that will propel our country forward for the next several decades.

The challenges of the 21st Century require that we think of our system of innovation, beginning with basic research and ending

with the manufacture of goods and services and creation of these new things as fundamental to our nation's infrastructure.

In the 20th Century construction of the interstate highway system and electrification in rural America were indispensable elements of our infrastructure. These investments were responsible for extraordinary economic growth in the last century, and in this century our nation must invest in new types of infrastructure to keep America competitive.

The increased research investment will create new technologies to save energy, new forms of renewable energy, new advanced vehicle technologies that will keep our environment cleaner and our economy more vibrant.

The President's budget request recognizes the centrality of science and innovation. I don't need to go through the details of what is in the budget, you know that, but I strongly urge the committee to compliment the research and development under function 250 by supporting the President's proposed increase for funding for the research, development, demonstration, and deployment of energy efficiency, renewable energy, smart grids, and advanced vehicle technologies.

This budget seems to me to reverse years of neglect for science and make a significant down payment on the President's plan to double basic research funding over the next ten years.

I support the goal to make permanent the R&D tax credit, which is an important instrument.

In today's tight budget environment I applaud the Administration for proposing historic increases in the federal government's commitment to science education. I am pleased to see $300 million in the Department of Education budget for improving teaching and learning in science and math. I am still reviewing the proposal, and I hope that they can find ways to pay more attention to the training and professional development of teachers. Still the dollar amount is good, and so what the Budget Committee will be dealing with is certainly on the right track.

These are troubled economic times, I don't need to tell anyone here, and science is the ideal investment because it provides jobs now, and I don't mean just people in lab coats, I am talking about lab techs, I am talking about electricians who wire the labs, I am talking about all of the other associated jobs that go with it, and the work lays the foundation for future economic growth, so science is not simply a luxury to be funded in strong economic times. This is a particularly good time. It was part of the ARRA, a large and important part, and we see that it, as intended, provided jobs in the short term, it is providing jobs in the midterm, and if the research pans out, as it always does usually in unpredictable ways, jobs for the long term as well.

The report by the Information Technology and Innovation Foundation estimated that each additional $1 billion investment in research would create approximately 20,000 American jobs per year.

So if I may, I would like to submit for the record a fuller testimony, and I would be happy to answer question.

[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 Budget Committee. I appreciate the opportunity to provide testimony on the proposed Fiscal Year 2011 budget and its investment in science and science education.

We know that investing in innovation creates jobs and is the engine that drives our economy. We are living off of the investments that our country made two or three decades ago. Today, I urge my colleagues to make the investments that will propel our country forward for the next several decades.

Indeed, the challenges of the 21st century require that we think of our system of innovation, beginning with basic research and ending with the manufacture of advanced goods and creation of new services, as fundamental to our nation's infrastructure. In the 20th century, construction of the interstate highway system and electrification in rural America were indispensible elements of our infrastructure. These investments were responsible for extraordinary economic growth in the last century. This century, our nation must invest in a new type of infrastructure to keep America competitive in a global economy.

IMPORTANT INCREASES IN PRESIDENT'S REQUEST

I am pleased President Obama's budget request recognizes the centrality of science and innovation for our future prosperity.

The President's budget requests $31.4 billion for budget function 250, which summarizes our investment in basic research, which is a 1.4 percent increase over last year. Recognizing that this budget function does not capture all research spending, the President estimates that $61.6 billion of his budget is for non-defense research, which is a 5.6 percent increase. These investments in basic science include $7.4 billion for NSF, $5.1 billion for the DOE Office of Science, and $920 million for the National Institute of Standards and Technology (NIST) laboratories. I am pleased that this budget would reverse years of neglect for science and make a significant down-payment on the President's plan to double basic research funding for these agencies over the next 10 years. I urge you to make this necessary investment in innovation.

I also support the budget request in its goal to make permanent the R&D tax credit. This tax credit has been successful, returning $2 in private research investment for every dollar spent. As important as the R&D tax credit has been, it has never been a permanent part of the tax code and is expired currently. 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. This would create jobs now, give businesses the confidence to expand their research operations, and encourage companies to further invest in innovation.

EDUCATION AND TRAINING

In today's tight budget environment, I applaud the Obama Administration for proposing historic increases in the federal government's commitment to science education. I was pleased to see $300 million in the Department of Education budget for improving teaching and learning in science and math. While I am still reviewing the proposed initiative to replace the Mathematics and Science Partnerships program, we must recognize that great teachers are made, not born. I feel strongly that any new program must continue to support professional development activities for science and math teachers as they seek to improve their craft. In addition, any new program must ensure that professional development programs are widely available across the country, not just to a few schools that compete successfully because they are already top notch.

Improving our children's abilities in science and math is critical for our economy, our national security, and our democracy. Everyone, from scientist to teacher to parent to businessperson, should be concerned with how well we educate our children in these areas.

RESEARCH CREATES JOBS AND LAYS THE GROUNDWORK FOR THE FUTURE

In these troubled economic times, science is the ideal investment because it provides jobs now while laying the foundation for our future economic growth. Science is not simply a luxury to be funded during strong economic times. 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.

I look forward to working with the Congress to make this necessary investment for our economy and creating jobs for American workers.

Mr. MCGOVERN. Without objection. Well thank you very much, we appreciate you being here, you have raised some important issues, and I agree with you that investments in science not only have an immediate payoff in terms of job creation, but also a long term impact, and I think what you have said today I think will resonate with this committee, and we appreciate you being here.

Mr. HOLT. Thank you, Mr. Chairman.

Mr. MCGOVERN. Thank you. Right now we will turn to the Honorable Tom Perriello of Virginia. We welcome you to the Committee and you may proceed.

STATEMENT OF HON. THOMAS S.P. PERRIELLO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. PERRIELLO. Thank you very much Mr. Chair and all the members of the committee.

We are embarking on our constitutional duty, and I think as we do so we can keep two principals in mind. One, wherever possible we need to focus on investments rather than expenditures, things that give us a return on that investment in both a public and financial sense.

Second, we need to think in terms of rebuilding America's competitive advantage. While we are on our way out of one of the worst recessions of the last century, we also must realize this isn't as simple as getting back to where we were a couple of years ago.

For many in the working and middle class of this country we have seen our purchasing power disappear, we have seen jobs go overseas, and we must take this opportunity to take a look more broadly at the incentives we are sending in our system and whether we are rewarding innovation as opposed to bailing out failure, and whether we are rebuilding a competitive advantage so that this is an area where every business in the world wants to locate.

In order to do so we need to make investments in several years. One in infrastructure, a second is education in workforce development.

On the infrastructure side we must have a budget that begins to fill the enormous gap of the last 30 years in addressing our infrastructure. Sometimes that is the highway and bridges that people see, sometimes it is rail, and that must include both passenger and freight. These things increase significantly the efficiencies of our companies in our economy, increase safety, and increase quality of life so that people can spend more time with their families. But it also is the next generation of technology, including smart technology, broad band access, and other issues. And as we pursue this we need to make sure these technologies are not only available to those in areas of high population density such as our urban and suburban cores, but also those areas of lower population density like our rural communities and small towns.

In addition, we must look at the issue of education in workforce development. We must focus on the issue of earlier childhood devel-

opment, understanding that we have already betrayed the promise of the American dream to so many children before they show up in kindergarten to begin their education. We must make sure that we are helping every child born in this country to reach their full potential as human beings.

We must also understand while we continue to fight hard to make a college education accessible to all Americans who want it, but we must also treat with equal dignity those American youth who decide they do not want to go to college but want to learn a trade, learn skills, enter the workforce and maybe someday own their own business, understanding that the strongest path from poverty in the middle class in this country is still to learn a trade and become the small business owner.

In this way we must not only be preparing using our middle and high school years to prepare kids for college, we must be preparing them for the 21st century workforce they are walking into.

We must take a broad and aggressive view of what it means to train and develop that workforce using our public schools, using our community college system, vocational and skill training programs, and having those fully integrated.

We also must take this same mentality of investment over expenditure when we look at our foreign policy, understanding that the cheapest wars are the wars we never have to fight in the first place because of investments we have made in our diplomatic and intelligence core.

We must understand as we move forward in the 21st century that with the threat of non-state actors and state actors alike we must make unprecedented investments in the kind of intelligence and diplomacy efforts that will help us not only prevent wars, but when such time comes that such wars are necessary we have given our troops all of the information they need to fight as efficiently and effectively as possible.

We also must understand why we look for good reason at the sectors of the next economy, such as high-tech, biomed and other areas, that we don't forget the enormous role that forestry and agriculture still play in the country. This is still one of the areas that we out compete the rest of the world, and as we head into the 21st century we must make sure that we are helping those sectors to out compete again in the decades ahead.

A big portion of this will involve investments in the new energy economy. The new energy economy offers the chance not only to reduce the huge electric bills that our farmers pay, but take them off of the grid all together. That is what true independence looks like, that is what the new economy looks like, but we don't get from here to there with speeches, we get there with investment and with innovation.

We need to think of this as a moment for us to take leaps of technology. Computers that once took up an entire warehouse now fit into the palm of our hands. The digesters that can help convert cow manure or poultry waste into the energy of the future will not occur immediately, they will occur by us investing in the path breaking technology to get there.

So whether it is smart technology or high speed rail, whether it is old school highways or whether it is intelligence, I hope this

budget will continue to emphasize rewarding innovation instead of bailing out failure, and understanding we must rebuild America's competitive advantage.

Thank you for your time.

[The prepared statement of Tom Perriello follows:]

PREPARED STATEMENT OF HON. THOMAS S.P. PERRIELLO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Chair Spratt, Ranking member Ryan, and respected members of the committee, thank you for today's opportunity for all members of the House of Representatives to have their voices heard on this year's budget resolution. A year ago, this Congress acted boldly to pass the American Recovery and Reinvestment Act to stem the economic crisis and put Americans back to work. Although much has been done, there is still work to in investing in America, creating jobs, and boosting the economy. Investments in transportation infrastructure provide some of the highest benefits per dollar in putting people back to work and creating economic growth.

However, as the American people enter 2010, we continue to face a severe economic crisis. Although our efforts toward recovery have produced meaningful and tangible results, our families, businesses, and communities continue to suffer from high unemployment, lost savings, and tightened budgets. In Virginia's 5th district, unemployment is at the highest in the state, with rates reaching as high as 20% in Martinsville. With these challenges in mind, I thank the House Budget Committee for your commitment to job creation and economic growth in the Fiscal Year 2011 budget.

There are many areas of infrastructure that have been underfunded and neglected for too long. Highways and bridges are in need of repair. Public transit services and jobs are being cut across the nation. Improving public transportation not only creates the immediate direct benefit of employing workers, but a multitude of indirect benefits through the benefits of mobility provided to all Americans. Better transportation makes it easier for laid off and unemployed workers to find jobs without the need to move, saving them an expensive upfront cost of new employment.

I recognize that in light of the limits of these grim economic times, we must carefully prioritize the programs that will receive strong investments in the next fiscal year; however, I feel that it is of highest importance that we continue to support efforts that will continue to promote recovery. With that in mind, I ask that this commitment to jobs be bolstered by a serious effort to shore up our nation's crumbling infrastructure. As a member of the Transportation and Infrastructure Committee, I am especially committed to supporting transportation projects, which are vital to job protection and creation. Investing in transportation is particularly beneficial to those who have been hit hardest by the recession, including low-wage workers and workers without college degrees.

By adequately funding these programs we will continue the critical work begun by Congress last year. We must seize this opportunity both to put Americans back to work as soon as possible and to lay the foundation for our future. The surest way forward for Virginia's 5th district and for our nation is to make sure our citizens can obtain and keep jobs that help them support their families.

Mr. MCGOVERN. And thank you very much for your thoughtful testimony, and we appreciate your contribution to this Congress, and you can be assured that every member of the committee will carefully consider what you have said here today. Thank you.

Mr. PERRIELLO. Thank you.

Mr. MCGOVERN. It is now my pleasure to welcome the Honorable Carolyn McCarthy from New York, and the floor is yours. I should say we have seven minutes and 44 seconds left.

STATEMENT OF HON. CAROLYN McCARTHY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Ms. MCCARTHY. I will make it quick. I want to thank the Chairman for allowing me to testify in front of this Committee.

Going back in January of 2008 we were able to pass unanimously here in the House and in the Senate H.R. 2640. This is the bill that would basically be helping our states be able to upgrade their com-

puter systems, for people that should be able to buy guns and people that shouldn't be able to buy guns, and I think that is an important piece.

Millions of criminal records are currently missing from the databases that make up NICS due to funding restrictions and technology use, which is not at the level it should be.

With that being said, we have seen unfortunately many horrific crimes in the last several years on people that have bought guns that shouldn't have been able to buy them, Virginia Tech being one, a shooting in my own district going back a number of years ago, and then last year in a Baptist church.

What we are looking for today is to continue to put the money forth. I know the money is very tight in the budget right now, and I know everybody is under restraint, but if you look at how much money we can actually save on life and certainly injuries from those that are doing these shootings we could save a lot more money on the end.

Unfortunately we are seeing every day that more and more people are slipping through the NICS system. The NICS system does work, but a program is only as good as the information that they have in it.

So I am hoping that the budget will see clear that the NICS Improvement Act of 2007 corrects the primary flaw of the thousands of individuals precluded from purchasing firearms from doing so. These numbers prove that NICS works well and will continue to work; however, since NICS is only as good as the information as I said, it is estimated that almost 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. That certainly makes it safer for all Americans. This does nothing against anyone's ownership as far as guns, just saying that you have to go through the NICS systems, and those that have been adjudicated not to be able to buy a gun have to be into those systems.

So I ask certainly the Budget Committee to see their way as much as they possibly can for $375 million in the fiscal year 2011 of the budget resolution under the Department of Justice to order to fully fund the NICS Improvement Act, and I thank you for your time.

[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 2011 Budget Resolution under the Department of Justice 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 especially tight this year, 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 occurred last year at First Baptist Church in Merryville Illinois and sadly occurs in communities around the country, 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.

Four days later, Mr. Troy walked into Our Lady of Peace Church in Lynbrook New York and opened fire, killing the Reverend and a parishioner.

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, continues to happen 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 2011 Budget Resolution under the Department of Justice 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.

Mr. MCGOVERN. Well thank you very much, and I certainly agree with you and I hope that the rest of my colleagues do, but I appreciate you being here. Thank you.

Ms. MCCARTHY. Thank you.

Mr. MCGOVERN. Mr. Green. We are happy now to welcome the Honorable Gene Green from Texas. Thank you for being here.

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

Mr. GREEN. Thank you, Mr. Chairman, and I know we just have a few minutes before votes, and I would like to ask unanimous consent to place my full statement in the record.

Mr. MCGOVERN. Without objection.

Mr. GREEN. But also insert in the record a letter that 19 Democrats sent to Chairman Spratt concerning the energy taxes increases in the President's budget.

I want to thank you for allowing me to present my views on the 2011 budget resolution. The committee is faced with many difficult choices as it crafts this year's budget.

Energy provisions particularly are a concern because the President's budget includes several tax increases aimed at America's natural gas and oil industry. Without increasing supply from our vast North American natural gas resources, or we make it more expensive and difficult to produce natural gas domestically, it will actually hinder our ability to meet our potential climate change goals while also increasing the 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 standards.

Ninety percent of the oil wells drilled within America are by independent producers. They produce 82 percent of American natural gas and 68 percent of American oil. The average independent producer has 12 employees. The definition of a true small business, and that is why these taxes would hit those definitely small business, and we need them producing.

The second issue, Mr. Chairman, is the NASA budget proposal under the President's act. I have concerns about the President's proposal to cancel NASA's Constellation Program, which includes the Orion Crew Capsule, Altair Lunar Lander, and the Ares I and Ares V rockets. These programs, which together comprise our human spaceflight program, were authorized in both 2005 and 2008 by Republican and Democratic Congresses, respectively.

It is under the Constellation Program that NASA is currently developing new launch vehicles and spacecraft travel to the moon, Mars and other destinations.

Not only does canceling the Constellation Program jeopardize America's leadership role in human space exploration, but it will have detrimental effects on our economy.

And I know not in my district, but in a neighboring district, the Johnson Space Center in Houston has the lead to manage the Constellation Program and several of its major elements. Without Constellation, the Johnson Space Center would lose anywhere from 4,000 to 7,000 high-tech jobs. And these are 4,000 direct jobs and an additional 2,315 indirect. Loss of the income and expenditures could be as high as $567 million.

With the loss of these direct jobs these scientists and researchers will go somewhere else, and there are other countries in the world

who would like to eclipse us in our effort in NASA both for the science, but also in the effort to learn about our own planet.

Given our current economic downturn the possibility of losing these jobs in our area, plus in other parts of the country from NASA installation, it just doesn't fit in to what we are trying to do, expand our economy particularly with high-tech.

And with that, Mr. Chairman, I appreciate the ability to put my whole statement in the record.

[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 my views on the Fiscal Year 2011 Budget Resolution.

This committee is faced with many difficult choices as it crafts this year's congressional budget.

Democrats and Republicans must work together to produce a budget that simultaneously helps meet our economic, health care, energy, and social challenges.

ENERGY PROVISIONS

Unfortunately, the President's budget again includes several tax increases aimed at America's natural gas and oil industry.

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 actually 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.

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.

Most importantly, now is not the time to weaken economic opportunities in our domestic energy industry with punitive tax hikes.

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. 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.

NASA

Additionally, Mr. Chairman, I have concerns about the Administration's proposal to cancel NASA's Constellation Program, which includes the Orion Crew Capsule, the Altair Lunar Lander, and the Ares I and Ares V rockets.

These programs, which together comprise our human spaceflight program, were authorized in both 2005 and 2008 by Republican and Democratic Congresses respectively.

It is under the Constellation program, that NASA is currently developing new launch vehicles and spacecraft capable of travel to the moon, Mars and other destinations.

Not only does cancelling the Constellation Program jeopardize America's leadership role in human space exploration, but it will have detrimental effects on our economy.

Take, for example, the Johnson Space Center in Houston, Texas. The Johnson Space Center has the lead to manage the Constellation Program and several of its major elements, including the Orion Crew Exploration Vehicle and the Altair Lunar Lander.

Without Constellation, the Johnson Space Center could lose anywhere from 4,000 to 7,000 high-tech jobs.

If the JSC loses 4,000 direct jobs, an additional 2,315 indirect jobs would be lost, totaling 6,315; loss of income and expenditures locally would be over $567 million.

If the JSC loses 7,000 direct jobs, an additional 4,052 indirect jobs would be lost, totaling 11,052; loss of income and expenditures locally would total almost $1 billion.

Additionally, the aerospace industry would lose as many as 20,000—30,000 jobs nationally in either of these scenarios.

Given our current economic downturn, we cannot take the possibility of these job losses lightly and the Johnson Space Center is just one example of what the cancellation of this program would do to other NASA centers nationally.

Finally, it will take years for the commercial spaceflight industry to get up to speed to reach the level of competence that exists at NASA today.

Our government has already invested literally years and billions of dollars into this program. We should build upon these investments and not abandon them.

Our country can support the commercial spaceflight industry, but not at the expense of our human spaceflight program, which for years has inspired future generations and driven technology that enhances our quality of life.

That is why it is my hope, Mr. Chairman, this Committee and this Congress will continue to support NASA's Constellation Program and to support balanced energy policies that promote economic growth and will help us meet our clean energy goals.

Thank you.

[Additional submission of Mr. Green follows:]

Congress of the United States
House of Representatives
Washington, DC 20515

February 23, 2010

The Honorable John M. Spratt
Chairman
Committee on the Budget
U.S. House of Representatives
207 Cannon House Office Building
Washington, DC 20515

Dear Chairman Spratt:

We write to respectfully urge your committee not to assume President Obama's oil and gas tax increases recently submitted to Congress within the Fiscal Year 2011 Budget Resolution.

At this critical juncture in American history, we must make tough choices to improve our economic, energy and national security. One choice, however, is clear: the continued domestic production of natural gas and oil will help address many of the challenges we face today, including create jobs for a struggling economy, provide millions of dollars to federal and state governments from taxes and royalties, decrease our reliance on foreign sources of energy, and meet our clean energy goals by reducing greenhouse gas emissions.

President Obama and the Democratic Congress have made improving our economy and job creation our top priority. America's natural gas and oil industry can deliver new, high-wage jobs to many regions of the country, including areas not traditionally associated with oil and natural gas production. According to the Bureau of Labor Statistics at the Department of Labor, energy industry jobs nationwide grew by almost 9% while upstream industry jobs jumped 64% from 2002-2008. If we continue to promote the responsible production of these resources, we can see similar increases throughout the country on top of the over nine million jobs already supported by the industry.

In addition, America's independent producers -- which develop over 80% of U.S. natural gas and nearly 70% of U.S. oil – are small businesses which President Obama lauded in his State of the Union address as a key component to growing our economy. These companies historically have invested more than 150% of their cash flows back in to projects in America, strengthening economic impact and job growth.

Unfortunately, the tax repeals proposed in President Obama's budget would disproportionately penalize America's independent producers and will serve only to discourage companies from investing in additional projects and jobs, such as in the new shale gas plays across the nation. Below is a brief description of these critical provisions:

Intangible Drilling and Development Costs (IDCs) – IDC tax treatment is designed to attract capital to this high-risk business and has been part of the tax code since 1913.

Percentage Depletion – Percentage depletion provides capital primarily for smaller independents, is only available for American production, and has been part of the tax code since 1926.

Passive Loss Exception for Working Interests in Oil and Gas Properties – Part of the tax code since 1986, this provision provides oil and natural gas small business owners a way to diversify their risk.

Geological and Geophysical (G&G) Amortization – Early recovery of G&G costs allows for more investment in finding new resources. Extending the amortization period would remove capital from efforts to find and develop new American production.

Marginal Well Tax Credit – Created as a safety net for marginal wells during periods of low pricing, these wells provide 20% of American oil and 12% of American natural gas. Removal of this provision adds zero revenue to the President's budget.

Enhanced Oil Recovery (EOR) Tax Credit – Designed to encourage production using costly technologies, such as the use of carbon dioxide as an injectant to increase oil production. Carbon dioxide EOR allows for reaching multiple goals of carbon capture and sequestration and improving American energy production.

Manufacturing Tax Deduction – All U.S. manufacturers benefitted from this deduction until the natural gas and oil industry was restricted to a six percent deduction in 2008. Complete removal would strip capital away from companies to reinvest in new production.

America needs an energy policy that recognizes the roles that all forms of energy can play – conventional and renewable -- to rebuild our struggling economy, increase U.S. energy supplies and move towards a cleaner energy future. We look forward to working with you to develop a budget resolution that supports these goals.

Sincerely,

GENE GREEN
Member of Congress

HARRY TEAGUE
Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Jim Matheson
Member of Congress

Member of Congress

Cc:

The Honorable Ciro Rodriguez
The Honorable Charlie Gonzalez
The Honorable Henry Cuellar
The Honorable Chet Edwards
The Honorable Silvestre Reyes
The Honorable Al Green
The Honorable Solomon Ortiz
The Honorable Ruben Hinojosa
The Honorable Dan Boren
The Honorable Mike Ross
The Honorable Travis Childers
The Honorable John Salazar
The Honorable Sheila Jackson Lee
The Honorable Michael McMahon
The Honorable Jim Costa
The Honorable Earl Pomeroy
The Honorable Jim Matheson

Mr. MCGOVERN. Without objection. We appreciate your excellent remarks, and we certainly will consider all of your suggestions. Thank you for being here.

Mr. GREEN. Thank you.

Mr. MCGOVERN. The Budget Committee will now stand in a short recess.

[Recess.]

Ms. KAPTUR [presiding]. The hearing will come back to order. We want to welcome the members. This is a member day for testimony, and we apologize for keeping you waiting a few moments, and we would like to begin with our esteemed colleague from the State of California, Congresswoman Lynn Woolsey.

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

Ms. WOOLSEY. Thank you, Madam Chairwoman. Thank you for allowing me to testify today. I appreciate the hard work of this Committee, and I look forward to working with the Committee to develop a fiscal year 2011 budget that addresses the immense challenges facing our country.

Madam Chairwoman, the Congressional Progressive Caucus supports creating jobs and investing in our economy by reducing wasteful Cold War spending, by getting our troops safely home from Iraq and Afghanistan, by cutting waste, fraud, and abuse, and offering a robust public option in the health reform bill.

Like you, the CPC is very concerned about the state of the economy, and our approach is to cut wasteful defense spending so that we refocus the budget so that it is in line with the values of our nation's working families.

The CPC budget, meaning the Congressional Progressive Caucus budget, reinvests in the middle class with aggressive job creation programs and support for projects so we will get America moving again toward a prosperous and secure future.

To accomplish this goal, Madam Chairwoman, the CPC budget cuts defense spending in three ways. First by safely redeploying our troops from Iraq and Afghanistan, next reducing our nuclear weapons arsenal, and thirdly removing funding for outdated Cold War-era weapon systems. 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's defense spending comes from the United States, and the U.S. alone, and when you add in 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 has said, Madam Chairwoman, that we need to reform our defense budget so that we are not paying for Cold War-era weapons systems that we don't use. And I couldn't agree more.

For the past several years the Progressive Caucus has introduced an alternative budget that does just that. We can see immediate savings by eliminating over $60 billion in unneeded spending at the Pentagon, much of which is spent on systems like the V-22 Osprey and the Virginia Class Submarine, which were built to fight the next generation of Soviet weapons.

Madam Chairwoman, we are building weapons to beat weapons that have never even been built. 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 will ever need, and more than enough to blow up the world many times over.

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 the Ballistic Missile Defense System. The Cold War has been over, Madam Chairwoman, for almost twenty years, it is time these weapons programs are ended.

Current events and modern warfare have passed these weapons by. It is time that the DoD take stock with a critical eye and spend money only on what it needs, not on what it wants.

Along with scrapping these weapons, we can achieve a massive reduction in the Pentagon's budget by ending the occupations of Iraq and Afghanistan. By bringing our troops safely home now and not increasing our military presence we can save $159 billion next year.

The initial invasion of Iraq made no sense, most of us agree to that, and with the current financial problems we are facing it makes even less sense. We have already spent over $700 billion in Iraq, and the cost is estimated to be $3 trillion in the end even if we act now.

In Afghanistan we have spent more than $250 billion, and the date for redeployment keeps getting pushed back with more and more men and women in uniform being put in harm's way and killed at record rates.

Madam Chairwoman, I thank this Committee for the language included in previous budgets that instructs the GAO to continue to search to find fiscal waste, fraud, and abuse at the Pentagon, and I look forward to continuing to work on this issue with the committee.

We must get defense spending under control if we are going turn our economy around. So please consider making the aforementioned defense spending cuts a part of the Democratic budget for the fiscal year 2011.

I thank you again for allowing me to come before your committee to express my views, and I look forward to any questions you or our colleagues may have.

[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 testify today. I appreciate your hard work, and look forward to working with you to develop a Fiscal Year 2011 budget that addresses the immense challenges facing our country.

Mr. Chairman, the Congressional Progressive Caucus (CPC) supports creating jobs and investing in our economy by reducing wasteful Cold War spending, getting our troops safely home from Iraq and Afghanistan, cutting waste, fraud, and abuse, and offering a robust public option in the health reform bill.

Like you, the CPC is very concerned about the state of the economy, and our approach is to cut wasteful defense spending refocusing the budget so that it's in line with the values of our nation's working families.

The CPC budget reinvests in the middle class with aggressive job creation programs and support for projects that will get America moving again toward a prosperous and secure future.

To accomplish this goal, the CPC budget cuts defense spending in three ways: by redeploying our troops from Iraq and Afghanistan, reducing our nuclear weapons arsenal, and removing funding for outdated Cold War-era weapons systems.

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's 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 has said 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 several years, the Progressive Caucus has introduced an alternative budget that does just that.

We can see immediate savings by eliminating over $60 billion in unneeded spending at the Pentagon, much of which is spent on systems like the V-22 Osprey and the 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.

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.

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 the Ballistic Missile Defense System (BMDS).

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 it needs, not what it wants.

Along with scrapping these weapons, we can achieve a massive reduction in the Pentagon's budget by ending the occupations of Iraq and Afghanistan. By bringing our troops safely home now and not increasing our military presence, we can save $159 billion next 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 $700 billion in Iraq, and the cost is estimated to be $3 trillion even if we act now.

In Afghanistan, we've spent more than $250 billion and the date for redeployment keeps getting pushed back with more and more men and women in uniform being put in harm's way and killed at record rates.

Mr. Chairman, I thank this committee for the language included in previous budgets, instructing the GAO to continue its search to find fiscal waste, fraud, and abuse at the Pentagon, 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 2011. 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.

It's time to reinvest in our nation's security and prosperity and reject cold war thinking. I ask that you support this common sense approach.

Ms. KAPTUR. Thank you very much Congresswoman Woolsey, and thank you for your superb work on your own subcommittee, but also as a co-chair of the Congressional Progressive Caucus. You make a really valuable and vital contribution to our deliberations, and we will take in the committee heed of your words and attempt to shape a budget that is balanced. Thank you so very much.

Ms. WOOLSEY. Thank you.

Ms. KAPTUR. We would like to hear now from Congressman John Mica of Florida. Welcome.

STATEMENT OF HON. JOHN L. MICA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. MICA. Well thank you so much and appreciate the opportunity to appear before the Budget Committee. And I was thinking I don't think I have come before the Budget Committee well in more than a decade. Usually if I have some recommendation we submit it, but I thought it was incumbent as the Ranking Member of the Transportation and Infrastructure Committee to express my concern about a budget proposal which I think needs the attention of this committee and the attention of Congress, and I would to submit a longer statement if I may for the record.

Ms. KAPTUR. Without objection your entire statement will be included in the record. For some reason, Congressman, we don't have a statement in the record currently, and so we thank you.

Mr. MICA. Okay, well we will provide you that, then I have a statement—actually a statement by Congressman Elijah Cummings who is Chairman of the Coast Guard and Maritime Subcommittee, and I would like that and also myself and Mr. LoBiondo as Ranking Member of the full committee on the Coast Guard Subcommittee, we have a letter to Mr. Obey, the Appropriations Committee, if we could either reference those or put them in the record I would be grateful.

Ms. KAPTUR. Without objection they will be placed in the record.

Mr. MICA. And if I might I would just take a minute or two and summarize my concerns today. One of our six subcommittee areas and areas of jurisdiction, even though we split some jurisdiction with Homeland Security, is the United States Coast Guard. These incredible men and women are our first line of domestic defense, national security, and maritime safety.

The Obama Administration proposed cutting almost 1,100 positions from the Coast Guard. In addition to that, they are proposing cutting some assets which we think are extremely important.

One of the assets are five domestic helicopters that are used, and those helicopters actually, although the five they are talking about are used domestically outside of Florida, would result in two net decrease in Florida's patrolling for drugs, illegal immigrants, and guarding our coastline which is an important responsibility.

And then I just got some horrible news just a few minutes ago from the staff director of our Coast Guard Subcommittee, that one of the five helicopters that they were scheduling to decommission crashed. We don't know if there is a loss of life. They are survivors, but these assets are extremely important and we lost one of them just within hours of my presentation here.

But this is not the time to be cutting those assets, and this is not a bipartisan statement, Mr. Cummings' statement which I ask to be part of the record, and I think every Democrat when they came before us, the Administration, to account for the budget just in the last few days they all spoke unanimously for restoration of some of the proposed cuts.

And again, you have the Republican side of the aisle, and Mr. Oberstar, our Chairman, also asked me at a hearing a few hours ago to relay his concern and support for restoration.

So there are the five helicopters, 1,100 positions, and almost a quarter of a billion dollars will be taken from customs and border protection funds in the proposal, so we think that that is not wise.

Now, I didn't come just to tell you to add money without having a positive solution. The budget does include a provision for expanding TSA bureaucracy by 4,500 positions bringing the total number of TSA employees to well over 60,000.

Now you are looking at the individual who was primarily responsible for the creation of TSA working in a bipartisan fashion after 9/11. We never intended an agency that started out with 16,500 screeners to get to this number, nor did we intend for the bureaucracy now. The latest figures that I have are there are 8,700 administrative staff in TSA across the country and over 3,000 administra-

tive staff, and all of these making on average over $100,000 in just Washington, D.C.

So I would strongly recommend that we do not have to deploy these additional folks, that there could be some efficiency, and our committee would work with the Budget Committee and the Committees of Jurisdiction and Appropriations to ensure that we have better utilization of funds in the Transportation Security Administration and not cut the positions in the Coast Guard.

So that is a positive alternative that we would ask you to look at in the appropriate committees of jurisdiction.

So those are two of my major concerns. I know you have very important responsibilities and difficult choices at a time when our nation is facing fiscal constraints and huge deficits, but on a positive note we hope that this can be looked at and we can work with you.

Mr. Cummings, Mr. Lobiondo, I know myself and others have all pledged to do whatever it takes to try to find the resources to at least keep the coast guard whole. Thank you.

[The prepared statement of John L. Mica follows:]

PREPARED STATEMENT OF HON. JOHN L. MICA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. Chairman, protection of the nation's borders, ports and waterways could be severely undermined by funding cuts to the Coast Guard and Customs and Border Protection proposed by the Obama Administration.

The Administration is gutting some of our frontline defenses against terrorism by cutting over 1,000 positions from the Coast Guard and Customs and Border Protection. The Administration proposes to cut funding needed to secure our borders within the Customs and Border Protection by more $225 million.

At the same time, the Administration proposal expands the bloated bureaucracy of the Transportation Security Administration (TSA) by another 4,500 employees bringing the total number of TSA employees to more than 60,000.

The American people expect the federal government to live within its means, but this is not a simple question of cutting the federal budget. We cannot compromise on our capability to ensure the safety and security of our ports and borders in favor of more bureaucracy.

TSA's growth is out of control with more than 3,000 administrative staff in Washington with average annual salaries of over $100,000, and another 8,700 administrative and management staff across the country. Instead of shortchanging border and port security, we could save money by cutting excessive administrative positions at TSA by 25 percent.

We can further save money at TSA by eliminating the redundant and enormously wasteful practice of rescreening all international passengers arriving for domestic flights at the almost 100 domestic airports with direct international service. I believe TSA could make much better use of its personnel and resources, not to mention providing better security for passengers, by ensuring that passenger screening conducted at international departure airports is equivalent to that conducted in the United States. This would free up thousands of security screeners to be used in a more efficient and effective manner.

TSA also maintains that each new Advance Imaging Technology (AIT) station requires 3 FTEs per shift and there may be 2 or 3 shifts per day. Increasing the number of AITs to 1800 will cost more than an additional $2 billion dollars.

Without an Administrator for the past year, TSA desperately needs leadership and redirection of its resources. I cannot believe that TSA needs so many new positions to man new airport screening equipment while the Coast Guard starves.

We cannot justify cutting resources to protect our borders and ports while growing the top-heavy, inefficient bureaucracy at TSA.

I urge you to provide sufficient budget authority to restore the cuts proposed for the Coast Guard. Specifically,

• Restore $ 5.5 million for the 5 H-65 helicopters the budget proposes to eliminate. The service has spent considerable time and money modernizing and re-engineering the H-65 fleet, and sidelining these crucial assets is a mistake. Laying up these aircraft will reduce U.S. anti-drug surveillance in the transit zone used by those smuggling drugs and migrants in the Caribbean and the waters around my

home state of Florida. The loss of the helicopters would also reduce the Coast Guard's hard-won ability to board suspected terrorist vessels at sea.

• Provide $108 million to fund long lead funding for National Security Cutter (NSC) # 6. The budget includes funds to build NSC #5, but without long lead funding for materials the shipyard cannot continue the seamless production of the next cutter in the planned series of 8 vessels.

• Provide $18.2 million to maintain all 12 Maritime Safety and Security Teams (MSSTs). MSSTs patrol our harbors daily, and provide the front line defense against terrorist attacks. These teams deter and respond to terrorist activities in and around U.S. ports and provide additional response capability for natural disasters and maritime accidents The terrorists in New York harbor won't wait as the Coast guard repositions assets from Boston.

• Restore funds for port, waterway and coastal security proposed to be cut by more than $100 million.

I also urge you to include budget authority for Coast Guard programs directly to the Coast Guard budget. The Administration requests funds as part of the Navy and National Science Foundation (NSF) budgets that are intended to be transferred at a later date to the Coast Guard to cover Coast Guard operations. Those funds should be provided directly to the Coast Guard. The NSF funds are for polar icebreaking activities, and the Navy funds for overseas operation in support of the Department of Defense.

It is said, "Eternal vigilance in the price of freedom." We must provide our first responders with the tools they need to remain vigilant and keep us free.

[Additional submissions of Mr. Mica follow:]

COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE
Full Committee

Comments on Views & Estimates

Congressman Elijah E. Cummings
Chairman, Subcommittee on Coast Guard and Maritime Transportation

March 3, 2010
2167 Rayburn House Office Building

Thank you, Mr. Chairman.

The Views and Estimates recommended for the Coast Guard focus on restoring the budget cuts proposed by the Administration.

Our recommendations have been developed in a bi-partisan manner and I thank Ranking Member

LoBiondo for working so closely with us to formulate these recommendations.

I know we both agree that the Coast Guard should not continue to be asked to do more with less.

The Obama Administration budget request generally prioritizes asset recapitalizations – including acquisitions under the Deepwater program – albeit the FY 2011 acquisition budget itself would also be reduced below the FY 2010 budget under the Administration's proposal.

To preserve the recapitalizations – and to accommodate pay and military allowance increases – the budget proposes significant cuts in the Coast Guard's operations.

Specifically, the budget proposes to reduce the size of the Coast Guard's workforce by 773 positions.

The budget also proposes decommissioning 5 cutters, including 4 High Endurance Cutters, resulting in the loss of approximately 5,000 cutter mission hours in fiscal year 2011.

Further, the budget proposes to remove several H-65 helicopters from service, close two seasonal air facilities, retire four Falcon jets, and decommission five Maritime Safety and Security Teams.

Given how thin the Coast Guard is already stretched, such cuts would reduce the capacity of the Coast Guard to carry out its missions – an outcome that is simply unacceptable.

This impact is clearly reflected in the Coast Guard's own performance measure estimates for fiscal year 2011 which, for example, lower the projected target interdiction rate for cocaine.

In the Views and Estimates before the Committee, we recommend that the Coast Guard receive $10.2 billion in FY 2011 funding, which would be an increase of $346 million above the total amount enacted for FY 2010 and an increase of $623 million above the President's FY 2011 Budget.

We also recommend restoring the following units and assets proposed for elimination:

- Two High Endurance Cutters;
- Five H-65 helicopters; and
- Five Maritime Safety and Security Teams (MSST).

Restoring these units and assets will increase the Coast Guard's personnel count by 841 and increase the budget by just under $38 million.

Regarding the Coast Guard's capital budget, we recommend $1.64 billion to fund all planned Coast Guard capital acquisitions in FY 2011.

The Committee's recommendation includes $108 million above the President's budget for the purchase of long-lead materials for the sixth National Security Cutter.

The recommendation also includes $153 million to support the construction of a new combined buoy tender-icebreaker for service on the Great Lakes as authorized by *The Great Lakes*

Icebreaker Replacement Act, which passed the House on April 27th, 2009.

The funding levels we are recommending will ensure that the Coast Guard is able to adequately perform its vital missions and I strongly urge adoption of these recommendations by the Committee today.

Finally, I note that we recommend $25.5 million for the Federal Maritime Commission, in line with the Administration's funding request.

####

U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

James L. Oberstar
Chairman

David Heymsfeld, Chief of Staff
Ward W. McCarragher, Chief Counsel

John L. Mica
Ranking Republican Member

James W. Coon II, Republican Chief of Staff

March 3, 2010

The Honorable David Obey
Chairman
Committee on Appropriations
H-218 Capitol
Washington, D.C. 20515

Dear Chairman Obey:

President Obama's budget request proposes to recklessly slash funding for critical Coast Guard operations and acquisitions programs in fiscal year 2011. The President's proposed funding levels would compromise the service's capabilities to safeguard lives at sea and to secure maritime commerce and our critical port infrastructure. As a result, we request your inclusion of the following items in the Fiscal Year 2011 Department of Homeland Security appropriations bill.

Restoration of funding for Coast Guard Maritime Safety and Security Teams: The President proposes to decommission 5 of the Coast Guard's Maritime Safety and Security Teams (MSST), including the MSST stationed at the Ports of New York and New Jersey – our Nation's second largest port complex. MSST members and their associated assets provide specialized skills and capabilities critical to maintaining security at our largest ports. While we strongly support the President's proposal to enhance the number and capabilities of the Coast Guard's Law Enforcement Detachment (LEDET), we do not agree with the decision to cannibalize five MSSTs to make these improvements. We request that you provide $18.2 million to provide for full operation of the service's 12 existing MSSTs.

Continued operation of HH-65C helicopters: The President has proposed to decommission 5 re-engined and modernized HH-65C helicopters and two seasonal air facilities in the Great Lakes. As you know, Congress has provided nearly $500 million to modernize these assets, and any action to take these airframes out of service would dangerously decrease operational capabilities and would be financially foolhardy. To make this work, the President's solution to backfill for these assets would remove 4 HH-60s from drug interdiction responsibilities in the Caribbean drug transfer zone and would significantly decrease the hard-won capabilities of the Maritime Security Response Team

to quickly respond to potential incidents and to conduct at-sea boardings. We request that you restore $5.5 million to continue operations of these assets and the associated Air Facilities at Muskegon, Michigan and Waukegan, Illinois.

Long Lead Time Materials for National Security Cutter #6: Under the President's budget, the Coast Guard will permanently lose the service of 4 High Endurance Cutters (HECs) in fiscal year 2011 – representing the loss of 740 operating days each year. While it is reasonable to expect that the first two National Security Cutters, the BERTHOLF and WAESCHE, will be fully operational by this time, the Coast Guard is still facing a major reduction in the availability of its largest cutters and a consequent loss of mission capabilities, particularly impacting the drug and illegal migrant interdiction, living marine resources and law enforcement missions. To mitigate these losses, the Coast Guard must accelerate the acquisition of the National Security Cutter class to replace the increasingly unreliable and expensive to operate HEC class. To that end, we support the President's request for $538 million for full production of NSC #5 and an additional amount of $108 million to purchase long lead time materials for NSC #6. This advance funding will likely achieve both cost and schedule efficiencies while facilitating the introduction of these more capable assets to the fleet as soon as possible.

Restoration of funding for Coast Guard icebreakers and overseas operations: The President's budget ignores Congressional direction that budget and authority and funding related to the operation and maintenance of the Coast Guard's polar icebreaking assets and missions as part of Operation Iraqi Freedom be restored to the service. The President's proposal to vest these funds in the National Science Foundation and the Department of Defense, respectively, continue to hamstring the Coast Guard as it plans how best to carry out these missions. We request that you provide $54 million to the Coast Guard for polar icebreaker operations and maintenance and $255 million for overseas operations in support of Operation Iraqi Freedom.

Full Production of Response-Boat Medium class: For the past two years, Congress has provided appropriations to reach full production rate of no less than 30 vessels per year. The President's budget for fiscal year 2011, however, proposes to reduce acquisitions to 10 vessels per year, the minimum amount required under the existing contract. While the proposed funding level would decrease construction money, it calls for level funding for program management and test and evaluation – leading to an opportunity to achieve costs efficiencies for the construction of additional hulls if funds were made available. These vessels are already in operation at rough weather ports nationwide and have provided enhanced operational capabilities over the 41-foot utility boat class that it replaces. We urge you not to let this project flounder and request that you provide no less than $121 million (equal to the fiscal year 2010 appropriated level) for this project in fiscal year 2011.

The Honorable David Obey
March 3, 2010
Page 3

Medium Endurance Cutter operations: We are very concerned by the President's proposal to decommission the Medium Endurance Cutter ACUSHNET and the loss of operational hours that this will create. We urge you to maintain operational funding for this vessel while the Coast Guard develops a plan to maintain the availability of cutter assets in Alaska and the surrounding waters. We request that you include report language to require such a study and to include $2.8 million to support operations and maintenance of the ACUSHNET.

Coast Guard housing: We strongly support the President's proposal to use $14 million currently held within the Coast Guard Housing Fund to support the construction and acquisition of 18 housing units in Florida and New York. As you know, the Coast Guard lacks housing availability in many regions and those units that the Coast Guard owns are often substandard and in need of major repairs or modernization. We continue to pursue legislative language that would provide the Coast Guard with additional authorities to pursue housing projects with the private sector; however, in the meantime, we urge you to provide no less than the President's request of $14 million for Coast Guard housing.

We understand that you will receive many requests and that the appropriations process will be constrained by the current budget environment. The Coast Guard provides critical services to our Nation, and we request that you prioritize its needs as you review proposals for the Department of Homeland Security.

Thank you for your consideration of these requests that address critical Coast Guard mission assets and have the added benefit of supporting jobs at our Nation's shipyards. Your continued attention to the Coast Guard is very much appreciated.

Sincerely,

John L. Mica
Ranking Republican Member
Committee on Transportation and Infrastructure

Frank LoBiondo
Ranking Republican Member
Subcommittee on Coast Guard and Maritime Transportation

3

Ms. KAPTUR. Thank you so very much for your testimony. You are ranking on that subcommittee, are you not?

Mr. MICA. I am ranking on the full committee.

Ms. KAPTUR. As well as on the full committee?

Mr. MICA. Well, Mr. Oberstar and I sit on all six subcommittees, and I have six very competent ranking members on that committee, but again, this isn't a partisan issue, this is something the whole committee agrees on, including the subcommittees.

Ms. KAPTUR. Well I wanted the record to note, Congressman Mica, the importance of your position on that committee.

Mr. MICA. Thank you, thank you.

Ms. KAPTUR. And for you to take time to come here today and both you and Congresswoman Woolsey have made proposals, but

you have also provided suggestions for offsets and we greatly appreciate that, and we appreciate the time you have given today.

Mr. MICA. Thank you.

Ms. KAPTUR. And all of those materials will be placed in the record, and believe me, will be shared with our colleagues as well as the staff.

Mr. MICA. Thank you.

Ms. KAPTUR. Thank you so have much. And now we would like to turn to Congresswoman Laura Richardson from California.

STATEMENT OF HON. LAURA RICHARDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. RICHARDSON. Chair Kaptur, Chairman Spratt, Ranking Member Ryan, and members of the committee, before I begin my comments let me also associate myself with our Ranking Member Mica in his comments about the Coast Guard. I serve on that committee as well, and I am in full agreement and attest to the bipartisan effort that he brought it in.

Thank you for convening this hearing and allowing me and our colleagues the opportunity to share with the committee our budgetary priorities for fiscal year 2011.

I ask for my entire statement to be included in the record of this hearing.

Ms. KAPTUR. Without objection it will be included.

Ms. RICHARDSON. Thank you. I represent the hardworking and hard pressed men and women, children, and businesses of the 37th Congressional District who are going through the toughest economic times in recent memory. The unemployment rate in California still hovers around 12 percent, but in some areas of my district, such as Compton, it is closer to 20 percent.

The foreclosure rate for California is 1 in 185, which is twice the national average which is 1 in 405. And in my district in Carson, the foreclosure rate is 4 times that, 1 in 96.

In a light of those thoughts is why I come to you, it is our budgetary response to these four greatest challenges that I approach you today; creating jobs, stemming foreclosures, aiding state and local governments, and strengthening the safety net that I wish to discuss with you.

Number one, priority for jobs for Americans. I applaud the President's inclusion in the jobs package for fiscal year 2011 of the 100 billion to fund it; however, I think we need to do more for young people, seniors, and small businesses that have been particularly hit.

One of the things I tried to show some leadership on with older Americans. The President is suggesting that we would increase from full year 2009 the Senior Community Service Employment Program. Increase it to $825 million.

I would support this of being a minimum of $700 million over the next five years.

The next area would be jobs for recent college graduates. We are finding many college grads, even though they have done what their parents asked them to do, which was to go to school and get an education, they are finding out that they cannot compete in the workforce. And so I support the President's efforts of $33 billion to

encourage small businesses to hire new employees at a $5,000 new hire tax credit, I would only suggest that we would increase that by another $2,500 if a small business hires a recent college grad.

The third area would be in help for small businesses. I support the President's request to permanently eliminate the capital gains taxation on small businesses which is a cost of $8.1 billion and for $17.5 billion in the SBA Section 7(a) loan guarantees to provide small businesses with access to credit needed to expand and create jobs.

The second area is investment in transportation and infrastructure. When it comes to creating jobs there is no more effective way, and we found this in our own stimulus, despite us fighting for more money in transportation and infrastructure, we have found that for the small amount that was received it has generated the greatest amounts of jobs. When you consider for every dollar that is invested in infrastructure at least $1.63 is reflected and generated in economic activity.

We must pass the Surface Transportation Reauthorization Bill and provide funding for projects critical to our national greatness.

Some of those problems are in my district, the Gerald Desmond Bridge located in Long Beach, California that carries ten percent of our entire nation's cargo. And I will repeat that, ten percent of our entire nation's cargo.

We are fortunate in California, we are seeing a move towards high speed rail, but more needs to be done.

The other area of infrastructure would fall under housing. The need for housing and redevelopment assistance is great in my district and in my state and across the nation.

So with that I would support Community Development Block Grants, the Neighborhood Stabilization Fund, that we would do above and beyond the $4.84 billion that the President requested.

And then in the last section of transportation and infrastructure talking about aid to state and local governments, I strongly support President Obama's budget request of $266 billion for temporary provisions to speed economic recovery. I urge that a larger portion of this funding be used to extend the Recovery Act's State Fiscal Stabilization Fund.

The State Fiscal Stabilization Fund has saved about $2.1 million that otherwise would have been lost. This funding is vital, it is an effective program, and it should be increased for fiscal year 2011.

The next area I wanted to mention was Native Americans. I find that perhaps nowhere in America are we seeing some of the greatest challenges than the unemployment within the Native American community. An average unemployment rate of 22 percent, huge disparities in healthcare, education, housing, and crime.

I therefore am pleased that the President's budget requests $2.7 billion in total budget authority for fiscal year 2011. I am also pleased that it includes a focus for Indian Affairs on their core programs and services vital to Indian Country.

I have spent most of my time now talking about what I support in the budget, now I would like to tell you what I don't support.

In terms of Homeland Security, I am the Chair of the Homeland Security Emergency Preparedness and Communications, and Response Subcommittee. In addition, my district is home to many

high value terrorist targets, such as the Port of Long Beach, I have over six refineries and so on.

I am deeply troubled by the proposed cut of $77.5 million. That is nearly 50 percent in funding for international cargo screening. That is a complete slap in the face to the objectives and the goals of the 9/11 Act of achieving 100 percent cargo screening by 2012.

I am concerned about the steps that have been brought forward and I think they should be resoundingly rejected.

I am also concerned about the proposed cuts of $200 million in funding for Staffing for Adequate Fire and Emergency Response Program and Assistance to the Firefighter Grant Program that will severely limit the ability of local fire departments to remain ready and first respond.

Also you should consider additional funding for Fire Station Construction Grant Program. Many of us in our districts have old fire stations and they are not gender equal, and those are serious things that need to be changed in our fire stations.

Finally, as I close, a budget is a record of our expenditures, our outlays, and revenue receipts, but it is more than that, it is an expression of our cherished values and a contract between generations.

I thank you for your time.

[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: Thank you for convening this hearing and allowing me and our colleagues the opportunity to share with the Committee our budgetary priorities for Fiscal Year 2011. I ask that my entire statement be included in the record of this hearing.

Coming as we do from all regions of the country and both sides of the aisle, the testimony you hear today is a fair reflection of the collective hopes and dreams of the American people. This Committee has the daunting task of crafting a budget resolution that expresses the values and reflects the character of our country.

I am here to speak for the people I represent, the hard-working and hard pressed men, women, children, and businesses of the 37th Congressional District of California.

Mr. Chairman, my state and my district have experienced, and still are going through, the toughest economic times in recent memory. The unemployment rate in California still hovers around 12 percent but in some areas of my district, like Compton, it is closer to 20 percent. The foreclosure rate for California (1/185) is more than twice the national average (1/405). In the City of Carson, also in my district, the foreclosure rate is 4 times the national average (1/96).

Across the country, in every state and local government, we observe a familiar pattern: rising unemployment and job loss leads to increased foreclosure rates, which in turn result in decreased revenues for state and local governments, who resort to cutting essential social and public services to balance their budgets which exacerbates the economic hardships on our hard-pressed families.

It is the budgetary response to these four great challenges—creating jobs, stemming foreclosures, aiding state and local governments, and strengthening the safety net—that I wish to discuss with the Committee today.

NUMBER #1 PRIORITY: JOBS FOR AMERICANS

That is why creating jobs—good paying jobs with benefits to sustain families—must be our central objective.

I applaud the President for including a "jobs package" in the FY2011 budget and for requesting $100 billion to fund it, but I believe that given the scale of the challenge, at least triple that amount ($300 billion) is required.

The current economic downturn has been particularly hard on young people, seniors, and small business.

Older Americans

When older Americans, those 50 and older, lose their jobs, they remain unemployed for much longer periods than younger counterparts. Many get discouraged and leave the labor market altogether. If they are fortunate enough to secure a replacement full-time job, invariably the pay is less, the hours are fewer, and the benefits are minimal or non-existent.

One way to provide targeted and immediate relief for jobless older Americans is to fully fund the Senior Community Service Employment Program. I applaud the President for providing $825 million for this program in FY2010, up from $500 million in FY09. I strongly urge that funding for this vital program be maintained at not less than $700 million for the next five years. And I will soon introduce legislation that will make this program more accessible by lowering age and income eligibility requirements.

Jobs for Recent College Graduates

According to a recent report by the Project on Student Debt, recent college graduates carry an average of $23,200 in student loan debt. Combined with an unemployment rate of nearly 11 percent, more and more young people are returning home to live with their parents instead of striking out to make their mark in the world. They need jobs, not an allowance from Mom and Dad, who are struggling financially themselves.

The President's recent proposal to provide a $33 billion proposal to encourage small businesses to hire new employees by giving them a $5,000-per-new-hire tax credit is a step in the right direction but I believe we can and should do more. I will soon be introducing legislation to establish a program called "America RISING," which stands for:

"America Realizing the Informational Skills and Initiative of New Graduates"

Under this program funding would be provided to establish and pay the salary for two years of a cadre of recent college graduates to be deployed to work with small or disadvantaged business enterprises or major corporations which have operations located in enterprise zones or in areas where the local unemployment rate exceeds the national average by more than two percentage points.

The benefits of such a program are two-fold. First, it provides jobs for young persons with marketable skills. Second, it will provide a much needed infusion of human capital and technological expertise that will enable small businesses to become more competitive.

Help for Small Business

As a member who spent 14 years working in the business world before coming to Congress, I understand that small business is the backbone of our economy. The 26.8 million small businesses in the United States represent more than 99.7 percent of all employers, employ just over half of all private sector employees, and generated 64 percent of the net new jobs created since 1995.

Clearly, if we are to grow our way out of this economic mess, small business is going to help lead the way. I therefore support the President's request to permanently eliminate capital gains taxation on small businesses (cost: $8.1 billion) and for $17.5 billion in SBA Section 7(a) loan guarantees to provide small businesses with access to the credit needed to expand and create new jobs.

As a New Democrat and a former business owner, I am a strong proponent of fiscal responsibility and deficit reduction. However, in light of the present crisis, I believe that providing expanded access to credit for small business is so critical that I support using a portion of the remaining TARP funding for this purpose. We have already helped companies deemed "too big to fail." Now it is time to provide help for small business so that they do not remain "too small to succeed."

INVESTMENT IN TRANSPORTATION AND INFRASTRUCTURE

When it comes to creating jobs, there is no more effective means than investing in infrastructure. It has been demonstrated time and again that for every dollar invested in infrastructure, at least $1.63 is economic activity is generated.

Our most recent example of effective investment in infrastructure is the Recovery Act, which thus far has created nearly one million jobs over the first year of investment while at the same time improving the lives of virtually every American who can enjoy the roads, bridges, and transit systems that were built or improved through this funding.

I come from the district that embodies the nation's transportation needs, with the largest ports in the country, three airports, major freight rail lines, and 40% of the nation's goods moving along our rails and four major interstate highways. And as

a member of the Transportation & Infrastructure Committee I understand how sound transportation and infrastructure investments will make our nation globally competitive and enhance the quality of life in our communities.

The President's budget requests a 2% increase in infrastructure funding. This amount is too paltry to permit us to do anything but tread water when we need to be heavily investing in our nation's infrastructure and moving forward.

Congress must act boldly and decisively. We must pass a surface transportation reauthorization bill and provide funding for projects critical to national greatness. One such project is the Gerald Desmond Bridge located in Long Beach, California. The Desmond Bridge may not be as famous or glamorous as the Golden Gate or the Verrazano, but it carries a larger percentage of the nation's cargo—10 percent—than any other bridge.

That is why it is so shocking and short-sighted that we have not rebuilt this 40 year-old bridge, which is now reduced to wearing a "diaper" to catch the concrete and debris that falls daily from its underside. It is imperative that programs such as the Projects of National Significance and the Freight Improvement Program receive ample funding so essential projects like the rebuilding the Desmond Bridge can be completed.

Our infrastructure needs were also on clear display last week when we learned that over $60 billion of projects applied for $1.5 billion of TIGER grant funding. Put another way: for every dollar provided, $40 of need went unmet, including every project in my district, one of the most infrastructure-intensive in the nation.

When it comes to transportation funding, we must be forward-thinking and proactive to position our country to compete and win in the global economy. Nowhere is this more important than in the area of high-speed rail. As the founding co-chair of the California High-Speed Rail Caucus, I applaud the President for requesting $1 billion for rail in the budget since this is more than is typically provided. I also appreciate very much the $2.25 billion grant for high-speed rail development California received under the Recovery Act.

But a larger commitment is needed. It will cost about $40 billion to bring high-speed rail to California. But with it will come a revolution in travel and a model for the rest of the country. The benefits include a cleaner and quieter environment, reduced traffic congestion, and 450,000 new jobs in California to build the line. High-speed rail is the wave of the future and we must make a real commitment to it to remain competitive. After all, China is spending an estimated $100 billion annually to construct its national high-speed rail network. This nation simply cannot afford to fall behind its leading economic competitor in the 21st century.

HOUSING

The needed for housing and redevelopment assistance is great in my district, my state, and across the nation. California trails only Nevada in the rate of housing foreclosures, and is projected to lose 1.9 million homes to foreclosure projections between 2009 and 2012. Therefore, it is imperative that we substantially increase funding for foreclosure relief programs such as the Community Development Block Grants (CDBG) and the Neighborhood Stabilization Fund (NSF) above the $4.84 billion requested in the President's budget.

I do not support the President's decision to request a reduction in funding for the Section 202 Housing for the Elderly program and the Section 811 Housing for Persons with Disabilities Program, which funds the new construction of housing for those groups. Our seniors and the disabled are among the most vulnerable populations in society and we cannot neglect their housing needs.

AID TO STATE AND LOCAL GOVERNMENTS

I strongly support President Obama's budget request of $266 billion for temporary provisions to speed economic recovery and urge that a larger portion of this funding be used to extend the Recovery Act's State Fiscal Stabilization Fund. This fund helps states maintain education and other services such as public safety and law enforcement during the recession.

With tax revenue still declining as a result of the recession and budget reserves largely drained, the vast majority of states have made spending cuts that hurt families and reduce necessary services. These cuts, in turn, have deepened states' economic problems because families and businesses have less to spend.

At least 45 states and the District of Columbia have enacted severe cuts in all major areas of state services, including health care (29 states), services to the elderly and disabled (24 states and the District of Columbia), K-12 education (29 states and the District of Columbia), and higher education (39 states).

In California, for example, the Governor has proposed the following cuts in services:

• additional deep reductions to Medi-Cal (Medicaid) services, including increased co-payments and reduced eligibility for immigrants;

• a $1.5 billion reduction in K-12 and community college funding in 2010-11;

• a 5 percent to 10 percent cut to state employee salaries;

• a reduction in Supplemental Security Income/State Supplementary Program (SSI/SSP) grants by $15 per month;

• the elimination of the state's CalWorks (TANF) program and a number of other human service programs; and

• the elimination of funding to respond to enrollment growth in the state's public universities.

State Fiscal Stabilization Fund dollars provided by the Recovery Act Federal help to reduce the extent, severity, and economic impact of these cuts. And they have saved about 2.1 million jobs that otherwise would have been lost. Funding for this vital and proven effective program should be increased for FY2011 because the budget pressures facing state and local governments have not abated and, in fact, are increasing.

HOMELAND SECURITY

I am the Chair of the Homeland Security Emergency Preparations, Communications, and Response Subcommittee. In addition, my district is home to many high-value terrorist targets, such as the Port of Long Beach. I am therefore, deeply troubled by the proposed cut of $77.5 million (nearly 50 percent!) in funding for international cargo screening. This decrease reflects an emphasis on remote screening of freight instead of physical inspection. The 9/11 Act established the goal of 100 percent cargo screening by 2010; the proposed budget cut will not bring a closer to achieving this national objective.

I am also concerned about the proposed cut of $200 million in funding for the Staffing for Adequate Fire and Emergency Response (SAFER) Program and the Assistance to Firefighter Grant (AFG) Program. I oppose these reductions because they will severely limit the ability of local fire departments to meet community needs and maintain the readiness of local first responders during all types of emergencies.

I also strongly believe that we should substantially increase funding for the Fire Station Construction Grant Program so cities like Compton in my district can have the resources needed to protect the local citizenry and to assist in the protection of a vital national asset like the Alameda Corridor which splits the city down the middle while it transports the nation's cargo to and from the Ports of Long Beach and Los Angeles.

Finally, I would also like to stress the importance of full funding for the State and Regional Preparedness Program, which provides grants to fund programs such as the Citizens Corp and Interoperable Emergency Communications Grants. A recent GAO report stated that only about half of American households had disaster supplies in their home and a household emergency plan. Clearly there is more that must be done to get our people in an optimal state of readiness. Thus, I cannot support the proposed request to decrease preparedness funding by 13.33% or $313.7 million.

NATIVE AMERICANS

Perhaps nowhere is the need more urgent need than in Indian Country, which is grappling with an average unemployment rate of 22 percent, which is higher than any state. Addressing the disparities in health care, education, housing, and crime in Indian Country also remains a challenge. I therefore am pleased that the President's budget requests $2.7 billion in total budget authority for FY2011. I am also pleased that the FY2011 request for Indian Affairs focuses on core programs and services that are vital to Indian country such as the $19 million to reduce crime and an additional $29.9 million is included to strengthen Indian Affairs' commitment to tribal self-determination under the Advancing Nation to Nation Relationships initiative.

EDUCATION

Nothing is more crucial to our nation's long-term future than an educated citizenry. That is why I am pleased that the president's budget increases discretionary funding for the Department of Education (ED) by $3 billion, $49.6 billion up from $46-7 billion in FY2011.

My education priorities are as follows:

• Title I. Increase by $2.5 billion to ensure that disadvantaged students can receive all the services necessary to succeed.

• Improving Teacher Quality State Grants. Increase by $230 million to be used to for a variety of purposes, including reducing class size.

• 21st Century Community Learning Centers (Afterschool). Increase by $220 million, from $1.13 billion to $1.35 billion to serve one million more children, as outlined in the President's education plan.

• Career and Technical Education State Grants. In increase by $280 million, from $1.16 billion to $1.44 billion.

• Enhancing Education Through Technology (EETT)—Maintain FY2009 funding level of $700 million to modernize the classroom and instruction, and to bring innovation to our education system.

• IDEA Special Education. In increase by $2.9 billion to keep the program on track toward full funding.

INTERNATIONAL AFFAIRS

Finally, I wish to briefly address the Function 150—International Affairs budget and say that I strongly support the President's request for $58.5 billion, an increase of $6.1 billion or 11.6% over total FY10 spending.

Although America's domestic needs are great, it is in our interest and consistent with our tradition and character to be engaged in the world. Whether it is providing diplomatic, development, peacekeeping, security, and humanitarian assistance, or combating human trafficking and modern day slavery, American leadership and involvement is indispensable.

The $58 billion requested for the International Affairs budget is to be sure a lot of money. But to put it in perspective:

• The entire International Affairs Budget is just 1.4% of the total FY 2011 Budget.

• The International Affairs Budget represents only 6.7% of the budget for security agencies, which includes defense, intelligence, homeland security, and veterans appropriations.

• Even at this level of funding, the International Affairs Budget represents only 0.36% of GDP.

I recently returned from the Winter Meeting of the Inter-Parliamentary Union in Vienna, which I attended as part of the Helsinki Commission Congressional Delegation chaired by Congressman Hastings and Senator Cardin of Maryland. While there the members of the delegation met with our European counterparts to discuss many of the most pressing global issues of the day, including piracy in the Gulf of Aden and modern day slavery. We were all impressed by the importance our counterparts placed on the importance of American engagement to the success international engagement and collective action, and its capacity to promote and foster democratic values, sustainable development, and human rights.

The amount we spend on the International Affairs budget to maintain that leadership, less than 2 cents on the dollar, is a bargain and one of the best investments we can make.

CONCLUSION

In conclusion, let me say that while a budget is a record of expenditures, outlays, and revenue receipts, it is much more than that. It is an expression of our most cherished values, a reflection our character, and the fulfillment of the social contract among generations, tying the present to the past and future. In a budget we commit ourselves to the actions needed to keep faith with our obligation to our forefathers and to generations unborn to do all we can to make this a more perfect union. It is in that spirit that I have suggested the priorities outlined above.

Thank you for listening.

Ms. KAPTUR. Thank you very much Congresswoman Richardson. I know it took extra effort to prepare such an excellent submission, and we thank you very much for coming over to the committee today and entering all these proposals as part of the official documents that we will use as we move toward a budget for 2011. Thank you so very much.

We would now like to welcome Congressman Gary Peters from the State of Michigan, from the Livonia area if I remember correctly? Am I getting close?

Mr. PETERS. You are getting close. Oakland County. Oakland County, Michigan.

Ms. KAPTUR. Oakland County. Sorry, there we go. All right, Oakland County. Welcome very much Congressman Peters, you can proceed.

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

Mr. PETERS. Well thank you, Madam Kaptur, and I would like to thank Chairman Spratt and Ranking Member Ryan and other members of the Budget Committee for an opportunity to testify here today.

While I believe that the Recovery Act and other measures were necessary to prevent the economic downturn of 2008 from escalating into another Great Depression, we must now confront a growing problem that could prevent us from being able to respond to a future crisis, economic or otherwise, and that is our budget deficit and growing national debt.

I believe that fiscal restraint should not be a partisan issue, and that we must work together to find every opportunity to slash spending and forge a path towards a balanced budget and a shrinking national debt.

While the need to control spending and reign in budget deficits is undeniably urgent, the reality remains that far too many of our friends, family, and neighbors are still looking for work. Any new investments should focus squarely on job creation, and be paid for through cuts to outdated or wasteful programs.

Investments that particularly target our manufacturing sector will be especially critical, as a healthy manufacturing base is necessary to ensuring the security and prosperity of the American middle class and vital to our overall economic recovery.

I was pleased to see the President is proposing a $5 million increase for the Manufacturing Extension Partnership. The Manufacturing Extension Partnership is a national program credited with creating and retaining over 55,000 jobs per year in the manufacturing industry, delivering $1.44 billion in cost savings annually, and a $10.5 billion increased or retained sales in one year.

Additionally, I am heartened to see the Administration's focus on boosting exports to help fuel economic growth of manufacturers and our economy as a whole. The 20 percent increase in the budget for the Commerce Department's International Trade Administration will help promote exports from small businesses, eliminate barriers to sales of U.S. products, and improve the competitiveness of U.S. firms.

The budget also makes important investments in the Export-Import Bank to expand U.S. small businesses use of the Bank's financial export assistance.

I am also pleased the Administration has provided for an increase in advanced vehicle technologies. The President requested 325 million for the Advanced Vehicle Technologies Program. It represents a $13 million increase over fiscal year 2010 funding.

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 manu-

facturing sector and auto industry, and I am pleased that the determination is beginning to be matched at the federal level to achieve the technological change being demanded.

As our economy continues to recover we must ensure all Americans will have the opportunity to pursue newly created jobs. And I believe the high price of child care is a significant roadblock to employment. This is why I have introduced legislation last year that would increase the Dependent Care Tax Credit, thereby making child care more affordable for millions of American families.

I am encouraged that the President has proposed expanding the Dependant Care Tax Credit, which would increase tax relief for child care from $1,200 to $2,100 for middle-class families.

However, while I believe smart investments in targeted areas can be part of a responsible budget strategy, we need to go beyond the reductions in the President's budget and make larger cuts in certain areas.

For example, the President's budget includes increases in the Weatherization and Intergovernmental Activities Program. The Weatherization Assistance Program was funded in the Recovery Act, but progress has been unexpectedly slow due to delays in establishing prevailing wage rates for cities to perform the work. Michigan had only completed weatherization of 1.15 percent of its planned units as of the program's one year anniversary. Given this fact, I question if an additional $90 million is really needed to support administrative costs at the federal Weatherization office.

There is also over $7 billion in funding in the Recovery Act for deployment of broadband technology through the Department of Agriculture's Rural Utilities Service and the Department of Commerce's National Telecommunications Information Administration. While these agencies will be distributing millions in broadband funding in the coming year, the fiscal year 2011 budget adds $418 million for new loans and grants for rural communities. Before spending almost half of a billion in new broadband funding, I believe that we should complete distribution of funding under the Recovery Act and then determine if these programs were successful.

While deployment of broadband to all Americans is important, we should not be spending taxpayer dollars installing 1990's technology in rural areas that barely qualifies as broadband.

Finally, I believe the Department of Agriculture's budget presents opportunities to make cuts and save taxpayers money. There is little need to fund both the Market Access Program and the Foreign Market Cooperator Program independently. Additional funding from the Administration's Export Promotion Initiative further enhances the expediency of cutting a redundant program and streamlining our government's efforts in growing our export markets.

The elimination of commodity storage payments and for peanuts and cotton is another example of cutting outdated special interests. Though they once may have been necessary, eliminating this program ends another niche government expense that has outlived its need.

We must continue to look for opportunities to cut spending and use these savings to invest in targeted job creation.

Thank you, Madam Chair for this opportunity.

[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. While I believe the Recovery Act and other measures were necessary to prevent the economic downturn of 2008 from escalating to another Great Depression, we must now confront a growing problem that could prevent us from being able to respond to a future crisis, economic or otherwise, and that is our budget deficit and growing national debt. I believe that fiscal restraint should not be a partisan issue, and that we must work together to find every opportunity to slash spending and forge a path toward a balanced budget and a shrinking national debt.

While the need to control spending and reign in budget deficits is undeniably urgent, the reality remains that far too many of our friends, family, and neighbors are still looking for work. Any new investments should focus squarely on job creation, and be paid for through cuts to outdated or wasteful programs. Investments that particularly target our manufacturing sector will be especially critical, as a healthy manufacturing base is necessary to ensuring the security and prosperity of the American middle class and vital to our overall economic recovery.

I was pleased to see the President is proposing a $5 million increase for the Manufacturing Extension Partnership. The Manufacturing Extension Partnership is a national program credited with creating and retaining over 55,000 jobs per year in the manufacturing industry, delivering $1.44 billion in cost savings annually, and $10.5 billion in increased or retained sales in one year.

Additionally, I am heartened to see the Administration's focus on boosting exports to help fuel economic growth of manufacturers and our economy as a whole. The 20% increase in the budget for the Commerce Department's International Trade Administration will help promote exports from small businesses, eliminate barriers to sales of U.S. products, and improve the competitiveness of U.S. firms. The budget also makes important investments in the Export-Import Bank to expand U.S. small business use of the Bank's financial export assistance.

I am also pleased the administration has provided for an increase in advanced vehicle technologies. The President requested $325M for the Advanced Vehicle Technologies Program—a $13M increase over FY10 funding. 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, and I am pleased that determination is beginning to be matched at the federal level to achieve the technological change being demanded.

As our economy continues to recover, we must ensure all Americans will have the opportunity to pursue newly created jobs. I believe that the high price of child care is a significant roadblock to employment. This is why I introduced legislation last year that would increase the Dependent Care Tax Credit, thereby making child care more affordable for millions of American families. I am encouraged that the President has proposed expanding the Dependant Care Tax Credit, which would increase tax relief for child care from $1,200 to $2,100 for middle-class families.

However, while I believe smart investments in targeted areas can be part of a responsible budget strategy, we need to go beyond the reductions in the President's budget and make larger cuts in certain areas.

For example, the President's budget includes increases in the weatherization and intergovernmental activities program. The Weatherization Assistance Program was funded in the Recovery Act, but progress has been unexpectedly slow due to delays in establishing prevailing wage rates for cities to perform the work. Michigan had only completed weatherization of 1.15% of its planned units as of the program's one year anniversary. Given this fact, I question if an additional $90 million is really needed to support administrative costs at the federal Weatherization office.

There was also over $7 billion in funding in the Recovery Act for deployment of broadband technology through the Department of Agriculture's Rural Utilities Service (RUS) and the Department of Commerce's National Telecommunications Information Administration (NTIA). While these agencies will be distributing billions in broadband funding in the coming year, the FY 2011 budget adds $418 million for new loans and grants for rural communities. Before spending almost half of a billion in new broadband funding, I believe that we should complete distribution of funding under the Recovery Act and determine if these programs were successful. While deployment of broadband to all Americans is important, we should not be spending taxpayer dollars installing 1990's technology in rural areas that barely qualifies as broadband.

Finally, I believe the Department of Agriculture's budget presents opportunities to make cuts and save taxpayers money. There is little need to fund both the Market Access Program and the Foreign Market Cooperator Program independently. Additional funding from the Administration's Export Promotion Initiative further enhances the expediency of cutting a redundant program and streamlining our government's efforts in growing our export markets.

The elimination of Commodity Storage Payments for peanuts and cotton is another example of cutting outdated special interests. Though they once may have been necessary, eliminating this program ends another niche government expense that has outlived its need.

We must continue to look for opportunities to cut spending and use these savings to invest in targeted job creation. Thank you, Mr. Chairman.

Ms. KAPTUR. Congressman Peters, I want to thank you for your excellent testimony and for coming here today to give a very balanced statement. I know you are a new member, and for a new member to find the Budget Committee and to provide such comprehensive testimony is truly admirable and a sign of the good work that you are doing for your district in the State of Michigan as its representative here in Washington.

We will place your entire statement in the record, and we will take care to note its recommendations as we move forward with the new budget, and we thank you so very much for being a part of the testimony today.

Mr. PETERS. Thank you, Madam Chair.

Ms. KAPTUR. Thank you for taking the time and making such as excellent effort.

I would like to know say that the committee is now adjourned. We thank everyone for participating.

[The prepared statement of Hon. Russ Carnahan, a Representative in Congress from the State of Missouri, follows:]

Russ Carnahan
3rd District, Missouri
Senior Majority Whip
FOREIGN AFFAIRS COMMITTEE
Vice Chairman
International Organizations, Human Rights and Oversight Subcommittee
Middle East & South Asia Subcommittee
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE
Aviation Subcommittee
Economic Development, Public Buildings, and Emergency Management Subcommittee
Water Resources & Environment Subcommittee
SCIENCE AND TECHNOLOGY COMMITTEE
Research and Science Education Subcommittee

Congress of the United States
House of Representatives
Washington, DC

WASHINGTON OFFICE:
1710 Longworth House Office Building
Washington, DC 20515
Phone: (202) 225-2671
Fax: (202) 225-7452

ST. LOUIS OFFICE:
8764 Manchester Road, Suite 203
St. Louis, MO 63144
Phone: (314) 962-1523
Fax: (314) 962-7169

JEFFERSON COUNTY OFFICE:
517 Bailey Road
Crystal City, MO 63019
Phone: (636) 937-8039
Fax: (636) 937-7138

ONLINE OFFICE:
carnahan.house.gov

March 3, 2010

The Honorable John M. Spratt, Jr.
Chairman
House Committee on the Budget
207 Cannon House Office Building
Washington D.C. 20515

The Honorable Paul Ryan
Ranking Member
House Committee on the Budget
Room B71, Cannon House Office Building
Washington D.C. 20515

Dear Chairman Spratt and Ranking Member Ryan:

I write asking that you support economic development, job creation and our national heritage in the Budget Resolution for Fiscal Year 2011 (FY11) for the nation's core historic preservation grant programs in the amounts of $25 million for Save America's Treasures (SAT) and $4.6 million for Preserve America (PA). Recognizing the difficult fiscal constraints of the federal budget, I have requested level funding in FY11, as compared to FY10.

SAT, the nation's only bricks-and-mortar preservation grant program, is proposed for elimination and I urge you to budget it at last year's level of $25 million. The proposed elimination of SAT would represent a nearly 30 percent reduction in the Historic Preservation Fund (HPF) overall, while some other programs in the Department of Interior have seen as much as a 38 percent increase. I urge you to help deliver greater equity between our cultural historic preservation programs and our natural resource programs, as they are both integral parts of preserving our nation's rich heritage.

Over the past ten years, SAT has been a driver of economic development and the federal government's most successful tool to preserve the important places that tell our nation's story. Due to broad, bipartisan Congressional support, the program has provided nearly $300 million to save 1,132 of America's most significant places in all 50 states, creating over 16,000 jobs and fostering economic development in every single project it covers. I support a rigorous evaluation of federal programs to ensure taxpayer money is spent wisely. SAT's decade-long track record exhibits the efficient use of these funds.

SAT stands out as a model of effective spending because every SAT grant recipient is required to raise a dollar-for-dollar non-federal match. It has leveraged more that $350 million in non-federal and private funds. As a result, SAT has been enormously successful in attracting private-sector financing and creating productive and sustained partnerships with corporations, foundations, and individuals that provide matching

PRINTED ON RECYCLED PAPER

contributions. Continued federal funding of SAT is even more important due to currently distressed credit markets and high unemployment.

Preserve America, a sister program to SAT for preservation education and outreach, funded out of the National Recreation account, would also be eliminated in the President's FY11 Budget. The Preserve America program complements SAT's bricks-and-mortar grant projects by helping local communities develop sustainable resource management strategies and sound business practices for the continued preservation and use of heritage assets. I urge you to restore the PA budget line item in the amount of $4.6 million; last year's funding level. A 2009 report to Congress by the Advisory Council on Historic Preservation found that Preserve America is addressing many state, local, and regional heritage tourism needs with a relatively small federal investment and like SAT, the competitive grants require a dollar-for-dollar, non-federal match.

Funding these essential historic preservation programs would represent a true investment in America's treasured legacy multiplied many times over through public-private economic partnerships and ventures. Most importantly, it would create much needed jobs and ensure the protection of historic resources nationwide that might otherwise be lost forever.

If you need additional information, please do not hesitate to contact Ken Reidy at ken.reidy@mail.house.gov.

Sincerely,

Russ Carnahan
Member of Congress

[The prepared statement of John Lewis follows:]

JOHN LEWIS
5TH DISTRICT, GEORGIA

SENIOR CHIEF DEPUTY
DEMOCRATIC WHIP

COMMITTEE ON
WAYS AND MEANS

CHAIRMAN,
OVERSIGHT SUBCOMMITTEE

INCOME SECURITY
AND FAMILY SUPPORT

Congress of the United States
House of Representatives
Washington, DC 20515–1005

WASHINGTON OFFICE:
343 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–1005
(202) 225–3801
FAX: (202) 225–0351

DISTRICT OFFICE:
THE EQUITABLE BUILDING
100 PEACHTREE STREET, N.W.
SUITE # 1920
ATLANTA, GA 30303
(404) 659–0116
FAX: (404) 331–0947

STATEMENT OF CONGRESSMAN JOHN LEWIS ON THE FISCAL YEAR 2011 BUDGET PROPOSAL

WEDNESDAY, MARCH 3, 2010

Good afternoon, Mr. Chairman, Mr. Ranking Member, and Members of the Committee. Thank you for the opportunity to share my concerns and priorities for the fiscal year 2011 budget.

For the past three years, Americans have struggled to overcome the most significant economic downturn since the Great Depression. Last year, Congress enacted the stimulus bill – meant to slow the suffering of America's workers. More than one-third of that legislation was in the form of tax cuts and benefits. This year's budget allows us to do more for struggling American families.

Any and every way that we can help is critical. Income security programs like the Supplemental Nutrition Assistance Program, Unemployment Insurance, Medicaid, and COBRA should be a centerpiece of this year's budget. Special attention should be given for these and other anti-poverty initiatives like the Low Income Home Energy Assistance Program, Public Housing (Operating and Capital Funds), HOPE VI, Homeless Assistance, Supportive Housing programs for the Disabled and Elderly, the Child Care and Development Block Grant, the Community Supplemental Food Program, the Social Services Block Grant, Child Welfare Services, Women, Infants and Children Program (WIC), and the HOME Investment Partnerships Program.

Housing and financial counseling along with foreclosure prevention assistance and mortgage fraud prevention enforcement should also be given a high priority. Innovative economic development and redevelopment programs should be continued, and programs that provide housing assistance for the most vulnerable – the elderly, homeless youth, women and children, struggling families--must be protected. Now more than ever, it is also critical that regulatory agencies have the appropriate resources and tools to shield our constituents from predatory and discriminatory practices.

As you know, I have long represented the area with the longest Social Security Disability Appeals backlog. I know that the Social Security Administration has been working to reduce the backlog; progress has been made, but much more work needs to be done.

I would like to applaud the administration for their support of America's veterans. I hope that this year's budget will include increased support for discretionary initiatives that focus on mental health and post traumatic stress disorder initiatives, homeless veterans programs, workload reduction services, and veterans' employment and training services.

This brings me to another important issue that needs to be addressed across the board – treatment of federal workers and the budget process as an opportunity to highlight and improve worker relations. During the previous administration, dismal worker-management relations within federal agencies may have negatively impacted the efficiency, effectiveness and services of federal agencies. Workers should not be penalized for trying to exercise their statutorily protected rights, suggest better standards for caseload management, or encourage that practices like veterans-hiring are met. Federal agencies, spearheaded by the Department of Labor and the Government Accountability Office, need to ensure that federal employee-management relations are a high priority this year. This small effort will save money and improve services in the long-term.

The recent economic downturn has devastated commerce across our country. As you know, small business is the backbone of our economy. I truly believe that Department of Commerce and Small Business Administration programs that educate, train, and make funds available to small, medium-sized, women, minority, and veteran-owned businesses are an integral component of the economic recovery process. The National Export Initiative is a great start, but we need to provide the authority and appropriate funding to entities like the Minority Business Development Agency so that they can provide loans and grants to small businesses. This would be an important next step in paving the path for recovery and job growth; another is health care.

A few weeks ago, I met with two business owners from my district. Their health insurance rates increased 62 percent in one year! They expect more increases next year, since they employ women of child-bearing age, and a woman whose son has health issues. This is wrong, just plain wrong. Wages have remained stagnant, but the cost of health care to business has skyrocketed. Health care reform will help our businesses compete domestically and internationally. We must do it right; we must do it now.

I continue to strongly support increased funding for the Ryan White Care Act, the National Center on Minority Health and Health Disparities, the Maternal and Child Health Block Grants, the Public Health Training Program, increased investments in health information technology, and more resources for the training and hiring health professionals – nurses, doctors, and other health providers – who provide frontline health services in minority and underserved communities.

As co-chair of the Chronic Obstructive Pulmonary Disease Caucus (COPD), I continue to advocate for increased awareness and funding for COPD initiatives. An additional $1,000,000 for the CDC will help develop a national plan to prevent, treat, and manage this disease. The fourth leading major cause of death in the U.S., COPD is the only major disease which continues to increase nationally each year.

The Center for Disease Control and Prevention (CDC) is also located in my congressional district. I strongly hope that this year's budget will include additional funding for the CDC's Building and Facilities Master Plan. This is an integral component of the CDC's actions against new and emerging biological and health security threats. Completion of this initiative will improve the CDC's ability to respond to emergencies, and provide the desperately-needed facilities required for day-to-day public health and research activities.

Although my congressional district is one of the fastest growing metropolitan communities in our country, the Federation of Southern Cooperatives of Land Assistance Fund, which serves African American farmers and land cooperatives across the country, is headquartered in my congressional district. I would like to reiterate my hope that adequate funding is included in this year's budget for the Pigford lawsuit settlement and that substantial additional funding will be made available for Black/ Minority Farming Initiative, the 1890 Land-Grant HBCUs, Community Connect (Broadband) Grants, and Rural Food Assistance programs.

The 5th Congressional District of Georgia is also home to the largest passenger airport in the world is located. Combined with the many industries located in Metro Atlanta and the expansions of Hartsfield-Jackson Atlanta International Airport and the Port of Savannah, increased investments in local transit and traffic congestion projects, port expansion, safety, and security initiatives will create jobs throughout our state and sustain our role in the global economy.

In a high unemployment state like Georgia, any and every opportunity for job creation is beneficial for my constituents. Increased discretionary funding and flexibility on federal dollars would allow struggling transit agencies to continue to operate safely. The economic crisis has forced many agencies to decrease services and increase costs making it more difficult for both low-income, and/ or environmentally-aware workers to seek and reach their jobs.

I continue to support any and all administrative efforts that would reduce our nation's dependence on foreign sources of energy, expand the production and use of clean alternative fuels and alternative fuel vehicles, promote renewable energy development, improve electricity transmission, and reward conservation and efficiency. Green jobs and technology are an integral part of our economic future.

Perhaps most important for unemployed and dislocated workers in my state is an expansion of worker training and continuing educational opportunities. Increased discretionary funding for YouthBuild, Trade Adjustment Assistance, and vocational education initiatives would provide temporary relief for many struggling Americans.

Education is the key to our future. It is important that children and young people have the tools for success from an early age; this is why funding for the No Child Left Behind Act, Title I, IDEA, STEM and Arts in Education programs are key. There are a number of outstanding Historically Black Colleges and Universities in my congressional district. They continue to struggle to compete with better-endowed competitors. Their benefit to current and future generations is enormous. It is my hope that funds authorized in the Higher Education Act for these important institutions is realized and that discretionary grants for key historic preservation and educational endeavors is included in this year's budget.

Similar to many other localities, Fulton County is facing a budget crisis. As a result more than 2,300 individuals could be released from jail, prison, and drug courts as other services will be cut significantly. At the same time, the region is facing an alarming rise in gang activity and crimes. Discretionary funding for innovative programs to support the criminal justice system and help local officials hire prosecutors, public defenders, clerks, and sheriff deputies would reap

significant benefits. Aiding our first responders through adequate and increased discretionary funding for airports, firefighters, and local law enforcement will improve communication, identify and respond to potential threats in a timely manner, and keep our communities safer.

By investing on the front end to prevent dangerous behaviors, we save money in the long-term. I also hope that increased attention will be provided to service initiatives like H.R. 3075, the National Parents Corps Act, an initiative started by former President George W. Bush that successfully reduced drug abuse and criminal activities in middle-and high schools across the country. Related important initiatives include the Justice Assistance Grant Program, Juvenile Justice Programs, the Office of Justice Programs, Boys and Girls Clubs, and the Second Chance Act.

Last but certainly not least, I would like to highlight a legislative proposal that is near and dear to my heart. This year, I am working with the administration and congressional leaders to pass H.R. 3328, the Gandhi-King Scholarly Exchange Initiative Act of 2009. This legislation would create scholarly, educational, and professional exchanges and development initiatives for existing and future leaders to study and apply the doctrine of nonviolence to current international conflicts. Consequently, I request that an additional $250,000 for the U.S. Institute of Peace and $700,000 for the Bureau of Educational and Cultural Exchanges be included in the FY11 budget to pave the way this initiative to become operational upon passage of the legislation.

Mr. Chairman and Members of the Committee, I thank you for the opportunity to share some of my priorities on the fiscal year 2011 budget. I remain available to discuss these issues with you in the future and look forward to working with you.

[The prepared statement of Melissa L. Bean follows:]

PREPARED STATEMENT OF HON. MELISSA L. BEAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Chairman Spratt and Ranking Member Ryan, thank you for the opportunity to submit testimony today on the Fiscal Year 2011 Budget Resolution. As a non-committee member, I particularly appreciate this open forum for new ideas and the ability to weigh in on this critical framework for our national spending priorities.

Today, our nation is faced with economic challenges not seen in decades. Our recent efforts to combat this recession include both short and long-term investments that support sustainable growth. As a result the deficit for last fiscal year represented 10.6 percent of our nation's GDP; this year's projected deficit is 8.3 percent; and deficits continue to be expected for many years to come. In the short term, we know our budget deficit stems from a significant decrease in revenues combined with Recovery Act tax cuts and investments all related to the recession. However, according to projections, outlays will continue to outpace revenues over the mid-term and long-term, even after the economy has recovered.

This path is unsustainable, and this Congress must begin making the difficult decisions required to put our fiscal state back on track. In this light, I would like to express my support for the President's three year freeze on non-security discretionary spending, as well as the $23 billion in savings he has identified through terminations, reductions, and savings. Since coming to Congress, I have routinely supported across-the-board cuts to non-security discretionary spending as a first step toward bringing our fiscal house in order. However, focusing on this small sector of the budget isn't enough; significantly more cuts are needed. Our budgetary situation is so challenging that even if we cut all discretionary spending—meaning we disband the military; stop all infrastructure projects; stop testing drugs, food and toys for safety; ground all airplanes; stop patrolling the border; end support for higher education in the form of direct loans or special needs assistance; and allow dire consequences to occur—even if we did that, our nation would still be facing a deficit!

If we are to truly address this fiscal crisis, we must reform our entitlement programs which is why I am a strong supporter, and original cosponsor, of H.R. 1557, The SAFE Commission Act, championed by Representative Jim Cooper. This bipartisan commission would be responsible for taking an honest look at our entitlement programs and developing concrete legislative proposals for fixing a broken system. The bill would then require Congress to vote up or down on the recommendations. Until Congress is ready to tackle these greatly needed reforms, and takes such dif-

ficult votes instead of running from them, we cannot expect to restore our nation's deteriorating fiscal credibility.

Again, I appreciate the opportunity to voice my concerns about the important work before us. There is much work to be done. I look forward to working with my colleagues on both sides of the aisle to address the budget challenges we face as a nation. Americans are counting on us to fulfill our responsibility in this regard. Thank you.

[The prepared statement of Vernon J. 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 2011 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 fiscal year 2011 budget request provides substantial funding levels for the National Science Foundation (NSF), the Department of Commerce's National Institute of Standards and Technology (NIST), and the Department of Energy's Office of Science.

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 NSF, NIST's laboratories and research, and the Department of Energy's Office of Science, 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. 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

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

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 innova-

tive research is being supported. Furthermore, NSF consistently receives the highest rating from OMB for the efficiency and excellence of its programs.

The Administration's FY 2011 budget request for NSF of $7.4 billion is a 7.5 percent increase over FY 2010 appropriations. Providing a budget that allows for the President's requested level of NSF funding is extremely necessary for FY 2011 and I ask you to enhance the function 250 allocation accordingly.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

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 FY2011 budget includes $130 million for the Hollings Manufacturing Extension Partnership Program and $80 million for the Technology Innovation Program. Given our current economic situation, I am concerned that many states and other partners in these programs will struggle to match the federal funds required to participate in the MEP program, and therefore I 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. 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 2011 budget.

Thank you again for allowing me to testify.

[The prepared statement of Marcia L. Fudge follows:]

PREPARED STATEMENT OF HON. MARCIA L. FUDGE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Thank you, Chairman Spratt and Ranking Member Ryan, for allowing me to address the urgent funding needs of the Eleventh Congressional District of Ohio.

WORKFORCE INVESTMENT

Cuyahoga County in Northeast Ohio has been hit hard by the current Great Recession. While the Department of Labor lists our unemployment rate at 9 percent, it doesn't include the chronically unemployed. When you take into account this group of constituents, my county actually faces 18-20 percent unemployment which is devastating. I strongly support increased funding for programs under the Workforce Investment Act that will not only assist dislocated workers but are designed to serve the chronically unemployed, the hard-to-serve, and individuals with multiple barriers to successful employment. These barriers included such things as felony convictions, job dislocation, chronic unemployment and lack of soft skills and other inhibitors to job success. I applaud the President's budget request of additional career development and job training funding, but we need more workforce dollars applied to programs that have models of serving the chronically unemployed. Specifically, we need more dollars for programs like the Pathways to Green Jobs initiative that serves the chronically unemployed in my District. This 350 hour curriculum includes remedial math and English, technical skills and soft-skills to help the chronically unemployed have a real path to employment. I submit to this Com-

mittee that we can and must provide targeted investments for chronically unemployed. Otherwise, we give up on America's economic advancement.

HOUSING

Congress must also continue its fight against foreclosures which devastate our communities. I applaud the President's announcement of the $1.5 billion "innovation fund" that supports "states hardest hit by this housing crisis" in creating tailored foreclosure mitigation plans. But I ask: Why was Ohio excluded from the list of recipients?

Long before the federal government recognized the foreclosure crisis, Ohio grappled with escalating foreclosure rates resulting in displaced families, blighted communities, and low property values. Long before foreclosures became "hot news" in the media, Ohio wrestled with predatory lending and lax regulatory oversight. And while our fight against foreclosure continues, we have been ravaged by this epidemic. We were excluded from this program because recipients were not selected by foreclosure intensity rather more recent trends in foreclosure numbers. Selection was contingent upon more recent declining home values over 20 percent which really does not help a long-suffering state like Ohio. which has been long-suffering. Because of the selection criteria, states like Ohio have once again been penalized.

I urge the Administration to reassess program criteria to include Ohio and other similarly excluded states. I challenge this committee to ensure that foreclosure related funding is included in the budget and truly helps all of the hardest hit states.

SMALL BUSINESS ADMINISTRATION

I fully support President Obama's budget request for $28 billion in loan guarantees for small business to create jobs. We all know that small businesses spur local and regional economic development. With this assistance, small businesses can continue to operate and expand.

I strongly support the President's $25 million microloan fund which provides smaller loans to entrepreneurs excluded from traditional business loans. The maximum microloan amount will be increased to $50,000. These funds will help businesses make investments in information technology and employees.

Another initiative that will enhance small business participation in regional economic development. This includes technical assistance to companies with growth potential which are located in distressed inner city areas. Connecting these companies to other regional businesses will help facilitate growth and revitalize our communities.

CHILDHOOD OBESITY

The budget request has a wonderful and appropriate focus on childhood nutrition. As is the case with many of my colleagues who represent urban areas, I am concerned about the disproportionate impact of childhood obesity in low-income communities.

U.S. health care costs, due to obesity, are $150 billion a year. Half of this amount is paid through Medicaid and Medicare. With nearly $1 of every $6 of our economy spent on health care, we cannot afford to sell junk food or unhealthy meals in schools. Meals must meet national nutrition guidelines. Many children in my District depend on food served in schools. I am not willing to gamble with their health by serving unhealthy foods. Removing these foods from our schools is a low-cost way to address the high-cost of obesity.

Money should be used for childhood nutrition and programs that make healthy food accessible for children who live in food deserts. Food deserts are places where few supermarkets exist that sell fresh fruits and vegetables and small corner stores selling unhealthy foods and heavily advertise alcoholic beverages are plentiful. Programs that get kids moving and encourage a healthy lifestyle are extremely important. The National Youth Sports Program is an example a program that promotes healthy living for children. We need to support such programs.

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

As the former mayor of Warrensville Heights, Ohio and on behalf of local leaders in general, I want to focus on the administration's full funding of Community Development Block Grants. The fiscal year 2011 budget provides $3.9 billion to fund this program. As legislators, our number one priority is economic development. To accomplish this, we must support programs that help improve and grow our economy. Historically, for every $1 of funding through CDBG, nearly $3 is leveraged for economic development projects. When a city needs a grocery store or more affordable

housing, this block grant funding meets those needs. This is one of the few programs directly funding the locality. It does not get tied up in state government or federal affairs. The money immediately goes to the areas where local leaders can help expand economic opportunities for their citizens. For that reason, we need more funding for CDBG.

In Cleveland, Community Development Block Grant dollars have gone to assist our Housing Trust Fund. Every dollar leverages five dollars of private investment. In 2008, Housing Trust Fund dollars were committed to projects that supported nearly 700 energy efficient housing units.

Community Development Block Grants will also support Housing Services for low to moderate income families. These funds are a critical source of assistance for seniors and low income families needing home repairs. This year, over $2.2 million is expected to be used for home repair assistance from CDBG funds.

This grant will also help community based organizations. Approximately $8 million supports a network of organizations providing housing services, neighborhood safety programs, and community outreach.

Chairman Spratt and Mr. Ryan, thank you again for this opportunity. I trust you will keep Ohioans of the Eleventh Congressional District and all Americans in mind as you carefully craft our Nation's fiscal year 2011 budget.

[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 House Committee on the Budget, thank you for allowing me this opportunity. I appreciate being able to express some of the concerns and priorities of my constituents in West Central Illinois.

As a member of the House Transportation and Infrastructure Committee I have chosen to limit my remarks today to the topics that fall under that purview. I appeared before this committee in March of 2009 and stressed the need for a budget resolution that reflected a "jobs" focus, most notably one with a strong infrastructure influence. I again echo this sentiment and believe that infrastructure investment is by far one of the best job creators and economic growth engines. The American Reinvestment and Recovery Act (ARRA) of 2009 was a landmark investment in repairing our economy that was largely forgotten by the last Administration. But now, however, the Budget Committee has a genuine opportunity to craft a budget which reflects the number one priority of the 111th Congress, the President, and the American people: jobs. I firmly believe that investing heavily in infrastructure is the most effective way to put Americans back to work and protect families in every corner of this nation.

As we all know, the President's budget is merely a blueprint for Congress; simply a list of priorities by the Administration for the fiscal year to come. While I applaud the President's bold leadership over the course of the first year of his term, I question the federal funding proposed for highway projects. One critical aspect, which immediately caught my eye is that the President's budget zeroes out Surface Transportation Priority Projects. In almost all of our congressional districts we are faced with crumbling infrastructure, all of which affects commuters, pedestrians, businesses; almost every aspect of our economy. In my district—where the intersection of heavy trucking, passenger rail, and interstate commerce meets the Midwest's extreme weather patterns every season—the infrastructure is in need of dire attention. The job opportunities to make our roads safer for all Americans using transportation all begin at the first phase of becoming a reality: the federal budget. The economy has shown signs of life as far as recovering from major damage, but I think we can all agree that the economy is far from stabilized. We must tackle the jobs issue head-on by providing budget funding for the thousands of shovel-ready projects currently authorized by Congress. Without a robust transportation projects budget for the upcoming year, many of my constituents will not have an adequate family budget. In the Department of Transportation's Fiscal Year 2011 Budget Summary, Transportation Secretary Ray LaHood states, "We will invest in our Nation's infrastructure—creating jobs in support of the economy while delivering projects that can best leverage our federal investment." I could not agree with this statement more. Now is the time to put our money where our mouth is and put the unemployed back on the job site.

The President's budget blueprint proposes $1 billion to continue our nation's pursuit of high-speed rail service. While the Recovery Act provided a major boost to our infrastructure-building sector, the President's budget is not consistent with the Administration's own "Vision for High-Speed Rail in America" plan. I understand that

we are all tightening our belts and using fiscal restraint for unwarranted spending wherever possible, but the benefits of investing in rail improvements and expansion are worth the taxpayers' dollars in the long run. High-speed rail creates good-paying jobs, creates less greenhouse gas emissions compared to individual vehicles on the road, bypasses traffic jams, increases travel and tourism possibilities, and creates economic development opportunities at every stop on the route. In my district, there is a large demand for both passenger rail and high-speed rail by constituents, state and local officials, and businesses.

Another critical issue for my constituents is adequate funding for flood control and water resource management projects along the Mississippi River. Billions of dollars in commercial goods are transported along the Mississippi River and our failure to adequately invest in our waterway infrastructure has been harmful to the economic prosperity of my district. The entire western border of my district rests on the Mississippi River, and the existing infrastructure operated by the Army Corps of Engineers is literally crumbling. A robust increase in spending for the Corps' many projects is badly needed. As you know, the Water Resources Development Act, WRDA, was last enacted in the 110th Congress and contained thousands of the Corps' projects. From dredging to levee repairs to lock and dam improvements to flood control, I humbly ask that the Fiscal Year 2011 Budget Resolution adequately fund the waterways projects currently authorized by Congress. The residents of Keithsburg or Gulfport, two towns in my district, which were completed wiped out by recent Mississippi River flooding know all too well the importance of waterway infrastructure projects and I ask this Committee to also acknowledge the importance of these investments as well.

Again, let me thank Chairman Spratt and Ranking Member Ryan for the opportunity to express the concerns and priorities of the residents of Illinois' 17th Congressional District. I greatly appreciate this opportunity and look forward to working with this Committee to advance a responsible Budget that adequately prepares this nation for the future while addressing the challenges we currently face.

Thank you.

[The prepared statement of Sheila Jackson-Lee follows:]

PREPARED STATEMENT OF HON. SHEILA JACKSON-LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

NASA

Mr. Chairman, I have concerns about the Administration's proposal to cancel NASA's Constellation Program, which includes the Orion Crew Capsule, the Altair Lunar Lander, and the Ares I and Ares V rockets.

These programs, which together comprise our human spaceflight program, were authorized in both 2005 and 2008 by Republican and Democratic Congresses respectively. It is under the Constellation program, that NASA is currently developing new launch vehicles and spacecraft capable of travel to the moon, Mars and other destinations. Not only does cancelling the Constellation Program jeopardize America's leadership role in human space exploration, but it will have detrimental effects on our economy.

Take, for example, the Johnson Space Center in Houston, Texas. The Johnson Space Center has the lead to manage the Constellation Program and several of its major elements, including the Orion Crew Exploration Vehicle and the Altair Lunar Lander.

Without Constellation, the Johnson Space Center could lose anywhere from 4,000 to 7,000 high-tech jobs. If the JSC loses 4,000 direct jobs, an additional 2,315 indirect jobs would be lost, totaling 6,315; loss of income and expenditures locally would be over $567 million. If the JSC loses 7,000 direct jobs, an additional 4,052 indirect jobs would be lost, totaling 11,052; loss of income and expenditures locally would total almost $1 billion.

When speaking of the decision to cancel the Constellation Program, Administrator Bolden stated that "NASA intends to work with the Congress to make this transition smooth and effective, working responsibly on behalf of the Taxpayers." To the contrary, I believe that the best use of taxpayers' money is to continue the investment in NASA to build America's scientific future. That future will create jobs. Finally, I would like to reiterate that the present Administration's plan for the Constellation Program would cause drastic job loss across America and would place America in a behind the edge position as it relates to competitiveness in scientific research.

NASA and the space industry are critical to Houston's economic success in both the short and long term. According to the Bay Area Houston Economic Partnership,

NASA accounts for nearly 16,800 direct federal jobs and serves as the engine for another 3,100 civilian jobs that together supply more than $2.5 billion in payroll into Houston's regional economy. As you are aware, the Johnson Space Center is the primary location for training Astronauts for spaceflights and this move; yet, the proposed budget will effectively cancel America's human spaceflight program.

In his statement announcing NASA's budget, Administrator Bolden stressed that changes in the FY 2011 budget would be "good for NASA, great for the American workforce, and essential for our nation's future prosperity." While I seek the same objectives, I strongly disagree with the closing of this project and I believe it will hurt America's scientific progress.

Additionally, the aerospace industry would lose as many as 20,000—30,000 jobs nationally in either of these scenarios.

Given our current economic downturn, we cannot take the possibility of these job losses lightly and the Johnson Space Center is just one example of what the cancellation of this program would do to other NASA centers nationally.

Finally, it will take years for the commercial spaceflight industry to get up to speed to reach the level of competence that exists at NASA today. Our government has already invested literally years and billions of dollars into this program. We should build upon these investments and not abandon them. Our country can support the commercial spaceflight industry, but not at the expense of our human spaceflight program, which for years has inspired future generations and driven technology that enhances our quality of life.

That is why it is my hope, Mr. Chairman, this Committee and this Congress will continue to support NASA's Constellation Program and to support balanced energy policies that promote economic growth and will help us meet our clean energy goals.

Thank you.

[The prepared statement of Bennie G. Thompson follows:]

PREPARED STATEMENT OF HON. BENNIE G. THOMPSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Chairman Spratt, Ranking Member Ryan, and Members of the Committee, thank you for the opportunity to testify on the budget priorities for Fiscal Year (FY) 2011. As Chairman of the Committee on Homeland Security, I would like to focus my remarks on the Department of Homeland Security's FY 2011 Budget Request.

On February 1, 2010, President Barack Obama requested just over $56 billion for the Department of Homeland Security (Department or DHS) as a part of his FY 2011 budget request. Overall, under the President's proposal, the Department's budget is slated to increase by about 2% over last year's enacted funding level. Given the current fiscal environment, the President is to be commended for showing an ongoing commitment in enhancing our Nation's preparedness, response, and recovery capabilities.

The Department's missions—both homeland security and non-homeland security—require a budget request that is far-reaching and that necessarily addresses:

- the security of Americans who travel by air, rail, and sea;
- the capacity of communities to be prepared for and respond to terrorism and other hazards; and
- the ability of operators of critical infrastructure and DHS to find innovative approaches to foster resiliency in the face of an ever-evolving terrorist threat.

In general terms, I support the President's overall budget request for the Department as it provides the operational resources to DHS to execute the five (5) homeland security missions that were identified in the first-ever Quadrennial Homeland Security Review (QHSR) that the Secretary of Homeland Security Janet Napolitano transmitted to Congress on February 1, 2010. In addition to supporting the Department's non-homeland security missions, the budget is focused on funding activities that support the following five homeland security mission areas: (1) preventing terrorism and enhancing security; (2) securing and managing our borders; (3) enforcing and administering our immigration laws; (4) safeguarding and securing cyberspace; and (5) ensuring resilience to disasters. A budget request based on this conceptualization of homeland security is a step in the right direction as the Congress considers next year's funding for the Department.

In reviewing this budget request, I am pleased to see Secretary Napolitano tackle the issue of over-reliance on contractors at the Department in an effort to develop a balanced workforce. Since its inception in 2003, contractor-dependence has stood in the way of the Department becoming the Federal agency that the Congress envisioned and what the American people deserve. The Secretary is to be commended for taking on this challenge that for so many years went unaddressed by her predecessors and for setting a goal of converting 3,300 contractor positions to depart-

mental positions by the end of this year. While this is a step in the right direction, a great deal more work will need to be done to achieve a balanced workforce insofar as the Department relies on approximately 200,000 contractors to operate. This figure is roughly half of all the personnel that work at DHS.

While I support the substance presented in the majority of this budget request, I do have some concerns about certain proposals.

First, while I understand that reducing personnel at the U.S. Border Patrol and U.S. Coast Guard will bring short-term savings to the Department, I am concerned about the approach taken to achieve these savings. Reduction-in-force activities may result in loss of years in knowledge and experience. This, in turn, may result in a reduction of the Department's resources and capabilities to fulfill all its missions.

Second, I am also greatly concerned that the budget seeks to consolidate a number of important free-standing grant programs into the State Homeland Security Grant Program. I worry that this consolidation will make it more difficult for local communities to receive much-needed funding. It also troubles me that for the second year in a row, the budget decreases funding for the Assistance to Firefighters (FIRE) and SAFER grant programs. These cuts could not come at a worse time insofar as State and local communities are struggling financially to maintain the capability gains that have been achieved in recent years.

Third, I am particularly disappointed the Centers of Excellence and other University Programs—including the Minority Serving Institutions program—that have been in place since DHS was established, would be cut by nearly 20% under this budget. I strongly believe that these programs are the breeding grounds for the next generation of homeland security leaders and experts.

Before I conclude, I would like to bring to your attention one operational area in the budget that I believe deserves particular attention—international maritime cargo screening. I find it incredulous that this budget seeks to decrease funding for international cargo screening programs by almost 48%. It is hard to believe that the resources for this operational area, which were short-shrifted by the previous Administration, are being further downscaled under this budget. As you know, under the Implementing Recommendations of the 9/11 Commission Act, the Department is responsible for ensuring that 100% of cargo that enters into the United States is scanned.

In addition to the areas I highlighted, I urge this Committee to provide adequate resources to the Department of Homeland Security for FY 2011 to promote management and oversight of this diverse agency, fulfill all its missions, and support activities in the following areas:

- aviation and surface transportation security;
- maritime security;
- emergency management;
- infrastructure protection;
- intelligence and information sharing;
- science and technology;
- bio-preparedness; and
- nuclear detection.

In closing, I appreciate the opportunity to share my views on the President's Budget Request and I look forward to working with you to ensure that the Department has the resources it needs. Thank you.

[Whereupon, at 3:12 p.m., the Committee was adjourned.]

○