AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

MEMBERS' DAY

HEARING

BEFORE THE

COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

HEARING HELD IN WASHINGTON, DC, MARCH 8, 2012

Serial No. 112–23

Printed for the use of the Committee on the Budget

Available on the Internet:
www.gpo.gov/fdsys/browse/committee.action?chamber=house&committee=budget

U.S. GOVERNMENT PRINTING OFFICE

73–369 PDF WASHINGTON : 2012

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

PAUL RYAN, Wisconsin, *Chairman*

SCOTT GARRETT, New Jersey
MICHAEL K. SIMPSON, Idaho
JOHN CAMPBELL, California
KEN CALVERT, California
W. TODD AKIN, Missouri
TOM COLE, Oklahoma
TOM PRICE, Georgia
TOM McCLINTOCK, California
JASON CHAFFETZ, Utah
MARLIN A. STUTZMAN, Indiana
JAMES LANKFORD, Oklahoma
DIANE BLACK, Tennessee
REID J. RIBBLE, Wisconsin
BILL FLORES, Texas
MICK MULVANEY, South Carolina
TIM HUELSKAMP, Kansas
TODD C. YOUNG, Indiana
JUSTIN AMASH, Michigan
TODD ROKITA, Indiana
FRANK C. GUINTA, New Hampshire
ROB WOODALL, Georgia

CHRIS VAN HOLLEN, Maryland,
Ranking Minority Member
ALLYSON Y. SCHWARTZ, Pennsylvania
MARCY KAPTUR, Ohio
LLOYD DOGGETT, Texas
EARL BLUMENAUER, Oregon
BETTY McCOLLUM, Minnesota
JOHN A. YARMUTH, Kentucky
BILL PASCRELL, JR., New Jersey
MICHAEL M. HONDA, California
TIM RYAN, Ohio
DEBBIE WASSERMAN SCHULTZ, Florida
GWEN MOORE, Wisconsin
KATHY CASTOR, Florida
HEATH SHULER, North Carolina
KAREN BASS, California
SUZANNE BONAMICI, Oregon

PROFESSIONAL STAFF

AUSTIN SMYTHE, *Staff Director*
THOMAS S. KAHN, *Minority Staff Director*

CONTENTS

	Page
Hearing held in Washington, DC, March 8, 2012	1
Hon. Peter Welch, a Representative in Congress from the State of Vermont	2
Prepared statement of	3
Hon. Louie Gohmert, a Representative in Congress from the State of Texas	4
Hon. Jason Altmire, a Representative in Congress from the State of Pennsylvania	6
Prepared statement of	6
Hon. Robert J. Dold, a Representative in Congress from the State of Illinois	8
Prepared statement of	9
Hon. Henry C. "Hank" Johnson, Jr., a Representative in Congress from the State of Georgia	11
Prepared statement of	12
Hon. Colleen Hanabusa, a Representative in Congress from the State of Hawaii	12
Prepared statement of	14
Hon. Marsha Blackburn, a Representative in Congress from the State of Tennessee	15
Prepared statement of	16
Hon. Judy Chu, a Representative in Congress from the State of California	17
Prepared statement of	19
Hon. Gene Green, a Representative in Congress from the State of Texas	27
Prepared statement of	29
Hon. Richard B. Nugent, a Representative in Congress from the State of Florida	30
Prepared statement of	31
Hon. Rick Larsen, a Representative in Congress from the State of Washington	31
Prepared statement of	32
Hon. Joe Courtney, a Representative in Congress from the State of Connecticut	34
Prepared statement of	35
Hon. Donna M. Christensen, a Delegate in Congress from the U.S. Virgin Islands	38
Prepared statement of	40
Hon. Scott E. Rigell, a Representative in Congress from the State of Virginia	43
Prepared statement of	44
Hon. Laura Richardson, a Representative in Congress from the State of California	46
Prepared statement of	47
Hon. Randall M. Hultgren, a Representative in Congress from the State of Illinois	52
Prepared statement of	54
Hon. William L. Owens, a Representative in Congress from the State of New York	56
Prepared statement of	57
Hon. Charles J. "Chuck" Fleischmann, a Representative in Congress from the State of Tennessee	58
Prepared statement of	59

Page

Hon. Martha Roby, a Representative in Congress from the State of Alabama 60
Prepared statement of 62
Hon. Michael C. Burgess, M.D., a Representative in Congress from the State of Texas 63
Prepared statement of 65
Hon. Al Green, a Representative in Congress from the State of Texas 65
Prepared statement of 67
Hon. Steny Hoyer, a Representative in Congress from the State of Maryland 69
Prepared statement of 70
Hon. Dave Loebsack, a Representative in Congress from the State of Iowa 72
Prepared statement of 74
Hon. Brian Higgins, a Representative in Congress from the State of New York 75
Prepared statement of 76
Hon. Mark S. Critz, a Representative in Congress from the State of Pennsylvania 77
Prepared statement of 78
Hon. Sheila Jackson Lee, a Representative in Congress from the State of Texas 80
Prepared statement of 82
Hon. Keith Ellison, a Representative in Congress from the State of Minnesota 88
Prepared statement of 90
Hon. William R. Keating, a Representative in Congress from the State of Massachusetts 91
Prepared statement of 93
Hon. Hansen Clarke, a Representative in Congress from the State of Michigan 95
Prepared statement of 96
Hon. Gerald E. Connolly, a Representative in Congress from the State of Virginia 98
Prepared statement of 98
Hon. Bill Posey, a Representative in Congress from the State of Florida 100
Prepared statement of 102
Hon. David N. Cicilline, a Representative in Congress from the State of Rhode Island 103
Prepared statement of 105
Hon. Janice D. Schakowsky, a Representative in Congress from the State of Illinois 106
Prepared statement of 108
Hon. Steven M. Palazzo, a Representative in Congress from the State of Mississippi 109
Prepared statement of 110
Hon. Barbara Lee, a Representative in Congress from the State of California, prepared statement of 114
Hon. Mike Coffman, a Representative in Congress from the State of Colorado, prepared statement of 116
Hon. Bob Goodlatte, a Representative in Congress from the State of Virginia, prepared statement of 116
Hon. Janice Hahn, a Representative in Congress from the State of California, prepared statement of 117
Hon. James R. Langevin, a Representative in Congress from the State of Rhode Island, prepared statement of 118
Hon. John Lewis, a Representative in Congress from the State of Georgia, prepared statement of 119
Hon. John L. Mica, a Representative in Congress from the State of Florida, prepared statement of 122
Hon. Cedric L. Richmond, a Representative in Congress from the State of Louisiana, prepared statement of 123
Hon. Gregorio Kilili Camacho Sablan, a Delegate in Congress from the Northern Mariana Islands, prepared statement of 124
Hon. Robert T. Schilling, a Representative in Congress from the State of Illinois, prepared statement of 125

Page

—Continued

Hon. Kurt Schrader, a Representative in Congress from the State of Oregon, prepared statement of 126

Hon. Timothy J. Walz, a Representative in Congress from the State of Minnesota, prepared statement of 127

MEMBERS' DAY

THURSDAY, MARCH 8, 2012

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. Jason Chaffetz, presiding.

Present: Representatives Chaffetz, Stutzman, Lankford, Van Hollen, Blumenauer, Honda, Ryan of Ohio, Castor, Bass, and Bonamici.

Mr. CHAFFETZ. The hearing will come to order. Good morning, and welcome to the Budget Committee Member's Day hearing. Before we begin, it looks like we are scheduled to have votes later this morning, so I ask unanimous consent that, consistent with Clause 4 of House Rule 16, the chairman will be authorized to declare a recess at any time, without objection, the request is agreed to.

This is a hearing we hold every year from our colleagues about their views on the budget. This hearing is directed by Section 301(e1) of the Budget Act, and its intent is to bring about a forum in which members can relay their priorities for their district, their state, and indeed, for the country. We are pleased to have a diverse group of members from both sides of the aisle, and we look forward to receiving their testimony.

Before we begin, I would like to turn it over to my colleague, Mr. Van Hollen, the ranking member of this committee, for any comments that he might have.

Mr. VAN HOLLEN. Thank you, Mr. Chairman. Let we welcome the members who are here on our first panel; and let me say that we look forward to your testimony and also the testimony from our colleagues throughout the day. I think we all understand that at the end of the day, if we are going to put this budget on a sustainable course, we are going to have to come together and overcome the differences and forge some compromises. Hopefully today will bring some good ideas along those lines. Thank you, Mr. Chairman.

Mr. CHAFFETZ. Thank you. I would remind members that they have been allocated five minutes, and the essence of time, and the number of members that we have coming before the committee today, we would ask that you keep your commitments to five minutes and that we will submit, obviously, your entire written comments into the record.

Additionally, members of the committee will be permitted to question the witnesses following their statements, but out of consideration for our colleagues time, and to expedite today's proceedings, I ask that you please keep your comments brief.

I would now like to call upon our first witness today, the gentleman from Vermont, Mr. Welch, for five minutes.

STATEMENT HON. PETER WELCH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VERMONT

Mr. WELCH. Okay, thank you very much, Mr. Chairman, and Mr. Ranking Member. This federal budget, as you know, is not an abstract document, it is something that affects people every day in their lives. I want to talk about three Vermonters, where the decisions that this Congress makes is going to have a real impact on their future.

Roger in Rutland heats his home with fuel oil. Prices are skyrocketing, he cannot pay those bills. He lives alone in a very modest home, but at age 70, tough as he is, it is tough to split wood. The $400 he received from the low-income heating assistance program, and that is all he is going to get, is not going to get him through the winter. LIHEAP is a vital lifeline that ensures that Americans and Vermonters like Roger can try to make it from one end of the winter to the other. They do not have any control over the price of fuel, they do not have any control over the weather.

In Vermont, although 76,000 households are eligible for LIHEAP, only 46,000 receive modest help; yet, in spite of record high demand, the administration in its proposal, has suggested slashing LIHEAP funding by $2.1 billion. We should, and can, do better and I urge the committee to fund LIHEAP at $7.1 billion a year so that folks do not get cold in the winter.

Second, rising gas prices: One of the factors in rising gas prices is Wall Street speculation. A Goldman Sachs study indicated that $23 on the price of a barrel oil is attributable to Wall Street speculation, not supply and demand. That futures market has been flipped upside down from 80 percent end users buying the product, fuel dealers, airlines, and 20 percent market makers, speculators to 80 percent speculators, 20 percent end users. That $23 a barrel translates into 56 cents on a gallon of gas, or $15 when you fill up your pick-up.

We have to fund the Commodity Futures Trading Commission to be the cop on the beat and make sure that that futures market works on behalf of businesses and works on behalf of consumers who need help. Last year's budget, the consumer cop on the beat, the Commodity Futures Trading Commission budget was cut 33 percent. It makes no sense, I urge the committee to fully fund it.

Finally, mortgage refinancing: Ashley from Bondville is a Vermonter who is out of work, but has been current on her mortgage. She has made every single payment, yet she is unable to refinance. We have a proposal from the president to allow for folks who are current on their mortgage to refinance their mortgage; we need to make certain that whatever resources are required to implement that program, and this is not having the government pay the mortgage of Ashley, she is doing that, but it is a program to allow her to get the benefit of a lower rate of interest, now that we have record low interest rates.

So Mr. Chairman, these choices we make in the budget do reflect our priorities, and as we come to grips with the struggling economy, we need to get a handle on federal debt. We do have tough

choices, but some of these choices are straightforward and absolutely essential for us to make. We should not let people freeze in their home; we should not let speculators reach in the pocket of consumers and small businesses; and we should let folks who are paying their mortgage refinance their mortgage. Thank you very much, I yield back.

[The prepared statement of Peter Welch follows:]

PREPARED STATEMENT OF HON. PETER WELCH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VERMONT

Mr. Chairman, Ranking Member Van Hollen, and Members of the Committee: The federal budget is not an abstract document. It affects the everyday lives of all Americans.

And it should reflect the priorities and values of our country, especially in this difficult economy.

For many Vermonters, the decisions made in the federal budget process will make a difference in whether they will be able to heat their homes, fill their gas tanks, or pay their mortgages.

1. LIHEAP

Take Roger from Rutland, Vermont. He heats his home with fuel oil and, with prices skyrocketing, he can no longer afford to fill his fuel tank.

Roger lives alone in a very modest home. But at the age of 70, he is too old to split wood.

The $400 he has received in fuel assistance will not get him through the winter. He has exhausted all other means.

LIHEAP is a vital lifeline that ensures Americans like Roger don't have to choose between heating their home, putting a meal on the table, or paying for their medications.

With a backdrop of rising fuel prices and declining incomes, the last increase in LIHEAP funding was in 2005.

In Vermont, although 76,000 households are eligible for LIHEAP assistance, only 46,000 households receive help

In spite of record high demand, the Administration has proposed slashing LIHEAP funding by $2.1 billion

We can do better. We should be increasing LIHEAP funding, not slashing it.

I urge the committee to fund LIHEAP at $7.1 billion per year so it can help those who need it most

2. RISING GAS PRICES

The rising cost of gasoline is also squeezing the budget of rural Vermonters.

Judy from Fairfax, Vermont drives a great distance to and from work.

Skyrocketing gas prices, due in part to Wall Street speculation, are crimping her budget and household budgets across the country.

Gas prices nationally have increased over 30 cents per gallon in the last month alone.

This run up in prices comes at a time of the lowest demand for gas demand in 15 years and the highest domestic oil production in eight years.

Something doesn't add up.

Wall Street speculators are rolling their dice yet again and driving up the price of oil and gasoline at the expense of consumers.

A Goldman Sachs analysis revealed that oil speculation adds a "speculative premium" of more than $23 per barrel of oil.

That $23 "premium" translates to a 56 cent per gallon at the gas pump.

As gas prices continue to rise, Judy can't afford to fill her gas tank to get to work.

Speculators are reaching into Judy's pocket to take money she doesn't have. And their market activity is posing a serious threat to the fragile economic recovery.

Judy's story, and the millions of Americans in the same situation, highlights the need to get a cop on the beat cracking down on Wall Street speculators.

Last year, the budget for the consumer's cop on the beat, the Commodity Futures Trading Commission, was cut by 33 percent.

That makes no sense.

I urge this committee to fully fund the CFTC at $300 million so it can do its job cracking down on speculators and protecting consumers.

3. MORTGAGE REFINANCING

Finally, Ashley from in Bondville, Vermont has been current on her mortgage for 15 years.

In spite of being underemployed for months, she has managed to keep paying her mortgage in full and on time.

Yet, she is unable to take advantage of record low interest rates to refinance her mortgage and lower her monthly payments.

Allowing Ashley to refinance her home would be good for her but also good economy.

Putting extra money in the pockets of homeowners will have a simulative effect on the economy. We ought to help people like Ashley save money to spend on household needs.

President Obama has proposed a mortgage refinancing program that will allow people like Ashley to refinance her mortgage and save thousands of dollars per year.

I urge this committee to examine available resources to help people like Ashley refinance their mortgages at record low rates.

4. CONCLUSION

Mr. Chairman, the choices we make in the budget reflect the priorities of our country.

As we come to grips with a struggling economy and the need to get a handle on the federal debt, we have a lot of tough choices to make.

Some of those choices, however, are no-brainers:

• We should not let people freeze in their own homes.

• We should not let Wall Street speculators profit at the expense of hard working Americans struggling to fill their gas tanks.

• And, we should put money in the pockets of Americans to spend as they see fit by making it easy to refinance their mortgages.

I hope you'll consider these three Vermonters as you put together the budget for fiscal year 2013.

Thank you.

Mr. CHAFFETZ. Thank you. You have any questions?

Mr. VAN HOLLEN. No.

Mr. CHAFFETZ. Thank you. The gentleman yields back. We will now recognize the gentleman from Texas, Mr. Gohmert for five minutes.

STATEMENT OF HON. LOUIE GOHMERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. GOHMERT. Thank you. I do appreciate the opportunity to testify before this committee. I was really struck with the last budget that even though it would not balance for 25 or 26 years, the chairman and others were just demonized, basically, for even proposing the cuts they did. We have got to do better, and there are ways to do that without hurting everybody.

Back in 2008 when Speaker Pelosi and Harry Reid were in charge of the Congress, we did not hear any complaints, or not much of any complaints, that we were not spending enough money. There is no reason we could not go back to 2008 levels and immediately drop over $1 trillion that has spent above what we have been doing in the past. So I would suggest that as one thing; go back to 2008 levels.

Another thing, while America does not know, but we cut our budgets over 5 percent last year and this year they are being cut by over 6 percent. We have the moral authority now to tell every government agency in the whole federal bureaucracy, we have done it, now you are doing it; and over a two year period require every federal agency to cut their budgets by 11.4 percent like we have done in the House. If we do not do that, and use the moral author-

ity it gives us, it is just pennies compared to the overall federal budget. If we do it, it is extremely meaningful.

We pass the zero baseline budget in the House; I'm thrilled with that. I do think it is a good idea to have the biennial budget so that in the off years, the Budget Committee can do more hearings and more oversight to make sure the money is properly expended. Also I would ask the Budget Committee, and you have made great proposals, similar to something I have been proposing for three or four years now, but that we give seniors a choice; Medicare, others on Medicaid, here is your choice: You can stay on that, or you can have great private insurance and we will give you the amount of your high deductible, because it appears to me that will be tremendously cheaper than what we are doing. Now, I do not know of anybody else that has done this, and I have asked for specific numbers from the census on how many households there are, how many households have people on Medicare and Medicaid, and an overall cost of Medicare and Medicaid. Then I have been warned by the people that gave us the numbers, officially, that these are not official; you cannot really trust these numbers. So the best we can tell is that for every household who has someone on Medicare/Medicaid, that it is costing the government about $20,000 to $30,000 per household, and probably closer to $30,000. You can buy incredible insurance and give cash in a HSA with a debit card, which will allow patients, for the first time since the 1960s, to have control of their own health care situation.

We need government out of the health care business as a player, and a coach, and back to the role of being a referee. We need insurance companies out of the business of being health managers and back in the business of being health insurers, and that will bring down costs. We also could save a tremendous amount of money if people were allowed to pay the same thing the insurance companies do with cash, even though they may not have insurance.

Also, we could save a significant amount of money if we utilized the rule when it comes to foreign assistance. Every country is sovereign, they can make their own choices, but if they vote against the United States in the U.N. more than half the time, then the subsequent year they get no assistance from the U.S. of any kind. We do not have to pay people to hate us, they do it for free, and we can save money in the process.

I would also submit to you that there could be tremendous savings if we redid the committee structure of the House, and I know this is the Budget Committee, but this budget makes policy recommendations when it sees it can actually substantially affect the amount of money spent.

For an example, Robert Rector at the Heritage Foundation says it takes two years to find all the welfare that is expended in all the different budgets. You combine all of the welfare into one welfare committee, and we could get rid of redundancy like never before. I have some other ideas and would be glad to submit them in writing for your perusal at your convenience. Thank you.

Mr. CHAFFETZ. I thank the gentleman from Texas. His time has expired so we will now recognize the gentleman from Pennsylvania, Mr. Altmire for five minutes.

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

Mr. ALTMIRE. Thank you, Mr. Chairman, and members of the committee. I appreciate the opportunity to testify today on the fiscal year 2013 budget resolution. The passage of last summer's Budget Control Act sent a strong, bipartisan message to the country that we are serious about reducing our deficit and making the tough decisions to get our country back on a fiscally sustainable path. It also demonstrated that we can make responsible spending decisions without harming the benefits of our veterans and seniors. I am sure almost everybody in this Congress would agree that Social Security, Medicare, and veterans benefit programs represent an ironclad agreement between citizens and the federal government, a promise that can never be broken.

I am also certain that we would agree that the biggest long term threat to those programs may be inaction in addressing our nation's fiscal mess. Unless we take meaningful steps toward reducing our deficit and long-term debt and eventually, to balancing the federal budget, the threat of crowding out available funding for Social Security and veterans programs will get even more real. Indeed, the best way to protect those earned benefit programs are to make sure right the ship and get our federal budget back on a fiscally sustainable course. Putting our nation on a course towards a balanced budget would serve to protect the critical programs that our veterans and seniors rely on and were promised.

Reducing our budget deficit will require real sacrifices, but in doing so, these programs must be protected to ensure that we honor the promise we made to our veterans and our recipients of Social Security and Medicare. As you work to draft the fiscal year 2013 budget resolution, I would ask this committee to protect those earned benefit programs, programs that Americans have earned through a lifetime of hard work and sacrifice. Any savings accrued from reform of these programs must be used solely to strengthen those programs for our current and future beneficiaries, not to pay for other programs and not for any other purpose.

Simply put, veterans and seniors are not the cause of our deficits, so we should not look to them to solve our current crisis. It is my hope that this committee will produce a bipartisan budget proposal that makes the hard choices and moves our nation towards a balanced budget in a manageable time frame. I stand ready to work with the committee to this end and truly appreciate the opportunity to testify today. Thank you, Mr. Chairman, and I yield back my time.

[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 2013 budget resolution and its impact on western Pennsylvania.

The passage of last summer's Budget Control Act sent a strong, bipartisan message to the country that we are serious about reducing our deficit and making the tough decisions to get our country back on a sustainable fiscal path. It also demonstrated that we can make responsible spending decisions without harming the benefits our veterans and seniors have earned.

Social Security, Medicare, and veterans' benefit programs represent an agreement between citizens and the federal government. Our current fiscal situation will undoubtedly require sacrifices, but these programs must be protected to ensure that we honor our end of the deal. Any savings accrued from reform of these programs must not go toward reducing the deficit—those savings must be used to strengthen the programs for our current and future beneficiaries. As you work to draft the fiscal year 2013 budget resolution, I would ask the committee to protect those entitlement programs that Americans have earned through their hard work and sacrifice.

With a record number of service men and women returning home from overseas operations last year and in the coming year, care of our veterans must be a priority. I am pleased to have supported increases in funding for veterans' programs every year since I came to Congress in 2007, and I urge the committee to continue that trend. The Independent Budget, written by the veterans community, outlines several areas that will help us meet our obligations. Their priorities remain unchanged from previous years, but the increased number of returning servicemembers underscores the need to address those concerns now.

First, we must reform the disability claims processing system. Our nation's heroes should not have to wait even one day to access their benefits. We can also do more to address the high unemployment rate among veterans. Congress came together late last year to pass the VOW to Hire Heroes Act which provided incentives for businesses to hire veterans. Although the unemployment rate for post-September 11th veterans has dropped from 12 percent to 9 percent since the passage of that Act, the number of unemployed veterans is still unacceptable. We must provide every opportunity for veterans to return to civilian life and succeed here at home after they honorably serve their country.

In a similar vein, we must redouble our efforts to eliminate veteran homelessness. No soldier should ever have to be concerned with having a roof over his or her head. I stand ready to work with you to fulfill the promises we made to our nation's veterans.

Veterans are not the only segment of our population on the rise. Our country's population is rapidly aging, with an estimated 10,000 new retirees becoming eligible for Social Security benefits every day. These citizens have paid into the trust fund their entire lives, and after years of hard work, have earned the right to enjoy these benefits in retirement. Similarly, Medicare is another part of the contract we have made with our seniors. Health care costs in America continue to skyrocket. We must resist the temptation to attack either of these programs as a means to solve our budget problems. To put it simply, veterans and seniors are not the cause of our deficits, so we should not look to them to solve our current crisis.

While I understand the need to get our fiscal house in order, it is going to take more than just spending cuts to balance the federal budget. To seriously address our fiscal problems, we must consider systemic changes that can help bring Congress together, work through our differences, and return to responsible budgeting.

I support a balanced budget amendment to the Constitution because it would serve to protect the critical programs that our veterans, seniors, and vulnerable populations rely on most. While it is true that Congress has balanced the budget without such an amendment as law in the past, the absence of a balanced budget amendment is exactly what allowed previous Congresses to turn surpluses into deficits. A balanced budget amendment forces Congress to pay for the decisions it makes year by year, just like families in western Pennsylvania and across the country.

Another legislative initiative that I support is the No Budget, No Pay Act. This commonsense legislation holds Members of Congress accountable to the most fundamental of tasks: passing annual budget and appropriations bills in a timely manner. I appreciate the committee's efforts to draft a budget resolution for consideration but, as so often happens, October 1st inevitably arrives with our work uncompleted. The No Budget, No Pay Act will stop our pay for every day beyond October 1st that we do not enact our spending bills into law. These two changes are positive steps we can take to regain the trust of the American people and show we are serious about ensuring our country's long-term prosperity.

Mr. Chairman and members of the committee, thank you for the opportunity to address the Committee and outline my priorities for the fiscal year 2013 budget. I yield back the balance of my time.

Mr. CHAFFETZ. I thank the gentleman. Does any member have any questions? If not, we thank you for your testimony today and the gentleman yields back. So we will now recognize the gentleman from Illinois, Mr. Dold for five minutes.

STATEMENT OF HON. ROBERT DOLD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. DOLD. Thank you, Mr. Chairman. I certainly want to thank the ranking member as they are switching out right now. Mr. Chairman, hard-working American tax payers demand discipline from Washington, D.C. They want Congress to reign in the out-of-control spending that has been happening here for a number of years, frankly, on both sides of the aisle. As this committee knows well, however, we must tighten our belt, and I believe still fund our priorities. I want to thank the committee for the opportunity to share some of the budget priorities that I hold for the fiscal year 2013, and which I am here to emphasize on behalf of the constituents of the 10th district of Illinois.

One priority is education. I have continually advocated for strong funding to increase access to STEM, science, technology, engineering, and mathematics, in terms of the education programs in our nation's public schools. I think this will help us meet the demands of a 21st century job market. Even with record unemployment in our nation, Mr. Chairman, and in my state especially, many local employers continually tell me that they have jobs that are unable to fill because of the lack of qualified candidates to meet the demands.

From high school training to our future workers to community colleges helping to train unemployed individuals, STEM education helps put people back to work and allows U.S. manufacturing to hire American workers. Continued funding for these programs will enable our nation to produce students and those looking to re-enter the workforce with the skills and training necessary to excel in the global marketplace.

Additionally, I want to highlight the importance of protecting our environmental priorities in our budget. The Great Lakes are truly a shared national treasure containing 95 percent of the fresh surface water in the United States, and serving as the primary source of clean drinking members for over 30 million Americans.

Accordingly, I want to emphasize the Great Lakes Restoration Initiative as an important funding priority. This vital program is a multiyear effort to clean up our Great Lakes so that they can be preserved for future generations. The GLRI funds are critical restoration programs for our degraded wetlands and wildlife habitats, as well as the important efforts to combat the invasive species that threaten our ecosystems in our lakes.

Another priority that I want to emphasize is access to health care. The Title X family planning program is a valuable component of our nation's health care infrastructure, providing family planning services and education to millions of low-income Americans. Through these programs, low-income women, as well as men, are provided access to preventative health care measures, including physical examinations, breast cancer screenings, HIV testing, access to contraception. This is why I support funding for Title X health programs because I believe it is important to ensure access to this basic preventative care for low-income individuals. Title X family planning helps over five million low-income Americans each and every year, and so it is critically important that we continue to support the women who depend on these health care services.

Additionally, supporting medical research and innovation are important priorities to me and to my constituents. Therefore, I ask that we provide robust funding to the National Institute of Health. The NIH plays a vital role in developing what we hope will end up with cures, and ensuring long-term health of all Americans.

The NIH is the largest supporter of biomedical research in the world, providing funds for competitive research grants to more than 325,000 scientists and research institutions and small businesses across our nation. I am proud to support the mission of the NIH, and I hope that as we move forward, we can focus in on cures for things like diabetes, where we spend $235 billion annually on diabetes alone.

A top priority of mine will always be ensuring the safety and security of the United States, Mr. Chairman, and central to this is my belief that national security of the United States is directly tied to the strength and security of the state of Israel. This is why I want to emphasize the particular importance of providing strong funding for the joint U.S./Israel missile defense programs. With Hamas and Hezbollah possessing over 65,000 rockets and missiles aimed squarely at Israel, as well as the continuing threat to our ally of Iran's advanced ballistic missiles, it is essential that we continue with the vital U.S./Israel missile and rocket defense programs. Strategic cooperation with Israel is critical and mutually beneficial, providing Israel with the capability to defend its citizens against imminent missile threats and providing the United States with critical data and technology for our own missile defense programs. Congress must continue to lead on these programs that are vital to Israel's security and future.

Finally, I want to recognize the importance of leaders in Washington being honest with the American public when it comes to the need to fix Medicare's looming insolvency. Medicare's most recent annual report says that if left on its current path, Medicare will go bankrupt by 2024. As Medicare's own trustees acknowledge, if action is taken sooner rather than later, more options and more time will be available to phase in the changes so that none of those affected, or that those affected, have adequate time to prepare.

Mr. Chairman, I see my time has expired, but I do want to emphasize that bipartisan solutions are going to be the answer going forward and we have to come together here in our nation's capital to provide a budget document that reigns in the out-of-control spending and still funds our priorities. With that, I yield back.

[The prepared statement of Robert Dold follows:]

PREPARED STATEMENT OF HON. ROBERT J. DOLD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. Chairman, the hardworking American taxpayers demand discipline from Washington, and they want Congress to rein-in the years of overspending. As this Committee well knows, however, we must tighten our belt and continue to fund our priorities. I want to thank this Committee for the opportunity to share some of the budget priorities I hold for FY13, and which I am here to emphasize on behalf of the Tenth District of Illinois.

One priority is education. I have continuously advocated for strong funding to increase access to STEM (Science, Technology, Engineering, Math) education programs in our nation's public schools, which will help us meet the demands of a 21st Century job market. Even with record unemployment in our nation and in my state, many local employers tell me that they cannot find workers qualified to meet their demands. From high schools training our future workers, to community colleges

helping to train unemployed individuals, STEM education helps put people back to work and allows US manufacturers to hire American workers. Continued funding for these programs will enable our nation to produce students, and those looking to re-enter the workforce, with the skills and training necessary to excel in the global marketplace.

Additionally, I want to highlight the importance of protecting environmental priorities in our budget. The Great Lakes are truly a shared national treasure, containing 95% of surface fresh water in the United States and serving as the primary source of clean drinking water for 30 million people. Accordingly, I want to emphasize the Great Lakes Restoration Initiative as an important funding priority. This vital program is a multi-year effort to clean up our lakes so that they can be preserved for generations to come. The GLRI funds critical restoration programs for our degraded wetlands and wildlife habitats, as well as important efforts to combat invasive species that threaten the ecosystems of our lakes.

Another priority I want to emphasize is access to health care. The Title X Family Planning Program is a valuable component of our nation's health care infrastructure, providing family planning services and education to millions of low-income Americans. Through these programs, low-income women, as well as men, are provided access to preventative health care measures, including physical examinations, breast cancer screenings, HIV testing, and access to contraception. I support funding for Title X health programs because I believe it is important to ensure access to this basic preventative care for low-income individuals. Title X family planning helps over 5 million low-income Americans each year, and so it is critically important that we continue to support the women who depend on these health care services.

Additionally, supporting medical research and innovation are important priorities to me and my constituents. Therefore, I ask that we provide robust funding to the National Institutes of Health. NIH plays a vital role in developing cures and ensuring the long-term health of all Americans. NIH is the largest supporter of biomedical research in the world, providing funds for competitive research grants to more than 325,000 scientists at research institutions and small businesses across our nation. I am proud to support the mission of the NIH.

A top priority of mine will always be ensuring the safety and security of the United States, and central to this is my belief that the national security of the U.S. is directly tied to the strength and security of the State of Israel. This is why I want to emphasize the particular importance of providing strong funding for joint U.S.-Israeli missile defense programs. With Hamas and Hezbollah possessing over 65,000 rockets and missiles aimed squarely at Israel, as well as the continuing threat to our ally of Iran's advanced ballistic missiles, it is essential that we continue with the vital U.S.-Israeli missile and rocket defense programs. Strategic cooperation with Israel is critical and mutually beneficial, providing Israel with the capability to defend its citizens against imminent missile threats and providing the United States with critical data and technology for our own missile defense programs. Congress must continue to lead on these programs that are vital to Israel's security and future.

I also want to take a moment to talk about the importance of foreign aid to U.S. leadership, national security, and strategic interests around the world. On average, Americans believe we spend 25% of our budget on foreign aid; if you ask what they think we should spend on foreign aid, people say 10% of our budget. As you know, the amount we actually spend is around 1% of our budget. So, I want to make sure that the Committee keeps in mind this vast disparity between perception and reality when looking at the foreign affairs budget.

Finally, I want to recognize the importance of leaders in Washington being honest with the American people when it comes to the need to fix Medicare's looming insolvency. Medicare's most recent Annual Report says that if left on its current path, Medicare will go bankrupt by 2024. As Medicare's own Trustees acknowledge, "If action is taken sooner rather than later, more options and more time will be available to phase in changes so that those affected have adequate time to prepare." If we want to show the American people that we are serious about getting this country back on stable financial ground, we have a responsibility to be honest and acknowledge that doing nothing to fix Medicare is a decision in itself to let the program go bankrupt—one that would ultimately lead to dramatic cuts down the road on those vulnerable Americans who need the program the most. The big issues in this country require bipartisan solutions, so I am encouraged by the bipartisan efforts of Chairman Ryan and Senator Wyden to look for ways to secure Medicare for our future. I am certainly open to looking at any serious, bipartisan proposal that strengthens the future of the Medicare program so that our children and grandchildren can share in the program's promise.

Thank you for the opportunity to testify today.

Mr. CHAFFETZ. I thank the gentleman, and I thank you all for your testimony. We will pause here for a movement in the committee without going into recess as we transfer the next set of members who are testifying, and allow them to take their places and change out the name places.

Mr. GOHMERT. Mr. Chairman, while they are transitioning, could I make one point about the tool asking unanimous consent very quickly as they are coming up?

With regard to CBO, critical tool of this committee, we saw with Obamacare they originally said over $1 trillion in costs, then they came down to $800 billion, and now it is going to be over $1 trillion. This committee deserves better than an agency with plus or minus 25 percent margin of error. I have run this by Art Laffer.

Mr. CHAFFETZ. I thank the gentleman for those comments. We will now recognize, in the order that has been prearranged here, we are going to recognize the gentleman from Georgia, Mr. Johnson, for five minutes.

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

Mr. JOHNSON. Thank you, Congressman Chaffetz, and Congresswoman Bass for holding this hearing today and giving me the opportunity to testify on President Obama's fiscal year 2013 budget proposal. Preparing a budget proposal and sending it to the Congress is no easy feat. I sincerely believe that the president's budget proposal is a balanced approach that includes short term incentives to spur immediate job growth, and includes long term deficit reduction. I strongly urge this committee to follow the president's lead and invest in America. Lift up low- and middle-income families by investing in education, veterans, and unemployment insurance for Americans trying to find work. I specifically encourage this committee to give high priority to Work Force Investment Act funding, viral hepatitis research funding, legal services for the lower income individuals, and housing and foreclosure prevention programs.

This morning, I would like to focus on the low-income home energy assistance program, commonly referred as LIHEAP. I know that this committee will have tough decisions to make in this difficult economic environment, but I urge this committee to make LIHEAP a priority in its budget. LIHEAP is a federal program that helps low-income individuals, households, and seniors with their energy bills.

Since its inception in 1981, it has provided vital assistance during both the harsh cold northern winters and hot summers in the south. In 2011 in my home state of Georgia, LIHEAP provided more than 228,000 households with LIHEAP financial assistance. There were, however, roughly 1 million eligible households in the state. That means that there were hundreds of thousands of families that may have gone without heat in the winter or cooling relief in the hot, sweltering summer months.

Georgia was hit hard late last year when its LIHEAP funds were exhausted. I want to ensure my constituents that LIHEAP funding will be available to them in the future. We are digging ourselves out of hard economic times and energy prices remain high. Americans are struggling to pay their heating and cooling bills. Many

households receiving heating and cooling assistance are home to senior citizens, disabled residents, and children. No one in America, especially the most vulnerable among us, should have to choose between heating and food for his or her family or buying medication. For these reasons, I ask this committee to make LIHEAP a priority in its budget resolution. LIHEAP is a vital program that will ensure that the neediest among us are not left to freeze in the winter and bake in the summer. Thank you and I yield back the balance of my time.

[The prepared statement of Hank Johnson follows:]

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

Thank you Chairman Ryan, and Ranking Member Van Hollen for holding this hearing today and giving me the opportunity to testify on President Obama's fiscal year 2013 budget proposal.

Preparing a budget proposal and sending it to Congress is no easy feat. I sincerely believe that the President's budget proposal is a balanced approach that includes short-term initiatives to spur immediate job growth and includes long-term deficit reduction.

I strongly urge this Committee to follow the President's lead and invest in America. Lift up low and middle income families by investing in education, veterans, and unemployment insurance for Americans trying to find work.

I specifically encourage this Committee to give high priority to Workforce Investment Act funding, viral hepatitis research funding, legal services for low-income individuals, and housing and foreclosure prevention programs.

This morning, I would like to focus on the Low Income Home Energy Assistance Program, commonly referred to as LIHEAP.

I know that this Committee will have to make some tough decisions in this difficult economic environment, but I urge this Committee to make LIHEAP a priority in its budget.

LIHEAP is a federal program that helps low-income households and seniors with their energy bills. Since its inception in 1981, it has provided vital assistance during both the harsh, cold northern winters and hot summers in the South.

In 2011, in my home state of Georgia, LIHEAP provided more than 228,000 households with LIHEAP financial assistance. There were, however, roughly one million eligible households in the state.

That means that there were hundreds of thousands of families that may have gone without heat in the winter or cooling relief in the hot, sweltering summer months.

Georgia was hit hard late last year when its LIHEAP funds were exhausted. I want to ensure my constituents that LIHEAP funding will be available for them in the future. We are digging ourselves out of hard economic times and energy prices remain high. Americans are struggling to pay their heating and cooling bills.

Many households receiving heating and cooling assistance are home to senior citizens, disabled residents, and children.

No one in America, especially the most vulnerable among us, should have to choose between heating and food for his or her family or buying medication.

For these reasons, I ask this Committee to make LIHEAP a priority in its budget resolution. LIHEAP is a vital program that will ensure that the neediest among us are not left to freeze in the winter and bake in the summer.

Thank you and I yield back the balance of my time.

Mr. CHAFFETZ. Thank you. I thank the gentleman from Georgia, and we will now recognize the gentlewoman from Hawaii for five minutes.

STATEMENT OF HON. COLLEEN HANABUSA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

Ms. HANABUSA. Thank you very much Chairman Chaffetz and Ranking Member Bass. This is my second year that Congresswoman Bass has sat before me when I do this testimony.

First of all, I appreciate the opportunity to provide testimony regarding the 2013 budget resolution, which the Congress is working towards. As we all know, the budget statement by any legislative body is our foremost policy statement, and in that vein I would like to say that I would like to see us be very strong on simple concepts of fairness and equality.

Now, let me give you couple of examples that I would like to see incorporated. This, of course, affects Hawaii primarily, but it also affects other areas as well. The first I would like to discuss is what we call COFA, which is the Compact of Free Association. Many of us may not remember how that came about. It was when the United States did nuclear tests in the Pacific and as a result, we have resulted with three treaties. One with the Republic of the Marshal Islands, another with the Federated States of Micronesia, and of course, the third is with the Republic of Palau. What the COFA does is it permits them free access, migration into the United States, and benefits, primarily in the areas of health, education, housing, and I mean free migration.

Unfortunately, what we have not done, as a country, is to bear that burden, so though the majority of it is being borne by Hawaii, Guam, and the Commonwealth of the Northern Marianas, it has now spread to Arkansas, California, Washington, Oregon, Utah, and Arizona that have substantial populations.

What does this mean? In 2004, we have now grown since that date where we first established a $30 million reimbursement or basically compensation for these areas. We have now grown in population 80 percent. The cost has gone up to about $1 billion when you look at what was borne from 2004 to present for these various locations. Hawaii alone is facing a deficit of 62 percent of that $1 billion for that period of time, 62 percent.

What does the United States give the areas that is facing this burden? $30 million with a proposal of an additional $5 million to be split by all of us. You can imagine, it is estimated a yearly burden now is about $185 million, but $30 million is all we're getting to the $185 million that we are faced with. They are not eligible for benefits such as TANF, Medicaid, and SNAP, which is food stamp. They are not eligible for that, so who pays? The states pay, and as I said earlier, Hawaii is hit by $620 million since 2004 uncompensated. Fairness and equity should be something that governs our budget, and we cannot continue to expect us or the other states and our insular territories to bear that burden.

In addition to that, I would like for the committee to consider another point, again, related to our isolated location. We are able to travel between our islands only by air, and as you can imagine, that we have about 1.3 million people, the bulk of the people, they are spread between all the respective islands. It means that when we travel, part of the budget, as we asses, for example, $100 special fees, facilities fees, we bear that burden disproportionately.

I would like for this committee to consider that when we look at, for example, the $100 per flight fee on commercial and general aviation, and also what is called a $5 per one way trip for passenger security because what that does for those of us in Hawaii, as it is the only mode of transportation, we end up paying 25 percent more on inter-island passenger flights, 25 percent more than

any place else, and the reason is simple. Our major hospitals are on the main island of Oahu. Most of all the different types of activities that go on is on the major island of Oahu.

You can imagine, when people who are on fixed income must get special medical care, they have got to travel. Our travel inter-island is about 5.5 million a year. That is the only way, whether you are meeting family, you are getting together, or when you cannot even do anything other than to seek that important medical care. So those are examples, and I hope that what we adopt is a policy of fairness and equality among all of us. Thank you very much.

[The prepared statement of Colleen Hanabusa follows:]

House Committee on Budget
March 8, 2012
10:00 AM
210 Cannon House Office Building

"Members' Day"

Testimony of Congresswoman Colleen Hanabusa

Airline Fees

Chairman Ryan and Ranking Member Van Hollen, I appreciate the opportunity to provide testimony regarding my opposition to the proposed $100 per flight fee on commercial and general aviation and the proposed increase to the Passenger Security Fee in the President's fiscal year 2013 budget. Ultimately I believe these fees disproportionately affect the residents of Hawaii.

As an island chain in the middle of the Pacific Ocean, Hawaii is uniquely dependent on air transportation to allow the 1.3 million residents of the state and the 7 million visitors each year to travel among the islands to visit family, receive medical attention and conduct business. Unlike other parts of the country, where individuals can drive or take public transportation, many of Hawaii's residents must travel by air to satisfy the basic functions of everyday life. Between March 2010 and April 2011 there were almost 5.5 million interisland passengers in Hawaii.

The $100 proposed departure surcharge would institute a 25 percent greater cost on interisland passengers. To illustrate, flights between the Hawaiian Islands average 60 passengers, and the proposed departure fee would lead to roughly a $1.67 additional charge per person. Compared to flights within the mainland United States which average 75 passengers per flight and thus translates to a little over $1.30 per passenger or 25 percent less than those on interisland flights.

Additionally, the proposal to increase the passenger security fee to a minimum of $5 per one-way trip, with that amount rising 50 cents each year capping at $7.50 in 2018 similarly will disproportionately impact Hawaii residents as interisland flights tend to cost less on average then flights within the continental United States.

Once again I appreciate the opportunity to share my thoughts on how these proposals would affect air travel in my home state and I encourage the Committee to abandon this proposal to increase these fees.

Compact Impact

The Compact of Free Association Act of 1985 (COFA, P.L. 99-239), reauthorized under the Compact of Free Association Amendments Act of 2003, established the policy by which migrants to the U.S. from the Freely Associated States (FAS) of the Republic of the Marshall Islands, the

Federated States of Micronesia, and the Republic of Palau are granted nonimmigrant status to work, study, or live in the United States indefinitely.

Though the majority of migrants reside in Hawaii, Guam, and the Commonwealth of the Northern Marianas Islands, in the past decade migration from the FAS has nearly doubled and communities of COFA migrants have spread across the U.S., with many in Arkansas, California, Washington, Oregon, Utah, and Arizona.

As the affected areas struggle to uphold the guidelines of the Compacts, costs of accommodating COFA migrants have far outpaced the $30 million in Compact Impact aid provided through the 2003 Amendments Act. GAO estimates that since 2004, the cost of the growing COFA migrant population has increased an average of 80% annually for all affected jurisdictions – totaling $1 billion in uncompensated costs since 2004 – at a time when state governments are facing some of the largest deficits in recent history.

Adding to this burden, the U.S. deems COFA migrants ineligible for a number of federal benefit programs that could otherwise support the large numbers of low-income COFA migrants, including Medicaid, Temporary Assistance for Needy Families (TANF), Impact Aid calculations, and the Supplemental Nutrition Assistance Program (SNAP, or food stamps). Instead, the affected jurisdictions provide local programs at their own expense to support COFA migrants, adding to impact costs and furthering the economic disadvantages these states face.

According to the GAO, the State of Hawaii shoulders 62% of the $1 billion in uncompensated costs. Bottom line, this is an unfunded federal mandate imposed upon states.

It is my belief that Congress did not intend to incur negative consequences on state and territories to fulfill this federal mandate. However, as more states begin to accommodate FAS migrants, I believe it is important to find ways to alleviate the burden on all affected jurisdictions.

Mr. CHAFFETZ. Thank you, I had no idea that you could not travel without the boat.

Ms. HANABUSA. We cannot even do boat, unless you have a nice boat. It is just air travel.

Mr. CHAFFETZ. Well thank you for your testimony. I personally would love to work with you on that issue, so I thank you for bringing that to light.

Ms. HANABUSA. Thank you very much.

Mr. CHAFFETZ. We will now recognize the gentlewoman from Tennessee, Ms. Blackburn, for five minutes.

STATEMENT OF HON. MARSHA BLACKBURN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Ms. BLACKBURN. Thank you, Chairman Chaffetz and Ranking Member Bass. Thank you for the committee doing this and allowing us to be here. I have two legislative initiatives that I think could be included and have an impact on our fiscal year 2013 budget.

Basically what we have learned through the decades is that the federal government in essence, forces irrational and expensive health care decisions on Americans by requiring seniors to forfeit their private insurance and join Medicare. Currently, when someone turns 65 years of age, they are automatically required to join Medicare Part A. If individuals choose to waive their Medicare Part A entitlement because they prefer private health insurance or for any other reason, they lose their Social Security benefits, even though they have paid payroll taxes to fund those benefits during

their entire working lives. The individual also loses the ability to make further tax free contributions to their health savings account, and is unable to use the funds saved in their HSA to contract privately for health care services outside of Medicare.

Now, my legislation, HR 103 is an idea that grew out of a town hall meeting in my district. It called the Health Care Choices for Seniors Act; it allows seniors to choose their HSA over Medicare without a penalty. HR 103 splits the connection between Social Security and Medicare; it provides a premium support for those that opt out of Medicare in return for their years of paying Medicare payroll taxes and would allow individuals to continue tax free contributions to their health savings account. Additionally, the bill would delay enrollment penalties until age 70 to allow seniors more flexibility to keep their health savings account after age 65.

Unfortunately, uncertainty in Medicare is not the only issue facing our nation's seniors. They are also very worried about the solvency of the Social Security trust fund. So, therefore, we have the Savings for Seniors Act. Beginning in fiscal year 2013 and every year thereafter, 100 percent of the overall Social Security tax receipts that are not used to pay current Social Security expenses are placed in an off-budget account. The funds placed in the off-budget account will not be invested in federal government bonds, the money would remain in the off-budget account until Congress passes legislation that approves an investment vehicle that does not allow the federal government to raid the Social Security account by spending money invested in government bonds.

A bipartisan Social Security investment commission would be created with individuals appointed by the House, the Senate, the president. The commission will provide a report to Congress by October 1st, 2013 and then Congress will use the work of the investment commission to determine the best methods for placing those funds. Until passage, no moneys issued to the Social Security trust fund could be invested.

Both of these provisions are based on fairness to tax payers and delivered with the reminder to each and every one of us, and the recognition that tax payer money is not the federal government's money. It is the tax payer money, and we, as members, are charged with being wise and judicious and responsible stewards of those funds. As I said, these bills grew from concern from seniors in my district and from ideas that came forth at my town halls, and I appreciate so much the opportunity to present them. I yield back.

[The prepared statement of Marsha Blackburn follows:]

PREPARED STATEMENT OF HON. MARSHA BLACKBURN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Chairman Ryan, Ranking Member Van Hollen, and Members of the Committee, thank you for inviting me here today and giving me the opportunity to testify.

I would like to present a few of my legislative initiatives that I think you may find interesting as you prepare the FY 2013 Budget.

The federal government forces irrational and expensive healthcare decisions on Americans by requiring seniors to forfeit their private insurance and join Medicare.

Currently, when seniors turn 65, they are automatically required to join Medicare Part A.

If individuals choose to waive their Medicare Part A entitlement because they prefer private health insurance or for any other reason, they lose their Social Security benefits. Even though they have paid payroll taxes to fund those benefits during their entire working lives.

The individual also loses the ability to make further tax-free contributions to their HSA and is unable to use the funds saved in their HSA to contract privately for healthcare services outside of Medicare.

To give seniors more choice in their healthcare, H.R. 103, Healthcare Choices for Seniors Act, allows seniors to choose their HSA over Medicare without penalty.

H.R. 103 splits the connection between Social Security and Medicare, provides a voucher for those that opt-out of Medicare in return for their years of paying Medicare payroll taxes, and would allow individuals to continue tax-free contributions to their HSA.

Additionally, the bill would delay enrollment penalties until age 70 to allow seniors more flexibility to keep their HSA after age 65.

Unfortunately uncertainty in Medicare is not the only issue facing our nation's seniors. They are also worried about the solvency of Social Security.

SAVING FOR SENIORS

Beginning in fiscal year 2013, and every year thereafter, 100% of the overall Social Security Tax Receipts, that are not used to pay current Social Security expenses, are placed in an off-budget account.

The funds placed in the off-budget account will not be invested in Federal Government bonds.

The money will remain in the off-budget account until Congress passes legislation that approves an investment vehicle that does not allow the Federal Government to raid Social Security by spending money invested in government bonds.

A bipartisan Social Security Investment Commission will be created, with individuals appointed by the House, the Senate, and the President.

The Commission will provide a report to Congress by October 1, 2013.

Congress will use the work of the bipartisan Social Security Investment Commission to determine the best methods for investment.

Until passage, no moneys issued to the Social Security trust fund will be invested.

Mr. CHAFFETZ. Thank you. I thank you all for your testimony, and I appreciate your time today, and we will now take a brief pause as we change out the panel and move to the third panel. Thank you.

Thank you for joining us. We will now recognize the gentlewoman from California, Ms. Chu, for five minutes.

STATEMENT OF HON. JUDY CHU, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. CHU. Thank you for the opportunity to submit testimony. As chair of the Congressional Asian-Pacific American caucus or CAPAC, I am honored to have this opportunity to share some of the issues facing the Asian-Pacific American community and how Congress can help the community.

The economic crisis hit minority communities hard. They are struggling to find work, keep their homes, and pay for an education for themselves or their children. Despite the misconception that Asian-Pacific Americans constitute a model minority, the truth is that APAs have tremendous unmet needs that threaten the well-being of our community and the prosperity of our country. My testimony will focus on highlighting a few of these pressing needs, and our top budget priorities to make sure that Asian-Pacific Americans are part of this committee's plan to create a better future for our country. I will also submit my full statement for the record.

First, on unemployment: Pervasive unemployment continues to drag down our economic recovery. Data from the Bureau of Labor Statistics show that amongst the unemployed, Asian men and women have the longest average duration of unemployment. To help these long-term unemployed, we should invest in high-quality

job training and education services to meet the needs of workers and employers.

While funding has remained fairly level, participation rates have jumped nearly 200 percent since June 2008 in the Work Force Investment Act alone. Therefore, CAPAC requests an increase in the president's budget of $.49 billion to $3.699 billion for training and employment services to help the long-term unemployed in the Asian-Pacific American community and for all communities.

Then there are English language learners: Given the high rates of limited English proficiency, or LEP students, within the APA community, one of the primary education challenges is language barriers. According to a recent report by the Urban Institute, approximately 24 percent of all LEP students are of Asian descent, while only 8.7 percent speak English less than very well, 39 percent of Cambodians, 37 percent of Hmong, 38 percent of Laotian, and 52 percent of Vietnamese-Americans speak English less than very well.

Thus, it is important to support the English learner education program that provides critical resources to APA students improve their English language acquisition. CAPAC requests a modest increase of 1.5 million for a total of 33.5 million to continue expanding the program. The additional funding will increase the pool of educators to serve English language learners and to increase the skills of teachers that are already serving this population.

Although Asian-Pacific Americans are portrayed as universally excelling in school, a staggeringly large number fall below the national averages on income and education. APAs face greater financial needs than other racial groups when taking into account expected family contribution and total aid.

Only 13.8 percent of Pacific Islanders, 5.8 percent of Laotian-Americans, 6.1 percent of Cambodian-Americans, and less than 5 percent of Hmong-Americans actually complete college. The lower achievement rates for these communities are largely attributed to the many education and socio-economic barriers that they face. Therefore, there is an important program, the Asian-American- and Native American Pacific Islander-serving institutions, or what we call AANAPISIs, that were established to better support low-income Asian-Pacific Islander students with a variety of targeted services that would help them overcome barriers to a college degree. CAPAC requests that the committee provide $1.9 million in the discretionary fund and increase for a total of $5 million in the discretionary fund for the AANAPISI program to serve these students.

Finally, hepatitis B, the leading cause of liver cancer worldwide, is amongst the most serious health conditions affecting Asian-Pacific Islanders. Although we make up only 6 percent of the U.S. population, we account for over 50 percent of the chronic hepatitis B cases in the U.S. and we are seven times more likely to die from the disease. What is the most tragic about these deaths is that they are completely preventable since there is a vaccine that has been available for 20 years.

Last year, the Department of Health and Human Services released a historic strategic action plan for the prevention, care, and treatment of viral hepatitis. In order to turn the page on this, pre-

ventable epidemic, CAPAC requests full funding for the HHS plan and full implementation.

We are at a pivotal moment during our economic recovery when Congress can truly make a difference. What is at stake is the very survival of the basic American promise that through hard work, you can do well to support a family, own a home, and save for retirement. For many, this dream is becoming much harder to obtain, and that includes Asian-Pacific Americans who have contributed to our nation's prosperity for over 150 years. This year's Congressional budget offers the Budget Committee a chance to keep that promise alive for all Americans. Thank you very much.

[The prepared statement of Judy Chu follows:]

PREPARED STATEMENT OF HON. JUDY CHU, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Thank you for the opportunity to submit testimony as Chair of the Congressional Asian Pacific American Caucus (CAPAC). I am honored to have the opportunity to share with you the issues that are facing our community and how Congress can play a role in helping our community.

We are at a pivotal moment during our economic recovery when Congress can truly make a difference for laying out a blueprint for our economy that is built to last. What's at stake is the very survival of the basic American promise that if you work hard, you can do well enough to raise family, own a home and put enough away for retirement. This year's Congressional Budget offers Congress a chance to keep that promise alive.

The economic crisis hit minority communities the hardest. They are struggling to find work, to keep their homes, to get an education for themselves or their children and to be respected and accepted by their community. Depsite the false impressions about the Asian Americans, Native Hawaiians and Pacific Islanders (AANHPI) being the "model minority," the truth is our community has tremendous unmet needs that threaten the prosperity of the AANHPI community and the prosperity of our country.

My testimony will focus on sharing data that might surprise you about our community to demonstrate what programs in the budget are the most crucial to making sure that AANHPIs are a part of the roadmap this committee sets for our future.

CIVIL RIGHTS ENFORCEMENT

The Civil Rights Division of the U.S. Department of Justice is more important than ever due to:

Hate Crimes

The AANHPI community continues to face a myriad of problems in this arena: hate crimes are on the rise, voting rights are under attack, and employment discrimination is rampant. According to the FBI, 6,628 hate crime incidents involving 7,699 offenses were reported by law enforcement agencies in 2010.[i] Nearly half of the attacks were racially-motivated, with anti-Asian and Pacific Islander bias accounting for 5.1 percent of the incidents up from 3.4 percent in 2008. In addition, anti- Muslim bias now accounts for 13.2 percent or reported incidents, up from 7.5 percent in 2008.[ii] These numbers indicate a trend of anti-Asian and Pacific Islander and anti-Muslim bias that are likely to go up due to the growing anti-Muslim sentiment in our country. By having the proper resources, the Civil Rights division of the U.S. Department of Justice would be able to ensure that hate crime offenses are aggressively investigated and prosecuted.

Voting Rights

AANHPIs continue to face discrimination at the polls and numerous barriers that successfully disenfranchise certain communities.[iii] With more resources, the Civil Rights division can expand efforts to guarantee citizens' voting rights by addressing voting rights violations.

Employment Discrimination

A record number of Muslim workers in the United States have experienced alleged employment discrimination, including claims that co-workers called them "terrorist" or "Osama" and employers barring them from wearing head scarves or taking

prayer breaks.[iv] Muslims make up less than 2 percent of the United States population, but they made up about one-fourth of the 3,386 religious discrimination claims filed with the Equal Employment Opportunity Commission in 2009. This is a problem for the Asian American community as many of these practicing Muslims are Asian Americans. If we ensure that the Civil Rights division has enough funds, they will have what they need to increase efforts to eradicate this type of discrimination.

For these reasons, we support the President's FY2013 request of $153.3 million for the Civil Rights division, an $8.8 million increase from FY 2012.

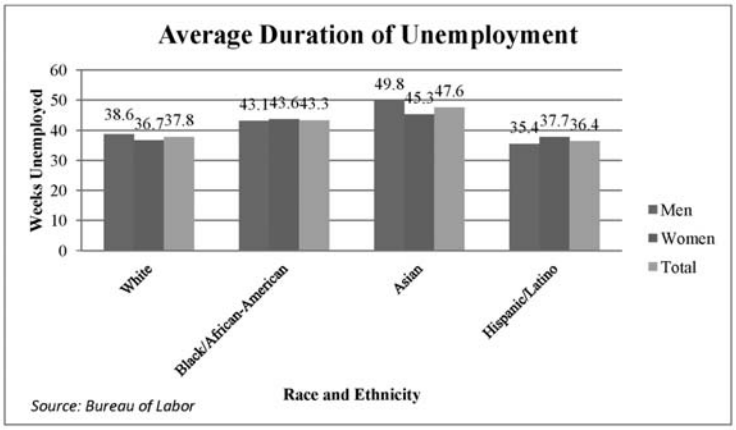
Community Relations

Not only must we protect our civil rights, but we must foster an environment where all citizens feel respected and accepted by their community. The Community Relations Service (CRS) in the Department of Justice can help promote these types of attitudes. CRS serves as the Department's "peacemaker" for community conflicts and tensions arising from real or perceived discriminatory practices based on race, color, or national origin and helps communities prevent and respond to alleged violent hate crimes committed on the basis of actual or perceived race, color national origin, gender, gender identity, sexual orientation, religion or disability. To carry out its goal, CRS implemented several strategies and programs including an Anti-Racial Profiling Program and Sikh Cultural Awareness program. We support the President's FY request of $12 million.

ECONOMIC DEVELOPMENT

Unemployment

The pervasive unemployment continues to be an anchor in economic recovery. This is especially true in the Asian American community where long-term job unemployment continues to haunt our pursuit of the American dream. Data from the Bureau of Labor Statistics show that among unemployed persons, Asian men and women have the longest average duration of unemployment. [See graph]



The data demonstrates the need for job creation solutions for not just the unemployed, but for the long-term unemployed. High-quality job training and education services to meet the needs of workers and employers are essential to putting Americans and our community back to work.

Employment, or rather, the lack of employment is a significant issue for our community.

Aggregate data for 2009 shows that the unemployment rate for the Asian American civilian labor force (7.9%) is lower than that of the overall population (9.9%). However, disaggregated data shows that the unemployment rate is higher for certain subgroups such as Southeast Asians, including Cambodians (11.4%), Hmong (12.4%), and Laotians (13.1%). The data also indicates that the unemployment rate for the Native Hawaiian and Pacific Islander (NHPI) civilian labor force (13.2%) is much higher than that of the overall population and is particularly acute among Samoans (17%). Finally, the data confirms that no AANHPI group has been left untouched by the recent economic downturn, with every subgroup experiencing increased unemployment between 2008 and 2009.

The Employment and Training Administration at the Department of Labor spearheads provided job training and reemployment services to millions of people in need of these services to get back to work or upgrade their skills for higher paying career opportunities. In fact, last year nearly 15 million participated in the Workforce Investment Act (WIA) and Wagner-Peyser programs including disadvantaged youth and workers who have lost their jobs as a result of plant closings or mass layoffs. Further, over 7 million workers gained the employment related assistance and training they needed last year through these programs to reenter the workforce. While funding has remained relatively steady for these programs over the past few years, participation rates have jumped nearly 200 percent since June 2008 in the WIA program alone with workers struggling to regain their footing during the recession. We must ensure that our workforce programs critical to our community keep up with demand so that as the economy recovers and job growth returns, workers will have the education and skillsets they need to reenter the labor market. CAPAC requests an increase in the President's budget request to $3,699,986,000 for Training and Employment Services.

Business Development

Further, supporting minority businesses is another key to economic recovery and long-term growth. Minority firms currently provide nearly 5.8 million people with steady jobs, but have the potential to create 17.5 million jobs, leading to stronger communities and bolstering America's economy. The U.S. Census Bureau reported that number of minority-owned firms increased at more than double the rate of all U.S. businesses. If we invest in minority-owned firms, we invest in their potential to contribute significantly to our long-term economic progress and stability.

The most recent data from the Census Bureau's Survey of Business Owners[v] says that the number of U.S. businesses owned by people of Asian origin increased 40.4 percent to 1.5 million between 2002 and 2007, increasing at more than twice the national rate. Asian-owned businesses generated $507.6 billion in receipts, a 55.4 percent increase from 2002. The number of Native Hawaiian- and Other Pacific Islander-owned businesses increased 31.1 percent during the same period. Native Hawaiian and Pacific Islander-owned businesses generated $6.5 billion in receipts in 2007, a 51.6 percent increase from 2002. In contrast, the total number of U.S. businesses increased 17.9 percent between 2002 and 2007; total business receipts rose 32.9 percent.

Unfortunately, this data relates to pre-recession figures. CAPAC has heard numerous anecdotal evidence that supports the need for targeted support for business programs that meet the needs of underserved communities. In particular, we see a need for more funding for the Minority Business Development Agency (MBDA).

MBDA's mission is to foster the growth and competiveness of U.S. businesses that are minority-owned, but they have faced deep budget cuts forcing them to close offices across the country. In 2010, MBDA secured $1.6 billion in contracts and $2.2 billion in financing for minority businesses. That same year MBDA created 6,397 jobs and their return on investment was 125%. By underfunding MBDA and closing offices, these economic achievements will only suffer. CAPAC requests the Committee provide $34 million in funding for MBDA. This funding is to specifically maintain MBDA's regional offices, to provide their network of centers with additional funding and to expand MBDA's network of centers.

EDUCATION

Early Education Programs

For children in poverty, achievement gaps begin well before kindergarten. Study after study has shown that investing in quality early learning programs can yield a huge return-on-investment by reducing the costs of special education, high school dropouts, teen pregnancy, crime, incarceration, and dependence on social services later in life and increasing the likelihood of college attendance and completion. As nearly thirteen percent of Asian Americans live below poverty[i], and certain subgroups such as the Hmong and the Vietnamese have poverty rates of 29.9% and 15.5% respectively[ii], early childhood education is critical to help break the cycle and give children a chance to succeed.

Thus, CAPAC urges you to include in your budget $8.425 billion for Head Start, a research-proven program improving in quality; $3.278 million for Child Care and Development Block Grants to increase the number of working families who can afford child care; $463 million for IDEA Part C grants to help identify infants and toddlers with disabilities and intervene early when it is cheapest; and a significant portion of the President's $850 million Race to the Top request specifically devoted

to the Early Learning Challenge, a competition that has already encouraged 35 states, DC, and Puerto Rico to strengthen state early learning systems.

English Langauge Learners

One of the primary education barriers facing Asian American students are language barriers given the high rates of limited English proficiency (LEP) within the Asian American community. According to a report called "The New Demography of America's Schools" published by The Urban Institute, Hispanic and Asian children are also much more likely to be Limited English Proficient (LEP) and linguistically isolated than non-Hispanic black and white children.[vi] The report also states that approximately 24 percent of all LEP students are Asian.

In addition, many Asian American students come from homes where English may not be the primary language spoken. As a result, many enter school with limited English proficiency, and it may take several years for them to develop the language proficiency needed for academic success. According to 2010 American Community Survey, while Spanish-speaking LEP individuals accounted for 66% of the total US LEP population, the next four languages were Asian languages: Chinese accounted for 6%, Vietnamese accounted for 3%, Korean accounted for 2.5%, and Tagalog accounted for 1.9%. In addition, Southeast Asian immigrant and refugee communities report drastically higher rates of limited English proficiency than the general U.S. population: while only 8.7% of the U.S. speak English "less than very well," this is true for 39% of Cambodians, 37% of Hmong, 38% of Laotian, and 52% of Vietnamese. The English Learner Education program therefore provides critical resources to Asian American students to develop and improve their English language acquisition.

The English Learn Education programs is the Department of Education's primary program for serving English Language Learners. The FY 2012 request included funding for an increase in the pool of educators to serve English Language Learners and to increase the skills of teachers already serving them. The request also included funding to develop and improve appropriate assessments for English Language Learners, particularly students with limited or no English-language proficiency, which is a large percentage of AANHPIs. However, the President did not renew his request, but there is still a gap between the resources for English Learners and the need. Therefore, CAPAC requests $733.5 million to continue expanding the program.

Higher Education

Although Asian Americans are sometimes portrayed as universally excelling in school, a staggeringly large number within the community fall well below national averages with respect to both income and education. A large proportion of AANHPI students are from low income backgrounds, the first in their families to attend college, and struggle to secure the financial resources to support themselves while in school.[vii] Based on analysis of the National Postsecondary Student Aid Survey (2008), AAPIs also have greater financial need than other racial groups taking into account expected family contribution and total aid

Educational disparities are vast within segments of the AANHPI communities, with many who fall well below national averages. While AANHPIs had the highest college graduation rates (i.e., 44 percent) of any group of students in 2000, certain subgroups have much lower rates of degree attainment. Only 13.8 percent of Pacific Islanders, 13.8 percent of Vietnamese Americans, 5.8 percent of Laotian Americans, 6.1 percent of Cambodian Americans, and less than 5.1 percent of Hmong Americans successfully completed college. The lower achievement rates of these communities may attributed to the many educational and socioeconomic barriers that these communities face. These include high rates of poverty, language barriers, the need for more and effective school counselors and teachers, the lack of resources that prepare students for college, the lack of high quality bilingual education, and the lack of culturally relevant curriculum. To increase degree attainment, institutions must recognize the unique needs and challenges that exist within the AANHPI community, and begin addressing the factors that are contributing to the low completion rates amount these groups.

Federal TRIO programs provide hundreds of thousands of students with the necessary support to enroll in and graduate from college and, ultimately, help narrow the gap between low-income, first-generation students and their peers. The President's request of $839.9 million for TRIO programs is essential to helping the estimated 41,109 AANHPI participants pursue and complete postsecondary education.

The authorized Asian American and Native American Pacific Islander-Serving Institution (AANAPISI) program was created to better support low-income Asian American and Pacific Islander students with a variety of targeted services, helping

them overcome barriers to a college degree and putting them on the path to success. The AANAPISI federal program is unique because it acknowledges the distinctive challenges facing AAPI students in college access and completion. AANAPISIs engage in a range of activities aimed at increasing access to and success in college for AAPI students from student services aimed at increasing grades, to curricular and academic program development that introduces knowledge about AAPI students. It is important to our community that the committee provides $5 million in discretionary funding to the AANAPISI program to serve AAPI students.

HOUSING

Housing Counseling Assistance Programs and Foreclosure Relief Programs

Housing counseling programs that are able to work with the community in a linguistically and culturally appropriate manner have been essential to ensuring the community development needs of AANHPI communities. In fact, AANHPIs make up a substantial portion of the population in 6 of the 10 U.S. cities with the highest foreclosure rates.

While homeownership rates between 2008—2009 for AANHPIs have held steady at 59%, some sub-populations have experienced major declines. Hmong homeownership rates dropped from 50% to 42%, Bangladeshi homeownership rates dropped from 48% to 42%, and Korean homeownership rates from 51% to 49%.[viii]

A study by the Asian Real Estate Association and the UCLA Asian American Studies Centers saw AANHPIs experience a significant loss of equity following the national foreclosure crisis.[ix] Asian Americans average loss during 2007—2009 was −$42,900 and for Native Hawaiians and Pacific Islanders (NHPI) was −$47,000. The national equity loss during that same period was −$9,100.

Financial and foreclosure assistance is also much needed in AANHPI communities. It has been noted by advocates working in the community that of the AANHPIs who defaulted on their mortgage loans, they are more likely to enter into foreclosure, rather than seeking alternative means of staying in their homes like loan modifications or other alternatives.

In order to assist these homeowners, we must first consider how to best reach and serve these communities. The AANHPI community is compromised of two-thirds immigrants and refugees, represents 50 ethnic groups, and 100 language groups. Furthermore, there are nearly a million Native Hawaiian and Pacific Islanders. With these diverse needs, it is critical that there is support for housing counseling organizations—organizations that have built trust and rapport with minority and immigrant communities and can provide linguistically and culturally appropriate services to these constituencies. Housing counselors can provide these services only if they receive the proper funding to do so. The President's FY2013 request of $55 million is not enough to get the job done. In FY 2010, the Housing Counseling Assistance Program enacted level was $87.5 million, I support restoring FY2013 to the FY2010 level of $87.5 million.

Community Development Block Grants (CDBG)

Generally speaking, HUD programs are critical to our local communities, creating opportunities especially for the most vulnerable. In particular, the Community Development Block Grants are important to the AANHPI community for they provide funding to improve housing, the living environment and economic opportunities primarily for person with low and moderate incomes.

There is no question that the economic crisis has had a tremendous impact on wealth. In the AANHPI community, this impact has been more pronounced since households have loss 54% of wealth between 2005-2009—primarily through the loss of wealth in property.[x] The loss of wealth has put significant restraints on the AANHPI community's ability to revitalize its neighborhoods.

It is not surprising that the poverty rates have steadily increased within the AANPHI community. Some parts of the community are living at 38% poverty rates and have average households larger than the average for the total population. Poverty has forced many people who were once homeowners, to become renters. With an inability to own a home due to financial hardship and/or limited access to credit, many are renters who live in overcrowded conditions in order to afford rent. At the national level and for seven metropolitan areas, Asian homeowners live in overcrowded conditions at a greater proportion than the total population.

That is why the Community Development Block Grant is vital to the AANPHI community since the formula for awarding grants takes into consideration a community's poverty rate, population, and presence of overcrowding. The President's FY2013 budget requests $3.1 billion for the Community Development Block Grant,

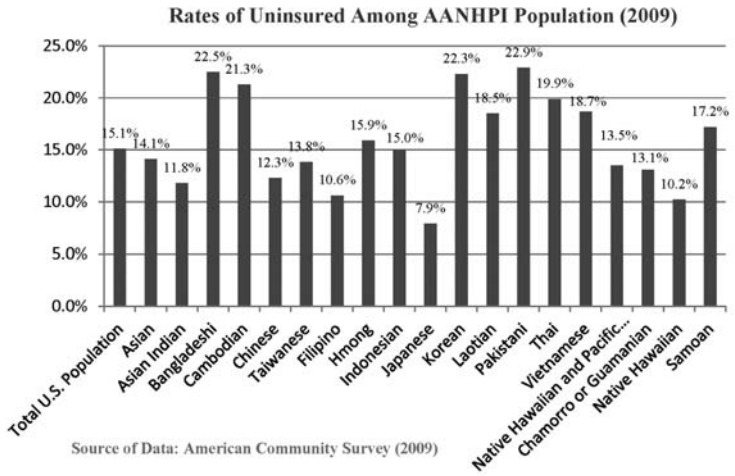
but we need more funding to help rehabilitate, improve, and restore our communities. We should fund this vital program at a level of $3.5 billion.

Native Hawaiian Block Grants

The Native Hawaiian Block Grants have been vital for new construction, rehabilitation, acquisition, infrastructure, and various support services for Native Hawaiian and Pacific Islanders. More specifically, these grants provide eligible affordable housing assistance to low-income native Hawaiians eligible for residence on Hawaiian Home Lands.

There are nearly 1 million Native Hawaiians and Pacific Islanders. And one out of five persons in this population lives in poverty. They are a population at high risk of foreclosure, and unfortunately, renters continue to experience adverse treatment at levels of Hispanic and African American renters. The President's FY2013 budget funds the Native Hawaiian Block Grant at $13 million, and we should uphold that request.

HEALTHCARE



Access to Healthcare

Access to healthcare remains a key issue for many in our AANHPI community. Aggregate data for 2009 show that the rate of uninsured people among the Asian American population (14.1%) is lower than that of the overall population (15.1%). However, disaggregated data show that the rate of uninsured people is much higher for certain groups. In particular, South Asians, such as Bangladeshis (22.5%) and Pakistanis (22.9%), and Southeast Asians, such as Cambodians (21.3%), Hmongs (15.9%), Laotians (18.5%), Thais (19.9%), and Vietnamese (18.7), are impacted by a lack of health insurance coverage.[xi]

The Affordable Care Act will provide these individuals and their families with improved access to affordable health care and essential health care services. Under the new law, Medicaid coverage will be expanded to cover children and adults with incomes up to 133 percent of the federal poverty level. Almost 1.3 million AANHPIs will be newly eligible for Medicaid. This Medicaid expansion will provide coverage to many AANHPI individuals and families who would otherwise go without quality, affordable health coverage.[xii,xiii]

These coverage expansions should have a significant impact on AANHPIs with low or moderate incomes. It is critical that the FY 2013 Budget fully funds the Affordable Care Act to ensure that we are on track to providing health coverage to the neediest members of the AANHPI community.

Healthcare Disparities

For far too long, the health challenges of AANHPIs have gone unnoticed and the deadly effects of this lack of knowledge and awareness have been deeply felt by the community. Among one

Pacific Islander-American group, 20 percent of births are pre-term. Deaths from breast cancer are four times higher among some Asian-born women compared to their U.S.-born counterparts.

Rates of vaccine-preventable liver and cervical cancer among the Hmong community in California are 3 to 4 times higher than those of other Asian American groups.

In order to address healthcare disparities, is imperative to adequately fund the Office of Minority Health (OMH) which plays a crucial role in improving the health of racial and ethnic minority populations and is important to the health of Asian American, Native Hawaiian, and Pacific Islander communities. OMH's policies and programs promote informed, empowered individuals as a means for enabling community solutions to eliminate health disparities, including those like Hepatitis B and diabetes that disproportionately affect the AANHPI community. In addition, OMH is dedicated to promoting prevention and wellness; improving the diversity and cultural competency of the health care workforce; and, ensuring access to quality, culturally competent care. We request that we fund at $55.8 million, a $14.8 million increase above the President's FY13 request level of $41 million.

Another important way to address these disparities is to fund community health centers. These centers play a critical role in expanding access by serving as a trusted safety net for AANHPI communities because they provide culturally and linguistically competent services that address some of the key barriers that confront our community. The expansion of community health centers is one of the cornerstones to helping the AANHPI community. The President's FY 2013 budget requests $3.1 billion for health center services to support the creation of new health center sites across the country, and we support this request.

Hepatitis B

Among the most serious conditions affecting the AANHPI community is hepatitis B, an infection of the liver and the leading cause of liver cancer. About 1.3-1.5 million people in the U.S. are chronically infected with hepatitis B, with approximately 5,000-6,000 people dying each year from hepatitis B related liver disease or liver cancer. Over half of the chronic hepatitis B cases and resulting deaths are represented by AANHPIs. What is tragic about these deaths is that they are completely preventable with a vaccine that has been available for 20 years.

The Division of Viral Hepatitis at the Centers for Disease Control is our front line of defense. The current funding level of $19.3 million was not sufficient to provide core prevention services, which we so desperately need to fight the spread of hepatitis. We also need more funds to support a first-ever national surveillance initiative so that we can finally have data to share with states, health departments, policy makers and physicians to gain a better understanding of the hepatitis epidemic. CAPAC requests $59.6 million to fight against the hepatitis epidemic. We also request full funding for HHS to implement their Action Plan for the Prevention, Care, and Treatment of Viral Hepatitis. Finally, we are in agreement with the President's recommendation for $ 1,146 million for the HIV/AIDS, Viral Hepatitis, STDs and TB Prevention.

National Center for Health Statistics (NCHS)

The National Center for Health Statistics (NCHS) is the nation's principal health statistics agency and it supports a number of ongoing seminal health and health care surveys that are crucial to our community. The collecting and reporting of disaggregated national health data for the AANHPI population is an important step in accurately representing the health status of our overwhelmingly diverse communities. The President requests $197 million to fund NCHS in FY13 and we support this request.

IMMIGRATION

Immigrant Integration and Citizenship

In the last decade, the government has become increasingly aware of the value of speeding the integration of immigrants into our society. During the Presidency of George W. Bush, the Office of Citizenship was established. In its early days, that office concentrated on, among other things, improving access to citizenship education and instructional materials.

The Office of Citizenship plays a key role in immigrant integration by, among other things, leading initiatives to promote citizenship awareness; supporting national and community-based organizations that prepare immigrants for citizenship by providing grants, educational materials, and technical assistance; and building collaborative partnerships with state and local governmental and non-governmental organizations to expand integration and citizenship resources in communities.

The President recommended $11 million for Immigrant Integration and Citizenship for FY2013, after Congress authorized $10 million to be spent for the immigration integration grant program out of the Examinations Fee Account. This funding will support immigrant integration efforts, including funding for new programs supporting English language acquisition and citizenship education.

We strongly support this request because these funds will greatly benefit the AANHPI community and are critical to the success of the United States. Immigrants who integrate into U.S. society go on to become informed voters, active community members, innovators, entrepreneurs and future job-creators. Whether they come on family or employment visas, through the asylum or refugee program, or through other much smaller legal immigration programs, legal permanent residents come to this country with the dream of becoming U.S. citizens and giving back to their adopted home.

The Office of Citizenship has already helped thousands more people prepare to become citizens through Congress's support and it has helped to reinforce the network of excellent state service providers around the country. Strong support for integration programs boost human potential and make us a stronger nation.

Office of Civil Rights and Civil Liberties

We also support the President's FY 2013 budget request of $1.7 million for the Department of Homeland Security's Office of Civil Rights and Civil Liberties. It is important for the AAPI community that OCRCL—which oversees the 287(g) and Secure Communities programs—has the funding to support proper oversight and training so that ICE is not a conduit for discriminatory and abusive law enforcement practices.

We must ensure our immigration budget is balanced, that it supports both programs that benefit immigrants, the foundation of the American nation since it was established, and also enforces our immigration laws. Immigration enforcement alone will not fix the broken U.S. immigration system. We urge you to robustly support immigration services and create a more equitable immigration budget that does not rely on enforcement-only immigration policy.

TERRITORIES

The Office of Insular Affairs (OIA) carries out the Secretary's responsibilities for U.S.-affiliated insular areas. These include the territories of Guam, American Samoa, the U.S. Virgin Islands (USVI), and the Commonwealth of the Northern Mariana Islands (CNMI), as well as the three Freely Associated States (FAS): the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), and the Republic of Palau.[i] OIA is the primary federal program aimed at combating the economic and fiscal problems in the insular areas.

Unfortunately, the President's request included a $3 million reduction from fiscal year 2012 levels Assistance to Territories. It is understandable in these tough economic times everyone must make sacrifices, but reductions in the OIA funding will translate to cuts to vital projects which foster development of the insular areas in accountability, financial management, tax systems and procedures, insular management controls, economic development, training/education, energy, public safety, health, immigration, labor, and law enforcement. I am requesting the committee to restore the $3 million cut in funding to the Office of Insular Affairs.

ENDNOTES

[i] US Department of Justice, Federal Bureau of Investigation, 2010 Hate Crime Statistics.

[ii] US Department of Justice, Federal Bureau of Investigation, 2010 Hate Crime Statistics.

[iii] Meeting the Challenge: National Platform for Advancing Justice. Policy Priorities & Recommendations for Achieving Equity, Equality, and Justice in Asian American & Pacific Islander Communities." *http://www.advancingequality.org/attachments/files/391/Platform—for—Action.pdf*

[iv] Greenhouse, Steven. "Muslims report rising discrimination at work," The New York Times. 23 September 2010. *http://www.nytimes.com/2010/09/24/business/24muslim.html?—r=3&pagewanted=1&ref=business*

[v] *http://www.census.gov/econ/sbo/*

[vi] *http://www.urban.org/uploadedPDF/311230—new—demography.pdf*

[vii] "Federal Higher Education Policy Priorities and the Asian American and Pacific Islander Community" The Asian and Pacific Islander American Scholarship Fund. 2010.

[viii] U.S. Census Bureau Data, 2008, 2009.

[ix] Asian Real Estate Association of America. "AAPIs Experience Significant Loss of Home Equity," AsianWeek.

[x] Pew Research Center, "Wealth Gap Rises to Record Highs Between Whites, Blacks and Hispanics," July 2011.

[xi] American Community Survey, 2009.

[xii] "How Health Reform Helps Asian Americans," Families USA, September 2010.

[xiii] How Health Reform Helps Native Hawaiians and Other Pacific Islanders," Families USA, September 2010.

Mr. CHAFFETZ. Thank you, I appreciate your testimony. I would like to mention to the panel and the future panels that we understand the pressures on your individual time; we do not anticipate that you will be called upon again, and so if you have to depart, we totally understand, after you have, obviously, given your testimony. So thank you again today for your testimony Ms. Chu. I now recognize the gentleman from Texas, Mr. Green, for five minutes.

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

Mr. GENE GREEN OF TEXAS. Thank you Mr. Chairman, and I am pleased to be here to provide my views on the fiscal 2012 budget resolution. The committee is faced with many difficult choices that it crafts in this year's congressional budget. Democrats and Republicans must work together to produce a budget that simultaneously meets our economic, health care, energy, and social challenges. I have a few issues that I would like to talk about.

Energy provisions: I want to reiterate my opposition to the president's proposal tax increases on the oil and gas industry. The president's proposed $85 billion tax hike would suppress our domestic production, stifle job creation, and drive up imports of crude oil from nations that are hostile to us and increase the volatility of the gasoline markets. It is important for the committee to know that the U.S. oil and natural gas industry does not receive subsidies. In fact, there is not a single targeted tax credit in the internal revenue code available to the oil and natural gas industry. Instead, the industry is allowed to take deductions to cover the cost of doing business which have been afforded to all business since the beginning of our country's income tax system.

In return, this industry delivers about $86 million a day to the federal government in revenue, and yet, the administration continues to argue that this industry, and this industry alone among American businesses, should pay more taxes. In fact, as RA does under the Section 199 deduction, which allows all manufacturers to take a 9 percent deduction of their cost while limiting oil and gas manufacturer to a 6 percent deduction?

Finally, I want to remind the committee that the average independent production company has only 12 employees, the definition of a true small business. We are not just harming big oil by repealing these incentives; we would single-handedly be destroying thousands of small businesses across our country.

The next issue is I am proud to represent the Port of Houston, and a priority in our district is the Port of Houston. Our port is the largest foreign tonnage port and the largest petrochemical port in the country. In fact, it moves the second-largest amount of cargo in the country. The commerce that occurs at our port is critical to our nation's energy and chemical sectors, and to our country's ability to trade and move goods throughout our country. The number one issue that faces the Port of Houston, and many other ports, is the future of maintenance dredging by the Army Corps of Engineers.

In 1998, over a number of years, federal government invested $700 million in deepening and widening the Houston Ship Channel, an investment we have benefited from tremendously. However, as the years have passed, the silt has settled and reduced the draft in the channels significantly. Today only .4 percent of the channel is dredged its proper depth across the entire width of the channel and this is astounding. Our nation's investment is rapidly deteriorating.

When the president's was released a few weeks ago, they provided an extra $700,000 for maintenance dredging for a total of just over $24 million and new funding $100,000 to study the widening and deepening of the Houston Ship Channel to the turning basin, which is part of our district. An increase of $800,000 does not sound like a lot and it is not, but when the dredging needs alone come to nearly $60 million, but it is good to get an increase at all as every other program government-wide is eyeing for cuts.

I am asking you today that when this committee does write its budget that you preserve the funding levels that the president's budget or even better, if possible, increase them for maintenance dredging. As we continue the dual challenges of adopting policies that create jobs and reduce the debt, funding for the dredging projects is an item that, while costly, will have more of a positive impact on our economy than a negative impact on our deficit.

The Texas Transportation Institute performed a study and determined that a direct economic impact of a loss of one foot of draft is a $373 million impact. The majority of this impact is lost business opportunities to due to light loading of non-containerized vessels. If the dredging crisis at the port continues to worsen, the costs will continue to accelerate.

The last issue is NASA, and once again, I am frustrated with the administration's handling of manned space flight. The president's budget funds a space launch system and the multi-purpose crew vehicle programs far under the authorized level and far under current year levels. They move that money to commercial ventures which I hope succeed, but do not have the track record of our team at NASA, especially the folks at Houston Johnson Space Center. We cannot cuts the knees out from NASA-led human space flight without the investments in the space launch system and the multi-purpose crew vehicle. I am afraid our country will not be equipped to continue to be the world leader in science, technology, and space flight. While this harms Houston, my concerns are not just about preserving the work force at our Johnson Space Center; it is also about the future of the manned space flight and the future role of American leadership in technology. Congress spoke clearly in 2010 authorization and again in appropriations language, however, NASA is not here and our request is that we fund important manned space programs such as the space launch system and the multi-purpose crew vehicle, at least at their current year levels, and if not, I am afraid in five years we may be sitting in a room without any programs at all to fund. Again, I thank you for the opportunity today.

[The prepared statement of Gene Green follows:]

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

Chairman Ryan, Ranking Member Van Hollen and Members of the Committee: I am pleased to be here today to provide my views on the Fiscal Year 2012 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

I want to reiterate my opposition to the President's proposed tax increases on the oil and gas industry.

The President's proposed $85 billion tax hike would suppress our domestic production, stifle job creation, drive up imports of crude oil from nations that are hostile to us and increase the volatility of the gasoline markets.

It is important for the committee to know that the U.S. oil and natural gas industry does not receive tax subsidies. In fact, there is not a single targeted tax credit in the Internal Revenue Code available to the oil and natural gas industry.

Instead, the industry is allowed to take deductions to recover the costs of doing business, which has been afforded to all businesses since the beginning of our country's income tax system.

In return, this industry delivers $86 million a day to the federal government in revenue.

And yet the Administration continues to argue that this industry—and this industry alone among American businesses—should pay more taxes.

In fact, it already does under the Section 199 deduction, which allows all U.S. manufacturers to take a 9 percent deduction of their costs, while limiting the oil and natural gas manufacturers to a 6 percent deduction.

Finally, I want to remind the committee that the average independent production company has only 12 employees—the definition of a true small business.

You would not be just harming "Big Oil" by repealing these incentives. You would single-handedly be destroying thousands of small businesses across our country.

Port of Houston:

Another priority in my district is the Port of Houston. Our Port is the largest foreign tonnage port and the largest petrochemical port in the country. In fact, it moves the second largest amount of cargo in the country. The commerce that occurs at our port is critical to our nation's energy and chemical sectors and to our country's ability to trade and move goods throughout our country.

The number one issue that faces the Port today and will face the Port in the future is maintenance dredging by the Army Corps of Engineers. In 1998, the Federal Government invested $700 million in deepening and widening the Houston Ship Channel. An investment we have benefitted from tremendously.

However, as the years have passed silt has settled and reduced the draft in the channel significantly. Today, only .4% of the channel is dredged to its proper depth across the entire width of the channel. That is astounding. Our nation's investment is rapidly deteriorating.

When the President's budget was released a few weeks ago, they included an extra $700,000 for maintenance dredging for a total of just over $24 million and new funding of $100,000 toward study on the widening and deepening of the Houston Ship Channel to the Turning Basin.

An increase of $800,000 does not sound like a lot, and it's not, when our dredging needs alone are near $60 million. But, it is good to get an increase at all as every program government wide is eyed for cuts. I am asking you today that when this committee does write its budget that you preserve the funding levels in the President's Budget, or even better if possible, increase them,

As we confront the dual challenges of adopting policies that create jobs and reduce the debt, funding for dredging projects is an item that, while costly, will have more of a positive impact on our economy than a negative impact on our deficit.

The Texas Transportation Institute performed a study and determined that a direct economic impact of the loss of 1 foot of draft is $373 million. The majority of this impact is lost business opportunities due to light loading of non-containerized vessels. If the dredging crisis at the port continues to worsen, this cost will quickly accelerate.

NASA:

Once again, I am frustrated with the Administration's handling of manned space flight. The President's Budget funds the Space Launch System and the Multi Purpose Crew Vehicle programs far under the Authorized level and far under current year levels.

They moved that money to commercial ventures, which I hope succeed, but do not have the track record of our team at NASA, especially the folks at Houston's Johnson Space Center.

We cannot cut the knees out from under NASA led human space flight. Without the investments in SLS and MPCV, I am afraid our country will not be equipped to continue to be the world leader in science, technology, and space flight.

While this harms Houston, my concerns are not just about preserving the workforce at JSC, this is about the future of Manned Space Flight and the future role of American leadership in technology.

Congress spoke very clearly in the 2010 authorization bill and then again in appropriations language. However, NASA is not hearing it. I request that we fund important manned space flight programs, such as SLS and MPCV at least at their current year levels. If not, I fear in 5 years we may be sitting in this room without any programs to fund.

Thank you for the time to testify today.

Mr. CHAFFETZ. We thank you for your testimony. We will now recognize the gentleman from Florida, Mr. Nugent, for five minutes.

STATEMENT OF HON. RICHARD NUGENT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. NUGENT. Well, thank you Chairman Chaffetz and Ranking Member Bass, not only for having us here today, but also for the important work that you did the last year.

Obviously, the committee has difficult, but necessary decisions to make. Members will come forward today to testify about their respective districts and the unique needs of their constituents. Every district is different. We have different priorities and different demographics. However, we are all faced with the same enormous national debt, a debt so large it now exceeds the size of the entire U.S. economy. Only six other advanced countries in the world owe more than they produce, and four of them are in the center of the European debt crisis. Clearly, we can no longer ignore our unsustainable spending levels. We can no longer kick the can down the road, and we must acknowledge the situation we are in, and we must take steps to address it, and please, the committee, through its work last year, began that process. We have now shifted debate from how much will we spend to how much will we cut. This is undoubtedly a crucial step in tackling this problem.

I am also pleased the committee put forth the responsible proposal last year that preserved the benefits earned by those at or near retirement, while attending and adding long-term solvency to Social Security and Medicare. In my view, those just are not important benefits we are talking about, but rather a sacred promise this federal government made to our seniors. Our nation's seniors have put good faith in the word of the government and have dutifully paid into that promise throughout their lives. We cannot default on that promise.

Florida's 5th Congressional District is comprised of over a quarter of a million seniors so it should come as no surprise that I have their interest at heart. However, we must not forget that every senior in our country, regardless of their congressional district they reside in, has paid the same and deserves the same return from their

government. That is why I must reaffirm my position as what I testified to last year. That my constituents and I cannot, and will not, support any proposal that cuts the benefits of those at retirement or near retirement in the short term.

In closing, I would like to ask this committee that as you move forward to work in reforming the budget, can you assure me that my commitment to protecting those Americans age 55 and older from any benefit cuts? With that, I conclude my time and I would open for any questions if you have.

[The prepared statement of Richard Nugent follows:]

PREPARED STATEMENT OF HON. RICHARD B. NUGENT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

First, I would like to thank the Chairman and Ranking Member, not only for having us here today but also for the important work they did last year.

Obviously, the committee has difficult but necessary decisions to make. Members will come forward today to testify about their respective districts and the unique needs of their constituents. Every district is different. We have different priorities and different demographics. However, we are all faced with the same, enormous national debt; a debt so large that it now exceeds the size of the entire U.S. economy. Only six other advanced countries in the world owe more than they produce, and four of them are at the center of the European debt crisis.

Clearly, we can no longer ignore our unsustainable spending levels. We can no longer kick the can down the road. We must acknowledge the situation we're in and we must take steps to address it.

I am pleased that the committee, through its work last year, began that process. We have now shifted the debate from, "How much we will spend" to, "How much we will cut." This is, undoubtedly, a crucial step in tackling this problem.

I am also pleased that the committee put forth a responsible proposal last year that preserved the benefits earned by those at or near retirement while adding long-term solvency to Social Security and Medicare. In my view, those aren't just important benefits we are talking about but rather a sacred promise the federal government made to our seniors.

Our nation's seniors have put their good faith in the word of the government and have dutifully paid into this promise throughout their lives. We cannot default on that promise.

Florida's 5th District is comprised of over a quarter of a million seniors, so it should come as no surprise that I have their interests at heart. However, we must not forget that every senior in our country, regardless of the congressional district they reside in, has paid the same and deserves the same in return from their government.

That is why I must reaffirm my position to the Budget Committee that my constituents and I cannot and will not support any proposal that cuts the benefits of those at or near retirement.

In closing, I would like to ask the committee, that as you move forward with your work reforming the budget; can you assure me that you share my commitment to protecting those Americans age 55 or older from any benefit cuts?

Mr. CHAFFETZ. Thank you, we appreciate the gentleman from Florida for his testimony today. In the essence of time we will actually now recognize the gentleman from Washington, Mr. Larsen, for five minutes.

STATEMENT OF HON. RICK LARSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. LARSEN. Thank you Mr. Chairman, Ranking Member Ryan, for the opportunity to speak with you this morning. As the committee considers and revises the president's budget proposal, I urge you to fully support programs that are focused on boosting manufacturing and increasing exports. We are in such a pivotal and critical point in determining our nation's manufacturing and economic future. Between June of 1979 and December of 2009 the U.S. lost

41 percent of its manufacturing jobs. We must turn this decline around by investing in manufacturing and boosting exports, both of which create jobs for Americans. This budget is a key vehicle to help us turn that around.

America's future is dependent on us getting our investments right in this budget. President Obama visited the Boeing manufacturing facility in my district last month, to highlight several aspects of his budget that will help grow manufacturing and expand our exports. I fully support the president's goal to double our exports between 2010 and 2015 and urge this committee to support these initiatives.

The president has requested $430 million for the Export-Import bank, the U.S. Trade and Development Agency, the Office of United States Trade Representative, the U.S. International Trade Commission, and the Overseas Private Investment Corporation, and $517 million for the Commerce department's International Trade Administration. Expanding the Export-Import Bank's authority and providing a long term re-authorization for it will help U.S. firms compete with foreign firms that receive government support. Support of the Interagency Trade Enforcement Center will help ensure that American manufacturers have fair access to foreign markets. These budget initiatives will have a real and positive impact in all of our communities. Boosting manufacturing is a key part of rebuilding the middle class by providing a source of good-paying jobs and helping the economy fully recover.

In Washington state's 2nd District, in the Pacific Northwest, manufacturing accounts for a large portion of jobs and job growth. From the people who work at small manufacturers that create specialized pipe fittings and windows and doors, to the huge manufacturer, Boeing, that residents of the 2nd District know the importance of still being able to build things here in America. The best way that we can grow manufacturing is by expanding exports. One in four jobs in my state is in fact tied to foreign exports, and that number has greatly expanded in the last several years. Manufacturers that can get access to world markets can greatly expand the demand for their products. When manufacturers increase their production, they hire more people.

I work directly with manufacturers in northwest Washington through an export promotion program that I established. One of the companies I have worked with, a small maker of windows and doors, went from exporting none of their products in 2009 to being on track, this year, to export $1.2 million worth of their products into British Columbia, Canada, alone. This kind of success can be replicated across the country, but only if we continue to support the expansion of exports and the budget initiatives to help us expand exports. So I urge this committee to fund those initiatives that support a trade policy that promotes exporting our goods and not exporting our jobs overseas. Thank you for the opportunity.

[The prepared statement of Rick Larsen follows:]

PREPARED STATEMENT OF HON. RICK LARSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Chairman Ryan, Ranking Member Van Hollen, and members of the Committee: Thank you for the opportunity to speak to you this morning.

As the Committee considers and revises the President's budget proposal, I urge you to fully support programs focused on boosting manufacturing and increasing exports.

We are in such a pivotal and critical point in determining our nation's manufacturing and economic future.

Between June 1979 and December 2009, the US lost 41 percent of its manufacturing jobs.

We must turn this decline around by investing in manufacturing and boosting exports, both of which create jobs for Americans.

This Budget is a key vehicle to help turn us around.

America's future is dependent on us getting our investments right in this budget.

President Obama visited the Boeing manufacturing facility in my District last month to highlight several aspects of his Budget that will help grow manufacturing and expand our exports.

I fully support the President's goal to double our exports between 2010 and 2015, and I urge this Committee to support these initiatives.

The President has requested $430 million for the Export Bank, the US Trade and Development Agency, the Office of US Trade Representative, the US International Trade Commission, and the Overseas Private Investment Corporation and $517 million for the Commerce Department's International Trade Administration.

Expanding the Export-Import Bank's authority will help U.S. firms compete with foreign firms that receive government support.

Support of the Interagency Trade Enforcement Center will help ensure that American manufacturers have fair access to foreign markets.

These budget initiatives have real impact in all of our communities.

Boosting manufacturing is a key part of rebuilding the middle class by providing a source of good-paying jobs and helping the economy fully recover.

In Washington's 2nd District in the Pacific Northwest, manufacturing accounts for a huge portion of jobs and job growth.

From the people who work at small manufacturers that create specialized pipe fittings and windows and doors, to the huge manufacturer Boeing, the residents of Washington's 2nd District know the importance of still being able to build things here in America.

The best way that we can grow manufacturing is by expanding exports.

One in four jobs in Washington state is tied to foreign exports, and that number has greatly expanded in the last several years.

Manufacturers that get access to the world markets can greatly expand the demand for their products.

When manufacturers increase their production, they hire more workers.

I work directly with manufacturers in Northwest Washington through an Export Promotion Program that I established.

One of the companies I have worked with, a small maker of windows and doors, went from exporting none of their products in 2009, to being on track this year to export $1.2 million to British Columbia, Canada alone.

This kind of success can be replicated across the country, but only if we continue our support of export expansion.

I urge the Committee to fund those initiatives that support a trade policy that promotes exporting our goods, not our jobs, overseas.

Thank you for the opportunity to speak to you today.

Mr. CHAFFETZ. I thank the gentleman from Washington taking the time to testify before this committee, we appreciate it, and thank you. We are going to pause briefly as we change out the panel, and for those members on the next panel, if you would please make your way forward.

As the members are taking their seats I would remind members to try to keep their verbal comments to five minutes. We will obviously submit all of your written testimony into the record. I would also let you know that we do not anticipate any further interaction after your testimony, so please feel free to leave the panel. We know how pressing a lot of other matters are, and we would just as soon excuse you after your individual testimony. So we are actually going to begin with the gentleman from Connecticut and we will recognize Mr. Courtney for five minutes.

STATEMENT OF HON. JOE COURTNEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT

Mr. COURTNEY. Thank you Mr. Chairman, and I am actually going to try and get within that five minutes, or below the five minutes, because I know you have a lot of input that you have to hear today and votes are coming up soon.

Again, I just appreciate the opportunity to comment on a couple of issues regarding the 2013 budget. In January, we had the release of a strategic review, a process that started under Secretary Gates and followed through under Secretary Panetta, and again, I think it was a very healthy process that looked beyond the situation that we are in right now in terms of our national security needs, and tried to, again, come up with a reorientation in terms of what our future defense alignment should be. One of the items, obviously, which was well-reported in the press, is the reorientation towards Asia-Pacific, which is, again, an areas where there are some strategic challenges that our nation faces, particularly in terms of access to critical parts of the world and, obviously, an emerging military in China that, again, is going to be an issue that hopefully as a nation we are going to be able to mediate in a peaceful manner, but nonetheless, a challenge that we have to address. China released its defense budget a few days ago; it was an 11 percent increase in terms of their operational side. As many observers commented, in fact, there are many parts of their defense budget that is not transparent, and the estimates are, frankly, much higher in terms of what the true capitalization, in terms of their navy, their missile defense systems, et cetera.

A key component that was identified in our strategic review as far as a way to address this change that is taking place is making sure that we have a robust undersea fleet, which is, again, something that today we have unparalleled domain and control because the fact that we have the finest submarine force in the world; it is, again, unrivaled in terms of its capabilities and the fact that it is still, even in the world of GPS, something that any adversaries can never detect.

Over the last couple of years, we have boosted submarine production in this country. We were at one a year from the end of the Cold War up until 2011. Starting last year, we boosted that production to two a year. As Mr. Ryan knows, Congressman Murtha, as one of his great legacies, was to understand that we really could not allow our fleet to continue to decline, we are today at 54 attack submarines. At the present pace, even at two a year, we still are going to see a reduction, closer to 40 and starting around 2020, and again, that is because of the fact that we still have a legacy fleet from the Reagan build-up years when we were building five a year.

The strategic review and the budget that came out pretty much maintains that two a year pace of ship-building, however, the Navy buys these submarines in block contracts, and starting in 2014, the next block of Virginia-class submarines is scheduled to be executed. Again, the plan that was submitted in January has nine subs over a five year period, and you can do the math. That is actually not two a year, it actually goes, in 2014, to one, and then two, two, two, two. This is a concern which Admiral Greenert has testified to before the Armed Services committee, and that it is going to have an

impact for really decades to come in terms of the overall fleet size. It does not sound like much, but in fact if you look at the projections from congressional research services as well as the Pentagon, this really will create some real problems down the road in terms of being able to meet mission requests for our combatant commanders.

So right now, there is work being done with the Appropriations Committee, the Navy, as well as a number of us to try and see if there is a way we can rearrange that block contract that, again, came out as part of the budget so that we are not going to lose the opportunity to continue the progress that we have started to make, starting in 2011.

The Virginia-class program is by far the all star of ship-building in this country. The USS Mississippi was commissioned just a few months ago, and it was a year ahead of schedule, came in under budget, and the California was earlier last year. This is a program that the Virginia shipyard, as well as the Connecticut shipyard, has really started to hit on all cylinders, and making sure that this block is maintained is something that, again, I think is critical and really should be a non-partisan issue because it is something that, I think, both sides recognize is an important component of our national defense.

Lastly, I just want to make a quick point. Again, we come from a state where insurance is in our DNA, the state of Connecticut, and frankly, I am quite concerned about the proposals for Medicare. When Medicare was created in 1965, the private insurance market only covered 50 percent of seniors in this country. Having a system that is going to basically rely on an insurance model rather than a guaranteed benefit, frankly, I just think, again, coming from the land of actuaries, is not a workable system. I understand the fact that we have fiscal challenges in this program, which frankly impact issues like submarine production, so we obviously need to focus on ways to make more efficient Medicare system, but an insurance model is really just a cost shift and not a cost saving. With that, Mr. Chairman, I thank you for your time.

[The prepared statement of Joe Courtney follows:]

PREPARED STATEMENT OF HON. JOE COURTNEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT

Dear Chairman Ryan and ranking Member Van Hollen: Thank you for the opportunity to share some of my priorities in the FY2013 budget. I realize the difficult task that this committee has ahead of it, and I appreciate your willingness to hear from your colleagues about their concerns as this process moves forward. While there are many areas of concern that I will be advocating for in the budget and appropriations process, I want to highlight for you two areas that I believe merit your consideration today.

SUBMARINE PROCUREMENT

As you know, in January Defense Secretary Leon Panetta announced a new national security strategy that will guide military procurement and priorities into the next decade. While conducted in large part to help this Congress understand the department's priorities amidst the current budget debate, it was also a chance for the department to evaluate their future security imperatives as we wind down the wars in Iraq and Afghanistan.

Included in the strategy was a clear emphasis on the need for a strong and robust naval fleet, with a particular focus on the unique and unmatched capabilities of our submarine force. The strategy emphasizes power projection and anti-access/area denial, with specific reference to maintaining a cruise missile strike capability (such

as submarine operations in Libya) and "sustaining our undersea capabilities." Maintaining a safe, secure and effective nuclear deterrent" is cited a primary mission of our Armed Forces, underscoring the importance and relevance of the replacement of our current SSBN fleet. As Secretary Panetta said, "we will protect our investments in special operations forces, new technologies like ISR (intelligence, surveillance, reconnaissance) and unmanned systems"—areas in which our submarines today already play an important and largely unmatched role. The strategy outlines "renewed emphasis on Asia together with continued focus of Middle East"—two areas that submarines have already demonstrated their unique value in fulfilling our nation's intelligence, surveillance, reconnaissance and power projection priorities.

However, at the same time that submarines take a lead role in our nation's security, the submarine force faces significant pressures in the decades ahead. While we have a submarine fleet of 54 attack submarines today, we begin to fall below the stated force level requirements of 48 submarines beginning in the early 2020's as our older attack submarines, built in the Cold War era of the 1980's, retire at a facer pace that we plan to retire them. Congress recognized the need to invest in our submarine force in 2007, when we passed the funding needed to begin the production of two submarines a year in 2011—a year earlier than the Navy had planned at the time, but nearly a decade later than initially planned. We reached that milestone in 2011, marking the first time that our nation is producing more than one submarine in a single year in nearly two decades.

The 2013 budget request continues to emphasize strong investment in our submarine force. It requests funding for two submarines in 2013—the final year of the current multi-year procurement contract signed in 2008—as well as additional advance funding for submarines to be built in 2014 and 2015. In addition, it asks Congress for authority to enter in to the next multi-year procurement contract—known as "Block IV"—that would procure at least nine submarines over a five year period between 2014 and 2018. This multi-year authority is critical to the continued effort to reduce program costs and accelerate the delivery schedule for new submarines—for example, the budget notes that the government will save $4.5 billion or 14.4 precent over those five years through the economies of scale achieved through the multi-year purchasing strategy.

The budget also invests nearly $600 million in continued research and development of the Ohio Class SSBN replacement, as well as $100 million in development of a new "Virginia Payload Module" that will make new submarines built later this decade more capable of supporting increased missile payloads and other tools. This is a critical investment in the future of the submarine force, which will make new submarines more versatile and allow our Navy to do more with less in the coming decades.

All told, submarine procurement and development fared exceedingly well in the 2013 budget amidst serious changes to many other programs—and, I would add, deservedly so given the unique role that our submarines are playing, and will continue to play, in our security in the decades ahead. However, I did want to raise one issue with you for your consideration.

As I said, the five year, nine boat request for multi-year procurement authority made a slight change to the order that the new boats will be bought and built. For years, the industrial base has planned for a build rate of two submarines a year between 2014 and 2017, with a one-year reduction to one submarine in 2018. The 2012 budget plan mirrored this plan, which the industrial base has planned towards for some time. However, the 2013 budget moves a submarine from 2014 to 2018, leaving a build rate of one submarine in 2014 and two in the following years.

While seemingly a small change in the scheme of things, I am deeply concerned that this change will further increase the submarine shortfall between 2018 and 2022, leaving our Navy and our combatant commanders with fewer resources to achieve their mission. In addition, changing the schedule now, at this late date, could cause repercussions in our fragile industrial base. Notably for this committee, that one change is estimated to have increased the overall cost of the Block IV multi-year contract by over $500 million—and about $55 million per boat. These are non-value-added costs, meaning that Congress and the taxpayers do not get any additional capability for that cost—just increased costs due to the loss of efficiency and savings that are achieved through a sustained and stable build rate.

In my discussions with Navy leaders, they have made clear that this decision was made purely for budget purposes—moving the submarine to 2018 pushed the boat out of the Future Year's Defense Plan FYDP), or the five year budget window we are considering, so that the so-called "savings" achieved could be applied towards achieving the spending caps set by the Budget Control Act during that period. They have shared with me and others that the change in the Navy budget that would

give them the single largest bang for their buck would be the restoration of advanced procurement funding in the 2013 budget to support adding another boat into the 2014 build plan. That change alone would reduce the submarine operational shortfall by nearly 25 percent and help given our combatant commanders the near-term tools they need to carry out the new national security strategy.

While I realize resources will be tight in the 2013 budget, I ask for your consideration for ensuring that the defense allocation provides the space needed to potentially provide those resources in 2013 and the following years that would help accommodate the restoration of that boat and a sustained build rate of two submarines a year.

INVESTING IN OUR PORTS AND HARBORS

Another issue I ask your consideration of is the critical need for investment in our ports and harbors.

The proper maintenance of our ports, harbors and channels is absolutely critical to the health and future of our maritime commerce—and our nation's economy. Without additional resources to achieve this important goal, our maritime industry will continue to struggle to meet the needs of our water borne commerce and economic recovery. At a time when U.S. ports are poised to gain from a dramatic percent expansion in maritime traffic due to the expansion of the Panama Canal—estimated to double in the next 15 years as a result—we are in a unique position today to ensure that our ports are ready for the opportunities for tomorrow.

As many members from coastal district know, properly maintaining our ports and harbors is an ongoing challenge. Across the country, silt accumulation and a growing backlog of maintenance dredging needs continues to stand in the way of the full utilization of our waterways and in the potential of our nation's maritime commerce. Today, an alarming two-third of our nation's navigation channels are not maintained at their authorized depths, as are most of our nation's largest ports. And, according to the Army Corps of Engineers, the backlog of needed maintenance dredging projects grew from $2.36 million to $3.25 billion in FY2012.

The Harbor Maintenance Tax (HMT) and Harbor Maintenance Trust Fund (HMTF) were established in 1986 to address exactly this problem. The HMT is charged against the value of imports and domestic cargo arriving at U.S. ports that have federally maintained harbors and channels and deposited into the HMTF. As a user fee on the value of imported goods, the HMTF has grown steadily and demonstrated itself to be a reliable revenue source for dredging purposes, averaging nearly 13 percent growth each year over the last five years.

However, despite a $6 billion balance in the fund, much of these resources are not being used to address the backlog of maintenance dredging projects across the need to sustain our vital maritime infrastructure. The U.S. Treasury reported the HMT collected $1.47 billion in Fiscal Year 2011, yet only $791.4 million was distributed to the Corps of Engineers for maintenance dredging. At the beginning of Fiscal Year 2012, the HMTF had a surplus of approximately $6.2 billion; yet, again, this funding is not being used to address the backlog of necessary maintenance dredging needed to sustain our vital infrastructure.

Similarly, the 2013 budget assumes a level of revenue $1.66 billion in the Harbor Maintenance Trust Fund (HMTF), while utilizing $839 million, or 51 percent, of the fund's revenue. At the end of 2013, the budget projects a balance in the fund of about $7 billion.

During this period of economic turmoil, we cannot afford to threaten these water highways that are so important to our nation's economic recovery. Similar problems with the Highway Trust Fund and Airports and Airways Trust Fund were addressed by past Congresses by enacting legislation to more closely tie trust funds to expenditures. To do the same for the HMTF, I joined with our colleague, Representative Charles Boustany of Louisiana to introduce H.R. 104—The Realize America's Maritime Promise (RAMP) Act. This legislation will restore congressional intent of the HMTF and adequately maintain American harbors and waterways in order to reach President Obama's goal of doubling domestic exports by 2015, create American jobs and strengthen the nation's economy. Supported by more than 175 bipartisan Members of Congress, a large coalition of ports, exporters, manufacturers, maritime businesses, and labor organizations (including the Maritime Trades Department of the AFL-CIO), the bill addresses program-wide funding, not specific projects, and is not considered earmark legislation.

During consideration of the 2012 Energy and Water Appropriations bill, I offered an amendment to highlight the importance of investing in our nation's ports, harbors and waterways. My proposal was simple—it would have added $808 million, the balance of unused revenue from the Harbor Maintenance Trust Fund (HMTF)

for FY2012, to the Army Corps of Engineers' operations and maintenance account to conduct critical maintenance dredging on federally maintained waterways. My amendment was struck down on a point of order due to the fact that the subcommittee's allocation did not provide the top line relief needed to fully utilize the HMTF revenues that we expect to take in.

To this end, I ask this committee to consider incorporating the full use of the HMTF into your budget resolution—a proposal that, if approved, would have a far ranging economic impact across our country through job creation, increasing economic opportunity and bolstering our nation's maritime commerce.

PROTECTING MEDICARE

When Medicare was passed into law in 1965, only half of all seniors could afford to buy health insurance. This did not happen by accident—it was because the high risk of people over age 65 made that market basically uninsurable. For nearly five decades, through recessions and economic booms, the Medicare program has guaranteed seniors and individuals with disabilities access to meaningful health care. Today, nearly 47 million Americans that have paid into the system rely on the program for care.

In light of ongoing deficit reduction discussions, some have suggested cutting benefits, increasing the eligibility age, or privatizing the program as an avenue to reduce federal spending. Balancing our nation's fiscal challenges on the backs of our elderly and disabled is not only wrong—it is counterproductive to the original goal of reducing spending. A recent report from the Kaiser Family Foundation on raising the Medicare eligibility age to 67 confirmed that such a change would increase aggregate spending and shift costs instead of produce real savings. According to the report, the change would increase aggregate spending in our health care system by $11.4 billion in the first year alone. The largest share of the increased costs—over $8 billion—would be borne by employers and individuals age 65 and 66.

The Congressional Budget Office (CBO) confirmed similar cost shifting burdens from the Medicare privatization plan included Budget Committee Chairman Paul Ryan's 2012 budget proposal. According to the CBO, seniors that enter the modified Medicare program in 2022 would pay over $6,000 more than they would have under the traditional Medicare program—not producing real savings, but shifting costs.

The fact is that Medicare's finances are in better shape than any other time in recent memory. According to the 2011 Medicare Trustees Report, the Affordable Care Act extended solvency of the program by eight years until 2024. After this period, the Trust will be able to meet 90 percent of scheduled benefits through 2045. Without the law, the Medicare Trust Fund would expire in just five years in 2016. The law extended solvency not by cutting benefits, but by slowing the Medicare growth rate through moderate provider reimbursement reductions and reducing overpayments to Medicare Advantage plans. And, considering recent growth estimates, the future of the Medicare Hospital Insurance (HI) Trust Fund looks even more promising. Over the past year, the S & P Medicare economic index has measured the lowest growth rates in the history of the program—below three percent.

Cutting benefits, increasing the eligibility age, or privatizing the program would turn the clock back to a time when only half of all seniors could afford access to care. These changes will do little to produce real savings. Instead, the reforms will shift costs to the elderly and disabled who can least afford them and should be avoided in deficit reduction proposals. Real savings can be found in speeding up payment uniformity between Medicare Advantage and the traditional Medicare program. Coordinated care and greater utilization of preventive care, both products of the Affordable Care Act, also holds promise for even bigger savings.

Thank you for your consideration of these priorities, and I look forward to working with you in the weeks and months ahead.

Mr. CHAFFETZ. Thank you, we appreciate your testimony. We will now recognize the gentlewoman from the Virgin Islands, the honorable Donna Christensen, for five minutes.

STATEMENT OF HON. DONNA CHRISTENSEN, A REPRESENTATIVE IN CONGRESS FROM THE VIRGIN ISLANDS

Ms. CHRISTENSEN. Good morning, Chairman Chaffetz and Congressman Ryan. Overall, I am supportive of the president's budgetary framework for fiscal year 2013 and I thank you for the oppor-

tunity to share the budgetary priorities for the U.S. Virgin Islands and health in minority communities.

I come before you when the Virgin Islands is facing an economic disaster, with our largest private employer and primary supplier of fuel, the Hovensa oil refinery ceasing operations, laying off 2,000 employees with a myriad of far-reaching repercussions. There are several aspects of the president's budget that would help us, such as his general budget policy that creates jobs and encourages businesses to bring jobs back to the United States, and his investment in education, innovation, and infrastructure.

Specific programs that would particularly help us are the increased investment in surface transportation, the small business tax credits and write offs for new investments, the $30 billion for school modernization, expanded college affordability and summer jobs, investments in tax incentives and clean energy and manufacturing, the establishment of a national infrastructure bank, and building of the next generation wireless broadband network. We ask that you protect these programs in the fiscal year 2013 budget.

The president's budget proposal significantly increases the amount of Medicaid funding, but once again, I am requesting that our Medicaid cap and the Medicaid cap for the territories be lifted and our match changed. We are asking for inclusion in the supplemental Social Security program, and an increase in LIHEAP for the reasons stated in the written presentation.

I am also asking for support for the interior insular affairs budget, which provides critical support to the territories in many areas. My district, of course, is in an area that is always at risk for hurricanes. The regional observing systems provide critical high resolution data and I am requesting that we maintain the regional network funding at $17 million. The NOAA educational partnership program, cooperative science centers provide mission critical research and training. It supports our university and others to build a technical work force and it is important to maintain that budget as a line item.

I am also here as chair of the Congressional Black Caucus' health brain trust, and as a former health care provider, and so I want to address the important investments that will help reduce health inequities.

I fully support NASA to keep this budget's overall increases to several critical health and human services agencies, they are listed in my written presentation, and preserve the budget support for the implementation of the Affordable Care Act, but eliminating health disparities also requires investing in the social economic and environmental determinants of health. It must no longer be that your zip code determines your health status more than your genetic code, but that is a sad fact for racial and ethnic minorities, and for poor and rural communities.

Just a few examples of the administration's awareness and commitment to this are the $100 million for the HUD sustainable communities initiative, the $55 million initiative to make college reality for more racial and ethnic minority and low-income Americans, the $285 million investment in the multi-agency healthy food financing initiative, and of course all of the job-creating provisions and we ask that you preserve those in the budget as well.

There are several key offices and programs to be cut that would adversely impact the health of millions of Americans; and so I therefore oppose cutting $15 million from the Offices of Minority Health and the continuing underfunding of the National Institute for Minority Health and health disparities. I oppose cutting the $4 million from the prevention and public health fund, and cutting $360 billion that would hurt 60 million Medicare and 48 million Medicaid beneficiaries. I also oppose weakening these programs in any way.

I oppose cutting over $500 million from the transitional health insurance program, and the $28 million from the children's mental health grant. I also oppose the elimination of the health careers opportunity programs, the REACH program, preventive health and health services block grant, any cuts to graduate medical education, and to the community services block grant. We would end up paying millions, or maybe even billions of dollars in the future for these bad decisions.

Finally, I fully request funding for the AIDS drug assistance program; treatment is a key element of prevention. I would respectfully suggest to you, Mr. Chair and members, that issues of health and safety are high enough priorities that they should no more require offsets than the Middle East wars or the Bush administration tax cuts, but also consider that there will be more savings from the Affordable Care Act than we have already begun to realize, and from these programs as well.

Finally, the Congressional Black Caucus will be submitting an alternative budget that addresses these and other concerns. I thank you for the opportunity to testify. You have a difficult job ahead, but I am confident that working in a bipartisan manner and putting the good of the country and our fellow Americans first, we will have a good budget that will put our country on a strong footing for the future, thank you.

[The prepared statement of Donna Christensen follows:]

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

Good morning, thank you, Chairman Ryan and other members of the committee, for the opportunity to share with you the budgetary priorities for the U.S. Virgin Islands and for minority communities as it relates to health care. While the U.S. territories, of which the Virgin Islands is a part, always have to ensure that federal initiatives for programs extend to our shores, this year it is of even greater importance for the U.S. Virgin Islands as we are facing a very challenging financial crisis. Our largest private employer and our primary supplier of fuel for our utility, our businesses, and residents, the HOVENSA Oil Refinery has ceased operations, is in the process of laying off 2,000 employees and the potential ripple effect to our treasury, and to our way of life is staggering.

While we have been working with our federal partners to address the impending unemployment and mortgage crisis that will severely affect our middle class, I still want to point out aspects of the President's Budget that I believe would be of help to us as we work through the challenges before us.

I believe in President Obama's general budget policy that focuses on tax policy to encourage businesses to bring jobs back to the US; to invest in education, innovation and infrastructure; and to create a level playing field for U.S. workers and businesses. Programs that would particularly help us as we work to reinvent ourselves include:

- Increased investment in the Surface Transportation Reauthorization that would help our roads, runways, buses and ferries, keeping many small businesses alive
- The small business tax credits and write-offs for new investments that would lead to job retention and growth

• The $30 billion for school modernization that would help us to make them energy efficient using solar and other clean energy solutions
• Investment in Race to the Top with its resources for child care and readiness for school
• College affordability with student loan help and summer job help
• The investments and tax incentives in Clean Energy and Manufacturing for Made In America products
• The establishment of a National Infrastructure Bank
• The building of a next generation wireless broadband network for public safety users.

Specific to the U.S. Virgin Islands is my annual request for an increase in our Medicaid Cap, inclusion in the Supplemental Social Security Program and because our residents pay 44 cents per kilowatt hour for electricity, an increase in funding for the Low Income Energy Assistance Program (LIHEAP) which will provide relief for many of our people, our seniors and our children who live at or below the poverty level.

While I will continue to work to lift the cap and increase our FMAP, the President's FY 2013 budget proposal does keep the Medicaid program in the U.S. Virgin Islands and in the U.S. Territories on a glide path to parity by significantly increasing the amount of Medicaid funding.

I am also asking for support for the Interior Insular Affairs budget which provides technical assistance and facilities maintenance programs, assists us in developing sustainable and renewable energy strategies and supplements our capital improvement programs.

As you know, colleagues, my district is in an area that is always at risk for hurricanes and we have been seeing changes in intensity and paths for the storms. The last thing the US Virgin Islands needs—or any part of the United States needs—is to be hit by a strong storm, especially without adequate warning and preparation.

It is therefore important that we maintain support for regional observing systems in FY13. Regional observing systems provide the sustained high-resolution data needed to address key federal missions and to integrate existing federal and on-federal data into accessible and useable forms.

To maintain a stable network of these regional systems we should support competitive regional network funding at $17million. The proposed cut to $14.52 million in the President's FY13 budget stands to threaten critical access to ocean data as well as observations and jobs that support ocean, coastal and Great Lakes economies.

In my district, we benefit greatly from CARA, the Caribbean Regional Association and CariCOOS, the Caribbean Coastal Ocean Observing System. These partners come together to collect, integrate and disseminate data from deployed buoys to help support safe and efficient maritime operations. This information improves the accuracy of storm detection, protecting not only the U.S. Caribbean but the Gulf region as well.

In addition, the NOAA Educational Partnership Program's Cooperative Science Centers provide mission-critical research and training in support of NOAA, the building of the Nation's technical workforce of the future and supports the President's Educate to Innovate initiative. It is undeniable that the production of the diverse group of STEM (Science, Technology, Engineering and Math) graduates is a boost to the economy and strengthens national security by enhancing domestic technical expertise. This important program has already lost one of its valuable centers—we cannot afford to lose any more. Therefore it is important to have the EPP budget maintained as a line item in the NOAA appropriation, keeping it consistent with the original language.

I am here today not only as a colleague, but as the Chair of the CBC Health Braintrust and 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 so, I also want to address one of the most important aspects of our federal budget: the investments that will help reduce health disparities and achieve health equity.

Today, we know more than ever before about what we need to do and the investments we need to make in order to preserve and improve the health and health care of all Americans. For example, we know that we need to strengthen the agencies and offices at the Department of Health and Human Services (HHS) because they are critical to our nation's health care system. That is exactly why I fully support this budget's overall increases to a number of HHS agencies and offices, such as the $654 million increase for the Food and Drug Administration; the $228 million increase for the Health Resources and Services Administration; the $116 million increase for the Indian Health Service; the $39 million increase for the Centers for Disease Control and Prevention; the $4 million increase the Agency for Healthcare

Research and Quality; the $7 million increase for the Administration on Aging; and the $5 million increase for the Office of the National HIT Coordinator.

Each of these increases together will help bolster the Department's capacity and ability to implement vital provisions in the Affordable Care Act. Additionally, these increases will prove to be critical to efforts to improve health and bolster the quality of and access to health care for millions of hardworking Americans.

But, the investments cannot stop there. Building and sustaining healthy communities and achieving health equity by eliminating health disparities requires an investment in so many other federal departments because there truly is a health policy in every policy; and every federal agency and office has a health impact. This idea is evidenced by the fact that your education level, your annual income, the type of housing you live in, the type of neighborhood in which you reside, and your employment status, directly affect your health and wellbeing.

The good news is that in the President's FY 2013 budget proposal—even during these times of budget constraints—there are aspects that demonstrate this Administration's awareness of this notion and their ongoing commitment to create and sustain healthy communities and achieve health equity by supporting programs and coordinating efforts that address various social determinants of health.

That is why I fully support the $100 million for the HUD Sustainable Communities Initiative, which will help our nation's most vulnerable and unhealthy communities develop thoughtful transportation and housing plans that are affordable, environmentally conscious, less polluted and that make getting to and from work less cumbersome and dangerous for low-income Americans who do not own cars.

That is why I support the $55 million that will be used to launch a new initiative to make the college dream a reality for racial and ethnic minority and low-income Americans, and the $285 million investment that this budget proposes to make in the multi-agency Healthy Food Financing Initiative.

This Initiative coordinates efforts across the Department of Health and Human Services, the Department of Treasury and the Department of Agriculture to make reliable access to affordable healthy foods, as well as needed jobs and community investments a reality for millions of Americans who—because of their lower incomes and their communities' rural location and higher poverty levels—are at increased risk for obesity, food insecurity and unemployment.

There are plenty of other examples of investments to address the social determinants of health that are peppered throughout this budget proposal. However, despite the elements of the FY 2013 that I fully support, there are aspects that I am extremely concerned about and thus offer this plea: that as we prepare to pass a 2013 budget, we should do so without undercutting and eliminating some of the programs and federal entities that are fundamental to current and future efforts to eliminate all health disparities and improve the health of all Americans.

I understand that we are in a financially stringent time. And, on paper, cutting and eliminating costs—at first glance—may seem like a viable solution to our efforts to develop and pass a responsible budget. However, many of the proposed cuts and eliminations are those that we truly cannot afford because while we may be saving money today, we will pay tenfold—in higher health care costs and lower productivity due to illness and disability—tomorrow. And, there is nothing from a financial, social or medical perspective that makes good sense about that approach.

I feel very strongly that we cannot allow several key offices and programs to be on the chopping block because doing so will put the health, health care and wellness of millions of racial and ethnic minority, low-income, rural and other vulnerable Americans in harm's way. And so, I stand in strong opposition to the following:

- Cutting $15 million from the Office of Minority Health and I oppose continuing to underfund the National Institute for Minority Health and Health Disparities when this office and Institute are leading the national charge to eliminate racial and ethnic health disparities—the same disparities, by the way, that cost this nation hundreds of thousands of lives every year and roughly $1.24 trillion in total medical costs in three years.
- Cutting $4 billion from the Prevention and Public Health Fund when we know that prevention saves lives and dollars.
- Cutting $360 billion out of Medicare and Medicaid over the next decade. If we reduce funding to these programs, we will be cutting a literal lifeline for the nearly 60 million Americans, including working families, who are on Medicaid and for 49 million seniors and younger people with disabilities who are on Medicare. So, we will be cutting a lifeline that is vital to the health, health care, wellness and thus lives of our nation's most vulnerable residents. I particularly oppose any plan that would turn Medicare into a voucher program, shift costs onto the beneficiaries and weaken this program that so many depend on, including racial and ethnic minorities especially. I would oppose any plan to make Medicaid a block grant.

• Cutting over $500 million from the health insurance programs that expand access to care for those with pre-existing conditions or those who participate in the early retiree reinsurance program, and I oppose cutting $28 million from the children's mental health grant.

• I strongly oppose eliminating the Health Careers Opportunity Program especially at a time when we need more health providers and a more diverse workforce, the REACH Program that empowers communities to address their own health challenges, the Preventive Health and Health Services Block Grant, the Children's Hospital Graduate Medical Education Payment Program and any cuts to graduate medical education, and to the Community Services Block Grant. While their absence may save a few dollars today, we will pay millions or even billions for these bad financial decisions in the future.

• Finally I oppose any budget amount that does not fully and robustly fund the AIDS Drug Assistance Program when we know that today's AIDS drugs are so advanced that treatment for HIV /AIDS not only saves lives and dollars, but treatment is now recognized as a key element of prevention.

I know that any increases would be have offset elsewhere, but I would ask that you consider the issues of health and safety to be the highest priorities and consider the savings that funding the above programs would provide. Further, just as we are already seeing savings from the Affordable Care Act, there will be more that could not be scored under the present system and I would ask that this too be considered. There is substantial hard evidence upon which to base savings projections.

Thank you for the opportunity to testify. You have a difficult job ahead, but I am confident that if we can work in a bipartisan matter and put the good of the country and our fellow Americans first we will have a good budget that will put our country on a strong footing for the future.

Mr. CHAFFETZ. We thank the gentlewoman, and thank you for your testimony; we appreciate it. We now recognize the gentleman from Virginia for five minutes.

STATEMENT OF HON. SCOTT RIGELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. RIGELL. Thank you, Chairman Chaffetz and Ranking Member Ryan. Thank you very much for the opportunity to address the committee today.

I am here with about 25 plus years of business experience and financial statements and preparing budgets, admittedly the budgets here have a lot more zeroes, but the principles of finance remain the same. There are two key points that I want to share with the committee this morning. The first is the severity of our fiscal situation, the risk that it poses to the Republic, and second, to address briefly the peril of sequestration. I will come to that in just a moment.

Now, with respect to where we are, I often hear, as I suppose my colleagues do, that what is taking place here is not fair to our children and grandchildren. That does not, to me, capture the severity of our situation, nor does it capture the timeline that I think this nation will experience. Just a potentially catastrophic fiscal pressure, it is not simply our grandchildren or our children; it has to be moved up two generations to each one of us here today. It requires bold leadership on the part of this party, or this committee rather, and I am proud of the work that was done last year by this committee. I voted for a budget that, albeit over a 24 year period, it did bring America to a sense of fiscal discipline, and I hold this view that it truly is an egregious failure of leadership by the administration to not put forth a comprehensive plan that would set this country on a better fiscal path.

The plan that was passed by the House, certainly, it could have been improved; I am sure of that, but if you put that plan right

there and you ask where the administration's plan is, there is nothing there to compare it to, nothing comprehensive; and the president, in my view, has failed the American people in that respect.

Expenses are the principle driver of our situation here, but also, and I will be one of the first Republicans I suppose, or among others, to say that revenues must increase. Revenues must increase and do that through that the growing of our economy, particularly energy independence. The bill that I have to move this forward, energy independence using coastal energy right off the coast of Virginia, I hope it moves forward. This represents a significant step and there are other bills in the Senate of the United States, that if passed, would help us grow our economy and increase tax revenues, which must be done.

Another principal way that I think we could, in a wise way, increase revenue would be to strategically go in and eliminate what are clearly lobbyist-written, and lobbyist-inspired loopholes.

Now, in the short time that I have left, I just want to point out to you as a member of the House Armed Services Committee, I have the great privilege of representing the good folks of the 2nd District of Virginia. What is coming at us in sequestration is nothing less than a violent, unwise, unconscionable sharp direction turn for the Department of Defense. They cannot possibly adjust to this level of a hatchet-type funding to the Department of Defense. The budget as it is, even though it has been tightened, I think the service chiefs can work through that; it reluctantly is something that I can work through, never fully accept but work through, but what is coming at us, and I trust that every member of the committee here today and really the entire House of Representatives would pause to fully understand the full ramifications of sequestration. It is not a wise path for this country, and I urge the committee members to oppose it, and to find alternatives to it.

In closing Mr. Chairman, this is truly, without hyperbole, a defining moment in our country, we must make wise decisions, the window for doing this is running out. At some point, the borrower becomes the lender's slave. So I encourage my colleagues of both sides to be bold in your decisions, to be bold in the budget that you put forth for us to consider. The American people are ready, they are desperate for the truth, they are desperate for solutions, and they are ready for leadership, and with respect to the budget, that begins here. Thank you for the opportunity to testify today.

[The prepared statement of Scott Rigell follows:]

PREPARED STATEMENT OF HON. SCOTT E. RIGELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Chairman Ryan, Ranking Member Van Hollen and Members of the Budget Committee, thank you for allowing me the opportunity to share my thoughts on the FY13 Budget. Passage of this budget is essential to setting our Republic on a better fiscal path and ensuring American citizens that we are serious about getting the government's finances in order. America wants stability and security. The worst thing for America is a future of debt, doubt, and decline.

First, please allow me to address debt. As I look at the numbers before us, the fiscal reality has set in that we are a nation at serious and alarming risk. Our debt has completely eclipsed our GDP, placing us in unwelcome company of the debt-ridden countries in the EU. And, in an egregious failure of judgment and leadership, President Obama is not sounding the fiscal alarm. His FY'13 budget has not shown the necessary leadership on this issue and continues to have us borrowing trillion dollars of new debt over the next decade, with no end in sight.

As Members of the House Budget Committee, have the opportunity to lead on this issue and craft a budget that halts this out-of-control spending and gradually bring us back to sustainable levels that equal the revenues coming in. I ask that you bring a budget to the House floor that does not just lower spending this year, but also provides a clear and definitive path going forward to balance the budget and pay down the debt. I am willing to look at all options and bring everything to the table to get our debt under control.

Now, I would like to address doubt. American entrepreneurs, the greatest job-creating force in America, are ready to create jobs now. Yet, the regulatory environment has put that effort on hold. We must work to eliminate unnecessary, burdensome regulations.

We have within our grasp an incredible opportunity to boldly address two of America's greatest challenges: energy security and unemployment. These two issues are inextricably linked. We can no longer tolerate a stagnant, slow-growth economy saddled with historic unemployment rates and a dangerous dependence on foreign oil. The answer to these problem is energy—specifically, American energy. The President has called for an all-of-the-above strategy to energy independence. I agree! This means that we must move forward with the Keystone XL pipeline and harvesting the resources off our coasts.

Finally, and in my mind most importantly, I would like to address decline. Because of Sequestration, our military stands at the precipice of an incredible decline in its ability to protect our Republic. As Secretary of Defense Leon Panetta recently said: "Facing such large reductions, we would have to reduce the size of the military sharply. Rough estimates suggest after ten years of these cuts, we would have the smallest ground force since 1940, the smallest number of ships since 1915, and the smallest Air Force in its history."

Jobs are being lost today. While some Members of Congress may believe that Sequestration will have no real impact until next year, I have news for them. Employers in their districts are laying off employees now in anticipation of the cuts next January. Under Sequestration, every budget line must be slashed 8-10% beyond the $465 billion announced by the President in his new defense strategy. This means the effective cancellation of every contract your district employers have with the Department of Defense.

In my district, I have yet to meet with a single business that will not be negatively impacted. Some businesses have informed me that they are filling out pink slips now. This is not necessarily based on the discretionary budget caps implemented by the Budget Control Act, but the $55 billion cut to the Defense budget effective January 1, 2013.

The Constitution is clear that Congress' primary obligation is defend our nation. The Department of Defense budget represents just 19% of total government spending and is yet bearing half the reductions in Sequestration. Chairman McKeon has introduced H.R. 3662, legislation that would pay for the first year of Sequestration—deferring the disastrous impacts on the military and creating more time to reach a negotiated deal to find the remaining savings mandated by the Budget Control Act. I implore you to stop Sequestration now.

Mr. CHAFFETZ. Thank you for your testimony today, we appreciate it. The gentleman yields back, we will take a pause now as we bring up the members of the next panel. Again, thank you for your testimony today, and if members of the next panel could make their way to the microphones, we would appreciate it. As members are making their way, let me just make comment that we would ask members to keep their verbal comments to five minutes. Any additional written materials we will, obviously, submit into the record. We would also let you know that at the conclusion of your testimony we do not anticipate any further interaction, and so in the essence of time we would invite you to depart if you so choose with no reservation.

We will start now by recognizing the gentlewoman from California, Ms. Richardson, for five minutes.

STATEMENT OF HON. LAURA RICHARDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. RICHARDSON. Thank you, Mr. Chaffetz and Mr. Ryan, in acknowledging in their absence, Chairman Ryan and Ranking Member Van Hollen, and other members of the Budget Committee. Thank you for convening this hearing and allowing us, as members, an opportunity to share with you our thoughts on the budget priorities for fiscal year 2013.

This morning, I will briefly highlight parts of the federal budget that are most important to me and my constituents. I realize this committee has a daunting task of crafting a budget resolution that expresses the values and reflects the character of our country. The budget must serve all Americans, yet the committee is tasked with the difficult responsibility of minimizing our debt so that we can ensure that our children have the same opportunity to live the American dream. I am here to speak on behalf of the people I represent, the hard-working individuals in the 37th congressional district which is a very diverse district, but yet is facing a stalled economy with unemployment ranging anywhere between 13 and 25 percent. My budget priorities are as follows.

First of all, I serve on the Committee of Transportation and Infrastructure, and therefore, I strongly support the president's budget proposal to increase the full year 2012 levels in overall funding for transportation, including the six year multi-funded surface transportation bill.

Second of all, in terms of older Americans, although the president has requested level funding for the program on full year 2012, it makes no progress in restoring the 45 percent cut that was made in 2011 from the 2010 enacted level, and I would suggest that you look at that section as well.

Priority number three: housing. I strongly oppose the president's decision of looking at the reduction of community development block grant funding, an 11.6 percent reduction from full year 2011. CDBG funds work; I served in the local government, city council, for six years prior to coming here to Congress, and clearly that has already taken a burden, states have taken burdens, and for us to not have that as an opportunity to work is a huge detriment in my community.

I do, however, support the president's request for $475 million in funding in the Section 202 housing for the elderly. This is a 26.7 percent increase and I have found this program to be extremely effective.

Priority number four: education. Nothing is more crucial to our nation's long term future than an educated citizenry, and so when you consider that the president's budget request of 2.5 percent increase, I do support. I further support the career and technical education program, which the president has proposed $1.1 billion level funding in full year 2013 budget.

Finally, I want to talk about Title I funding, specifically regarding education. This has been cut in years past, and I would support an increase to the tune of 3 to 5 percent to assist the children who are in poverty, who are having a difficult time and need these special programs to be able to advance.

My fifth priority is homeland security. I serve on the Homeland Security Committee and therefore I am deeply troubled, living in a port community where we bring 40 to 45 percent of the entire nation's cargo goes through my district. So to see a proposed cut of $93 million, that is 58 percent, I believe is derelict of our duties.

I am also troubled by the president's proposal to cut 8 percent of the FEMA grants, and however, I do support an increase in the fire station construction grant program.

Last two sections, my priority number seven is the Army Corps of Engineers. I note that I am very disappointed in the president's budget that does not provide funding for the continuing authority projects, which is also known by CAPS for the Army Corps of Engineers. Further, under Section 103 of the Water Resources Development Act, WRDA, I am concerned of having adequate funding in that program and believe it should be more at the level of $25 million.

Finally, within the Army Corps of Engineers, I think we have to seriously look at Section 22, also WRDA, that was authorized in 1974. The president allocates $4 million; however, given our aging infrastructure, this should be at a minimum at $10 million to minimize future disasters.

I applaud the president's efforts of my eighth priority, which is with the Native Americans. The international affairs, which is my ninth priority, the 1.6 percent increase which I do support.

My 10th and final priority is high speed rail. In California, I serve as the co chair of the California high speed rail caucus, and applaud the president's efforts there.

Finally, let me say that while the budget is a record of expenditures, outlays, and revenue receipts, it is much more than that. It is an expression of our commitment to the American public, and a contract that we cannot deny. I applaud your work serving on this committee and hope that you will take my priorities into consideration. Thank you for your attention.

[The prepared statement of Laura Richardson follows:]

PREPARED STATEMENT OF HON. LAURA RICHARDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Chairman Ryan, Ranking Member Van Hollen, and Members of the 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 2013. 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 11 percent, but in some areas of my district, like Compton, it is closer to 20 percent. The foreclosure rate for California (1/265) is more than twice the national average (1/624). In the City of Compton, the foreclosure rate is over 4 times the national average (1/161).

The budget priorities that I will outline today are what I believe is needed to restore the American dream for the millions of Americans who have been most affected by the difficult economic environment that we are just starting to overcome. These priorities will set America on a path toward fiscal responsibility, economic

growth and prosperity, and will provide us with needed investments that will pave the way to the future.

PRIORITY #1: JOBS FOR AMERICANS

As we consider our budget priorities for FY 2013, we must enact a budget that will reflect the need to create jobs and invest in our future prosperity. Although we have been encouraged by signs that the economy is recovering, we can't make reckless cuts at the expense of our ongoing recovery. Instead, we must take a prudent approach to addressing the deficit, making targeted cuts in some areas and targeted investments in others. We need to ensure that every American who is willing to work to get ahead has the opportunity to do so. That is why creating jobs—good paying jobs with benefits to sustain families—must be our central objective.

The fiscal challenges that our nation currently faces are real and must be addressed with an honest dialogue between members on both sides of the aisle. We need to create a budget resolution that makes smart investments in job creating programs and projects that will put Americans back to work. At the same time, we must make an effort to rein in spending on programs that are not producing adequate results. Making these targeted cuts will help put us down a sustainable fiscal path, while maintaining support for programs that are proven to help the American people succeed.

An initiative that I believe will help reduce the deficit, and rein in unnecessary spending is a bill that I introduced in the last congress entitled "The Cost Recovery and Fair Value for Services Act."

PRIORITY #2: COST RECOVERY ACT

The Federal government has an obligation to the American people to be stewards of their hard-earned taxpayer dollars by operating in an efficient manner. There are hundreds of federal agencies in the executive branch offering an array of services and programs. It is critical, especially in times when the national debt is high, for these agencies to ensure that the services and programs they offer are self-financed to the greatest extent possible.

The Cost Recovery and Fair Value for Services Act that I will soon reintroduce will help meet this obligation by ensuring that the federal agencies set their user fees for services provided at rates that are both equitable and cost-effective. By setting appropriate user fee rates, agencies can contribute to the shared fiscal responsibility that our current economic situation demands without overburdening the public or inhibiting public engagement.

Specifically, the Cost Recovery and Fair Value for Services Act requires the chief financial officer of every federal agency to provide a report to the Director of the Office of Management and Budget reviewing fees charged for services provided. The report will contain recommendations on possible adjustments to those fees rates taking into account the following factors:

1. The extent to which the fee will cover the agency's cost for providing that service;
2. The extent to which each user is paying an equitable amount considering that user's ability to pay; and
3. The extent to which the use of the service provides a public benefit.

PRIORITY #3: 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 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. 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."

PRIORITY #4: EDUCATION

We have a responsibility to provide Americans with the skills and opportunities they need to be successful in the global marketplace. Pursuant to the request of President Obama to out-educate, out-innovate, and out-compete the rest of the

world, it is important that Congress make key investments in education and job training programs that are essential to the future health of our economy.

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 requests $69.8 billion in funding for the Department of Education for FY 2013, a 2.5% increase over FY 2012 enacted levels. I also support the President's budget proposal because it safeguards increases in major K-12 education programs to ensure that our children receive a quality education that will enable them to compete in the global economy. Investing in our nation's future through public education will help to ensure long-term economic growth and prosperity for our nation by creating a more educated and higher earning workforce.

As a strong supporter of the Career and Technical Education program, I support the President's proposed $1.1 billion level funding in the FY 2013 budget. These grants provide a needed service to those in disadvantaged communities to develop hands-on, career-oriented postsecondary training. At a time when unemployment rates are high, it is important that we sustain adequate funding for programs that help individuals gain skills that will make them more competitive in the job market. The President's $1.1 billion budget request for the Perkins Act in FY 2013 provides a solid foundation for preparing participants in vocational training programs for careers in a wide array of industries.

However, I would like to point out a few areas of the President's education budget that can be improved:

First, we need to make sure that Title I funding is being allocated to the schools and the children who need it the most. Child poverty is on the rise, and it is our responsibility to ensure that children who come from disadvantaged families have the same opportunities as their peers whose parents belong to a different socioeconomic background. In 2010, research shows that over 20 percent of children lived in poverty. That is clearly unacceptable and targeted investments in Title I funding to schools in economically disadvantaged neighborhoods will provide the foundation needed for these children to succeed. That is why I support a 10% increase in funding for the Title I program over FY 2010 enacted levels.

Second, while I am generally supportive of the Administration's focus on ensuring that competitive grant programs provide an important incentive for our nation's public schools to improve curriculum and overall student performance, we need to ensure that the Administration balances its emphasis on competitive grant programs with formula grant programs that provide funding to schools that need it the most.

These formula-based grant programs are essential to schools in urban areas that are already facing stark fiscal realities. During these tough economic times we cannot rely solely on competitive-based grants, but need to ensure that federal funds are being allocated in a manner that reflects the needs of underperforming schools.

Third, the President's budget proposal provides a modest increase in funding for the IDEA special education program, but funding levels remain inadequate. I would like to see an 8% increase in funding for IDEA over FY 2010 levels. This will bring the federal share of the program back to the 2006 level of 17.6%.

The modest increases in funding do not go far enough to ensure that every child who suffers from a disability that requires special accommodation will have access to an education. Failing to provide grants to states at necessary levels will prove detrimental to the overall health of special education programs across the country.

PRIORITY #5: 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. Although the President has requested level funding for this program in FY 2012, it makes no progress in restoring the 45 percent cut made in FY2011 from FY 2010 enacted levels. In FY 2010 this program was funded at a level of $825 million, a significant increase in funding from past years. However, the President's budget proposal cut funds for this program nearly in half and significantly impacted low-income senior citizens' ability to find work. 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 reintroduce legislation that will make this program more accessible by lowering age and income eligibility requirements.

PRIORITY #6: TRANSPORTATION & 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 proposes a 2% increase above FY 2012 levels in overall funding for transportation and infrastructure. This increase also includes a $476 billion six-year surface transportation reauthorization proposal that will provide a $50 billion "up-front" investment to be distributed in the first year to spur job creation and economic growth. This proposal is fully paid for. These investments will be paid for with the savings achieved from ramping down overseas military operations by redirecting these resources to build America's transportation infrastructure.

Passing a surface transportation reauthorization bill that provides funding for projects that are critical to national greatness needs to be a top priority of this Congress. 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.

I have recently introduced H.R. 1122, the Freight FOCUS Act to establish an office of Freight Planning in the Department of Transportation that will be responsible for freight planning and creating a merit based, competitive grant program. This bill provides for public and private sector involvement in the process, and prioritizes major goods movement corridors and projects to alleviate choke points. This comprehensive national freight policy will facilitate the movement of goods across the country and will also help the American economy grow.

Investing in our freight infrastructure is vital to the creation of jobs in the manufacturing industry and will allow us to boost exports. I am pleased to report that my legislation enjoys the support of industry and key stakeholders, which is willing to accept a 12 cent increase in the diesel fuel tax paid by trucks to raise revenue for the creation of new freight infrastructure projects. The bill also creates a Goods Movement Trust Fund, which would be dedicated to funding such projects, and contains safeguards to ensure that funding generated from a specific mode is used for projects benefitting that mode.

When it comes to transportation funding, we must also be forward-thinking and pro-active to position our country to compete and win in the global economy. In 2012 alone, the Department of Transportation received over 1,000 applications requesting a total of nearly $14.2 billion in transportation projects. Clearly, there is a significant need for increased investment in our nation's infrastructure.

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 $2.5 billion in FY13 and an additional $4 billion within the upfront $50 billion investment to invest in the construction of a national high-speed rail network.

I support the President's vision to create a nationwide high speed rail network that includes investing over $47 billion over the next six years. It will cost about $98 billion alone 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 hundreds of thousands of 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.

PRIORITY #7: HOUSING

The need for housing and redevelopment assistance is great in my district, my state, and across the nation. California ranks second in the nation, trailing only Nevada, in the rate of housing foreclosures. Therefore, I strongly oppose the President's decision to continue funding the Community Development Block Grant at FY 2012 levels—an 11.6% reduction from FY 2011 enacted levels.

Maintaining funding at FY 2012 levels would have a devastating impact on communities all across America, including my district, and hinder our ability to continue doing our part in aiding the Nation's economic recovery. CDBG works. In Los Angeles County, for example, CDBG funding has provided a direct benefit to low- and moderate-income residents and their neighborhoods, something that simply would not have been possible without this federal-local partnership.

I support the President's decision to request $475 million in funding for the Section 202 Housing for the Elderly program—a 26.7% increase over FY 2012 enacted levels. However, I strongly disagree with the President's decision to cut $150 million from the Section 811 Housing for Persons with Disabilities Program, which funds the new construction of housing for those groups—this represents a 50% reduction in funding for the program from FY 2010. Our seniors and the disabled are among the most vulnerable populations in society and we cannot neglect their housing needs.

PRIORITY #8: HOMELAND SECURITY

I am the Ranking Member of the Homeland Security Emergency Preparedness, Response and Communications 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 $681 million below the Fiscal Year 2o12 level.

I support the President's proposal for increasing the Disaster Relief Fund in FY 2013 by $6.08 billion.

With the recent tornadoes in the Midwest it appears that FEMA will have another busy year responding to disasters. While I hope that this funding level is sufficient to cover the damage caused by natural disasters this year, I feel that any supplemental requests that may be needed to fund the Disaster Relief Fund not be subject to debates about budget offsets.

My major concern with the President's Fiscal Year 2013 Budget is the proposal to consolidate 16 Department of Homeland Security programs into a single National Preparedness Grant Program.

I am particularly concerned the critical grant programs for my district, such as the Urban Area Security Initiative and the Port Security Grant Program will have to compete for funding with other programs and other regions in the country.

The Urban Area Security Initiative provides funding for equipment, training, law enforcement personnel, and planning for high-density urban areas that are at a high-risk of a terrorist attack.

The Port Security Grant Program provides port authorities and other entities critical funds to protect our nation's ports. Port Security Grant Program funds are used to further a port's ability to prevent, detect, respond, and recover for improvised explosive devices and other non-conventional weapons.

I asked DHS officials who testified before the Homeland Security Committee about how they will prioritize funding under the new National Preparedness Grant Program.

DHS administrators mentioned on record that they would be prioritizing funding decisions by risk level by region. They were not able confirm that regions like Long Beach and Los Angeles that has multiple attractive terrorist targets, such as ports, mass transit, and airports will not have to compete with each other and other California cities for funding.

The President's FY 2013 Budget also directs National Preparedness Grant Program funds to the states. The state then allocates the funds to the local municipalities.

This could cause reduced and delayed funding to our high-risk cities. I have talked to port authority officials in Long Beach and Los Angeles and they have expressed their concerns about this change in fund allocation.

We need to continue to stay vigilant against terrorists that want to do our country harm. We need to continue to adequately fund the programs that have kept our country safe.

Now is not the time to be cutting back funding for law enforcement, first responders, and community preparedness.

PRIORITY #9: NATIVE AMERICANS

Perhaps nowhere is the need more urgent 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 a 2.7% increase for the Indian Health Service, an increase of $116 million over the FY 2012 enacted level. I am also pleased that the FY2013 request for Indian Affairs focuses on core programs and services that are vital to Indian country, such as the $345 million for public safety initiatives in Indian Country.

PRIORITY #10: 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 $51.6 billion, a 1.6 percent increase over the current funding level.

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 diplomatic role of the United States in the international system cannot be understated. By supporting economic development, human rights, and democracy throughout the world, the International Affairs Budget 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.

Mr. CHAFFETZ. Thank you, I appreciate your testimony. The chair wants to give notice that it is the intention to hear testimony from the next two members, and then we will likely go into recess as there will be a vote on the floor. So with that, you can please keep your comments to five minutes. We will recognize the gentleman from Illinois, Mr. Hultgren, for five minutes.

STATEMENT OF HON. RANDY HULTGREN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. HULTGREN. Mr. Chairman and members of the committee, it is a privilege today to share with you my thoughts on the president's fiscal 2013 budget request. It comes as no surprise to anyone that, certainly, to none of the members of this committee that we must aggressively cut spending, reduce government liabilities, and prioritize our needs. We must do that, we must do it well, and we must do it immediately, but I what I want to talk to you about today is something I think we conservatives needs to address more frequently: Our national investment in American scientific enterprise. While the science, space, and technology committee is only one of my three committee assignments, I am proud of the role I have played in strengthening our investment in fundamental science research and strengthening NASA. I am proud because I truly believe the story of American exceptionalism is a story of our investments in basic research and exploration, and I do not believe that the president's budget takes us there. In fact, I believe it undercuts that investment.

First, with regard to NASA, the president has decimated our Mars exploration budget, canceled our plans to return to space exploration, and left us entirely dependent on the Russians with no contingency plan, and that is just his proposal for NASA. His proposal for fundamental science research in our national labs is even worse.

Now, for the sake of full disclosure, I do have a national lab in my district, Fermi National Accelerator Laboratory, and the president has proposed nearly a 10 percent cut to Fermilab's budget. Fermilab is our nation's only single-purpose high energy physics lab, and I view the president's request as a slap in the face of Fermi's legacy of scientific achievement. Moreover, it is not as if the president is proposing to cut spending across the board and science and NASA happens to be a casualty, no. The president is still trying to grow government, increase spending, by hundreds of billions of dollars. He just happens to be proposing cuts to one of the few productive areas of government to pay for some of his expansion, and that is shameful. It is shameful because high energy physics and our broader scientific portfolio go beyond parochial interest in local politics. These endeavors are inextricably linked to both our national success and fundamentally, our national character.

Unfortunately, in addition to the president proposing cuts to high energy physics in Fermilab, he has also shown lukewarm support for the Department of Energy's Office of Science, all the while his political pet projects like Solyndra-style green energy gambles receive 30 percent increases; and it is on this point that I think a constituent physicist of mine phrased it best: "Science is divided into Edisonian, the research that leads to light bulbs and other tangible inventions, and Einsteinian science, that not only seeks answers to questions about the nature of our world, but also provokes new questions." American free enterprise and the private sector do an outstanding job of the Edisonian science, and our national labs have done an incredible job of the fundamental Einsteinian science. However, the president's budget sacrifices Einsteinian science at the political alter of trying to compete with the private sector and pick market winners.

Mr. Chairman, science requires a certain infrastructure, and the president's budget undermines the core parts of this infrastructure, a part of the infrastructure that drives long-term economic growth and innovation. It is no accident that our investment in these various NASA and science endeavors in the 1960s and 1970s led to that generation of adolescents creating companies like Microsoft, Apple, and Amazon in their adult years. I fear our shortsightedness now will cost us the leading companies of the future.

The U.S. research system is unique; we found an incredibly powerful combination wedding education and research by incorporating universities, user facilities, and Department of Energy resources. With a pedigree spanning over half a century, it is self evident that this basic research drives our understanding of the universe and our economic growth. These are new ideas and new innovations that spawn new products, new services, new companies, and new industries, but this system is only as stable as our commitment to it, which is why sustained and predictable research funding is cru-

cial. The 2007 reorganization under America Competes was a good first step, but Congress must redouble its effort to provide a clear, predictable, long-term path mapping out the seriousness of our investment. The president's budget represents a backward trend in these fronts.

With growing competition from overseas and economic uncertainty here at home, it is more important than ever that we reinforce our national commitment to basic research, our long-term success in economic innovation, problem-solving and inspiring future generations of Americans depends on it. Europe now leads in physics, China leads in solar technology, India leads in job creation, and we rely 100 percent on the Russians to get us into space. To say this concerns me is an understatement. I believe the seed corn for turning all of this around is our investment in both basic research and NASA's exploration. The president's budget request, however, undercuts both of these activities by serving up our seed corn to his political base. This is a recipe for failing our future, and we must not let it happen. Thank you, and I yield back.

[The prepared statement of Randy Hultgren follows:]

PREPARED STATEMENT OF HON. RANDALL M. HULTGREN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. Chairman and Members of the Committee, it is my privilege today to share with you my thoughts on the President's Fiscal Year 2013 budget request.

It comes as no surprise to anybody—and certainly to none of the members of this committee—that we must aggressively cut spending, reduce government liabilities, and prioritize our needs. We must do that, we must do it well, and we must do it immediately.

But what I want to talk about to you today is something I think we Conservatives need to address more frequently; our national investment in the American scientific enterprise. While the Science, Space and Technology Committee is only one of my three committee assignments, I am proud of the role I have played in strengthening our investment in fundamental science research and strengthening NASA.

I'm proud because I truly believe the story of American exceptionalism is a story of our investments in basic research and exploration. And I do not believe that the President's budget takes us there; in fact, I believe it undercuts that investment.

First, with regard to NASA, the President has decimated our Mars exploration budget, cancelled our plans to return to space exploration, and left us entirely dependent on the Russians with no contingency plans. And that is just his proposal for NASA; his proposal for fundamental science research and our national labs is even worse.

Now, for the sake of full disclosure, I do have a national lab in my district, Fermi National Accelerator Laboratory, and the President has proposed a nearly 10% cut to Fermilab's budget. Fermilab is our nation's only single purpose high energy physics lab, and I view the President's request as a slap in the face to Fermi's legacy of scientific achievement.

Moreover, it's not as if the President is proposing to cut spending across the board and science and NASA happen to be a casualty; no. The President is still trying to grow government and increase spending by hundreds of billions of dollars; he just happens to be proposing cuts to one of the few productive areas of government to pay for some of his expansion. And that is shameful.

And it's shameful because High Energy Physics and our broader scientific portfolio go beyond parochial interests and local politics; these endeavors are inextricably linked to both our national success and, fundamentally, our national character. Unfortunately, in addition to the President proposing cuts to High Energy Physics and Fermilab, he's also shown lukewarm support for the Department of Energy's Office of Science, all while his political pet projects like Solyndra style green energy gambles receive 30% increases.

And it's on this point that I think a constituent physicist of mine phrased it best: science is divided into "Edisonian" science—the research that leads to light bulbs and other tangible inventions—and "Einsteinian" science that not only seeks answers to questions about the nature of our world, but also provokes new questions.

American free enterprise and the private sector do an outstanding job of the Edisonian science, and our national labs have done an incredible job of the fundamental Einsteinian science. However, the President's budget sacrifices "Einsteinian" science at the political alter of trying to compete with the private sector and pick market winners.

Mr. Chairman, science requires a certain infrastructure. And the President's budget undermines the core part of this infrastructure; a part of the infrastructure that drives long-term economic growth and innovation. It is no accident that our investments in these various NASA and science endeavors in the 60s and 70s lead to that generation of adolescents creating companies like Microsoft, Apple and Amazon in their adult years. I fear our short sightedness now will cost us the leading companies of the future.

The U.S. research system is unique. We've found an incredibly powerful combination, wedding education and research by incorporating universities, user facilities and Department of Energy resources. With a pedigree spanning over half a century, it is self-evident that this basic research drives our understanding of the universe and our economic growth. These are new ideas and new innovations that spawn new products, new services, new companies and new industries.

But this system is only as stable as our commitment to it, which is why sustained and predictable research funding is crucial. The 2007 reorganization under America COMPETES was a good first step, but Congress must redouble its efforts to provide a clear, predictable, long-term path mapping out the seriousness of our investment. The President's budget represents a backward trend in this front.

With growing competition from overseas and economic uncertainty here at home, it is more important than ever that we reinforce our national commitment to basic research. Our long-term success in economic innovation, problem-solving, and inspiring future generations of Americans depends on it.

Europe now leads us in physics, China leads us in solar technology, India leads us in job creation, and we rely 100% on the Russians to get us into space. To say this concerns me is an understatement. I believe the seed corn for turning all of this around is our investment in both basic research and NASA's exploration. The President's budget request, however, undercuts both of those activities.

Mr. CHAFFETZ. Thank you. I am actually going to yield to the gentleman from Ohio.

Mr. RYAN OF OHIO. I just want to thank the gentleman because one of the issues we have in this committee that the chair and myself have had discussions on, and I try to mention, when I can, is a national narrative that there is not anything that we can invest in that is necessarily a good thing. So I think it is important, and I agree with most of what you said, about how important these investments are in the basic research and how the private sector can come in and walk through the garden of research that we do here and fund here, and it helps them grow and expand.

So I appreciate what you are talking about, and maybe we can work together to try to get some funding for that particular project, and maybe other research grants and formulas and everything else that may get whacked here in the next few months, so I appreciate what you are saying.

Mr. HULTGREN. Thank you very much, and I will reach out to you and see if there is a way that we can work together on this.

Mr. RYAN OF OHIO. Great.

Mr. HULTGREN. Thank you chairman.

Mr. CHAFFETZ. Thank you, and thank you for your time. Despite my comments earlier that the House floor now appears to be in recess until approximately 11:45, so we will continue to get as much testimony in as we can prior to an anticipated vote in the range of 11:45. With that, we will recognize the gentleman from New York, Mr. Owens, for five minutes.

STATEMENT OF HON. BILL OWENS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. OWENS. Thank you, Mr. Chairman and other members of the committee who are with us today. I appreciate the opportunity to address the committee. I appreciate the difficult budget environment this committee faces, and I am grateful for the opportunity to speak about an issue that is critically important, not only to my constituents, but also to this nation's economic future.

On February 4, 2011, the president and Prime Minister Harper of Canada announced, Beyond the Border, a shared vision for perimeter security and economic competitiveness. This agreement institutionalizes programs that will, in fact, make our northern border more secure, and at the same time, allow for the rapid movement of people and goods.

The U.S.-Canada trade relationship represents over $250 billion of direct investment by each country in the other, and bilateral trade of nearly $700 billion a year in goods and services. Nearly $1 million in goods and services crosses the U.S.-Canadian border every minute, as well as 300,000 people every day. This trade relationship sustains a total of more than 100,000 jobs in the chairman and ranking member's congressional districts alone. My congressional district in New York has 13 ports of entry and border crossings. In fiscal year 2011, these border crossings processed more than half a million trucks and more than 3 million people from Canada, helping support more than 19,000 jobs in the region, and over half a million jobs across New York state.

My point is not merely to rattle off statistics, but to emphasize the opportunity this committee has to ensure that we can appropriately implement this agreement, enhance security, particularly with the location of Fort Drum so close to this border, as well as to create jobs. As this committee considers a budget resolution for fiscal year 2013, it is critical that we provide adequate resources to the Department of Homeland Security, Department of State, Office of the Director of National Intelligence, animal and plant health, inspection service, customs and border protection, food safety and inspection service, Transportation Security Administration, Department of Transportation, and the Department of Justice to carry out the Beyond the Border initiative. Not only did this agreement have the potential to boost trade with Canada while creating jobs here at home, it will also ensure that tax payer money is spent more efficiently and creatively to process people and goods at the border.

Several major initiatives in the Beyond the Border action plan that will bolster security and economic growth efforts include developing a joint Canadian plan for investing in modern infrastructure and technology at the busiest ports of entry, which is essential to pursuing creative and effective solutions to manage the flow of cross-border traffic. A commitment to utilizing technology and cyber security at small border crossings so that assets can be redeployed to larger crossings to facilitate the movement of people and goods, pilot programs permitting expedited clearance for certain Canadian food processors and Amtrak passengers, a joint U.S.-Canadian plan to measure and compare wait times and traffic at the border, expanded cooperation of our security agencies all along our

border, working towards integrated U.S.-Canada entry-exit system for people and goods so that entry into one country can serve to verify exit from the other.

Current joint traveler programs that will be enhanced by the beyond the border initiative include harmonizing what is known as the U.S. Customs Trade Partnership Against Terrorism, or CTPAT program and the Canadian Partners in Protection or PIP program, and an expansion of the FAST program which moves trucks more quickly through our borders. Harmonizing the Canadian custom self-assessment and U.S. importer self-assessment programs, expanding a TSA risk-based screening program so that Canadian NEXUS card holders can move more quickly through TSA screening locations throughout the United States, and expanding NEXUS or express lane capacity at border crossings, in particular at Saint-Bernard-de-Lacolle, a Canadian border crossing in Quebec.

These are just a few of the initiatives that the U.S.-Canadian joint working groups will begin proposing solutions to in the coming year, ensuring adequate investments in the Beyond the Border agreement will help boost this nation's exports to Canada, our biggest trading partner and help ensure our northern border is more secure. Thank you, and I yield back.

[The prepared statement of Bill Owens follows:]

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

Chairman Ryan and Ranking Member Van Hollen, thank you for the opportunity to address the committee today. I appreciate the difficult budget environment this Committee faces, and I'm grateful for the opportunity to speak about an issue that is critically important not only to my constituents, but also to this nation's economic recovery.

On February 4, 2011, the President and Prime Minister Harper announced "Beyond the Border; A Shared Vision for Perimeter Security and Economic Competitiveness." This agreement institutionalizes programs that will in fact make our northern border more secure and at the same time allow for the rapid movement of people and goods.

The U.S.-Canada trade relationship represents over $250 billion of direct investment by each country in the other and bilateral trade of nearly $700 billion dollars a year in goods and services. Nearly one million dollars in goods and services crosses the U.S.-Canada border every minute as well as 300,000 people every day. This trade relationship sustains over 300,000 jobs in the Chairman and Ranking Member's home states of Wisconsin and Maryland alone.

My Congressional District has 13 ports of entry and border crossings. In fiscal year 2011, these border crossings processed more than half a million trucks and more than 3 million people from Canada, helping support more than 19,000 jobs in my Congressional District and over half a million jobs in New York State.

My point is not merely to rattle off statistics, but to emphasize the opportunity this Committee has to ensure that we can appropriately implement this agreement and create jobs. As this Committee considers a budget resolution for Fiscal Year 2013, it is critical that we provide adequate resources to the Department of Homeland Security, Department of State, Office of the Director of National Intelligence, Animal and Plan Health Inspection Service, Customs and Border Protection Food Safety and Inspection Service, Transportation Security Administration, Department of Transportation and the Department of Justice to carry out the Beyond the Border Initiative. Not only does this agreement have the potential to boost trade with Canada while creating jobs here at home, it will also ensure that taxpayer money is spent more efficiently and creatively to process people and goods at the border.

Several major initiatives in the Beyond the Border Action Plan that will bolster security and economic growth efforts include:

a. Investing in modern infrastructure and technology at the busiest ports of entry, which is essential to pursuing creative and effective solutions to manage the flow of cross-border traffic;

b. A commitment to utilize technology and cyber security for small border crossings so that assets can be redeployed to larger crossings to facilitate the movement of people and goods;

c. Pilot programs permitting expedited clearance for certain Canadian food processors and Amtrak passengers;

d. A joint U.S.-Canada plan to measure and compare wait times and traffic at the border;

e. Working towards an integrated U.S.-Canada entry-exit system for people and goods so that entry into one country can serve to verify exit from the other country. Current joint traveler and trade programs that will be enhanced by the Beyond the Border Initiative include:

i. Harmonizing the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) program and the Canadian Partners in Protection (PIP) program, and an expansion of the FAST program;

ii. Harmonizing the Canadian Custom Self-Assessment and the U.S. Importer Self-Assessment programs;

iii. Expanding a TSA risk-based screening program so that Canadian NEXUS card holders can move more quickly through TSA screening locations; and

iv. Expanding NEXUS or express lane capacity at border crossings, in particular the St. Bernard de Lacolle Canadian border crossing in Quebec.

These are just a few of the initiatives that U.S.-Canada joint working groups will begin proposing solutions to in the coming year. Ensuring adequate investments in the Beyond the Border Agreement will help boost exports to our nation's biggest trading partner and make our northern border more secure.

Again, thank you for the opportunity to address the committee, and I'd be happy to answer any questions.

Mr. CHAFFETZ. I thank the gentleman from New York for his comments, and we appreciate it. We will now pause, not go into recess, but pause as we trade out the panels and invite the members of our next panel to please come forward and take your seats. I want to let members know that we anticipate that votes will start at roughly 11:45, and so in the essence of time if you could keep your verbal comments to five minutes, and we will submit your full testimony into the record. With that we will start by recognizing the gentleman from Tennessee, Mr. Fleischmann, for five minutes.

STATEMENT OF HON. CHUCK FLEISCHMANN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Mr. FLEISCHMANN. Thank you. Members of the Budget Committee, I thank you for the opportunity to testify regarding the 2013 budget. I appreciate the hard work ahead of you all and wish you the best during this challenging process. I will keep my comments short because I am not here to ask for additional funding in certain areas, or spending that might help me with a pet project or a campaign promise. Rather, as a recently elected member of Congress, I want to stress the problems of our massive debt and uncontrollable spending and encourage you to set us on a path to fiscal sustainability and stress my desire to help with this process.

Most importantly, I wanted to bring some realistic budget solutions to the committee's attention. As you know well, the current fiscal outlook is bleak, and has gotten dramatically worse over the last few years. Our current national debt is $15 trillion, which amounts to almost $50,000 for every man, woman, and child. This debt is now over 100 percent of our GDP, and significant amount of this debt is owned by foreign sources, and the cause of this problem is increased spending, not a lack of revenue. Since World War II, tax revenues have averaged about 18 percent of the economy, and these revenues are predicted to remain at or about that level for the foreseeable future. During this time, spending has averaged

around 20 percent of the economy. However, recently spending has gone well above this 20 percent average, and is now predicted to explode to nearly 45 percent of the economy in future years, a massive and unsustainable increase.

Fortunately, there are common sense steps we can take immediately to address our fiscal problems. For example, last month after the president released his 2013 budget, I introduced the Freeze Government Spending Act of 2012. This bill is simple, but I believe it represents a realistic, straightforward approach to controlling discretionary spending. This bill amends the Budget Control Act of 2011 in a few ways.

First, it takes fiscal year 2013 budget cap of $1 trillion 47 and subtracts the automatic sequestration that will happen in 2013. This gives us a final budget limit of $949 billion for 2013. This is a 9 percent cut from 2012 and brings us close to the fiscal year 2008 discretionary level.

My bill then freezes discretionary spending at that 2013 level of $949 billion for nine years while ending the crippling defense cuts imposed by sequestration. Since Congress has already agreed to live within the 2013 spending level, it seems logical that we can simply live within that limit for an additional eight years. This seems especially reasonable when we are spending more money that we simply do not have, and the budgetary impact of this freeze will be significant. It will save us roughly $850 billion over 10 years versus the Budget Control Act. When interest savings is included, we are close to $1 trillion in savings. Again, all of this accomplished by simply freezing spending.

In addition to this big picture budget bill, I have introduced legislation to eliminate a program that is needlessly costing tax payers hundreds of millions of dollars. The Stop Green Initiative Abuse Act of 2011 would eliminate the flawed weatherization assistance program which has been ripe with substantial problems in recent years. In fact, both the Tennessee Comptroller General's office and the Department of Energy inspector general's office have studied the program and found significant fraud and abuse. Elimination of this duplicative program could save us $2 billion over 10 years. I bring this to the committee's attention because if every member of Congress could find just one similar wasteful program to eliminate, we would be on the right track to getting our fiscal house in order. A billion here and a billion there can add up to significant savings.

When I came here last here, I wanted to be part of the solution to our fiscal problems, and I wanted to do more than simply cast votes. I wanted to bring real, positive proposals to the table. I hope these ideas will be helpful to the committee, and I thank you for your time. In addition, I stand ready to work with you and all our colleagues to address our country's fiscal problems, thank you.

[The prepared statement of Chuck Fleischmann follows:]

PREPARED STATEMENT OF HON. CHARLES J. "CHUCK" FLEISCHMANN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Chairman Ryan, Ranking Member Van Hollen and members of the Budget Committee, thank you for the opportunity to testify regarding the 2013 budget. I appreciate the hard work ahead of you and wish you the best during this challenging process.

I will keep my comments short because I am not here to ask for additional funding in certain areas or spending that might help with a pet project or a campaign promise. Rather, as a recently elected Member of Congress, I want to stress the problems of our massive debt and uncontrollable spending, encourage you to set us on a path to fiscal sustainability, and stress my desire to help with this process. Most importantly, I wanted to bring some realistic budget solutions to the committee's attention.

As you know well, the current fiscal outlook is bleak, and it has gotten dramatically worse over the last few years. Our current national debt is $15 trillion which amounts to almost $50,000 for every man, woman, and child. This debt is now over 100% of our GDP, and significant amount of that debt is owned by foreign sources.

And the cause of this problem is increased spending, not a lack of revenue. Since World War II tax revenues have averaged about 18 percent of the economy and these revenues are predicted to remain at about that level for the foreseeable future. During this time spending has averaged around 20 percent of the economy. However, recently spending has gone well above this 20 percent average, and it is now predicted to explode to nearly 45% of the economy in future years—a massive and unsustainable increase.

Mr. Chairman, fortunately there are common-sense steps we can take to immediately address our fiscal problems. For example, last month, after the president released his 2013 budget, I introduced the Freeze Government Spending Act of 2012. This bill is simple, but I believe represents a realistic, straight forward approach to controlling discretionary spending. The bill amends the Budget Control Act of 2011 in a few ways. First, it takes the fiscal year 2013 budget cap of $ 1.047 trillion and subtracts the automatic sequestration that will happen in January 2013. This gives us a final budget limit of $949 billion for 2013. This is a 9% cut from 2012 and brings us close to the fiscal year 2008 discretionary level. My bill then freezes discretionary spending at that 2013 level of $949 billion for 9 years while ending the crippling defense cuts imposed by sequestration.

Since Congress has already agreed to live within the 2013 spending level, it seems logical that we can simply live within that limit for an additional eight years. This seems especially reasonable when we are spending money that we simply do not have. And the budgetary impact of this freeze will be significant. It will save us roughly $850 billion over 10 years versus the Budget Control Act. When interest savings is included, we are close to $ 1 trillion in savings. Again, all of this is accomplished by simply freezing spending.

In addition to this big picture budget bill, I have introduced legislation to eliminate a program that is needlessly costing taxpayers hundreds of millions of dollars. The Stop Green Initiative Abuse Act of 2011 would eliminate the flawed Weatherization Assistance Program which has been ripe with substantial problems in recent years. In fact, both the Tennessee Comptroller General's office and the Department of Energy's Inspector General's office have studied the program and found significant fraud and abuse. Elimination of this duplicative program could save us $2 billion over ten years.

I bring this to the Committee's attention because if every member of Congress could find just one similar wasteful program to eliminate, we would be on the right track to getting our fiscal house in order. A billion here and a billion there can add up to significant savings.

Mr. Chairman, when I came here last year, I wanted to be part of the solution to our fiscal problems, and I wanted to do more than simply cast votes. I wanted to bring real, positive proposals to the table. I hope these ideas are helpful to the committee, and I thank you for your time. In addition, I stand ready to work with you and all our colleagues to address our country's fiscal problems. Thank you.

Mr. CHAFFETZ. I thank the gentleman for his testimony. We will now recognize the Honorable Martha Roby of Alabama for five minutes.

STATEMENT OF HON. MARTHA ROBY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

Ms. ROBY. Mr. Chairman, I want to thank you and your colleagues for your hard work so far on the federal budget issues of the 112th Congress, and you have before you the difficult task of meeting our nation's priorities, curbing an inflated budget, and bringing down the deficit. It is an important endeavor that will

have a clear and direct impact on the future strength of this great nation. So I thank you for this opportunity to testify today.

I want to express briefly my concerns regarding the practice of using budget gimmicks to distort the truth about federal spending. At times both Congress and the president have exploited these institutional loopholes to create false savings. Without a doubt, we know that Republicans and Democrats have relied on these tricks to skew the numbers. These gimmicks deeply ingrained in the rules of the budget and appropriations process have led to the erosion of confidence in our government and its leaders. As Thomas Jefferson wrote, The whole art of government consist in the art of being honest. I believe that all of you on this committee agree that the American people deserve a budget system that is real, genuine, and authentic, and the only way to guarantee the truth is to root out and end the wasteful gimmicks that obscure it.

As you know, last October Senator Jeff Sessions, the ranking member of the Senate Budget Committee, introduced the Honest Budget Act of 2011. The legislation, which is currently pending in the Senate, addresses the nine most commonly used budget gimmicks and accounting tricks. Senator Sessions' legislation would strengthen the Senate's rules to provide budget-minded members more procedural power to block the abuse of these gimmicks.

Earlier this year I, with many of my freshman Republican colleagues, introduced the Honest Budget Act of 2012, and our legislation, based on Senator Sessions' bill, expands this common sense approach to the House of Representatives. Like its Senate counterpart, the legislation empowers rank and file members to weed out the use of deceitful budget distortions. I would like to discuss briefly, and I know my time is limited, a few of the budget gimmicks addressed in the Honest Budget Act, and my hope is that this committee will keep these concerns in mind as it works through this year's proposed budget. No budget means no appropriations.

If the bill requires that the Senate have a budget before approving any annual appropriations bills, and this seems like common sense, but we are all keenly aware of the amount of time that has passed, well over 1,000 days, since the Senate has passed a budget. So this is a very commonsensical request that we must actually pass a budget before we appropriate money. This is a basic requirement of government, and until that threshold is met, no money should be spent. No phony emergency and disaster designation.

This second provision makes it difficult to use the often-abused emergency or disaster designation, and as you know, designating funding as disaster or emergency spending generally means it is off budget. In other words, it is deficit spending. So this practice has also become routine and commonplace, and while true emergencies do exist, the overwhelming majority of federal spending is anticipated, and therefore should be included in the budget.

Unfortunately, Congress has fallen into the habit of simply declaring that which cannot afford to be an emergency, and so when it does, it uses borrowed funds to pay the bill, and that practice also must end.

Accurate scoring of home loan guarantees, and I am pleased that this committee and the full House of Representatives recently ap-

proved legislation that is substantially similar to this provision in the Honest Budget Act.

No faults rescissions: At times, Congress may legitimately rescind appropriated funds to use for other priorities, but too often Congress makes phony rescissions that look good on paper, but in reality only create the illusion of savings. Again, this bill goes through the nine most commonly used budget gimmicks and I have highlighted more of them in my written testimony, and it is my hope that this committee will take a really good, hard look when it comes to budget reform and the institutionalized practices, again, of both Republicans and Democrats that we will take this opportunity to reform these practices so that we can be honest with the American people. Thank you again for the committee's work and I yield back.

[The prepared statement of Martha Roby follows:]

PREPARED STATEMENT OF HON. MARTHA ROBY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

Mr. Chairman, I want to thank you and your colleagues for your hard work so far on federal budget issues in the 112th Congress. You have before you the difficult task of meeting our nation's priorities, curbing an inflated federal budget, and bringing down the deficit. It is an important endeavor that will have a clear and direct impact on the future strength of our great nation.

Thank you also for this opportunity to testify today.

I want to express briefly my concern regarding the practice of using budget gimmicks to distort the truth about federal spending. At times, both Congress and the President have exploited these institutional loopholes to create false savings. Without a doubt, we know that both Republicans and Democrats have relied on these tricks to skew the numbers. These gimmicks—deeply engrained in the rules of the budget and appropriations process—have led to the erosion of confidence in our government and its leaders.

As Thomas Jefferson wrote, "The whole art of government consists in the art of being honest." I believe all of you agree that the American people deserve a budget system that is real, genuine, and authentic. And the only way to guarantee the truth is to root out and end the gimmicks that obscure it.

As many of you know, last October Senator Jeff Sessions, the Ranking Member of the Senate Budget Committee, introduced the Honest Budget Act of 2011. The legislation, which is currently pending in the Senate, addresses nine of the most commonly used budget gimmicks and accounting tricks. Senator Sessions' legislation would strengthen the Senate's rules to provide budget-minded members more procedural power to block the abuse of these gimmicks.

Earlier this year, I—with many of my freshman Republican colleagues—introduced the Honest Budget Act of 2012. Our legislation, based on Senator Sessions' bill, expands this common sense approach to the House of Representatives. Like its Senate counterpart, the legislation empowers rank-and-file members to weed out the use of deceitful budget distortions.

I'd like to discuss briefly just a few of the budget gimmicks addressed in the Honest Budget Act. My hope is that this Committee will keep these concerns in mind as it works on the Fiscal Year 2013 Budget.

NO BUDGET MEANS NO APPROPRIATIONS

First, the Honest Budget Act calls for the Senate to have a budget before approving any of the annual appropriation bills. This seems like commonsense, but each of us is aware that the Senate has not passed a budget in well over 1,000 days. In fact, Senate Majority Leader Harry Reid has said that there is no need to pass a budget this year due to the Budget Control Act. I consider that statement to be a failure of leadership. Passage of a budget is extremely important to provide a framework for controlled federal spending. It is, in fact, a basic requirement of government. Until that threshold is met, no money should be spent.

NO PHONY EMERGENCY AND DISASTER DESIGNATION

The second provision would make it more difficult to use the often-abused emergency or disaster designation. As you know, designating funding as emergency

spending generally means it is "off-budget"—in other words, it is deficit spending. This practice has become routine and commonplace. While true emergencies do exist, the overwhelming majority of federal spending is anticipated and, therefore, should be included in the budget. Unfortunately, Congress has fallen into the habit of simply declaring that which it cannot afford to be an emergency. When it does so, it uses borrowed funds to pay the bill. That practice must end.

ACCURATE SCORING OF HOME LOAN GUARANTEES

I am pleased that this Committee and the full House of Representatives recently approved legislation that is substantially similar to a provision in the Honest Budget Act.

Section 4 of the Honest Budget Act would strengthen the Federal Credit Reform Act of 1990. In that vein the House passed H.R. 3581, the Budget and Accounting Transparency Act of 2011 on February 7, 2012. The bill, like the provisions in the Honest Budget Act, ensures that the Congressional Budget Office more realistically score government-sponsored home loan guarantees by considering the market risk associated to them. I thank the Members of the Committee in recognizing the importance of this reform.

NO FALSE RESCISSIONS

At times, Congress may legitimately rescind appropriated funds to use for other priorities. Too often, however, Congress makes phony rescissions that look good on paper but, in reality, only create the illusion of savings. When those false savings are spent elsewhere, the net effect is an increase in the debt.

Congress must stop using rescinded money that was never going to be spent in the first place as "savings." These are not true savings.

Mr. Chairman, these are just a few basic examples of the nine budget gimmicks that the Honest Budget Act addresses. Together, these gimmicks have cost the taxpayer more than $423 billion since 2005, including more than $73 billion last year.

Again, I thank you for the opportunity to testify on this important subject.

I strongly support passage of the Honest Budget Act in its entity, and I welcome any future hearings this Committee may hold to examine its provisions. That said, I believe that a great deal of good would result from the Budget Committee adopting the underlying principles of this legislation while it considers the President's budget proposal and begins work on a House budget resolution.

Mr. Chairman, I know that you share my belief that a budget, at its core, must be an honest financial accounting to the American People. I urge this Committee to reject the past practices of the Obama Administration and Congress, and to make a commitment to an open, transparent, and accurate budget. This, I believe, is the first step to restoring integrity and honesty to this process.

Thank you.

Mr. CHAFFETZ. Thank you, I appreciate your testimony and your passion behind these issues. So thank you for your testimony. We will now recognize, for five minutes, the Honorable Michael Burgess of Texas. The gentleman is now recognized.

STATEMENT OF HON. MICHAEL BURGESS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. BURGESS. I thank the chairman. I thank you for having this series of hearings. I try to participate every year because I do believe it is an important part of the process. As you know, all too well, the method of funding critical programs year over year involves using what are called budget cliffs or funding cliffs, and unfortunately, all of those cans that have been kicked down the road all come to an abrupt stop on December 31 of this year, and we are all aware of that. At the same time, there is a possibility that the statutory authority for borrowing of the United States of America will once again be at its limit, and the president or the secretary of Treasury may well, after election day, submit a request to Congress that this issue be dealt with. Many people describe December as the perfect budgetary storm. They may be correct.

In medicine, we have a term called compression of morbidities. You hear people talk about preventive care and we all want to live longer and healthier, but we all know we cannot live forever, and the term compression of morbidities refers to the things that happen to you during that last little bit of life that is left for you, and we all want to live well up until that kicks in. We are coming up on a budgetary compression of morbidities this December. The bad part about compression of morbidities is, as I point out, it usually occurs right before the end of life. I hope it is not before the end of life for this august institution, but you do have to worry if the institution itself will be able to survive some of the rigors with which it is going to be confronted at the end of this year, which is why I urge you. I do not come here telling you that I have answers for these problems, but I do urge you to take, both the short term, the medium term, and the long term look in your budget process. We have got an immediate problem to deal with in December, and obviously, the years afterward do not get subsequently easier just by definition.

Now, the health care law, the Affordable Care Act, that was passed two years ago this month, in fact, signed into law two years ago this month, there is an absolutely critical example of how bad things are, and most of us do not realize how bad they are getting. Secretary Sebelius came and testified to our Committee on Energy And Commerce, the hill subcommittee, and in her budgetary request was the acknowledgment that for the next 10 years, they are going to be spending $111 billion more than they suggested when they came in with the president's budget last year. When asked why and how can the secretary's budget increase by $111 billion, and how can the projections go up by that much, how could you be off by that much. As typical, she did not give a direct response, but rather there were some legislative things that happened, and I presume that is the CLASS Act, and there were some other projections that did not hold true. More people on Medicaid, perhaps that is the case, but of course Medicaid and subsidies in the exchange, all of that people have recognized from the very beginning, that is going to be a malleable number, but $111 billion for what remains of the 10 year budgetary window? That seemed a little hard to swallow, and it seemed a little hard to believe, and again, the secretary did not have a good answer for that.

One of the other things that I struggle with all the time, is the fact that we reduce reimbursement to physicians in the Medicare program. We all know the Medicare program is struggling; we all know that it desperately needs reform. This committee stepped up to the plate a year ago, and provided us some sensible thoughts on this. Sustainable growth rate is another one of those things that falls off the cliff in December. I urge this committee to take into account the problems that we are going to encounter with a sustainable growth rate formula because we do have physicians across the country today where Medicare does not even reimbursement the cost of delivering the care, and while these doctors are altruistic and they want to do the right thing for America's seniors, as business people they may not be able to justify their continued participation in this government program.

Finally, with a look to the future, I would ask, and I know this committee has worked on it before because I have testified before this committee in 2004 and 2005 on fundamental tax reform. I come from a part of the world, my predecessor wrote a book on the flat tax, I believe in the flat tax, I think it is a worthwhile exercise. I have introduced legislation for an optional flat tax that people could opt in to if they want to get out of the code. It is HR 1040, cleverly enough, and I would urge the committee to look at that when they are considering options for fundamental tax reform because we all know that is going to have to happen and going to need to be part of the process going forward. I thank the committee for the time and attention, I will yield back.

[The prepared statement of Michael Burgess follows:]

PREPARED STATEMENT OF HON. MICHAEL C. BURGESS, M.D., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Chairman Ryan, thank you for allowing me to speak before your committee.

In your budget resolution, there are several items I hope you will include. First and very importantly, the funding and implementation of the health care law must be addressed. As I am sure you agree, we cannot afford to spend any money on the implementation of the Patient Protection and Affordable Care Act. It has already proven to paralyze job growth while also increasing premiums for America's families.

The law is also affecting states which are unsure if this law will withstand legal challenges. Funding by states and the federal government to implement the changes should be withheld until the legal status of this law is settled. My desire would be to see this law's funding be addressed in a way that best helps American doctors and patients by reducing the bill's influence over our health care system and economy. Any spending that can be touched, mandatory or discretionary, needs to be examined.

Another item to be addressed is the Sustainable Growth Rate, also known as SGR. This patch must be repealed to create a permanent system for Medicare reimbursement for our nation's medical system. The current payment system is not only unsustainable, it is unreliable. Continuing to operate on short term fixes puts our most vulnerable Americans in a perilous situation. Their ability to access care is becoming more difficult. In my home state of Texas just last year, 69% of providers cited cash flow problems resulting from back payments from the government. The longer we procrastinate on this problem, the more costly it will become.

Equally as important is the federal government's revenue and spending provided by our tax system. Many in Washington have discussed fundamental tax reform but I am here today with a specific proposal. My bill, H.R. 1040, the Freedom Flat Tax, is a common sense alternative to the burdensome tax filing system we have today. Allowing taxpayers to pay a flat rate of tax on their income with only a standard deduction will eliminate some of the six billion hours Americans spend each year preparing their tax returns.

This proposal is just one idea we can use in changing our ineffective and unfair tax system. I am willing to discuss any idea that makes filing simpler and creates fewer distortions in economic choices.

I look forward to this committee approaching these problems with determined, comprehensive, and intelligent alternatives.

Thank you.

Mr. CHAFFETZ. We thank the gentleman for his testimony. We do have a vote on the floor. I think we do have time. We have 13 minutes left on the clock on the vote and with your testimony anticipated at five minutes, I think we should be just fine.

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

Mr. AL GREEN OF TEXAS. I assure you, Mr. Chairman, I shall not go longer than the 13 minutes.

Thank you very much, Mr. Chairman, it is a honor to have this opportunity to testify. I thank you and the ranking member as well. Much of what I will say is rooted in something that occurred in 1968. As you know, we lost a great noble American in 1968, the Honorable Dr. Martin Luther King. After his untimely demise, we had the passing of the Fair Housing Act. That Fair Housing Act has caused us to generate some additional legislation. I want to talk to you today about three different programs that I believe to be of significant benefit to us. As you know, Dr. King reminded us that the arc of the moral universe is long, but it bends toward justice, and today I am here to ask that we continue to bend the arc of the moral universe toward justice.

I would first like to talk to you about a counseling program. This counseling program will help persons to stay in their homes. This counseling program is one that was zeroed out in 2011; however, in 2012 we did add $45 million to it, and the president is currently, for fiscal year 2013, asking for $55 million. My request is that we take it to $87.5 million.

We have a lot of people who are underwater. We have 11 million homes, and that is about 22 percent of the households, with a mortgage on them, that are currently underwater. We have about 2.5 million foreclosures that took place between 2007 and 2009. We got about 5.7 million additional homes that may go into foreclosure, so this is something that can be of great benefit, not only to the people who will actually avoid the foreclosure, but also people who are buying homes, and to the economy because it can help us to stabilize our economy.

Another program that I would like to mention to you, quickly, is the Fair Housing Initiative Program. You and I know, Mr. Chairman, that we still have some discrimination in our country, and what we want to do is root it out. You and I stand for the same principles when it comes to this; we want to root it out. To root it out, you have to have empirical evidence of the existence. The empirical evidence that we need to root out and to make people aware, many are not, of their actions is through the FHIP program, the Fair Housing Initiative Program. This is simply where NGOs, working with HUD, will go out into various communities and they will do something no one has tested. Testing allows us to send persons, many of whom are qualified, and let them have an opportunity to apply for housing. If they do not get it, then that tells us something, but testing has to be followed up with other things.

So my point is I think that we need to continue this program and this program was funded in 2012 at $42.5 million. The president is asking for $41.1 million, I am asking that we continue at the $42.5 million level because the circumstances have not diminished to the extent that we should diminish the amount that we spend to root out this scourge of our time and all time, discrimination.

I would also add this, Mr. Chairman. Much of the discrimination that we are talking about, in fact empirical evidence suggests that most discrimination now exists against persons who are handicapped, and that then means that many of our veterans are going to be discriminated against, and are being discriminated against. There is actual, empirical evidence of veterans being discriminated against because persons do not know that it is a veteran that they

are talking to or working with, and these veterans, when they are coming back from Iraq, a good many of them will not return as they left. I thank God that they were willing to serve their country, but I also think that we must thank them by making sure that they can get adequate housing.

I would add one other thing. Discrimination against veterans takes place with what we call service animals. There are many people who see them as pets when they are actually service animals there to aid and assist our veterans, so this program has great benefits and I am asking that we continue it at the level that we have.

Now, the HUD-VASH program: I am sure that this is something that we can all agree we have to do as much as we can with. This is for our veterans, our Veterans Affairs Supportive Housing program. This program helps us to give the equivalent of a Section 8 voucher to a veteran. That veteran can take that voucher and go into the marketplace and if they have additional money, add it to it, and have housing for the family. Again, returning home, our veterans merit the opportunity to have affordable housing. The program was funded in 2012 at $75 million. The president is asking for $75 million, and I am asking that we maintain that $75 million request.

Finally, we have a piece of legislation, HR 3298, Homes for Heroes. The Homes for Heroes Bill is budget neutral; it places a person in HUD whose sole responsibility is to monitor homelessness among our veterans, to check on them, find out what is happening with them, acquire empirical evidence and bring that back to Congress on an annual basis so that we can do what is necessary to get every veteran off of the streets. This is something that we owe them.

I thank you, I know that my time is up, but you have been very generous. I thank you for the time, and I will close simply with this. Kennedy, Kennedy and King are two of my favorites, in his inaugural address, his last words were, Here on Earth, God's work must truly be our own. This is an opportunity for us to do God's work. I beg that we do what we can to help homeless people, many of whom are veterans, and also protect those who might seek some sort of homeless circumstance and be discriminated against. Thank you very much Mr. Chairman.

[The prepared statement of Al Green follows:]

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

Chairman Ryan, Ranking Member Van Hollen, and members of the House Committee on the Budget, thank you for affording me the opportunity to share with you a number of budget priorities that I believe to be crucial for FY 2013. While there are numerous federal programs that I believe deserve our support, I will limit my comments to housing programs that are especially important as more American soldiers return home and American families continue to face the ongoing foreclosure crisis—specifically, the HUD Housing Assistance Program Counseling Program, the Fair Housing Initiatives Program (FHIP), and the HUD-VA Supportive Housing (HUD-VASH) Program

HOUSING COUNSELING ASSISTANCE PROGRAM

There should be little disagreement that our country is still recovering from the economic crisis. One need only to look at our housing market to see that we are still navigating a devastating foreclosure crisis.

The HUD Housing Counseling Assistance Program was developed to address the housing counseling needs of working families and seniors. It is the only federal program that provides explicit support for families and individuals who are purchasing their first home. More importantly, housing counseling can often times be the difference between keeping a family in their homes and foreclosure.

It has been a few years since the housing market collapsed. Millions of Americans have lost their homes; and millions more are at risk of losing theirs, as housing prices fall and negative equity continues to grow. While there may be no panacea or quick-fix to our housing market, robust housing counseling is most certainly an important piece of a comprehensive strategy to address the foreclosure crisis. By providing direct counseling for homeowners who are delinquent, or at risk of becoming delinquent on their mortgage payments, fewer foreclosures may occur. Also, for potential homeowners, housing counseling can help families make the right decisions about sustaining homeownership, which in turn can also reduce the likelihood of foreclosure.

In FY 2011, I believe we made a mistake in cutting all funding for the Housing Counseling Assistance Program at HUD—Congress rectified this by securing $45 million in FY 2012. Despite this restored funding level, back in FY 2010, Congress recognized the need for these important services and appropriated $87.5 million for housing counseling. I believe we should restore funding levels to their FY 2010 levels of $87.5 million in FY 2013.

FAIR HOUSING INITIATIVES PROGRAM (FHIP)

Despite the passage of the Fair Housing Act over 40 years ago, housing discrimination continues to be prevalent today. According to the National Fair Housing Alliance, approximately four million fair housing violations occur every year. Just a few short years ago, we witnessed as predatory, subprime lending targeted communities of color to devastating effect. Subsequently, as we continue to contend with the foreclosure crisis and families lose their homes; more Americans are entering the rental market. According to a recent Department of Housing and Urban Development report, a record number of Americans are reporting incidents of housing discrimination, with disability and race as the leading reasons for filing a complaint. It is for this reason that we must support the Fair Housing Initiatives Program (FHIP).

FHIP is a program that provides funding for non-profit, fair housing organizations so that they are able to partner with HUD to help enforce fair housing laws. These fair housing organizations are the only private organizations in the country that educate the community and the housing industry, filing suits to challenge fair housing violations. These organizations fill a gap in investigating fair housing violations that ultimately save the government money.

In FY 2012, Congress appropriated $42.5 million for FHIP. I support continuing to fund the program at this level.

HUD–VASH

On any night, over 600,000 persons are homeless in the United States. The U.S. Department of Veterans Affairs reports that throughout the year, approximately 134,000 veterans will experience homelessness. Moreover, only eight percent of the general population are veterans status, but veterans make up over sixteen percent of the homeless population.

HUD-VASH is the only program that supports the permanent housing and rehabilitation of homeless veterans. HUD-VASH is a joint HUD and VA initiative that provides specially designated Section 8 housing choice vouchers, case management, and supportive services to homeless veterans. Vouchers are used to assist with the payment of rent for veterans and their families. By combining access to affordable housing and supportive services, the HUD-VASH program assists veterans who might be at risk of becoming homeless, transition into stable conditions that allow them to become active participants in their communities.

The President's FY 2013 budget has requested $75 million for the HUD-VASH program. I firmly believe we should support this figure, as it would provide approximately 10,000 additional vouchers for our veterans. It is worth noting that for FY 2012, Congress also appropriated $75 million for HUD-VASH. With 10,000 more vouchers secured, the total number of HUD-VASH vouchers appropriated would stand at approximately 58,500 vouchers since FY 2008.

While we in Congress may have differing views on various issues, and bipartisanship agreement has become increasingly difficult to reach, both Democrats and Republicans have demonstrated their commitment to our veterans—we should do all that we can to continue this hard work to end homelessness amongst veterans.

Thank you again for allowing me the opportunity to testify.

Mr. CHAFFETZ. We thank the gentleman from Texas for his passion on this issue, and thank you for your testimony today. This committee will stand in recess as we have a vote on the floor and we will resume subject to the call of the chair, and after the conclusion of the votes on the floor. We stand in recess.

[Whereupon, at 12:00 p.m., the committee recessed, to reconvene at 1:06 p.m., the same day.]

AFTERNOON SESSION

Mr. LANKFORD. The hearing comes to order. Mr. Hoyer, I think you are first up.

STATEMENT OF HON. STENY HOYER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. HOYER. Thank you very much, Mr. Chairman, and let me say how pleased I am that my dear friend and colleague from Maryland and ranking member, Mr. Van Hollen, is also here, and I thank him for that. I thank you, Mr. Lankford.

Our budget, as all of us know, reflect our values and the direction we want for this country in the year ahead, and for several years beyond. With our economic recovery gathering momentum, we ought to ensure that our budget for fiscal year 2013 strengthens the recovery and helps American business to create jobs and grow our middle class.

Last week, I spoke about why we need a comprehensive deficit reduction agreement citing its potential to stimulate our economy. Setting our economy back on a sustainable, predictable fiscal path, I said, will help us create jobs by restoring certainty for businesses, enabling them to plan for a future without the brinksmanship that has characterized this Congress. Without certainty, businesses can only focus on the short term, which leads to missed opportunities for growth and fewer investments that have wider economic benefits.

Today, Mr. Chairman and ranking member and Mr. Honda, I want to discuss steps we ought to be taking in our budget that parallel this necessary deficit reduction effort to ensure sustained economic growth in the future. The present budget proposal emphasized the need to invest in manufacturing as a way to strengthen our long term competitiveness; he spent a significant time on that. The budget recommendations he proposed include a number of items from House Democrats Make It In America plan. I believe that, and many other members believe, those provisions ought to be contained in the House budget.

Make It In America includes comprehensive business tax reform as a means towards bringing investment and jobs back to the United States. Today, America's tax code is complicated and inefficient as we all know. Too often, businesses make decisions based on the best tax outcome and not the best economic or business outcome. By lowering rates and reducing preferences, the president's budget proposal promotes reform that simplifies the tax code, brings jobs back, and encourages domestic manufacturing and innovation. I believe these proposals are positive steps towards a greater competitiveness for our manufacturers. Innovation is central to make it in America, and our budget ought to include investments

in maintaining our edge in research and development, particularly in advanced manufacturing.

Among the priorities I wish to see is an increase in the budget for federal agencies that conduct research and work to support scientific investigation at our nation's colleges and universities, including the National Science Foundation, the Advanced Research Projects Agency for Energy, or ARPA-E. The president's proposal would fund manufacturing R&D programs at $2.2 billion, a level I support. Other provisions that ought to make into the House budget include the creation of a national network for manufacturing innovation, as well as investments in the development of advanced vehicle technologies that will contribute to energy independence.

Make It In America is also about enhancing public education and workforce investment. I strongly support budget provisions that will strengthen our community colleges, and help them establish programs with local manufacturers, so our students can learn critical skills needed by employers and transition into quality jobs. Our budget ought to continue making higher education affordable for all, including students from low-income families by sustaining Pell grants at least at the current levels of $5,635.

In fiscal year 2013, our public education system deserves investments that enable teachers to prepare their students to achieve no matter what careers they pursue. Our Make It In America plan also invests in rebuilding this country's crumbling infrastructure and laying the groundwork for future by building new roads, railways, seaports, airports, and energy projects so that businesses can power their facilities and easily move their products across the country and around the world. We can achieve this through the establishment of a national infrastructure bank, which will leverage public and private capital to finance large-scale projects. The president has proposed this and our colleague Rosa Delauro has for many years. We can advance clean energy production by supporting domestically manufactured technologies that generate power and improve energy efficiency.

Finally, Mr. Chairman and Mr. Van Hollen, our budget ought to help us level the playing field for American workers and businesses by providing incentives for insourcing and supporting programs that help increase exports.

Mr. Chairman, I want to thank you again for the opportunity to discuss these priorities with you which are not only mine, but are shared by many members, and by a large number of Americans. Our budget ought to be a vehicle for achieving the goal of getting our economy back on track. Make it in America can help us not only jump start our economy, but also restore faith in the American dream our economy has long made possible. I thank you for this opportunity to appear before you.

[The prepared statement of Steny Hoyer follows:]

PREPARED STATEMENT OF HON. STENY HOYER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Thank you, Chairman Ryan and Ranking Member Van Hollen for this opportunity. Our budgets reflect our values and the direction we want for this country in the year ahead—and for several years beyond. With our economic recovery gathering momentum, we ought to ensure that our budget for Fiscal Year 2013 strength-

ens that recovery and helps American businesses create jobs that grow our middle class.

Last week, I spoke about why we need a comprehensive deficit reduction agreement, citing its potential to stimulate our economy. "Setting our economy back on a sustainable, predictable fiscal path," I said, "will help us create jobs by restoring certainty for businesses and enabling them to plan for a future without the brinksmanship that has characterized this Congress. Without certainty, businesses can only focus on the short-term, which leads to missed opportunities for growth and fewer investments that have wider economic benefits." Today I want to discuss steps we ought to be taking in our budget that parallel this necessary deficit reduction effort to ensure sustained economic growth into the future.

The President's budget proposal emphasized the need to invest in manufacturing as a way to strengthen our long-term competitiveness. The budget recommendations he proposed include a number of items from House Democrats' *Make It In America* plan that I believe—and I know many other members believe—ought to be contained in the House budget.

Make It In America includes comprehensive business tax reform as a means toward bringing investment and jobs back to the United States. Today, America's tax code is complicated and inefficient. Too often, businesses make decisions based on the best tax outcome and not the best economic or business outcome. By lowering rates and reducing preferences, the President's budget proposal promotes reform that simplifies the tax code, brings jobs back, and encourages domestic manufacturing and innovation. I believe those proposals are positive steps toward a greater competitiveness for our manufacturers.

Innovation is central to *Make It In America,* and our budget ought to include investments in maintaining our edge in research and development, particularly in advanced manufacturing. Among the priorities I wish to see is an increase in the budgets for federal agencies that conduct research and work to support scientific investigation at our nation's colleges and universities, including the National Science Foundation and the Advanced Research Projects Agency for Energy—or ARPA-E. The President's proposal would fund manufacturing R&D programs at $2.2 billion, a level I support. Other provisions that ought to make it into the House budget include the creation of a national network for manufacturing innovation as well as investments in the development of advanced vehicle technologies that will contribute to energy independence.

Make It In America is also about enhancing public education and workforce investment. I strongly support budget provisions that will strengthen our community colleges and help them establish programs with local manufacturers so our students can learn critical skills needed by employers and transition into quality jobs. Our budget ought to continue making higher education affordable for all, including students from low-income families, by sustaining Pell grants at least at the current $5,635 level for next year. In Fiscal Year 2013, our public education system deserves investments that enable teachers to prepare their students to achieve no matter what careers they pursue.

Our *Make It In America* plan also invests in rebuilding this country's crumbling infrastructure and laying the groundwork for future growth by building new roads, railways, seaports, airports, and energy projects so that businesses can power their facilities and easily move their products across the country and around the world. We can achieve this through the establishment of a national infrastructure bank, which will leverage public and private capital to finance large-scale projects. We can advance clean energy production by supporting domestically manufactured technologies that generate power and improve energy efficiency.

Finally, our budget ought to help us level the playing field for American workers and businesses by providing incentives for insourcing and supporting programs that help increase exports.

I thank you again for the opportunity to discuss these priorities with you, which are not only mine but are shared by many members and by a large number of Americans. Our budget ought to be a vehicle for achieving the goal of getting our economy back on track. *Make It In America* can help us not only jumpstart our economy but also restore faith in the American Dream our economy has long made possible.

Mr. LANKFORD. Thank you, Mr. Hoyer.

Mr. VAN HOLLEN. Mr. Chairman, I want to first of all welcome our distinguished whip, Mr. Hoyer, here today as long as well as our other colleagues who will be introduced in a moment, but before Mr. Hoyer leaves, first I just want to commend you, Mr. Hoyer,

on your focus on Make It In America, investing in the economic strength of our country. You have been talking about this for a very long time. We are pleased to see it reflected in the president's budget with some of the priorities that you mention.

I have one question because you have also been at the forefront of among those who say we need to reduce our deficit over the long term and we need to do it in a balanced way. If you could just talk about the importance of having a balanced approach so that we can actually accomplish some deficit reduction in the country.

Mr. HOYER. Thank you Chris for that question. I also want to thank my colleague, Mr. Van Hollen, for the efforts that he has pursued to get us to a balanced, sustainable plan for our budget and for the growth of our economy. Obviously, in the short term, we must grow jobs. That is why I am focusing this statement on growing the economy. We will not balance our budget if we do not grow jobs and the economy, but in order to accomplish that objective, it is absolutely essential that we do so in a bipartisan way because the decisions that will have to be made are very tough decisions, and we will have to deal on a balanced way across the budget expenditures.

We have, essentially, four items. You have the interest on our debt, which is not subject to negotiation. That must be paid. We must have a credit worthiness throughout the world. Secondly, we are going to have to deal with discretionary spending, both on the defense side and on the non-defense side, and of course, we reached a budget agreement last year which did exactly that and set parameters of spending which will save substantial billions of dollars going forward.

Lastly we have to deal with our entitlements. From my perspective, we need to deal with our entitlements, maintaining the guarantee of those entitlements, but also guaranteeing their sustainability over the decades to come. I will continue to work with Republicans and Democrats towards that objective because I think it is one of the most critical that we have in this country for the people we represent. I thank the gentleman for his question.

Mr. VAN HOLLEN. Thank you, Mr. Chairman.

Mr. HOYER. Thank you, Mr. Chairman.

Mr. LANKFORD. Mr. Hoyer, thank you for being here. Mr. Loebsack, you are recognized.

Mr. VAN HOLLEN. And if I could, and I have to leave, Mr. Chairman, but I just want to thank our other colleagues who are here, Mr. Critz, Mr. Loebsack, and Mr. Higgins. I also see Ms. Jackson-Lee and I am going to turn it over to my friend and colleague Mr. Honda. So I want to thank you Mr. Honda.

Mr. LANKFORD. Mr. Loebsack.

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

Mr. LOEBSACK. Thank you Mr. Lankford. I, in particular, want to thank Chairman Ryan and Ranking Member Van Hollen for the opportunity to testify today about Iowans priorities for the 2013 budget.

Last year, in my testimony, I urged Congress to come together to address the great challenges facing our nation. As I testified

then, these challenges demand tough, common sense choices, and serious bipartisan work. That has not changed. Iowans want Washington to come together and make thoughtful decisions that reduce the unsustainable deficit and prioritize economic recovery. We missed a major opportunity, I think, last year, and I share Iowans disappointment with Congress's inability to work together and address the fiscal crisis facing our nation. That has not gone away. I sincerely hope that partisan differences can be put aside and that these priorities will be reflected in the 2013 budget.

Last year, I strongly urged Congress to go big, as many of my colleagues did on both sides of the aisle, and aim for $4 trillion in deficit reduction. I also made it clear that I am willing to compromise and consider any serious balanced proposal to reduce the deficit. That is why I have supported two bipartisan balanced budget amendment proposals.

We all must be willing to make sacrifices to get our country back on track, but that burden needs to be balanced. We cannot, and should not, balance the budget on the backs of the poor and the middle class. As an Iowan, I know agriculture is willing to contribute through streamlining of farm support programs, and cutting subsidies for storing certain commodities. As a member of the Armed Services Committee, I fully support cutting at least two brigade combat teams from Europe, and believe we need to take a hard-nosed look at the number of troops we have deployed in Cold War legacy locations around the world. Again, as a member of the Armed Services Committee, that is why I am addressing those particular issues.

There are many other areas we could look at for savings, I believe, including adopting a proposal I have pushed for years to cut members of Congress pay for the first time since the Great Depression and raising the retirement age at which members of Congress are allowed to receive their pensions. Iowans are right to be outraged when their tax payer dollars are misspent. American tax payers should not be paying for the same service three times, for example.

We also need to sell federal property that the government has no need to spend money on, including power generating assets like the Tennessee Valley Authority which could save tens of billions of dollars. There are also too many inefficient tax loopholes and special interest giveaways that we need to get rid of. The tax code needs to be streamlined and it needs to be simplified.

I was raised in poverty by a single mom and my grandmother, and I share Iowans very real concerns, not just about what the future holds, but about what the day to day holds for middle class families who just cannot catch a break in this economy, and for those families who have fallen out of the middle class. I think we must promote an economy that works for all Americans, and we must promote and strengthen safety nets like Social Security and Medicare, so that many Iowans who rely on those two programs will in fact have security in their retirement, and succeeding generations as well.

Far too many middle class families are wondering how they are going to afford to send their kids to college. Our nation cannot retreat from our commitments to college access and affordability by

reducing Pell grants and other critical student aid assistance. We simply cannot reduce that assistance. I hear time and again from employers in Iowa that the workforce looking for jobs often does not have the skills needed to do the work for the jobs that are open. I urge the committee to support workforce training, to provide American workers with the ongoing training and skills they need to secure good paying jobs, and for employers to be able to find the workforce they need to grow. That training extends to the specific needs facing our veterans as well. No man or woman who has served our country in uniform should have to fight for a job or their benefits here at home, especially when they were willing to fight for our country prior to coming back to America. I urge support for job training, transition assistance, and benefit programs for those who have served our nation so proudly.

Our country is facing an economic downturn that I think we all can agree has gone on for far too long, and a long-term deficit, I think we all can agree, that is threatening our country's economic future. We must lay political differences aside, or as I like to say, we have to political arms down, and we have to seize what is an opportunity, I believe, to make meaningful reductions to the deficit, to grow the economy, and to support middle class families. We can do all of this at the same time. I urge you to consider these proposals and I thank you again for having me today and allowing me to testify and I appreciate it very much, thanks.

[The prepared statement of David Loebsack follows:]

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

Chairman Ryan and Ranking Member Van Hollen, thank you for the opportunity to testify about Iowans' priorities for the 2013 budget.

Last year in my testimony, I urged Congress to come together to address the great challenges facing our nation. As I testified then, these challenges demand tough, commonsense choices and serious, bipartisan work. That has not changed.

Iowans want Washington to come together and make thoughtful decisions that reduce the unsustainable deficit and prioritize economic recovery. We missed a major opportunity last year, and I share Iowans' disappointment with Congress' inability to work together and address the fiscal crisis facing our nation. I sincerely hope that partisan differences can be put aside and that these priorities will be reflected in the 2013 budget.

Last year, I strongly urged Congress to "go big" and aim for $4 trillion in deficit reduction. I also made it clear that I am willing to compromise and consider any serious, balanced proposal to reduce the deficit. That is why I have supported two bipartisan balanced budget amendment proposals.

We all must be willing to make sacrifices to get our country back on track, but that burden needs to be balanced. We cannot and should not balance the budget on the backs of the poor and middle class.

As an Iowan, I know agriculture is willing to contribute through streamlining of farm support programs and cutting subsidies for storing certain commodities.

As a member of the Armed Services Committee, I fully support cutting at least two Brigade Combat Teams from Europe and believe we need to take a hard-nosed look at the number of troops we have deployed in Cold War-legacy locations around the world.

There are many other areas we could look at for savings, including adopting a proposal I've pushed for years to cut Members of Congress' pay for the first time since the Great Depression and raising the retirement age at which Members of Congress receive their pensions.

Iowans are right to be outraged when their taxpayer dollars are misspent. American taxpayers shouldn't be paying for the same service three times. We also need to sell federal property that the government has no need to spend money on, including power generating assets like the Tennessee Valley Authority which could save tens of billions.

There are also too many inefficient tax loopholes and special interest giveaways that we need to get rid of. The tax code should be streamlined and simplified.

I was raised in poverty by my single mom and my grandmother, and I share Iowans' very real concerns not just about what the future holds, but about what the day to day holds for middle-class families who just can't catch a break in this economy.

We must promote an economy that works for all Americans, and we must protect and strengthen safety nets like Social Security and Medicare that so many Iowans rely on for security in retirement.

Far too many middle-class families are wondering how they're going to afford to send their kids to college. Our nation cannot retreat from our commitments to college access and affordability by reducing Pell Grants and other critical student aid assistance.

I hear time and again from employers in Iowa that the workforce looking for jobs often doesn't have the skills needed to do the work for the jobs that are open. I urge the Committee to support workforce training to provide American workers with the ongoing training and skills they need to secure good-paying jobs and for employers to be able to find the workforce they need to grow.

That training extends to the specific needs facing our veterans. No man or woman who has served our country in uniform should have to fight for a job or their benefits here at home. I urge support for job training, transition assistance, and benefits programs for those who have served our nation.

Our country is facing an economic downturn that has gone on for far too long and a long-term deficit that is threatening our country's economic future. We must lay political differences aside and seize this opportunity to make meaningful reductions to the deficit, grow the economy, and support middle-class families.

I urge you to consider these priorities. Thank you again for allowing me to testify today.

Mr. LANKFORD. Thank you Mr. Loebsack. Mr. Higgins, you are recognized.

STATEMENT OF HON. BRIAN HIGGINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. HIGGINS. Thank you very much Mr. Lankford and Mr. Honda, and also to Chairman Ryan and Ranking Member Van Hollen. I am here to urge you, in the strongest possible terms, to double the nation's commitment to cancer research. Funding for the National Cancer Institute and the National Institutes of Health are fundamentally important to tackling this disease that kills so many of our fellow Americans. The importance of cancer research is understanding that it has to be funded and sustained over the longer term. It does not work when you stop and start. The only failure in cancer research is when you quit, or you are forced to quit because of lack of funding.

There were three ways, historically, to deal with cancer. You could burn it out through radiation, you could cut it out through surgery, or you could kill it through toxic chemicals. We know, because of our nation's commitment to cancer research, that there are promising new therapies called smart drugs that attack the cancer cells without hurting the healthy cells. We read recently of the use of vaccines, not only as prevention for cancer, but also as therapies. They boost the body's immune system to help the body better fight, naturally, cancers that exist within the body, but by not sustaining cancer research we are losing good research, but we are also losing good researchers who are leaving the field. Ten years ago, 20 to 25 percent of cancer promising new research was funded. Today, it is about 8 percent. This nation has to understand the importance of sustained cancer research.

I represent the first comprehensive cancer center in the entire nation, Roswell Park Cancer Institute. Buffalo, in western New York, gave the nation and the world cancer research. It started at the predecessor of Roswell Park Cancer Institute called the New York State Cancer Laboratory. Treating cancer early not only saves lives, but also saves the nation funding, so it is very important that this Congress recognize in a bipartisan way its moral responsibility to fully fund cancer research so that we can more effectively treat those who are afflicted and help heal, spiritually, those who love the afflicted.

One thing, I just want to make note of as I conclude, and that is that less than 10 percent of cancer deaths are attributed to the original tumor. It is when cancer advances, when it moves, when it metastasizes to a vital organ is when it becomes lethal. Because of research, we have seen very promising drugs, smart drugs: Herceptin for breast cancer, Gleevec for gastrointestinal stromal tumors and chronic myelogenous leukemia, that have been highly effective in saving lives and saving this nation money. I implore you to include in a budget resolution a doubling of cancer research because these budgets, they do not only fund important programs, they are value statements. They say something about our nation and what we are committed to, and I respectively ask you to consider this testimony and that of others who are urging a doubling of cancer and biomedical research in this federal budget. With that, I yield back, thank you.

[The prepared statement of Brian Higgins follows:]

PREPARED STATEMENT OF HON. BRIAN HIGGINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Chairman Ryan, Ranking Member Van Hollen, members of the Committee, thank you for giving me the opportunity to testify before you today on the importance of a continued, sustained investment in cancer research. I call on you today to craft a budget resolution that projects a doubling of funding for cancer and biomedical research over the next five years. The only failure in cancer research is when you quit or are forced to quit because of lack of funding. If this Congress fails to realize the potential of promising research taking place right now, we will see losses in lives and jobs.

For cancer research to be effective it has to be sustained over term. It can't stop and start because that's how you lose promising research and promising researchers. President Nixon recognized this 40 years ago when he signed the National Cancer Act into law. Without the federal commitment established by that Act, we would not be seeing the progress that is being made today.

And there is significant progress. Smart drugs—highly targeted treatments that attack fast growing cancer cells without damaging healthy cells—are improving life quality for thousands of cancer patients. Cancer vaccines—immunotherapies that prevent cells from mutating to become cancerous—will eventually make it possible for cancer patients of all types to proactively prevent their cancer from spreading. Just last month, researchers at Roswell Park Cancer Institute in my district announced a pathway for delivering vaccines to cells that will be commercially practicable.

And Roswell Park, as one of the National Cancer Institute's 40 most prestigious comprehensive cancer centers in the country, would not be able to carry out its significant research mission without the federal government's support.

But the federal government's commitment is not keeping pace with the needs of the scientific community nor the demands of the constituents we serve. Now, only one in six research applications are getting funded, thwarting potential promising research. These scientists are not sitting on their hands—they are packing up and moving overseas. By not providing a strategic framework for research funding, we run the risk of losing our global advantage in biomedical research.

So now is the time to redouble our efforts and recommit ourselves to this most worthy cause at a time when our constituents need us to show leadership most.

I urge you to join me in this effort.
Thank you

Mr. LANKFORD. Thank you Mr. Higgins. Mr. Critz.

STATEMENT OF HON. MARK CRITZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. CRITZ. Thank you Mr. Chairman, Mr. Lankford, Mr. Honda, and I also want to thank Chairman Ryan, Ranking Member Van Hollen, and other distinguished members of the committee; thank you for the opportunity to testify here today.

As we continue the discussion on the proper fiscal course for our country, it behooves us to remember that despite our ideological differences, we are all in agreement that solving our budgetary challenges in a way that stimulates job creation and economic growth should be our number one priority. If we use this common ground as a starting point, the fiscal year 2013 budget can put Americans back to work and promote nationwide prosperity. If, however, in the coming months we choose to play politics with the well-being of the most vulnerable among us, the results will be disastrous for everyone. Too often we hear of proposals to drastically slash Social Security, Medicare, and veteran's benefits. These proposals are presented to us under the guise of fiscal austerity, but they are clearly part of a partisan agenda. The benefits stemming from any deficit reduction they might generate pale in comparison to the disastrous implications they carry for our seniors, our veterans, and working families across America. These individual have played a central role in building and maintaining America's greatness. To cut off the lifelines our government has put in place to support them is to display callousness, not courage, and to prioritize politics over fiscal and economic progress.

A number of the programs that help seniors to live happy and healthy lives and to keep them from slipping into poverty came under an unprecedented assault during last year's budget season. This committee presented members with a plan which would have had a number of devastating implications for Medicare recipients and the solvency of the Medicare program for future generations. That plan proposed to replace Medicare as we know it with an underfunded defined contribution system which would have encouraged discrimination, promoted rationing, and doubled or possibly even tripled out-of-pocket expense costs for beneficiaries. It could have also led to more widespread fraud and abuse by turning over billions of dollars to the insurance industry without any mechanism for enforcing accountability, and these negative consequences are just the tip of the iceberg.

The plan would have also made deep cuts to Social Security. Studies suggest that if it had been approved, the plan would have cut benefits for 70 percent of recipients through price indexing, the benefit formula, and cut benefits for all recipients by accelerating the eligibility age increase and eventually indexing the full retirement age to life expectancy.

Mr. Chairman, if we are going to make Social Security and Medicare reform part of our plan to reduce the deficit, our focus should be on rooting out fraud and abuse, not on cutting benefits. If we are going to ask everyday hard-working Americans to sacrifice,

then we must also ask millionaires and billionaires to sacrifice as well.

Last year, adherence to a flawed budget policy called in the demolition crew when what we really needed was a sober and steady hand of a surgeon. Instead of using a scalpel to methodically cut the waste, these individual took a sledgehammer to the programs our seniors rely on most heavily for support, but the policy was not just flawed for what it proposed to do to seniors, it also would have had devastating consequences for those who have served our country in uniform. Over 1.3 million veterans would have lost eligibility for VA health care, and according to the Congressional Budget Office, this would have left 130,000 veterans with no health care alternative.

A poll taken last year by Military Advantage asked respondents if veterans should be required to sacrifice their benefits in the interest of reducing the deficit. An overwhelming 88 percent said no, but despite the vast majority of Americans being strongly against balancing the budget on the backs of those who have served our country in uniform, there are still those who are willing to put the programs these individuals rely on for health and security on the chopping block.

Mr. Chairman, the bottom line is this: We cannot follow a budget formula that leaves seniors and veterans to fend for themselves. We must condemn slash and burn measures in favor a framework that makes responsible reforms while still preserving the integrity of Medicare, Social Security, and health benefits for those who worn the uniform of a grateful nation. The president's fiscal year 2013 budget does just that. It generates $360 billion in savings over 10 years through a variety of changes to Medicare and other mandatory health programs; the majority of these deficit reducing changes, however, come from alterations to provider payment policies and do not affect beneficiaries in any way. It also expresses a clear commitment to keeping Social Security viable and solvent for future generations, and proposes increased funding and support for VA medical care and programs addressing veterans unemployment and veterans homelessness.

In putting together the fiscal year 2013 proposal, the president embraced a fact that has stood the test of time that shared sacrifice breeds shared prosperity. Let us work together to get our fiscal house in order in a responsible way that puts our economy back on the path to prosperity. Mr. Chairman, I thank you and the committee once more for your time. In preparing for the fiscal year 2013 budget I urge you to put politics aside and protect our promise to seniors, veterans, and working families. I stand ready to help any way I can. Thank you very much.

[The prepared statement of Mark Critz follows:]

PREPARED STATEMENT OF HON. MARK S. CRITZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Chairman Ryan, Ranking Member Van Hollen, other distinguished members of the Committee, thank you for the opportunity to testify here today.

As we continue the discussion on the proper fiscal course for our country, it behooves us to remember that despite our ideological differences, we are all in agreement that solving our budgetary challenges in a way that stimulates job creation and economic growth should be our number one priority.

If we use this common ground as a starting point, the fiscal year 2013 budget can put Americans back to work and promote nationwide prosperity. If, however, in the coming months, we choose to play politics with the wellbeing of the most vulnerable among us, the results will be disastrous for everyone.

Too often, we hear of proposals to drastically slash Social Security, Medicare and veterans' benefits. These proposals are presented to us under the guise of fiscal austerity, but they are clearly part of a partisan agenda. The benefits stemming from any deficit reduction they might generate pale in comparison to the disastrous implications they carry for our seniors, our veterans and working-families across America.

These individuals have played a central role in building and maintaining America's greatness. To cut off the lifelines our government has put in place to support them is to display callousness, not courage, and to prioritize politics over fiscal and economic progress.

A number of the programs that help seniors to live happy and healthy lives, and to keep them from slipping into poverty, came under an unprecedented assault during last year's budget season. This Committee presented Members with a plan which would have had a number of devastating implications for current Medicare recipients and the solvency of the Medicare program for future generations.

That plan proposed to replace Medicare as we know it with an underfunded, defined contribution system which would have encouraged insidious discrimination, promoted rationing and doubled—or possibly even tripled—out of pocket costs for beneficiaries. It could have also led to more widespread fraud and abuse by turning over billions of dollars to the insurance industry without any mechanism for enforcing accountability—and these negative consequences are just the tip of the iceberg.

The plan would have also made deep cuts to Social Security. Studies suggest that if it had been approved, the plan would have cut benefits for 70 percent of recipients through price indexing the benefit formula and cut benefits for all recipients by accelerating the eligibility age increase and eventually indexing the full retirement age to life expectancy.

Mr. Chairman, if we are going to make Social Security and Medicare reform part of our plan to reduce the deficit, our focus should be on rooting out fraud and abuse, not on cutting benefits. If we are going to ask every day, hard-working Americans to sacrifice, then we must also ask millionaires and billionaires to sacrifice as well.

Last year, adherents to a flawed budget policy called in the demolition crew when what we really needed was the sober and steady hand of a surgeon; instead of using a scalpel to methodically cut the waste, these individuals took a sledgehammer to the programs our seniors rely on most heavily for support.

But the policy was not just flawed for what it proposed to do to seniors. It also would have had devastating consequences for those who have served our country in uniform.

Over 1.3 million Veterans would have lost eligibility for VA healthcare, and, according to the Congressional Budget Office, this would have left 130,000 veterans with no healthcare alternative.

A poll taken last year by Military Advantage asked respondents if veterans should be required to sacrifice their benefits in the interest of reducing the deficit. An overwhelming 88 percent said no. But despite the vast majority of Americans being strongly against balancing the budget on the backs of those who have served our country in uniform, there are still those who are willing to put the programs these individuals rely on for health and security on the chopping block.

Mr. Chairman, the bottom line is this: we cannot follow a budget formula that leaves seniors and veterans to fend for themselves. We must eschew slash and burn measures in favor of a framework that makes responsible reforms while still preserving the integrity of Medicare, Social Security and health benefits for those who have worn the uniform of a grateful nation.

The President's Fiscal Year 2013 budget does just that. It generates $360 billion in savings over ten years through a variety of changes to Medicare and other mandatory health programs. The majority of these deficit-reducing changes, however, come from alterations to provider payment policies and do not affect beneficiaries in any way. It also expresses a clear commitment to keeping Social Security viable and solvent for future generations and proposes increased funding and support for VA medical care and programs addressing veterans' unemployment and veterans' homelessness.

In putting together the fiscal year 2013 proposal, the President embraced a fact that has stood the test of time: that shared sacrifice breeds shared prosperity. Let us work together to get our fiscal house in order in a responsible way that puts our economy back on the path to prosperity.

Mr. Chairman, I thank you and the Committee once more for your time. In preparing for the fiscal year 2013 budget, I urge you to put politics aside and protect our promise to seniors, veterans and working families. Thank you.

Mr. LANKFORD. Thank you Mr. Critz.

Mr. HONDA. I want to thank you, too, for a very impassioned presentation.

Mr. LANKFORD. Ms. Jackson Lee.

STATEMENT OF HON. SHEILA JACKSON LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Ms. JACKSON LEE. Thank you very much to the chairman certainly thank you to Mr. Honda, and thank you to the chairperson in absence, Mr. Ryan, and the ranking member in absence, Mr. Van Hollen, for your multiple leadership and patience with members. I am going to try and speak as fast as I can and emphasize, really, a listing of what I hope will be considered by the budget committee.

First of all, I need to say that we can all do better with respect to jobs in America because someone is either listening, or will be reading the transcript, or following the budget committee and will note for a fact that they do not have a job, but at the same time I think we can acknowledge very quickly that we have had some 23 months of economic growth. We have seen corporate profits grow, we have seen jobs develop more in this country, and so we know that the efforts that this administration made, and President Obama, have been an effective approach. The work that has been done by members of the Budget Committee led by Ranking Member Van Hollen has also been enormously effective.

I am the ranking member and former chair of the Transportation Security Committee, and might I just bring to the committee's attention that a report came out that said 2,287 attacks are carried out with the intent of harming public surface transportation. So I ask the Budget Committee to consider that 65 percent of homeland security or terrorist attacks were against buses, bus stations, and bus stops, and therefore I would ask that we consider, seriously, the budgeting process on transportation security.

Just recently, we noticed a, if you will, intrusion on airport or aviation permit security, meaning airports that were subject to vulnerabilities, and I would ask that there be a consideration of the amount of money that is necessary for that. The budget of the president had $196.434 million and I would ask that we are in keeping with that, or certainly not lowering that any more. To protect the homeland has been a victory for all of us, and we should continue to do so.

I ask for continued support for the Violence Against Women's Act and note that we have had a number of staff lay-offs, over 2,000 in that program and that program has saved lives. I asked for continued support of the COPS program, the Second Chance program, noting that many rural and urban communities rely upon the enhancement or the added ability of using extra cops on the beat, if you will.

In the Defense and Foreign and Veterans Affairs I would indicate that Haiti is a work in progress, and continues to need the support in foreign affairs, but support of this budget committee as well as

to ensure that with the many conflicts around the world, that we provide the State Department with the funding they need that they have been able to accomplish in conflict resolution.

When we look at health care, I think it is Medicare, Medicare, Medicare. I had asked this committee to consider to not in any way sever the Medicare guarantee. That will undermine every senior in this nation. We recognize that we must look at spending, but I can fully say that the Affordable Care Act has provided us a very strong mark on reduction of health care, and I would indicate that we have been able to provide to 20 million Americans good health care. So I would ask that we continue to support elements such as community health centers that have been able to open more patient rooms and provide more care in more areas than probably any other aspect.

People still die of AIDS, and I would ask a continuation of support for treatment of AIDS, and particularly in the African-American community; we are disproportionately affected by HIV/AIDS and I would ask for that support.

Sickle cell disease is a most common inherited disorder among African-Americans. It is an area that we have not focused on, Mr. Chairman, and I would ask that the funding of sickle cell, which is diminished, be reviewed, and I will be offering a particular letter of support, regarding sickle cell anemia that has lost funding.

In family planning, while I know that that is a conflicted, if you will, issue, but let me just say, family planning deals with saving lives. Family planning deals with women's access to health care, and I would argue that we need to ensure a non-partisan to women's access to health care.

I want to bring your attention and support the idea of full funding for cancer research, but cancer cure. I happen to represent aspects of MD Anderson, the premier cancer and research hospital in the world. They are now looking at biotechnology with presenting a cure for cancer. I would ask for full funding for that, and full funding for preventing teen pregnancy.

I do believe we have to find the route to deficit reduction, and if I might, Mr. Chairman, just quickly say that I support tax reform and the reduction of tax rates. I have introduced deficit reduction job creation energy security bill, and would offer to say to you that we have to, in a combined way, do that. I support the funding of the HUD program, multifamily program, and the full funding of veterans' needs.

Finally, let me just say that I would also indicate that the southwest and regions in the country suffered enormous impact of the drought. We have lost, if you will, ranching capacity. We have lost millions of trees, the funding of the U.S. Department of Agriculture and Interior on issues of remediation with respect to drought, the impact of drought to provide the funding necessary to bring those regions back along with full disaster relief funding, I believe, would be enormously important.

Mr. Chairman, I would ask that you be able to put my entire statement in the record and I have an additional listing that I would ultimately like to be able to submit if I am allowed within the five day period to submit that list of items that I am particularly interested in, and I thank the chairperson and the committee,

and the ranking member for their graciousness and courtesies to members.

[The prepared statement of Sheila Jackson Lee follows:]

PREPARED STATEMENT OF HON. SHEILA JACKSON LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Chairman Ryan and Ranking Member Van Hollen, thank you for allowing me to testify before the Budget Committee. I come before you to highlight a myriad of issues that are important to this Nation. It is imperative to note that before I begin discussing FY 2013 budget, we must take a moment to acknowledge that FY 2012 appropriations law was delivered only after fierce debate regarding the serious cuts posed to critical programs, including those within the Department of Homeland Security.

Nonetheless, I stand here today and declare that the federal budget is a moral document, with meaning, fiber, and a unique texture. I could wax on and on today about the baseline as an extrapolation of future budget conditions, based on the assumption that current policies will continue in effect, et. cetera, et. cetera.

But the budget we craft, and what we do here today in the hallowed halls of Congress is really about the American people and the impact that our budget and fiscal policy decisions will have on them. The elephant in the room is entitlement policy. Unlike discretionary spending, mandatory spending grew rapidly from 5% of GDP in 1962 to a range of 9% to 10.5% of GDP from 1975 to 2007, peaking in recession years because of automatic stabilizers.

It exceeded 13% of GDP from 2009 to 2011, marking its highest share of GDP since data were first compiled in 1962. In contrast to discretionary spending, mandatory spending is projected to continue to grow faster than inflation and exceed 13% of GDP over the next 10 years under current policy. We must confront this head-on. The Affordable Care Act was a monumental step in the right direction.

I am here to say that any type of entitlement reform will not be done on the backs of little old ladies in the 18th District of Texas.

Step back and recognize: prior generations faithfully paid into the current system and cannot be told that they were sold a bill of goods, and that their benefits must not be "reformed."

That is an outrage!

And speaking of Texas, in the prior fiscal year, my hometown of Houston, Texas was forced to lay off nearly one thousand municipal employees. When these employees are put on the unemployment line, libraries close, schools cut back on essential after-school programs, community centers lose personnel, police hours are trimmed, and the truly destitute become an after-thought.

Those tough budget decisions had a human cost and I here from my constituents every day about them, and frankly, I don't want tax cuts for the wealthy at the expense of jobs for people in Texas.

To provide you a brief roadmap, my written testimony touches on the broad themes of (1)Transportation Security, (2)Justice and related programs, (3)Defense and Veterans Affairs, (4)Healthcare, and (5)Deficit and Taxation. Interwoven with those will be related but not necessarily minor points concerning Energy Security, Education and STEM, Housing and Homelessness, the allocation of Natural Resources, Agriculture and Domestic Food Policy, and Diplomacy and Peace.

President Obama has noted repeatedly that the car was in the ditch when he assumed the Presidency in winter of 2009. I am ready to rev up that car and work with my colleagues in a bi-partisan fashion to not only pull it out of the ditch, but also put it back on the road that leads to economic productivity, sustained growth, deficit reduction, and American prosperity.

TRANSPORTATION SECURITY

As the Ranking Member of the House Committee on Homeland Security Subcommittee on Transportation Security, I have heard critical testimony from Secretary Napolitano regarding the FY 2013 budget request and the proposed funding levels for security programs, particularly those aimed at enhancing the security of our transportation sector.

The FY 2013 budget discussion surrounding homeland security matters must take into account the FY 2012 appropriations law, which many of us opposed, because it shortchanged homeland security in a number of troubling ways.

With this backdrop and the prospect of an even less favorable budget environment for FY 2013, I can understand the President's desire to submit a Homeland Security budget proposal that comes in $1.3 billion less than last year's budget.

The President's FY 2013 budget request for the Transportation Security Administration (TSA) is $7.64 billion in total budget authority, which represents a decrease of $196.434 million from the FY 2012, enacted level. The bulk of the TSA budget authority is dedicated to aviation security operations, resulting in less than 2% of the proposed funding being dedicated to surface transportation security.

Earlier this month, the Mineta Transportation Institute released a report highlighting that 2,287 attacks were carried out with the intent of harming public surface transportation between January 1, 1970 and November 1, 2011. More than seven thousand people were killed as a result of these attacks and more than 29,000 were injured.

Of these attacks, 65 percent were against buses, bus stations, and bus stops. I strongly encourage the Budget Committee to give serious consideration to these statistics and ensure surface and mass transit security is not shortchanged.

On the aviation front, we continue to learn of breaches throughout our aviation security programs that expose vulnerabilities at our airports. One concern that deserves enhanced attention is how perimeter security is addressed at our airports.

Just last week a driver accelerated through an unmanned gate and drove onto airport property as a plane was taking off at Philadelphia International Airport. We cannot leave TSA without the resources it needs to address vulnerabilities relating to perimeter security. The Transportation Security Administration must be allocated the resources it needs to carry out its security mission.

I encourage the Committee to place a particular emphasis on the mission critical areas of Perimeter Security and Training of all Crewmembers Aboard Passenger Aircraft, and Surface and Mass Transportation Security.

Also, we must restore grant funding aimed at enhancing transit security in the National Preparedness Grant Program. As I have expressed before, I have serious concerns about the funding level sought for this consolidated grant program.

Mr. Chairman, our spending for Transportation Security must remain a priority—the American people are counting on us.

JUSTICE AND RELATED PROGRAMS

It is also imperative that Congress invest in programs that address the needs of victims, such as the Violence Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA).

Not only do these programs save lives, but they also save money. Studies show that domestic violence has declined significantly since VAWA was first enacted in 1994, which is estimated to have saved taxpayers at least $14.8 billion in net averted social costs in its first six years.

The economic climate, however, has created a severe budget crisis for programs that hold perpetrators accountable and provide safety for victims across the country. In 2010, domestic violence programs laid off or did not replace 2,000 staff positions including counselors, advocates and children's advocates, and shelters around the country closed.

According to a 2010 survey of rape crisis centers, 70% of programs experienced a reduction in funding over the past year and 57% were forced to reduce staff.

In addition, programs such as COPS, the Second Chance Act, and programs that ensure that those in the immigration system are afforded humane and professional treatment.

DEFENSE, FOREIGN, AND VETERANS AFFAIRS

The budget resolution that we agree to for FY 2013 should also reemphasize the importance of the two "Ds"—diplomacy and development—which, along with defense, forms the core of our national security and foreign policy.

I want to highlight some of the important issues facing our foreign policy, and I hope that you, Mr. Chairman, will have an opportunity to address them as we move forward in the budget process.

First and foremost, I would like to again address the issue of Haiti. As you well know, American and her allies in 2010 initiated a comprehensive, interagency response to the earthquake. This effort spearheaded by the US Agency for State Department, was unprecedented and extraordinary.

The State Department, the Department of Defense, Department of Homeland Security, Coast Guard—all worked overnight to ensure critical resources were positioned to support the response and recovery effort, including efforts to find and assist American citizens in Haiti.

Our work in Haiti though, has only begun—we have a moral obligation to work with our Caribbean neighbor—to help them to help themselves to be put back on a course of national prosperity and its rightful place at the table of nations.

On the global front, by working with nations to combat, disease, violence, and terrorism, and encouraging environmental responsibility and education, we can begin to take steps towards creating better environments for less-advantaged nations, and particularly their vulnerable women and children. Humanitarian assistance is also a first step in reaching out to women and girls who are subject to the Shariah law or other oppressive laws or regimes.

It results in not just monetary assistance, but also education and training assistance that ensures effective and efficient programs. Working not simply through USAID, but rather broadening our initiatives internationally can ensure a cooperative and diverse aid system that can save lives and foster international stability and cooperation.

I would also posit that it is essential that we allocate the money spent on previous wars to programs like USAID which promote peace—the war savings dividend must be re-invested in the "Humanity Growth Fund!"

HEALTHCARE

The over-arching point about health care is that even with the epic passage of the Affordable Healthcare Act, health care spending is still a large and rapidly growing part of the budget, mainly due to Medicare expenditures and federal matching payments to states for Medicaid.

One of my top priorities is maintaining and increasing funding for medical facilities in Texas. For example, with an international reputation for excellence, the Ben Taub Hospital, Ginni and Richard Mithoff Trauma Center is one of only two Level I trauma centers in Harris County, Texas. Staffed by physicians from Baylor College of Medicine, this Houston trauma center provides the highest level of comprehensive care for patients with serious injuries or illness.

In addition, the M.D. Andersen is world-renowned for research in cancer and other pernicious diseases. An amendment I offered last year was intended to increase funding to study triple negative breast cancer. The triple negative breast cancer strain is an aggressive type of breast cancer with lower survival rates than other strains.

Between 13% and 25% of all breast cancer in the United States is of the triple negative variety. Triple negative breast cancer accounts for 30% of all diagnoses among African American women. It is essential to fund research that will develop a targeted treatment method for this type of breast cancer.

Because I, along with many others, believe we must fully fund efforts to eradicate cancer and other diseases, I hope you will lend support to this issue to increase funding to study the dangerous triple negative breast cancer strain.

According to the Bipartisan Policy Center, spending for these two programs is projected to increase from 21 percent of non-interest federal spending in 2010 to 31percent by 2020. The numbers are wonkish sounding but in terms of real dollars, the increase is mammoth.

National spending on health care has grown about 2 percentage points per year faster than GDP over time. Federal revenues, however, have not kept pace, growing at roughly the same rate as GDP.

As a result, federal deficits will be driven upward by federal health programs unless their rate of growth is tamed. This discrepancy must be dealt with sooner rather than later, but no matter how you couch it, there is no better translation than the word: b-r-o-k-e.

Having said that, I hasten to add that Community Health Centers provide much needed, high-quality healthcare to over 20 million Americans. These centers are able to serve vulnerable portions of the American population, including racial and ethnic minorities, as well as rural and low-income Americans.

These centers play an integral role in closing gaps in the healthcare system, reducing broad disparities in access to quality care. In recognition of the importance of community health centers, funding has risen by $1.21 billion in the fiscal last year, creating a platform to serve 300,000 new patients. Remember, that serving new patients helps in promoting preventive medicine, which lowers costs down the road.

Over half a million people have died of AIDS in America; this is equal to the entire population of Las Vegas. Currently, there are 1.2 million people living with HIV in the U.S. One fifth of those affected are unaware of their infection, increasing the risk of onward transmission.

African Americans are disproportionately affected by the AIDS epidemic. African Americans account for 40 percent of all recorded AIDS related deaths in the U.S. Factors such as heightened levels of poverty and lack of access to adequate healthcare shape the epidemic among African Americans.

In the U.S. about 17,000 people died of AIDS in 2009 alone. This is unacceptable. These statistics paint a dire picture of the status of HIV/AIDS in the U.S. that must be addressed through augmenting programs such as the Ryan White Programs and the Minority AIDS Initiative, which serve to educate communities who are often outliers when it comes to health education.

Sickle Cell disease is the most common inherited disorder among African-Americans, with 1 in 375 live births affected. 1 in 12, or two million African-Americans, are carriers of the disease. More than 100,000 Americans live with sickle cell disease.

Funding of Sickle Cell research will allow: (1) continued funding of a stable number of regional networks and (2)the expansion and upgrade of data collection efforts, capacity and analysis to more fully achieve the evidence to evaluate the network activities and outcomes.

In addition, recent events have brought to light the true peril that could await women's access to health care. That is why the $327.4 million for the Title X Family Planning Program is a key component of our nation's health care infrastructure and a fundamental part of building a women's health care delivery system that will meet the growing demand for care under the Affordable Care Act.

In addition, increased funding for the Infertility Prevention Program because family planning is not just about preventing unintended pregnancy; it is also about planning for families. Screening and treatment for STDs is an essential part of planning for a healthy pregnancy.

I also must note that $130 million for the Teen Pregnancy Prevention Initiative because young people need reliable, accurate information to make responsible decisions and stay healthy, and there's never been a more critical need.

According to the CDC, the teen birth rate has increased for the second year in a row and for the first time in more than a decade, the nation's teen pregnancy rate rose 3% in 2006. In addition, more than three million girls have a sexually transmitted infection. Increased investments to the tune of $130 million would grant sex education access to 100,000 additional kids.

Increased funding for International Family Planning and Reproductive Health Programs are increasingly important. This unmet need for family planning is a missed opportunity to reduce the need for abortions, the majority of which are unsafe.

Eliminating harmful policy riders that undermine women's access to abortion care including access for women on Medicaid, women who work for the federal government, Peace Corps volunteers, women in the military, women in prisons, the DC abortion ban, and others.

Opponents of women's health care have abused the appropriations process to undermine women's access to comprehensive reproductive care, including abortion care. Through policy riders, opponents have limited access for women on Medicaid, women who work for the federal government, women who volunteer with the Peace Corps, women in the military, women in prisons, and others.

VETERANS

The wars in Iraq and Afghanistan have brought renewed attention to the needs of veterans, including the needs of homeless veterans. Both male and female veterans have been overrepresented in the homeless population, and as the number of veterans increases due to these conflicts, I am concerned that the number of homeless veterans could rise commensurately. The recent economic downturn also has raised concerns that homelessness could increase among all groups, including veterans. As we witnessed in the Vietnam War and its aftermath, drastic consequences can ensue if we don't take care of our veterans. Moreover, attention must be paid to their mental health as well as their physical and financial needs.

They have served our country and deserve to be treated as heroes and heroines, worthy of honor.

HOUSING

Homelessness in America has always existed, but it did not come to the public's attention as a national issue until the 1970s and 1980s, when the characteristics of the homeless population and their living arrangements began to change. In Houston, homelessness is a significant problem which are caused by a number of factors.

According to studies from the time, homeless persons are no longer almost exclusively single men, but include women with children; their median age was younger; they are more racially diverse, while in previous decades the observed homeless population was largely white; they were less likely to be employed and therefore had lower incomes; they are mentally ill in higher proportions than previously; and indi-

viduals who were abusing or had abused drugs began to become more prevalent in the population. No matter, at the end of the day our homeless persons are the responsibility of all of society.

A number of reasons have been offered for the growth in the number of homeless persons and their increasing visibility. Many cities demolished skid rows to make way for urban development, leaving some residents without affordable housing options. Other possible factors contributing to homelessness include the decreased availability of affordable housing generally, the reduced need for seasonal unskilled labor, the reduced likelihood that relatives will accommodate homeless family members, the decreased value of public benefits, and changed admissions standards at mental hospitals. The increased visibility of homeless people is due, in part, to the criminalization of actions such as public drunkenness, loitering, and vagrancy.

Our America is one that helps and cares for its most vulnerable.

ENERGY SECURITY

The rapid growth and evolution of energy technologies and markets offer both promise and challenges. By way of background, energy development, production and consumption is driven by numerous laws concerned with protecting consumers, encouraging domestic industry and addressing conflicts over natural resources, pollution, and climate change. Regulations, subsidies and taxes further impact adoption of new technologies such as hydraulic fracturing, carbon sequestration, biofuels and clean energy like solar, wind, hydrokinetic and geothermal. Siting domestic and transborder transportation infrastructure such as the Keystone XL Pipeline raises questions of state and federal interests and authority. Finally, laws that govern the physical and financial markets in energy and associated resources shape not only demand and supply of energy but also impact the national economy.

I have introduced H.R. 3710 which increases the acreage to 10 percent of what is already allocable under a proposal by Interior Secretary Salazar, as announced on November 8th, 2011. In other words, more land will be available for exploration, in line with two objectives: decreasing our dependence on foreign sources for oil, and plugging our budget deficit.

The monies will be deposited into the DRES Fund and invested by the Secretary of the Treasury, until the money is transferred to the Coastal and Ocean Sustainability Health Fund.(COSH) Annually, the Secretary of the Interior is required to lease 20 percent of the DRES. In addition, this bill will help foment job creation in an industry that is already responsible for 9.2 million American jobs.

The bill also establishes the Deficit Reduction Energy Security Fund, housed within the United States Treasury Department, which will receive the accrued funds that are dedicated to deficit reduction. In order to ensure that the putative funds generated from the leasing activities which derive from this bill inure to the goal of deficit reduction, the legislation also sets up the aforementioned COSH.

This bill establishes in the Department of the Treasury, the COSH, which shall fund grants for addressing coastal and ocean disasters; and programs and activities that restore, protect, maintain, manage, or understand marine resources and their habitats, and ocean, and coastal resources, including baseline scientific research, and other programs in coordination with federal and state agencies. Monies will be deposited into the COSH fund from interest accrued on OCS royalties, rents, revenues, and fees that will remain, for the period of one year, in the Fund before moving the entirety of the principle in the general Treasury. The bill authorizes the Secretary of Commerce to make grants for such purposes. I look forward to working with members of this Committee and our colleagues to ensure passage of this legislation.

EDUCATION AND STEM

More than 40 million adults have basic skills needs or limited proficiency in English that interfere with their ability to participate fully in work, family and community activities. Current funding reaches only 2.8 million of these adults each year and thousands more are on waiting lists.

More than 77 percent of community-based literacy programs currently report waiting lists. Adult education and literacy programs play a key role in the success of other federal programs, including job training and welfare reform. They also help parents support their children's education and ensure that businesses are able to meet their workforce needs.

We must continue working to improve college affordability & accessibility: The rising cost of a college education is squeezing millions of students and families who rely on access to an affordable education to compete in the competitive job market and to preserve their quality of life. As the cost of college outstrips middle class

Americans' ability to pay, too many students are forced to take on high loan debt burdens and work long hours that interfere with their academic study. I'm determined to see that every Texan who wants to go to school will be able to afford it.

I am proud to support efforts that bring much needed relief to our students in a fiscally-responsible way. I am especially proud of efforts that strengthen our nation's Minority-Serving Institutions, particularly in the STEM areas, so that students can stay in school, graduate and succeed in our global economy. We passed a bill in 2009 that does this by investing $2.55 billion dollars in our nation's Minority-Serving Institutions over a ten year period. The estimate is that this funding will reach at least 500 institutions of higher learning. These investments will create a new generation of workers in STEM fields—professionals that our country desperately needs to remain competitive in the world.

AGRICULTURE AND DOMESTIC FOOD POLICY

Over the years, Congress has authorized and the federal government has administered much-needed programs to provide food to the hungry and to other vulnerable populations in this country. Broadly, the programs contained in these laws are the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) as well as the "child nutrition programs."

Child nutrition programs is a category used to describe the USDA-FNS programs that help to provide food for children in school or institutional settings. The National School Lunch and School Breakfast programs provide a per-meal subsidy for each meal that is served for free, for a reduced-price, or for a full-price, called a "paid" meal.

The Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP) will, under certain circumstances, provide free meals or snacks to all the children at a site, because it is the site (not the child) that is subject to eligibility criteria. The Fresh Fruit and Vegetable Program (FFVP), or snack program, is sometimes referred to as a child nutrition program. Fortunately, it was included in the 2008 farm bill.

DEFICIT AND TAXATION

The cloud looming over this Congress is an unintended "triple-witching hour" of tax increases that will take effect at the beginning of 2013.

The expiration of the Bush Tax Cuts, the end of the recently extended Payroll Tax Cut, and increases in capital gains and dividends taxation will shock the conscience and wallets of the American people. That is why Congress needs to enact bi-partisan legislation that helps lower the deficit but does not wreck havoc on the financial soul of the middle class.

But again, tax reform that lowers the rate, reduces the deficit, and does not pick winners and losers is not easy, but let's not forget, if President Reagan and then-Speaker Tip O'Neill could do it in 1986, anything is possible.

In the Budget, the Administration calls for individual tax reform that: cuts the deficit by $1.5 trillion, including the expiration of the high-income 2001 and 2003 tax cuts. As a matter of sound fiscal policy, I am supportive of this effort. I recognize the putative economic benefits that many attribute to the Bush Tax Cuts, but we must ask ourselves are they affordable?

The President's budget also eliminates inefficient and unfair tax breaks for millionaires while making all tax breaks at least as good for the middle class as for the wealthy; and observes the Buffett Rule that no household making more than $1 million a year pays less than 30 percent of their income in taxes.

The individual income tax is a hodgepodge of deductions, exemptions, and credits that provide special benefits to selected groups of taxpayers and favored forms of consumption and investment. These tax preferences make the income tax unfair because they can impose radically different burdens on two different taxpayers with the same income. In essence, Congress has been picking winners and losers.

There is absolutely no justification for huge tax cuts. The wealthiest tax brackets should not profit at the expense of programs keeping struggling families from poverty.

Bear in mind, the Republican's 2012 budget cut $2 trillion dollars more than President Obama's Debt Commission advised, and those cuts come from vital social services and safety nets for low income families, children and seniors.

Tax expenditures also reduce the economy's productivity because decisions on earning, spending, and investment are driven by tax considerations rather than the price signals that a well-balanced, and fair free market economy produces. These expenditures, whether for individuals or corporations, are really no different than

the much ballyhooed entitlement programs, but they have cute names and fancy lobbyists.

Moreover, tax expenditures make the tax system excessively complex for honest taxpayers who are trying to comply with the law while seeking the benefits to which they are legally entitled.

The system is so complex that most taxpayers—even those with low incomes—now use either a professional tax preparer or tax software. A one-page form shouldn't require a tax preparer who earns a percentage of the return, or a fee. It is not justifiable, especially when some commentators like to point out that a number of taxpayers pay no tax—well they somehow conveniently forget to mention that these "tax scofflaws" making $30,000 dollars a year more than make up for it with a long list of regressive taxes at the state and local level, for starters.

The alternative minimum tax, or AMT, was initially designed to ensure that all high-income taxpayers paid some income tax, has become the poster child for the tax system's failure, requiring Congress to enact increasingly expensive temporary patches to prevent the AMT from encroaching on millions of middle class households particularly those with children, in a web of pointless high tax rates, complexity, and unfairness.

On the deficit reduction front it is important to remember the economic crisis that the President inherited. I remember back in 2008 and 2009, when we experienced the worst recession since the Great Depression. The economy actually contracted, it shrunk, at a rate of almost 9 percent in the fourth quarter of 2008.

We lost 800,000 private-sector jobs in January of 2009 alone, and unemployment was surging. Those are the conditions the President inherited—the car was swerving into the ditch. He was not the driver, but he was asked to come in on literally his first day of office, roll-up his sleeves and figure out how to prevent the car from rolling farther down the hill.

If you'll recall we also faced a housing market that was in crisis, and we faced a financial market crisis as well that threatened to set off a global financial collapse. We have a come a long way since then yet there is more work to be done.

I would like to thank you once again for allowing me to appear before you and I look forward to working with you as we fashion a strong, fiscally sound budget for FY 2013 that maintains the moral integrity that a budget for the United States of America must have, in sustaining our Nation's priorities.

Mr. LANKFORD. Thank you, without objection you may submit those things.

Ms. JACKSON LEE. Thank you.

Mr. LANKFORD. Thank you. Mr. Ellison.

STATEMENT OF HON. KEITH ELLISON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. ELLISON. Let me thank you, Mr. Chairman and I will also thank the chairman of the committee, Budget Committee Chairman Ryan, and Ranking Member Van Hollen. I do appreciate the attention of the budget committee, I am the co chair of the progressive caucus and we intend to submit a budget for review for the Congress this year, which we will be calling the people's budget, and in that particular budget we expect to be demonstrating, and the budget will reflect our values, as all budget reflect the values of their authors. The people's budget, which we do intend to submit, is based on the values of fiscal soundness, fairness, and shared contribution. Our budget asks basic questions: Do we value tax cuts for the wealthy more than rebuilding our basic infrastructure? Do we value subsidies for oil companies more than we value Medicare and health care for veterans? Working families face waning public investment, a fraying safety net, and a tax system rigged to favor the wealthy. Our budget must rebuild our economy so that it works for everyone, not just a privileged few.

Let me turn, first, to defense spending. First we need a sustainable Pentagon budget that reflects sound national security strategy. Defense spending nearly doubled over the last decade. With

two wars drawing to a close, we need a leaner, more agile force to combat 21st century threats. For example, we should cancel the F-35 joint strike fighter program, which has seen exorbitant cost overruns, but even as we rejoice in having our distinguished men and women coming home from Iraq and Afghanistan, our veterans services are facing drastic cuts. Are we really willing to continue funding outdated weaponry while cutting veteran training and employment services? A responsible budget should reduce the baseline military spending to focus on the needs of modern warfare and redirect those funds to priorities such as caring for our veterans.

Let me focus on the oil industry exemptions. America also cannot afford to corporate welfare for the oil and gas industry. Last year the big five oil companies made a combined profit of $137 billion. We are not against companies and corporations that try to turn a profit, but I hardly think that they need the tax payer subsidy. Exxon Mobil, Chevron, ConocoPhillips were ranked first, fourth, and 15th most profitable companies, and yet these companies argue that they cannot afford to lose their tax payer funded subsidies. Over many decades of successful lobbying, these industries have carved out a long list of loopholes to the tune of about $4 billion a year. It is time for these funds to go to middle class families, small businesses, and to repairing our nation's infrastructure.

Jobs are a top priority and value of our budget. Our budget, our people's budget, must put Americans back to work rebuilding our great country. America needs to rebuild roads and bridges and dams and waterways. Right now, more than 69,000 bridges across the United States required significant maintenance or replacement, yet last year's House budget proposed a 36 percent cut to investment in our nation's highways, leading to a loss of almost 500,000 jobs or half a million jobs. This is far short of what we need to enhance America's competitiveness and it takes us backward in creating good jobs for hardworking families. Americans deserve better.

Now, let me turn to a fair and responsible tax system. It is also time we replace a broken tax system that favors corporate special interests with one that works for the majority of Americans. Last year, the extreme gap between the rich and the rest of us came into the national spotlight thanks to the Occupy Wall Street movement, who said what Americans have known for a long time, working and middle class Americans have been working harder and harder for less and less. The richest 400 earners for 2008 had an average income of $270 million, yet their average tax rate was only 18.2 percent. That is the same as what working Americans who earn about $40,000 a year are paying. That makes no sense.

We need fair tax rates for millionaires, such as opposed by my colleague Representative Jan Schakowsky, that creates a new income tax brackets starting at 45 percent for couples making over $1 million a year. We also need to enact the Buffet rule to ensure that secretaries are not paying higher tax rates than their bosses. Millionaires are not job creators, they are profit maximizers, and there is nothing wrong with that, but we cannot confuse the two. If they can earn more profit by firing someone, they will and they do, and if they can earn more profit by hiring people, they will and they do, but they are not job creators, they are profit maximizers. We need fair tax system so we can improve our infrastructure, for-

tify education system, and bolster our economy, and support real job creators who are consumers and workers and innovators across our economy.

The Congressional Progressive Caucus Budget will be comprehensive, fiscally responsible, and embrace these values of fairness and shared responsibility. I ask for your support in the budget proposal. I also ask that you craft a budget that works for all Americans, not just the well-connected and well off. Make no mistake, every tax cut for a millionaire is an education cut for America's children. Every tax giveaway to a special interest gives away our ability to rebuild America. It is time we started expanding opportunity and stopped shrinking the middle class, I thank you.

[The prepared statement of Keith Ellison follows:]

PREPARED STATEMENT OF HON. KEITH ELLISON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Thank you Chairman Ryan and Ranking Member Van Hollen for allowing me to testify today. The Congressional Progressive Caucus budget that we will be presenting to this Committee reflects our values, as all budgets reflect the values of their authors. The People's Budget is based on the values of fiscal soundness, fairness, and shared contribution. Our budget asks basic questions: do we value tax cuts for the wealthy more than rebuilding our infrastructure? Do we value subsidies for oil companies more than Medicare or health care for veterans?

Working families face waning public investments, a fraying safety net, and a tax system rigged to favor the wealthy. Our budget must rebuild our economy so that it works for everyone, not just the privileged few.

DEFENSE SPENDING

First, we need a sustainable Pentagon budget that reflects sound national security strategy. Defense spending nearly doubled over the last decade. With two wars drawing to a close, we need a leaner, more agile force to combat 21st century threats. For example, we should cancel the F-35 joint strike fighter program, which has seen exorbitant cost overruns. But even as we rejoice in having our distinguished men and women coming home from Iraq and Afghanistan, our veterans' services are facing drastic cuts. Are we really willing to continue funding outdated weaponry while cutting veteran training and employment services? A responsible budget should reduce baseline military spending to focus on the needs of modern warfare, and redirect these funds to priorities such as caring for our veterans.

OIL INDUSTRY EXEMPTIONS

America also can't afford corporate welfare for the oil and gas industry. Last year, the big five oil companies made a combined profit of $137 billion. ExxonMobil, Chevron, and ConocoPhillips were ranked the first, fourth, and 15th most profitable companies. And yet these companies argue that they cannot afford to lose their taxpayer-funded subsidies? Over many decades of successful lobbying, these industries have carved out a long list of loopholes—to the tune of $4 billion a year. It's time for these funds to go to middle class families, small businesses, and to repairing our nation's infrastructure.

JOBS

Our budget must put Americans back to work rebuilding our great country. America needs to rebuild our roads and bridges, our dams and waterways. Right now more than 69,000 bridges in the U.S. require significant maintenance or replacement. Yet, last year's House budget proposed a 36 percent cut to investment in our nation's highways, leading to a loss of almost 500,000 jobs. This is far short of what we need to enhance American competitiveness. And it takes us backward in creating good jobs for hard working families. Americans deserve better.

A FAIR AND RESPONSIBLE TAX SYSTEM

It's also time we replace a broken tax system that favors corporate special interests with one that works for the majority of Americans. Last year, the extreme gap between the rich and the rest of us came into the national spotlight thanks in part

to the Occupy Wall Street movement, who said what Americans have known for a long time: working and middle class Americans have been working harder and harder for less and less. The richest 400 earners for 2008 had an average income of $270 million, yet their average tax rate was only 18.2 percent; that's the same as what working Americans who earn about $40,000 a year are paying. This makes no sense. We need fair tax rates for millionaires, such as a proposal by my colleague Representative Schakowsky that creates new income tax brackets starting at 45 percent for couples making over $1 million per year. We also need to enact the Buffett Rule to ensure that secretaries aren't paying higher tax rates than their bosses. Millionaires aren't job creators—they're profit maximizers. If they can earn more profit by firing someone, they will. We need a fair tax system so we can improve our infrastructure, fortify our education system, and bolster our economy.

The Congressional Progressive Caucus budget will be comprehensive, fiscally responsible, and embrace these values of fairness and shared responsibility. I ask for your support of our budget proposal.

I also ask that you craft a budget that works for all Americans, not just the well-connected and the well-off. Make no mistake: every tax cut for a millionaire is an education cut for America's children; every tax giveaway to a special interest gives away our ability to rebuild America. It's time we started expanding opportunity and stopped shrinking the middle class. Thank you.

Mr. LANKFORD. Thank you Mr. Ellison. We will take a quick transition here. So if the next panel wants to be able to come on up, we will receive you in the order I think you came through the door; and it would be Mr. Keating, Mr. Clarke, Mr. Connolly. We will all take a quick stretch break as well. Mr. Keating, are you ready?

Mr. KEATING. Yes, I am.

Mr. LANKFORD. It will be an honor to receive your testimony.

STATEMENT OF HON. WILLIAM KEATING, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. KEATING. Thank you Mr. Chairman. My constituents on the South Shore region, Cape Cod, the islands, Nantucket, and Martha's Vineyard all support various viewpoints as this budget approaches. Many of those people feel that the divided atmosphere in Congress, and the programs that are consequently threatened by this division, cause greater concern. I am here to communicate their views to the committee.

When I testified before the committee last year, I focused on job creation. Since then, the economy has improved, and some of my proposals like tax credits to hire veterans returning from Iraq and Afghanistan have found consensus and have been implemented, yet job creation and employment protections for jobs going overseas still remain on the top of my list of priorities. For this reason, I urge the Budget Committee to be wary of short-sighted proposals that would eliminate job creating initiatives and compromise our safety for the sake of immediate savings.

Unfortunately, this year has been full of such examples, particularly in the women's health care area, green and alternative energy, and public safety programs, and homeland security as well.

I will begin with what has become an unnecessary scapegoat, women's health programs. The fact is that family planning services not only save lives, but also save money through early diagnosis and preventative care. This administration has been a vocal advocate for women's health programs like Title X which provides low-income women with access to prevention and family planning services. However, funding for the Title X programs has not kept pace with inflation since 1980 leaving the disparity of nearly $400 mil-

lion we have today. In Massachusetts alone, health care facilities receiving Title X funding served over 85,000 patients and provided nearly 30,000 cancer screenings, contraceptive service, immunizations, and sexual transmitted disease infection testing and treatment. Additionally, teen pregnancy prevention and education have been a source of reduction as well.

An open dialogue with reproductive health services is necessary, and most effective in terms of dealing with the issues of youth pregnancy and sexually transmitted disease, and though international funding has been a source of controversy, there is one area where we need to keep specific attention. Through international family planning programs the world's most disadvantaged women are provided access to the reproductive health care necessary to evade preventable child and maternal deaths, also to combat the spread of HIV and AIDS and address social instabilities that lead to the depletion of resources and consequent global conflict. Our peace-keeping abroad, therefore, includes the empowerment of women and girls and I implore the Budget Committee to protect these vital services.

We must not forget that this budget is not simply a document of line items and dollar amounts. The true faces of those impacted by funding decisions are the constituents we return to each week. Just today, it was reported that the Otis Air Force National Guard Base may lose 170 much needed jobs because of an Air Force budget that is not doing enough to protect personnel. That is why funding for these programs that provide our communities with basics needs is also invaluable. To that end I urge you to maintain the funding level enacted in fiscal year 2011 for LIHEAP. With assistance provided through LIHEAP low-income families and seniors are sheltered from bitter New England winters and kept cool in the boiling summers.

Another example is Community Development Block Grant Program, a federally-funded competitive grant program designed to help small cities and towns meet their community development needs. In Massachusetts alone over 60,000 persons were assisted in the past five years for every year of CDBG funding, an average of another 1.6 million in private and public funding was leveraged.

I would also like to take a moment to talk about something that is at the heart of my public service career, and that is combating substance abuse. It is a sad fact that 1.7 people on average die a day in Massachusetts from opiate-based drug overdoses, and the effects of addiction can be seen throughout our entire country. Just recently I visited a 14-year-old girl fighting addiction in Hyannis. The heartbreak of this scene was compounded by the fact that she also had hepatitis C, a condition she will have with her for the rest of her life.

As a former DA, I am a strong proponent of drug courts, and the drug court discretionary grant program helps to develop treatment drug courts that integrate substance abuse treatment, mandatory drug testing, and transitional service of non-violent substance abuse suspects. In 2011, the DAO confirmed that drug courts reduce crime by up to 58 percent with cost savings ranging from $4,000 to $12,000 per participant. An investment in drug courts is

in an investment made in jobs and lives saves, and in investment in our financial future.

Finally, this Congress has witnessed incessant attacks on the air that we breathe and the water that we drink. I am prepared to fight these concerns on the House floor, but I need your assistance to ensure these priorities are represented in this year's budget. As a representative of a coastal district that is also home of the Massachusetts fishing industry, I am pleased to see that the president's request for NOAA includes an increase of over $160 million in funding and I am encouraged that NOAA's National Marine Fisheries Service has also seen an increase in funding, thereby improving the stock assessments and translating this into a direct impact on fishermen and related small business and industries.

On a smaller note, Cape Cod was borne witness to the vitality of a small grant program that now faces extinction. That is the John H. Prescott Marine Mammal Rescue Assistance Grant Program. It is the sole source of funding of its kind, and it has provided $4 million in funding to aid in the response and study of distressed marine mammals. The past winter over 170 dolphins were found stranded on the shores of Cape Cod, and practically speaking, we have to, for those surviving mammals, be able to execute removal.

And the chopping block also is cuts in preparedness and grant programs that deal with pre-hazard mitigation grant programs and have a long-lasting repercussion on our nation's ability to prevent, mitigate, and respond to major disasters. Unfortunately, as the ranking member in the Homeland Security Subcommittee, I had to watch the budgets for preparedness get slashed. These are just some of the areas that I would like to highlight that specifically affect my area. I thank the committee for their consideration.

[The prepared statement of William Keating follows:]

PREPARED STATEMENT OF HON. WILLIAM R. KEATING, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. Chairman, Ranking Member Van Hollen, thank you for the opportunity to testify before the Budget Committee today. My constituents on the South Shore, Cape Cod and Islands of Nantucket and Martha's Vineyard in Massachusetts have strong opinions about how their taxpayer money should be spent. Moreover, they are concerned about the increasingly divided atmosphere in Congress and the programs that are consequently threatened by this division. I am here to communicate their views.

When I testified before the committee last year, I focused on effective and prompt job creation. Since then, the economy has improved and some of my proposals—like tax credits to hire veterans returning from Iraq and Afghanistan—have been implemented. Yet, job creation and further employment protections still remain on the top of my list of priorities. For this reason, I urge the Budget Committee to be weary of short-sighted proposals that would eliminate job-creating programs and compromise our safety for the sake of immediate savings.

Unfortunately, this year has been full of such examples spanning a broad range of business sectors, including women's health care, green and alternate energy, public safety programs and homeland security cuts, as well.

I will begin with what has become an unnecessary scapegoat: women's health programs. The fact that we must fight to provide family planning services and education to women and girls in this country is a stain on this great nation's reputation. This Administration has been a vocal advocate for women's health programs, like Title X, which provides low-income women with access to preventative and family planning services, and vital sex-education programs.

However, funding for Title X programs has not kept place with inflation since 1980—leaving a disparity of nearly $400 million today. In Massachusetts alone,

health care facilities receiving Title X funding served over 85,000 patients and provided nearly 30,000 cancer screenings, gynecological examinations, contraceptive services, immunizations, and sexually transmitted infection testing and treatments.

Additionally, teen-pregnancy prevention and education programs have seen a reduction in funding—despite a continued $50 million for failed "abstinence only" programs. Uncensored education and open dialogue about reproductive health is the proven, most-effective form of youth pregnancy and sexually transmitted disease prevention.

We must ensure that we encourage the same values abroad as we do at home. The international family planning community has requested $1 billion in funding for the United Nations Population Fund and the U.S. Agency for International Development (USAID). Through these programs, the world's poorest and most disadvantaged women are provided access to the reproductive-healthcare and family-planning services necessary to combat unintended pregnancies—thereby reducing the need for risky abortions, evading preventable child and maternal deaths, halting the spread of HIV/AIDS, and addressing the social instabilities that continue to plague developing and underdeveloped nations. Our diplomacy abroad begins and ends with the empowerment of these women and girls, and I implore the Budget Committee to protect these vital services.

We must not forget that this budget is not simply a document of line items and dollar amounts. The true faces of those impacted by funding decisions are the constituents we return to each week. That is why funding for programs that provide our communities with basic necessities is so invaluable.

To that end, I urge you to maintain the funding level enacted in Fiscal Year 2011 for the Low-Income Home Energy Assistance Program, known as LIHEAP. With the assistance provided through LIHEAP, low-income families and, most importantly, seniors are sheltered from the bitter New England winters and kept cool in boiling summers. It is our responsibility to protect these families from deciding between paying their energy bills and feeding their families.

Another example is the Community Development Block Grant (CDBG) program, a federally funded, competitive grant program designed to help small cities and towns meet a broad range of community development needs. In Massachusetts alone, over 60,000 persons were assisted in the past five years. These funds were spent on valuable economic development activities, public facility improvements, public services for seniors and children, and housing assistance and construction, among others. For every year of CDBG funding an average of another $1.6 million in private and public funding was leveraged.

I would also like to take a moment to talk about something that is at the heart of my public service career, the Drug Court Discretionary Grant (DCDG) program, a federal program that provides financial and technical assistance to states, state courts, local courts, units of local government, and Indian tribal governments is absolutely essential. This program help to develop and implement treatment drug courts that effectively integrate substance abuse treatment, mandatory drug testing, sanctions and incentives, and transitional services in a judicially supervised court setting with jurisdiction over nonviolent, substance-abusing offenders. Programs funded by DCDG are required by law to target nonviolent offenders. If we truly want to lower the exorbitant criminal justice costs associated with substance abuse related crime, we must look to a readymade solution in Drug Courts. In 2011, the U.S. Government Accountability Office (GAO) confirmed that Drug Courts reduce crime by up to 58%. With cost savings ranging from $4,000 to $12,000 per participant, an investment in drug Courts is an investment in jobs, lives saved and our financial future.

Finally, this Congress has witnessed the most profane and incessant attacks on environmental protections in decades. It seems that even the most common-sense and necessary priorities are not safe—including sufficient funding for research and data collection initiatives that ensure the design and implementation of sound, accurate policies. I am prepared to fight for these concerns on the House floor, but I need your assistance to ensure these priorities are represented in this year's budget.

As representative of a coastal district that is also home to Massachusetts' fishing industry, I am pleased to see that the National Oceanic and Atmospheric Administration (NOAA) has thus far survived the chopping block and that the President's request includes an increase of over $160 million in funding. I am encouraged that NOAA's National Marine Fisheries Service has also seen an increase in funding—thereby improving stock assessments that translate into a direct impact on fishermen and related industries.

The work of NOAA's weather and climate satellite programs are invaluable to furthering our country's ability to combat the consequences of climate change, such as improving the accuracy of regional sea level rise predictions. Accelerated implemen-

tation of the National Ocean Policy will encourage the development of offshore renewable energy capabilities and allow our nation to take its place as a leader in renewable energy markets.

However, Cape Cod has born witness to the vitality of a small grant program that now faces extinction. The John H. Prescott Marine Mammal Rescue Assistance Grant Program is the sole federal funding source of its kind, and has provided national marine mammal stranding networks up to $4 million in funding to aid in the response to and study of distressed and stranded marine mammals. This past winter, over one hundred dolphins were found stranded on the shores of Cape Cod. Undeniably, each would have perished had it not been for the resources provided to local volunteers and stranding networks through the Prescott Grant Program.

Also on the chopping block is disaster funding. Cuts in funding for state and local preparedness grant programs, specifically to the Pre-hazard Mitigation Grants Program, will have long-lasting repercussions on our nation's ability to prevent, mitigate, and respond to terrorist attacks and major disasters. Preparedness is the first step in ensuring the safety of our communities, particularly in urban areas. Unfortunately, as the Ranking Member of a Homeland Security Subcommittee, I have had to watch the budget for these preparedness grants be slashed and as the Administration proposes to eliminate the Pre-hazard Mitigation Grants Program, I have renewed my commitment to working through the committee to fight against these cuts and help steer funding toward communities that need them the most.

The American people understand: this is the year of budget constraints. My testimony not only reflects the priorities of the Tenth Congressional District of Massachusetts, but echoes the messages I have heard from across the country. We must ensure that this budget incorporates effective funding decisions that encourage efficiency but do not overlook the many critical needs of Americans of all backgrounds.

Thank you, Mr. Chairman.

Mr. LANKFORD. Thank you Mr. Keating. Would you like to submit full statement for the record as well?

Mr. KEATING. I will, thank you.

Mr. LANKFORD. That would be great. Thank you, sir. Mr. Clarke.

STATEMENT OF HON. HANSEN CLARKE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. CLARKE. Thank you, Mr. Chair, for having me here. I am the proud representative of a region in this country that was known, decades ago, as the arsenal of democracy. Metropolitan Detroit saved this country; it saved this world from fascism. We won the war for America and for democracy. Our innovation created millions of jobs through the auto industry, and right now we have the capacity, the capability, to create even more jobs in our new advanced manufacturing economy. So I am asking this Budget Committee to fund investments in the metropolitan region surrounding the city of Detroit and the city of Detroit as a way to create more jobs throughout this country. I have several proposals that will do so. One would capture the federal tax dollars that Detroiters pay to the federal government by placing them in a federally protected government trust fund. That cost would be around $2 billion a year for five years. That money would be used to eliminate the city's debt and then invest in job creation and infrastructure repair. I also will soon propose the elimination of capital gains tax on new investment made in distressed communities, such as Detroit, Pontiac, and Flint in the state of Michigan. I would have this pilot available in states throughout the country.

Detroit has fallen on hard times. The region has, but so has many communities around this country, and in large part because of the housing crisis which depressed property values so low that many local units of government can no longer raise the revenue that they need to help make their streets safer and to improve our

schools; yet, if Detroit is able to attract investment that creates jobs, it will need safe streets and good schools. Since this Congress in the past has not quickly or effectively addressed the problems of the housing crisis, I am asking Congress now to address the needs of our cities and our local units of government to provide more funding for police officers, firefighters, emergency medical providers, and other first responders that we need to make sure our people are safe.

In particular, we can look at increasing the funding for certain grants out of the Department of Justice, and through the Department of Homeland Security of which I am a member of the committee that oversees that department.

The federal government also imposes mandates on school districts that require school districts to educate every child effectively like they should. The federal government just needs to fund those mandates, so that every child in every school district can get the best possible education. They should not be short-changed because they may have special needs or because they were homeless. We all deserve the best in this country and the greatest equalizer is providing for a good education.

I would also ask that this committee consider fully funding and restoring cuts to the Workforce Investment Act because there are many jobs right now in this country that go unfilled because we need people who are trained to be hired into them. We have around 600,000 manufacturing-related jobs that we need to hire people for, so by better funding for the workforce development programs and by investing in Detroit, we can help prepare people for the jobs that are already here that need to be filled, which will create more jobs in this country.

One final note, I would also ask the committee to allocate certain savings from our military operations, especially in Afghanistan, a small percentage to help the cut the debt that is really burdening American families, and that is stopping young people from getting an education that they need, not only to make a great living, but to create more jobs in this country. I ask this committee to use part of that money to help forgive certain student loans on millions of Americans who are struggling with student loan debt.

That will give student loan borrowers a second chance, but most relevantly, to our nation's economy, it will create jobs because it will free up the purchasing power of student loan borrowers, so they can now invest on their own, buy a home, and start their own business, and that is how you create jobs in American economy. That is how we have done it in the past, and that is how we can do it now.

Thank you so much for giving me this opportunity to present my budget recommendations to this committee. Again, I am honored to represent the symbol of U.S. manufacturing and the symbol of the comeback of the U.S. economy, metropolitan Detroit. Thank you.

[The prepared statement of Hansen Clarke follows:]

PREPARED STATEMENT OF HON. HANSEN CLARKE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Thank you, Mr. Chairman, for the opportunity to testify as the Committee considers a Budget Resolution for Fiscal Year 2013. I sincerely appreciate the chance

to discuss the budget priorities of the 13th District of Michigan and Metro Detroit as a whole.

Despite a difficult fiscal reality, we must look to the future and prioritize investment in strengthening our economy, our workforce, and our communities in the long term. We cannot afford to make deep funding cuts that emphasize the cost of a program over their true worth. Many programs ensure access for our families and our neighbors to the high-quality education, job training, nutrition, and health care that they need and deserve. Only a targeted budget that preserves investment in our nation's human capital will meet the present and future needs of our country, and promote our common values of equal opportunity for all.

As a nation, our first priority must be creating good jobs that will allow Americans to support their families and preparing our workforce to be successful in a new economy. We must lend some of our focus to programs that support small businesses and strengthen local economies, whether through technical assistance, tax incentives, or start-up grants that allow entrepreneurs to make the investments necessary to start their own businesses.

We must also target resources towards providing Americans with the training to hold the jobs available. That is why funding for programs under the Workforce Investment Act, or WIA, is crucial. WIA programs provide opportunities for young workers, dislocated workers, and chronically unemployed workers, among others, to get the education and training they need to be successful in today's job market. The Government Accountability Office estimates that 90% of the fastest-growing employment opportunities will require some post-secondary education, and WIA programs are well placed to provide this education. Given the changes in our economy and the need for training programs to respond accordingly, WIA reauthorization must be a priority for Congress. The economic recovery of our families, our communities, and our nation depends on it.

The devastating toll of our economic recession has trapped many neighborhoods in a cycle of poverty. Eroding tax bases, persistent blight and high numbers of foreclosures threaten to isolate certain communities from taking part in our rebounding economy. Programs such as the Community Development Block Grant can play a critical role in breaking this cycle by investing in infrastructure improvements. Through these investments, communities become more active and livable, accelerating economic growth and expanding the opportunity for economic prosperity.

Turning our attention to the regional economy, one of the most important economic resources for Detroit and the Midwest region has been accessibility of the Great Lakes. The Great Lakes are a key strategic asset for our agriculture, manufacturing and recreational economies. I look forward to working with the Committee to ensure a strong budget for the Great Lakes Restoration Initiative. Preserving this precious resource for future generations must remain a priority.

Creating strong local economies is crucial, but only equal access to quality education will enable America to compete in a global marketplace. That is why I am advocating for sufficient funding to be dedicated to programs that reduce disparities and help schools meet the needs of students in difficult circumstances. I support educational programs such Promise Neighborhoods, the Title I, Part A College- and Career-Ready Students program of the Elementary and Secondary Education Act, Special Education Grants to States, and the Homeless Children and Youth Education program.

As a Member of the Science, Space, and Technology Committee, I continue to urge the Committee to put a high priority on science, technology, engineering, and mathematics, or STEM, education programs. Investing in these programs allows our country to sow the seeds of innovation and American competitiveness. As technology shrinks our world, it becomes more evident that strengthening our education programs will play a pivotal role in maintaining our global economic leadership.

No less important than access to elementary and secondary education is access to post-secondary education. We cannot afford to sacrifice the innovation and energy of our young people to poverty and lost educational opportunity. Pell grants provide so many low-income students with the funding necessary to make a college education possible; we must increase funding for these grants. We must also provide relief for the thousands of college graduates saddled with huge amounts of debt. Young people in America should be able to pursue higher education to achieve their dreams without worrying that this decision will devastate their financial futures. We must take action to responsibly forgive certain student loans and to provide every student loan borrower with basic consumer protections.

As a Member of the Homeland Security Committee, it is important to me that we retain our focus on strengthening border protection and providing resources for urban, high risk areas. I urge this committee to support full funding for the National Preparedness Grant Program. It is critical that our cities, states and counties

have the ability to keep our families and communities safe. In particular, I am hopeful that we can find a way to shield the Urban Areas Security Initiative from further cuts. Despite our financial situation, we must remain steadfast in our commitment to protect our neighbors, family and friends.

Mr. Chairman, I know that our Congressional priorities are many and yet our budget situation demands fiscal restraint. I am hopeful that we can push aside our partisan differences and continue investing in America's growth. I look forward to working together to reduce our deficit while promoting those priorities that make America strong. Thank you.

Mr. LANKFORD. Thank you Mr. Clarke. Mr. Connolly, my friend who I get to sit next to in hearings all the time.

STATEMENT OF HON. GERALD CONNOLLY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. CONNOLLY. Thank you Mr. Chairman, it is great to be with you again. Let me welcome our newest colleague, Ms. Bonamici of Oregon. Glad to have you here in the Budget Committee. I had the privilege of serving on the Budget Committee in my first term, and it is a great platform in which to gain a handle on federal issues. So thank you Mr. Chairman and thank you for your warm welcome.

I have a full statement I would ask be entered fully into the record.

Mr. LANKFORD. Without objection.

[The prepared statement of Gerald Connolly follows:]

PREPARED STATEMENT OF HON. GERALD E. CONNOLLY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. Chairman and Ranking Member, thank you for this opportunity to express the concerns of my constituents for the Fiscal Year 2013 budget.

As a former local government official, and a former member of this Committee, I know firsthand the competing interests in preparing a budget. In each of my 14 years on the Fairfax County Board of Supervisors, we adopted a balanced budget. We struck a balanced approach to maintain investments in education, transportation, public safety, affordable housing, and environmental stewardship.

Last year's House Republican Budget Resolution made no such attempt at striking that balance. I agree cuts need to be made. Spending at 24 percent of GDP was too high. But cuts alone will not solve our problem. You cannot ignore the other side of the ledger. Revenues at 14 percent of GDP are too low by historical standards. Yet the FY 2012 Budget Resolution proscribed only draconian cuts. Since non-defense discretionary spending represents just 15 percent of the total federal budget, the Republican Budget Resolution resorted to an evisceration of Medicare as well.

Completely ignoring the historically low revenues is irresponsible and perpetuates imbalance. A responsible business would look at all aspects of its ledger, from reducing costs to increasing revenues, and the federal government must do so as well.

This Congress took a momentous step in reducing expenditures with the passage of the Budget Control Act, cutting federal deficits by $2.1 trillion over the next decade. Although these significant reductions, by themselves, will not fully restore long-term fiscal responsibility, they represent actual cuts, and highlight the need to also focus on revenue.

The President's proposed Fiscal Year 2013 budget offers a sustainable and responsible framework. It brings down deficits, reaching primary balance by FY 2017 through a mixture of spending cuts and revenue enhancements in the ratio of 2.5 dollars in cuts for every 1 dollar in new revenue. The President's budget also recognizes the importance of maintaining important investments that contribute to America's long-term economic success.

We cannot hope to compete globally if we disinvest in education. Offering quality education provides the building blocks for a skilled workforce, product innovation, and economic growth. The academic performance of American students continues to lag other industrialized nations, and further cuts to education will be a detriment to our economic future.

Similarly, the federal government realizes a significant return on its "investments in savings." Let me give you just a few examples. Last year, the State Department

Inspector General said every dollar invested in its operation yields $14 in agency savings. Arbitrary cuts to this and other federal agencies imperil our ability to identify and realize not only cost savings, but also revenue. Every dollar invested in IRS enforcement returns $5 in revenue, and I would remind my colleagues that the misguided proposal to slash IRS funding in H.R. 1 actually would have resulted in a 7 to 1 annual loss in revenue. How is that savings?

Perhaps the federal investment with the greatest rate of return is the Government Accountability Office. Every dollar invested in the GAO results in $91 in identified savings though actions like reducing improper payments and coordinating federal data center consolidations. That simple action alone is projected to save several billion dollars once implemented. In fact, I have introduced legislation to do just that, yet the Oversight Committee and House Republican leadership continue to be more concerned with advancing an ideological agenda than improving the nuts and bolts operations of the federal government.

We also must work to ensure that the federal workforce of the future is well-equipped to continue providing essential services. Over the last 50 years, the ratio of federal employees to citizens has fallen from 13 per 1,000 to 8 per 1,000 Americans. Continuing to attack civil servant pay and benefits will sour potential workers on public service and lead to increased inefficiency. Federal workers already have contributed more than $60 billion to deficit reduction through two separate pay freezes. Additionally, House Republican leadership recently used an increase in out-of-pocket expenses for federal retirement benefits as a pay-for in H.R. 3630. The House Republican transportation bill also targeted federal retirement benefits while grossly disinvesting in transportation. Any budget resolution that continues to single out federal employees for further sacrifices without asking others to share in that sacrifice lacks any semblance of balance or fairness.

Transportation investments also are vital to American success. Workers spend an increasing amount of time stuck in gridlock, reducing productivity and harming employee morale. We must repair and expand our nation's roadways, bridges, and transit systems. Sadly, the House Republican transportation bill reduces investment for 45 states and eliminates investment in transit.

This year's Budget Resolution must provide meaningful transportation investment and preserve the federal commitment to the Washington Metropolitan Transit Authority. My Republican predecessor, Tom Davis, sponsored legislation to invest $150 million a year for 10 years with matching dollars from the District of Columbia, Virginia and Maryland. The Washington Metro system is America's subway, serving the millions of annual visitors to our nation's capital. More than 40 percent of rush-hour riders are federal employees, and half of all stations are located on federal property. This is a vital partnership that must be maintained.

I look forward to supporting a Budget Resolution for Fiscal Year 2013 that delivers greater fiscal responsibility by balancing spending cuts with the adequate revenue to maintain the critical investments our nation has made and must continue to make to be the leading global economy. Thank you again for this opportunity.

Mr. CONNOLLY. I am not going to read to you. I am going to make just three points, if I may. There are lots of points that could be made, but three. One is as a budget is constructed, I urge the committee to take a balanced approach. We are at 24 percent of GDP as a percentage in terms of federal spending; that is too high, it needs to come down. We are only at 14 percent or so of GDP in terms of federal revenue; that is too low. The last time we balanced the budget we were more like 19 to 20 percent, and we balanced budget four years in the row with a Democratic president and a Republican Congress. If they could do it, we can do it.

And so I urge the committee to look at both. No private business in this country only looks at spending cuts to get to its bottom line, it looks at the prices it charges its clients and its customers, it looks at the revenue side of the ledger. We need to too, and so I would hope that we have a balanced approach to the budget this year and that we eschew ideological rigidity in this regard for the sake of the country.

The second point I would like to make, Mr. Chairman, is that not all spending is the same, and I urge this committee to differentiate among spending items. Investments and savings, for example, have

returns on them. Our committee found that, for example, the State Department IG's office, Inspector General's Office, every dollar we invest there yields $14 in agency savings. In the IRS, not everybody loves it, but for every dollar you invest in IRS and new agents, we get $5 back in recovered revenue. That is a worthwhile investment when we are looking at the debts we are looking at.

Mr. Chairman, just on our own committee the other day, we had the head of the Government Accountability Office testify before our committee, the Oversight And Government Reform Committee, that an astounding rate of return. For every dollar invested in GAO, they recovered $91 in waste, fraud, and abuse. That is a worthwhile investment, and yet this Congress has actually slashed funding for GAO, such that it is now at the lowest level since 1935. That is not prudent policy; this is an investment worth making. The upfront costs will guarantee huge returns, and I think that is a smart thing to do.

My third and final point I want to share with this committee is let us return to a sense of respect for our federal employees. We have asked our federal employees to give much, and asked almost nobody else to sacrifice anything. We have frozen their wages for two years and we are looking at a third, contributing over 10 years $60 billion to federal debt reduction. In the payroll tax extension bill we passed a few weeks ago to fund the unemployment insurance extension, we took $15 billion out of federal pension programs for prospective employees, and in the pending transportation bill, the proposal is still not revised, we take another $40 billion out of federal pensions for federal employees, including the existing and current workforce. I do not think that is fair, and I think the disparagement of the federal workforce does nobody honor. These are public servants who serve our constituents, they deserve dignity and respect for what they do, and I hope that is reflected in our budget actions as well because ultimately, a budget is a statement about values.

With that, Mr. Chairman, I thank you so much for having this hearing, and for hearing from all of us today.

Mr. LANKFORD. Thank you, Mr. Connolly. Mr. Posey.

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

Mr. POSEY. Thank you, Mr. Chairman and members of the Budget Committee. I appreciate the opportunity to come before you today to respectfully urge you to preserve NASA's core mission, human space flight. Our investments in NASA's human space flight program are a matter of national security. It is not, as some suggest, an endeavor that we can no longer afford. I would strongly argue that it is an endeavor that we can ill afford to ignore if we are to maintain our national security and enhance our economic security. Space, clearly, is the world's military high ground; it is to the United States and the free world what the Golan Heights is to Israel. To understand this, we need only listen to the testimony two weeks of one of our nation's leading intelligence officials. The director of the Defense Intelligence Agency, General Burgess, highlighted the risk posed by China through their investments human space flight. Testifying before the Senate Armed Services Com-

mittee, the general said of China, Their space program, including ostensible civil projects, supports China's growing ability to deny or degrade the space assets of potential adversaries and enhance China's conventional military capabilities. He went on to add, China has successfully tested a direct ascent anti-satellite weapon," ASAT is the acronym for it, "and is developing jammers and directed energy weapons for ASAT missions."

"A prerequisite for ASAT attacks, China's ability to track and identify satellites, is enhanced by the technologies from China's manned space flight programs and lunar programs, as well as technologies and methods developed to detect and track space debris. Let me repeat that, China's military advances are a direct result of China's manned and lunar programs.

By ceding our leadership to China and Russia, we would be walking away from the ultimate military high ground. That is the reality if we fail to adequately invest in our nation's space program, including NASA's human space flight program. As you proceed in developing a budget resolution, it is in our national security interests that sufficient funding be provided and that NASA be directed to prioritize human space flight within the overall NASA budget. Russia and China are nipping at our heels and threatening our position as the world leader in space and human space flight, a position we have held since 1969. Today we are in the untenable position of having no, zero, not a zilch, domestic means of putting a U.S. astronaut into space, yet China and Russia both have that capability. Direction and a full commitment from the administration have been seriously lacking. As a result, our human space flight program is suffering, and the U.S. is on the cusp of ceding its leadership in space to our adversaries. This is not in our national security best interest, nor is it in the best interest of our economic security.

Mr. Chairman, as we have discussed in the past, our investments in human space flight have helped us maintain our competitive edge economically, our advantage on the battlefield, and the endless commercial products that have improved every aspect of our daily life and of our overall economy. The reality is that our lives depend on space. If you use a cell phone, a Blackberry, a credit card, cash bank withdrawals, GPS, or you are one of the ones that grow the food that we eat every day, or if for any reason you depend on accurate weather report, you depend on space. The president abandoned the Constellation program in his fiscal year 2011 budget. During a consideration of the fiscal year 2012 budget, NASA delayed by nearly 12 months presenting a design plan for moving forward with a space launch system. This lack of bold leadership for the world's premier space exploration organization puts America at risk.

In fiscal year 2010, NASA reached its high watermark budget of $18.7 billion. In fiscal 2012, the NASA is $17.8 billion, and for fiscal year 2013, the administration has proposed further reducing NASA's budget to a level of $17.71 billion, more than a billion dollars less than the fiscal year 2010 budget. Mr. Chairman, I ask that the committee review the NASA budget, and that you work to ensure that NASA is provided with not less than $17.7 billion. This

is critical if the United States is going to continue to secure the military high ground, space. Thank you.

[The prepared statement of Bill Posey follows:]

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

Chairman Ryan, Members of the Budget Committee, I appreciate the opportunity to come before you today to respectfully urge you to preserve NASA's core mission: human space flight.

Our investments in NASA's human space flight program are a matter of national security. It is not as some suggest, an endeavor that we can no longer afford. I would strongly argue that it is an endeavor that we can ill-afford to ignore if we are to maintain our national security and enhance our economic security.

Space is the world's military high ground. It is to the United States and the free world, what the Golan Heights is to Israel. To understand this we need only listen to the testimony two weeks ago of one of our nation's leading intelligence officials.

The Director of the Defense Intelligence Agency, General Burgess, highlighted the risks posed by China through their investments in human space flight. Testifying before the Senate Armed Services Committee he said of China, "[Their] space program, including ostensible civil projects, supports China's growing ability to deny or degrade the space assets of potential adversaries and enhance China's conventional military capabilities." He went on to add, "China's successfully tested a direct ascent anti-satellite weapon (ASAT) missile and is developing jammers and directed-energy weapons for ASAT missions. A prerequisite for ASAT attacks, China's ability to track and identify satellites is enhanced by technologies from China's manned and lunar programs as well as technologies and methods developed to detect and track space debris." Let me repeat that. China's military advances are a direct result of "China's manned and lunar program."

By ceding our leadership to China and Russia and India to a lesser extent, we would be walking away from the ultimate military high ground. That is the reality if we fail to adequately invest in our nation's space program, including NASA's human space flight program.

As you proceed in developing a budget resolution it is in our national security interest that sufficient funding be provided and that NASA be directed to prioritize human space flight within the overall NASA budget.

Russia and China are nipping at our heels and threatening our position as the world leader in space and human space flight—a position we have held since 1969. Today, we are in the untenable position of having no domestic means of putting a U.S. astronaut into space—yet China and Russia both have that capability.

Direction and a full commitment from the Administration have been seriously lacking. As a result, our human space flight program is suffering and the U.S. is on the cusp of ceding its leadership in space to our adversaries. This is not in our national security interest nor is it in our economic security interests. Mr. Chairman, as we have discussed before our investments in human space flight have helped us maintain our competitive edge economically, our advantage on the battlefield, and endless commercial products that have improved every aspect of our daily life and overall economy. The reality is that our lives depend on space. If you use a cell phone, Blackberry, credit card, GPS, and you or the ones who grow the food you eat depend on an accurate weather report—you rely on space.

The President abandoned the Constellation program in his FY 2011 budget. During consideration of the FY 2012 budget, NASA delayed by nearly 12 months presenting a design plan for moving forward with Space Launch System (SLS). This lack of bold leadership for the world's premiere space exploration organization puts America at risk.

In Fiscal Year 2010 NASA reached its high water mark budget of $18.7 billion. The FY 2012 NASA budget is $17.8 billion. And, for FY 2013 the Administration has proposed further reducing NASA's budget to a level of $17.71 billion—more than a billion dollars less than the FY10 budget.

Mr. Chairman, I ask that as the Committee reviews the NASA budget that you will work to ensure that NASA is provided not less than $17.7 billion. This is critical if the United States is going continue to secure the military high ground: Space.

There are NO other federal agencies funded to pursue human space flight.

The President's FY 2013 Budget submission has misplaced priorities for Space and National Defense again. It cuts $162 million from the heavy lift program and it slashes the Defense budget by $487 billion by 2021. Yet, the Administration has dealt significantly lighter reductions to superfluous projects like studying climate

change and greenhouse gas emissions. In FY 2010, 16 federal agencies and departments were funded at over $8 billion to address climate change. And they continue to receive substantial funding for these initiatives. Again, although 16 federal agencies deal with climate change, only one agency is tasked with the challenges of human space flight.

China and Russia continue to increase the sophistication of their human space flight programs and are reaping the national security and economic benefits of those investments.

We also must not lose sight of the major national asset that the human space flight workforce is to our nation. Our human space flight program attracts and inspires some of the world's greatest minds.

Our human space flight workforce is not a spigot that can be turned off and then back on at a later date. It takes years, sometimes decades to build the expertise these workers hold. Without a clear vision and a robust investment in our human space flight program this community will quickly atrophy as these engineers and their expertise will be lost to other pursuits and possibly other countries.

The time to refocus NASA on its primary human space flight mission is now. The Budget Committee has the authority to help focus NASA on human space flight, rather than allow it to flounder as yet another agency without a clear focus and absent a clear mission.

Thank you for your leadership, and for giving me the opportunity to address the committee regarding human space flight—a matter of great economic and national security importance.

Mr. LANKFORD. Thank you, Mr. Posey.

Mr. POSEY. Thank you.

Mr. LANKFORD. Mr. Cicilline.

STATEMENT OF HON. DAVID CICILLINE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF RHODE ISLAND

Mr. CICILLINE. Thank you Mr. Chairman, members of the committee for the opportunity to come before you to testify about our budget priorities. As of this past January, the unemployment rate in Rhode Island stood at an unacceptable high 10.9 percent. That means more than 61,000 men and women in my state are without work. As all of you know so well, the federal budget is not just a series of estimates, revenues, and expenditures; the budget is a powerful indication of our priorities as a nation. The work that we will undertake in the coming months is a reflection of our ability to chart a course to prosperity in our states and nation. Charting this course requires bipartisan collaboration and focusing resources on issues that will generate growth in employment. Strength in our small businesses helps our job creators and equip more Americans, from cradle to career, college and beyond, with the education, skills, and training they need to compete.

I would like to take this opportunity to call your attention to three priorities that I believe warrant serious consideration in fiscal year 2013. First, support for education is our best investment in the future, and represents perhaps the most the powerful tool in alleviating poverty and equipping Americans with the skills they need to compete.

Our country's education advantage, once the envy of the industrialized world, continues to lag. This reality, if not addressed, will leave our economy behind as our rivals speed ahead. As one report from Georgetown University indicated, of the nearly 47 million job openings estimated between 2008 and 2018, more than 29 million will require at least some post-secondary education. Far too often when I visit companies like Teknor Apex in Pawtucket, Rhode Island in my district, I have their owners telling me that they jobs

to fill and plans to expand, but they face difficulties finding people with the right skill set. This cannot continue.

The president's fiscal year 2013 budget reflects the necessary focus on the cradle to college and career support that my state and our country needs to contend with the global competition. This includes maintaining critical funding for Title I and IDEA programs, increasing the maximum Pell grant, extending the current 3.4 percent interest rate on subsidized student loans, and providing a robust investment in community college to career fund, which will support partnerships between community colleges and businesses in high growth industries to educate, train, and place more Rhode Islanders and more Americans in well-paying jobs.

Second, in addition to a pipeline of well-trained employees, our nation's recovery depends on the strength and vitality of our small businesses. In Rhode Island, small businesses with fewer than 20 employees accounted for approximately 90 percent of all private sector employers in 2010. Small businesses are critically important for job growth, having accounted for between 65 to 90 percent of net new jobs over the past 15 years.

The president's fiscal year 2013 budget proposes important investments to advance and sustain our small businesses, including through the Hollings Manufacturing Extension Partnership, the International Trade Administration, long guarantees from the Small Business Administration, and the creation of advanced manufacturing technology consortia and regional innovation strategies program. Together, these and other programs will help our small businesses and manufacturers acquire much-need capital, expand access to markets abroad for their goods and services, and accelerate innovation, job creation, and the expansion of high growth industry clusters.

Finally, as I have heard many times during my Main Street small business tours and community suppers, a sustained economic recovery requires a thriving middle class. These are the men and women who consume the goods and services being produced by businesses. They are the firefighters, our teachers, our police officers, our building tradesmen and women, they are our veterans returning from combat, they are young people, adult learners, and older workers in need of enhanced skills. They are people like Estella Londono from north Providence, Rhode Island who, after being laid off from work, relied on unemployment benefits to sustain her family while she participated in job training, improving her skills and enhancing her ability to find a new job. We must make certain that the 2013 budget supports Americans like Estella, and provides for a thriving middle class.

Now is the time to put men and women to work on vital infrastructure projects, fixing our roads, bridges, schools, and water systems, keep college affordable so graduates are not saddled with a lifetime of debt, ensure our returning veterans have access to health care and job training, keep our promise to seniors by protecting Medicare and Social Security, and pull struggling homeowners above water, and returning vitality to our housing market.

These are the priorities I was sent to Congress to defend, and they will require serious conversation about which investments are working for America, and will help us create jobs, innovate for the

future, and remain competitive in the global economy, and which will not.

I look forward to the work ahead as we work together in a bipartisan way to chart a course to prosperity for our country, and I thank the committee for the opportunity to speak today, and thank you in advance for you thoughtful deliberations. Thank you.

[The prepared statement of David Cicilline follows:]

PREPARED STATEMENT OF HON. DAVID N. CICILLINE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF RHODE ISLAND

Thank you Chairman Ryan, Ranking Member Van Hollen, and members of the Budget Committee.

As of this past January, the unemployment rate in Rhode Island stood at an unacceptably high 10.9 percent. That means more than 61,000 men and women in my state are without work. As all of you know so well, the federal budget is not just a series of estimates, revenues, and expenditures. The budget is a powerful indication of our priorities as a nation. The work that we will undertake in the coming months is a reflection of our ability to chart a course to prosperity in our states and nation.

Charting this course requires bipartisan collaboration and focusing resources on initiatives that will generate growth in employment, strengthen our small business job creators, and equip more Americans—from cradle to career, college, and beyond—with the education, skills, and training they need to compete.

I would like to take this opportunity to call attention to three priorities that I believe warrant serious consideration in Fiscal Year 2013.

First, support for education is our best investment in the future and represents perhaps the single most powerful tool in alleviating poverty and equipping Americans with the skills they need to compete in the 21st century economy. Our country's education advantage, once the marvel of the industrialized world, continues to lag. This reality, if not addressed, will leave our economy behind as our rivals speed ahead.

As one report from Georgetown University indicated, of the nearly 47 million job openings estimated between 2008 and 2018, more than 29 million will require at least some postsecondary education. Far too often when I visit companies like Teknor Apex in Pawtucket, Rhode Island, I hear owners telling me they have jobs to fill, and plans to expand, but they face difficulties finding people with the right skill set. This cannot continue.

The President's FY 2013 budget reflects the necessary focus on the cradle to college and career support my state, and our country, needs to contend with our global competitors. This includes maintaining critical funding for Title I and IDEA programs; increasing the maximum Pell Grant; extending the current 3.4% interest rate on subsidized student loans; and providing a robust investment in a Community College to Career Fund, which will support partnerships between community colleges and businesses in high growth industries to educate, train, and place more Rhode Islanders and Americans in well-paying jobs.

Second, in addition to a pipeline of well-trained employees, our nation's economic recovery depends on the strength and vitality of our small businesses. In Rhode Island, small businesses with fewer than 20 employees accounted for approximately 90 percent of all private sector employers in 2010. Small businesses are critically important for job growth, having accounted for between 65 to 90 percent of net new jobs over the past 15 years.

The President's FY 2013 budget proposes important investments to advance and sustain our small businesses, including through the Hollings Manufacturing Extension Partnership, the International Trade Administration, loan guarantees from the Small Business Administration, and the creation of an Advanced Manufacturing Technology Consortia and Regional Innovation Strategies Program. Together, these and other vital proposals will help our small businesses and manufacturers acquire much-needed capital, expand access to markets abroad for their goods and services, and accelerate innovation, job creation, and the expansion of high-growth industry clusters.

Finally, as I have heard time and again during my Main Street Small Business Tours and Community Suppers, a sustained economic recovery requires a thriving middle class. These are the men and women who consume the goods and services being produced by businesses. They are our firefighters, teachers, police officers, and building trades men and women. They are our veterans returning from combat.

They are our young people, adult-learners, and older workers in need of enhanced skills to compete.

They are people like Estella Londono from North Providence, Rhode Island, who, after being laid off from work relied on unemployment benefits to sustain her family while she participated in job training—improving her skills and enhancing her ability to find a job. We must make certain the Fiscal Year 2013 budget supports Americans like Estella and provides for a thriving middle class. Now is the time to put men and women to work on vital infrastructure projects—fixing our roads, bridges, schools and water systems; help keep college affordable so graduates are not saddled with a lifetime of debt; ensure our returning veterans have access to health care and job training; keep our promise to seniors by protecting Medicare and Social Security; and pull struggling homeowners above water, returning vitality to our neighborhoods and housing market.

These are the priorities I was sent to Congress to defend, and they will require a serious conversation about which investments are working for America and will help us create jobs, innovate for the future, and remain competitive in the global economy, and which will not.

I look forward to the months ahead as we work, in a bipartisan fashion, to chart a course to prosperity. I thank the Committee for their time today and their thoughtful deliberation.

Mr. LANKFORD. Thank you, Mr. Cicilline for your testimony. Are there any questions from the committee? Seeing none, I thank you for being here.

Mr. CICILLINE. Thank you Mr. Chairman.

Mr. LANKFORD. At this time, we will now take a brief recess as we wait for additional members to come testify. This hearing is now in recess subject to the call of the chair.

[Whereupon, at 2:11 p.m., the committee recessed, to reconvene at 2:13 p.m., the same day.]

Mr. STUTZMAN. The Budget Committee meeting will come to order, and we want to welcome the Honorable Janice Schakowsky for her testimony, you are recognized for five minutes.

STATEMENT OF HON. JANICE SCHAKOWSKY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Ms. SCHAKOWSKY. Thank you, I appreciate it Mr. Chairman, Mr. Ranking Member, Mr. Blumenauer. Many people have said that budgets are moral documents and the choices that a family, a business, or a government makes when crafting a budget, says everything about where their priorities lie. At a federal government, we face substantial short and long-term deficit challenges that we have to address while simultaneously constructing a strong foundation for a bright economic future for our country, but it pays to remember how we got here. Deficits were not an accident or unexpected like an earthquake or a tornado. These deficits were man-made and just a decade ago we had a budget surplus, and the debt was rapidly decreasing, but during the Bush years, though, surpluses disappeared and huge debts accumulated due to two unfunded wars, two unfunded tax cuts, that mainly benefited the wealthy, and a blind eye to the recklessness of Wall Street, which cost 8 million Americans their jobs, and caused a great recession.

The choices we make as a Congress can either right these past wrongs or double down on the current path with inequality at levels we have not seen since 1928, the middle class shrinking, and people feeling that the American dream is slipping away. So I am concerned that the majority, in the name of fiscal responsibility, will craft a budget resolution that will take a hatchet to the vital investments that support America's middle class and those who as-

pire to it, and go after the vulnerable populations and do not help to build our infrastructure, or make scientific or technological innovations possible, but there is another way.

So the first challenge is to tackle our number one deficit, and that is the jobs deficit, and creating jobs equals deficit reduction. We have had 23 straight months of private sector job growth; we have seen the economy improve, but we are not there yet, that is for sure. To address the nearly 13 million Americans who are still out of work, I have introduced the emergency jobs to restore the American Dream Act, HR 2914, and my cost-effective plan would put 2.2 million people to work for two years in jobs that meet the critical needs of our communities across the country.

President Obama's American Jobs Act, included in his budget proposal, includes similar components that would put people to work rebuilding schools and communities and create jobs for teachers and firefighters, police officers, and young people. So it seems to me that we ought to stop paying companies for leaving the United States of America with tax advantages, and give those same tax breaks to companies that make it in America, and I have a bill called Patriot Corporations of America that does just that.

We have to ask more from those who can afford to pay more, whether it is implementing the Buffet rule, or creating higher tax brackets for millionaires and billionaires, as I have proposed in the Fairness in Taxation Act, asking the very wealthy to pay their fair share, and generating substantial revenues.

Third, we cannot shift the burden to those who have already been sacrificing for years. Poverty and inequality are bad for individuals, the economy, and our democracy. Half of all seniors make $19,000 or less a year in income. We must protect the earned benefits in Social Security and Medicare, not cut them in order to maintain tax breaks for the richest of Americans.

Finally, we need to invest in education, transportation infrastructure, scientific advancement, medical research, new energy technologies, and other efforts that will build the economy and our workforce.

I believe that the push for across-the-board cuts is misguided, such cuts may be easy, but they are not fair, not everyone is starting the race at the same line, and some investments are more important than others because they expand opportunities and strengthen the economy. Just because is something is classified as non-security spending does not make it any less vital. I would argue that cuts to USDA food safety have everything to do with security, for example, and the biggest bang for the buck actually comes from support systems for families that are struggling. Every dollar spent on unemployment insurance results in $1.64 in growth to the economy. Every dollar spent on food stamps results in $1.72 in growth.

So we have the means and the opportunity to create jobs, we build the middle class, invest in our economic future, all the while bringing down the deficit. Our budget, our moral document, just needs to reflect those values. I thank you, Mr. Chairman.

[The prepared statement of Janice Schakowsky follows:]

PREPARED STATEMENT OF HON. JANICE D. SCHAKOWSKY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Thank you, Mr. Chairman.

Many people have said that budgets are moral documents. The choices that a family, a business, or a government make when crafting a budget say everything about where their priorities lie.

As a federal government, we face substantial short- and long-term deficit challenges that we have to address while simultaneously constructing a strong foundation for a bright economic future for our country.

But it pays to remember how we got here. These deficits were not an accident, or unexpected, like an earthquake or tornado. These deficits were man-made. Just a decade ago we had a budget surplus and the debt was rapidly decreasing.

But during the Bush years, those surpluses disappeared and huge debt accumulated due to two unfunded wars, two unfunded tax cuts that mainly benefited the wealthy, and a blind eye to the recklessness of Wall Street, which cost 8 million Americans their jobs and caused a Great Recession.

The choices we make as a Congress can either right these past wrongs—or double-down on the current path, with inequality at levels we haven't seen since 1928, the middle class shrinking, and people feeling that the American Dream is slipping away.

I am concerned that the majority, in the name of fiscal responsibility, will craft a budget resolution that will take a hatchet to the vital investments that support the American middle class and those who aspire to it, protect vulnerable populations, build our infrastructure, and make scientific and technological innovations possible.

There is another way.

The first challenge is to tackle our number one deficit and that is the jobs deficit; creating jobs equals deficit reduction. We've had 23 straight months of private sector job growth, we've seen the economy improve but we're not there yet.

To address the nearly 13 million Americans who are still out of work, I have introduced the Emergency Jobs to Restore the American Dream Act (H.R. 2914). My cost-effective plan would put 2.2 million people to work for two years in jobs that meet the critical needs of our communities across the country. President Obama's American Jobs Act, included in his budget proposal, includes similar components that would put people to work rebuilding schools and our communities and create jobs for teachers, firefighters, police officers, and for young people.

We should stop paying companies for leaving the United States of America with tax advantages and give those same tax breaks to companies that make in America. I have a bill called Patriots of America that does just that.

Second, we must ask more from those who can afford to pay more. Whether it is implementing "the Buffett rule" or creating higher tax brackets for millionaires and billionaires, as I have proposed with the Fairness in Taxation Act, asking the very wealthy to pay their fair share can generate substantial revenues.

Third, we cannot shift the burden to those who have already been sacrificing for years. Poverty and inequality are bad for individuals, our economy, and our democracy. Half of all seniors have less than $19,000 a year in income. We must protect the earned benefits in Social Security and Medicare, and ensure programs like Medicaid stay strong—not cut them in order to maintain tax breaks for the richest Americans.

Finally, we need to invest in education, transportation and infrastructure, scientific advancement and medical research, new energy technologies, and other investments that will build the economy and our workforce.

The push for across-the-board cuts is misguided. Such cuts may be easy but they are not fair—not everyone is starting the race at the same line, and some investments are more important than others because they expand opportunity and strengthen the economy. Just because something is classified as "non-security" spending doesn't make it any less vital. Cuts to USDA food safety inspections have everything to do with security, for example.

The biggest "bang for the buck" actually comes from support systems for families that are struggling—every dollar spent on unemployment insurance results in $1.64 in growth to the economy; every dollar spent on food stamps results in $1.72 in growth.

We have the means and opportunity to create jobs, rebuild the middle class, and invest in our economic future, all while bringing down the deficit. Our budget—our moral document—just needs to reflect those values.

Thank you.

Mr. STUTZMAN. Thank you. Are there any questions from the committee?

Mr. BLUMENAUER. I was curious if you could just elaborate for a moment. You mentioned, as the first piece of legislation that you have been working on providing direct employment, and I am just curious if you could just talk for a

moment on what it does for young people, and how that would work for youth?

Ms. SCHAKOWSKY. Yes. It would put young people to work dealing with our natural infrastructure, putting them to work in improving our museums and our parks and our open spaces. This would help to train and prepare them for future private sector jobs, and would provide them with some wherewithal in order to move themselves forward.

Also, as with the president's bill, it would repair schools. The great thing about school infrastructure building, it does not rely on a construction season, and you can do that all year long. That would put the many people unemployed in the construction industry to work.

Mr. BLUMENAUER. Thank you very much.

Ms. SCHAKOWSKY. Thank you very much.

Mr. STUTZMAN. Thank you for coming to the budget committee and testifying, and we appreciate your comments.

Ms. SCHAKOWSKY. Thank you.

Mr. STUTZMAN. At this time we will recognize Mr. Palazzo for his testimony before the Budget Committee. Mr. Palazzo, you are recognized for five minutes.

STATEMENT OF HON. STEVEN PALAZZO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. PALAZZO. Thank you, Mr. Chairman. I come before you today with a grave concerns regarding the state of our nation's defense spending priorities. My biggest concern remains the fact that the president's budget includes a reduction of more than $5 billion from last year's request. These are more than just dollar signs on a page; these are real reductions in the readiness and capabilities of our nation's military, and out of the discretionary budget authority allotted this year, more than $25 billion goes to mandatory spending in the Department of Energy programs that is outside of the Department of Defense. Multiple witnesses have testified before the House armed services committee to tell us what these cuts mean to our military, is being forced to do more with less. I am here to inform the men and women of this committee that this is a risk to our national security, and it is one that I am not willing to take. These cuts represent losses to overall manpower.

It is estimated that the Army plans to reduce their strength by more than 10,000 troops per fiscal year, resulting in reductions from 552,000 in this fiscal year to 490,000 by the end of fiscal year 2017. The Marine Corps plans to reduce their numbers by 5,000 Marines per year for a reduction from 202,000 to 182,000.

While the men and women of our armed forces are what truly make our military great, manpower is not the only risk under the president's proposed budget. This budget puts significant limitations on our military hardware as well. For example, I represent

a district that produces the greatest warships the world has ever seen. Amphibious assault ships and surface combatants project our nation's power across the oceans every day. The sailors who sail upon these ships are some of our nation's most visible ambassadors and one of the greatest deterrents that our military has at our disposal. In wartime, they provide the sea lift and combatants necessary to support our troops on the ground.

Unfortunately, the president's budget also cuts our nation's shipbuilding budget severely. A reduction of $1.3 billion in shipbuilding means fewer ships, less maintenance on our current fleet, and a smaller force in the long term. This forces our nation to remain close to the 285-ship Navy that we currently have, instead of ramping up to the 313-ship goal that the Navy previously set in order to meet their mission requirements. These are just a few of the examples of risk that are contained within this budget.

It is vital that as America's representatives we meet the requirements of our military, while budgeting the necessary funds to keep our country safe. Our men and women in uniform have volunteered to make great sacrifices for our nation. Their families have endured hardships through multiple deployments and uncertainty over the past 10 years.

Also, ladies and gentlemen of the committee, we swore an oath to defend our country against all enemies both domestic and foreign; I do not believe that this budget lives up to that promise.

Mr. Chair, may I also please take a moment to speak about our nation's critical need to invest in space exploration? I understand the need to practice greater fiscal restraint at a time when our government spends too much. We must spend wisely, we must prioritize, but our priorities should include an investment in space exploration. Talking about spending in space is a misnomer in two ways.

First, it is not spending, but investing in jobs and technology and inspiration, in education, and in the next generation of engineers and scientists. The money is not just spent in space, but here on Earth, and predominantly, here in America, for now the global leader in aerospace. The United States has built an enduring legacy in the realm of space exploration, but we are on the precipice of ceding that leadership unless we support NASA's efforts towards developing the next generation vehicle to replace the now-retired space shuttle. We continue to service the International Space Station, which has been crewed since 2000, and to facilitate commercial companies to resupplying the ISS and eventually carry crews into low Earth orbit.

The president's budget for NASA is essentially flat, which is alarming only in the sense that funding for other scientific agencies has increased, such as at NSF and at NSIT, we saw an increase of 14 percent. In the area of space exploration the president has not only failed to provide adequate funding, he has failed to articulate an achievable vision for our nation to work toward and rally around. May we in Congress, through our spending priorities, continue to advocate for space exploration and all the benefits that come from being a nation that explores. I would just like to thank this committee for allowing me to be here today, I yield back.

[The prepared statement of Steven Palazzo follows:]

PREPARED STATEMENT OF HON. STEVEN M. PALAZZO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. Chairman, I come before you today with grave concerns regarding the state of our nation's defense spending priorities. My biggest concern remains the fact that the president's budget includes a reduction of more than $5 billion from last year's request. These are more than just dollar signs on a page, these are real reductions in the readiness and capabilities of our nation's military. And out of the discretionary budget authority allotted this year, more than $25 billion goes to mandatory spending and Department of Energy programs outside of the Department of Defense.

Multiple witnesses have testified before the House Armed Services Committee to tell us that these cuts mean that our military is being forced to do more with less. I am here to inform the men and women of this committee that this is a risk to our national security that I am not willing to take.

These cuts represent losses to overall manpower. It is estimated that the Army plans to reduce their strength by more than 10,000 troops per fiscal year, resulting in reductions from 552,100 in this fiscal year to 490,000 by the end of Fiscal Year 2017. And the Marine Corps plans to reduce their numbers by 5,000 Marines per year for a reduction from 202,100 to 182,100.

While the men and women of our Armed Forces make our military great, manpower is not the only risk under the President's proposed budget. This budget puts significant limitations on our military hardware as well. I represent a district that produces the greatest warships the world has ever seen. Amphibious assault ships and surface combatants project our nation's power across the oceans every day. The sailors who sail upon these ships are some of our nation's most visible ambassadors and one of the greatest deterrents that our military has at our disposal. In wartime, they provide the sea lift and combatants necessary to support our troops on the ground.

Unfortunately, the president's budget cuts our nation's shipbuilding budget severely. A reduction of $1.3 billion in shipbuilding means fewer ships, less maintenance on our current fleet, and a smaller force in the long-term. This shipbuilding budget forces our nation to remain close to the 285-ship navy that we currently have, instead of ramping up to the 313-ship goal that the Navy has set in order to meet their mission requirements.

These are just a few of the examples of risks that are contained within this budget. It is vital that as America's representatives, we meet the requirements of our military, while budgeting the necessary funds to keep our country safe.

Our men and women in uniform have volunteered to make great sacrifices for our nation. Their families have endured hardships through multiple deployments and uncertainty over the past 10 years.

Ladies and gentlemen of the committee, we swore an oath to defend our country against all enemies foreign and domestic. I do not believe that this budget lives up to that promise.

Mr/Madame Chair, may I also please take a moment to speak about our nation's critical need to invest in space exploration? I understand to need to practice greater fiscal restraint at a time when our government spends too much, but we must spend wisely.

Talking about spending in space is a misnomer in two ways. First, it is not spending, but investing- in jobs, in technology, in inspiration, in education, in the next generation of engineers and scientists. And the money is not spent in space, but here on earth, and predominantly here in America, the global leader in aerospace.

The United States has built an endearing legacy in the realm of space exploration. But we are on the precipice of ceding that leadership unless we support NASA's efforts toward developing the next generation vehicle to replace the now retired space shuttle, to continue to service the International Space Station which has been crewed since 2000, and to facilitate commercial companies to resupplying the ISS and eventually carry crews into low earth orbit.

The President's budget for NASA is essentially flat, which is alarming only in the sense that funding for other scientific agencies has increased, such as at NSF, and at NIST which saw an increase of 14%. In the area of space exploration, the President has not only failed to provide adequate funding, he has failed to articulate an achievable vision for our nation to work toward and rally around. May we in Congress, through our spending priorities, continue to advocate for space exploration and all the benefits that come from being a nation that explores.

Again, thank you for the opportunity to share my views with the Budget Committee.

Mr. STUTZMAN. Thank you Mr. Palazzo. I have just a couple of questions. You serve on the Armed Services Committee. Could you talk a little bit about what you know from the wars in Iraq and Afghanistan winding down, how that should affect the budget. Should it affect the budget? What do you see and hear in the Armed Services Committee?

Mr. PALAZZO. Personally I think there will be some savings from the winding down of actions in Iraq and Afghanistan, but too often we take end of one war to mean that there will never be another action of even, or greater, consequence later on, and it thus results in a hollowing out of our nation's military, not only our NCOs, our officers, but also deferred maintenance and weapons programs.

Basically what you end up with is a possibility a Navy that does not float, and an Air Force that cannot fly, and you lose the experience, and of course, and our men and women in uniform, which is one of our greatest assets in the military. What happens is it becomes more of a not if, but when we have to engage a current threat or an emerging threat, that we end up spending more in blood and treasure than I think myself or this country really wanted. We have to, from a strategic standpoint, look at the future threats, and come down slowly.

I have only been here 13 months, and as you mentioned, I do serve on the House Armed Services Committee. When I first got here, it was then-Secretary Gates wanted $100 billion in savings over five years, and those savings were going to be taken and then reinvested into our military: our MWR programs, our fitness programs, weapons, modernization maintenance. So take the savings and reinvest it, because we have been a nation at war, and we have a lot of equipment that is old, that is failing, that is aged, and we have to reset that. We also need to begin retraining troops to be able to engage in different wars other than insurgency-type operations.

Then it went to the president wanting $78 billion in cuts, and then now we are at $487 billion, and also with the pending doom and violent destruction to our military that could be a result of sequestration, all within 13 months.

Mr. STUTZMAN. Final question, it looks like the National Guard, Air Guard, could be taking some cuts throughout this sequestration or the budget process. Could you talk a little bit about how the Guard should fit in this whole discussion, and the value that it brings? What is your experience and what you have heard?

Mr. PALAZZO. Mr. Chairman, thank you for asking that question. I am actually still serving in the Mississippi Army National Guard as an NCO, and concurrently serving in Congress and on the House armed services committee. We are going to have, again, a lot of experience through, just the president's own budget we are looking at a loss of up to 100,000 men and women in uniform. What better place to place them then in the National Guard? I cannot remember the exact statistics; I think maybe we could retain these assets and these abilities at one-sixth of the cost and it would have to be as if they were on active duty. We cannot afford to lose our men and women. That is our number one treasure, and we spent hundreds of thousands, in some case millions of dollars, preparing, training, and investing in these individuals and to just turn

them out, turn them loose, into a civil force. There are ways that we can invest in our Guard. So as we do shift resources from Iraq and Afghanistan, you would think that we would be investing more, again, in the Guard, Army and Air, because it is a great repository for those resources.

Mr. STUTZMAN. Thank you very much. Are there any other questions from the committee? Mr. Blumenauer.

Mr. BLUMENAUER. Thank you, Mr. Chairman. Appreciate, Congressman, your being here. Your point about the potential impact of the Guard and ready reserve as a cost containment item resonates with me. I was disappointed that the Air Force command decided, essentially, they were going to take their savings at the expense of Air Force reserve. That seems to me to be questionable, and I appreciate your comment on that.

I am a little concerned, if I understand your testimony correctly, we had the secretary of defense testifying before us here this last week where he was laying out the approach that the administration has undertaken where testimony was given, and I do not think any of us doubt, that even if all of these cuts take place, we would still have by far the most powerful military in the world. We are currently spending, as you know, more than 17 other countries combined, and it is almost half of the combined world military spending. As the secretary testified to us, the records are so fuzzy and sloppy in the Pentagon, that we cannot even audit it. So I want to make sure I understand your testimony correctly, that you do not think that we can take 1 percent out of the Pentagon budget, which is less than was recommended by Simpson-Bowles, as proposed in the president's budget without jeopardizing our nations' security. Is that what you said?

Mr. PALAZZO. What actually would 1 percent be?

Mr. BLUMENAUER. It is 527; you are the expert.

Mr. PALAZZO. Yeah, well you have to look at the moving targets. The secretary, then-Secretary Gates, and now Secretary Panetta, they keep coming. The House Armed Services Committee had tons of hearings under Chairman McKeon last year. What are the effects of sequestration? What are the effects of the $487 billion in cuts?

Mr. BLUMENAUER. I want to be clear, because I am not trying to mislead you. I just wanted to be clear on one point. You testified against a $5 billion reduction, which is less than 1 percent in the current Pentagon budget. Is it your testimony that we cannot reduce the Pentagon budget by less than 1 percent without jeopardizing our nation's security? You may have another president next year, but you do not think we can take less than 1 percent out now?

Mr. PALAZZO. I think it needs to be slowed down.

Mr. BLUMENAUER. Be advised, I am just talking what you just said there: $5 billion out of more than $527 billion.

Mr. PALAZZO. You are talking about $5 billion, or 500?

Mr. BLUMENAUER. That is what you said, you came in and talked about, as I understood it, the $5 billion reduction in this year's budget.

Mr. PALAZZO. I think the military can be more efficient and more effective. I think we can find some cuts, but you know, $5 billion

is not unacceptable. What I am saying, and what my overall testimony is to this committee is we slow down, let's make sure that the decisions that we make going forward, that we do not hollow out our armed services, that we do not try to balance the budget and all the financial woes on the backs of our men and women in uniform. We just left a hearing that was talking about BRAC, and just 13 months ago we were needing 313 ships, not 285, and now with the 30 year shipbuilding plan, are we even going to come in at 313 or is it going to be less than 300?

So I have a lot of concerns. My number one concern, of course, is most of the people in this committee, and in Congress, is that we do not break the trust that we have with our men and women in uniform, not only those currently serving, but those who have served, as well as their families and their communities. Again, thank you for that question.

Mr. BLUMENAUER. No, thank you for your testimony.

Mr. PALAZZO. And I was confused, I thought we were talking about a larger number.

Mr. BLUMENAUER. I appreciate the chairman s courtesy, I appreciate your testimony. I do not think that there is anybody in either side of the aisle that wants to break faith with the men and women in uniform, or put something to hollow out the military. One of the things I hope we can do going forward is actually look at the budget because we have been increasing the Department of Defense faster than the rate of inflation; their benefits have been increasing faster than private benefits and Medicare. The point you make about the size of the fleet, that was when we could not figure that we could fly the sailors back rather than turning the ship around, and now we are finding out that, well, we can actually keep it in theater and use a plane. So that there may be some adjustments that we can think of going forward and look forward to working with you to make sure we fine tune it right.

Mr. PALAZZO. I agree, Congressman, thank you for those comments. You did mention something else. I think you alluded to the ability to audit the Department of Defense, going forward, not only as members of Congress and representatives, but with a very awesome responsibility in making these decisions, it would be nice to be able to see exactly where the money is being spent and whether it is being spent wisely. I just urge caution going forward. Thank you.

Mr. BLUMENAUER. Great, thank you. Thank you, Mr. Chairman.

Mr. STUTZMAN. All right, thank you, thank the gentleman from Mississippi for being here and his testimony. It appears there are not additional witnesses. This hearing is now adjourned.

[Additional statements submitted for the record follow:]

[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 Ryan, Ranking Member Van Hollen and the members of the Budget Committee for giving me the opportunity to testify today.

Mr. Chairman, I believe strongly that the budget is a moral document that very clearly outlines what we as a nation and a society, hold dear.

This is especially true in difficult times, when difficult choices must be made.

The choices we make and the lines that we draw can be stark.

Do we believe that our nation has a responsibility to help poor children get an education, proper nutrition, and have access to quality health care or should we preserve billions of dollars in tax credits for oil companies that are making record profits?

Do we believe that it would be right to take away critical funding for small business innovation and vital job training programs or should we extend tax subsidies that send American jobs over seas?

I am a founding co-chair of the Congressional Out of Poverty, a founding co-chair of the Congressional HIV-AIDS Caucus, a member of the Congressional Black Caucus, a member of the Congressional Progressive Caucus, as well as a member of the Congressional Asian Pacific American Caucus.

For myself, and I am sure for my colleagues on these caucuses, the choices are clear.

I believe that we can craft a sound and fiscally responsible budget that make investments that will reduce poverty, strengthen the economy, spark business innovation, and create jobs even as we reduce the deficit.

I believe that it is critical to reaffirm that the needs of the poor and most vulnerable are foremost on our minds and that we will measure the success or failure of ourselves as a nation, based on the success or failure of our working class families.

We cannot and we must not balance the budget on the backs of our most vulnerable.

All Americans, not just the wealthy few, must have access to opportunity, and must be a central part of our strength as an economy and as a nation.

Indeed, it is only when median incomes are rising and the middle class is growing, as it was during the Clinton Administration, that we have a chance to reach a surplus, not just reductions in the deficit.

While it is true that our deficits are high, we must not allow an exaggerated sense of panic to force us into making shortsighted choices.

Such a course will only hurt our economic recovery, result in more job losses, and lead to the elimination of critical safety net programs that protect millions of Americans around the country, in my district and in the districts of every single member.

Let me be clear, we do not have to abandon Americans in poverty or fail to invest in working class families to reduce our deficits and pay down our debts.

In fact it is only by committing to reducing poverty and lifting working class Americans up into the middle class, that we can strengthen our economy, improve our competitiveness and reduce our deficits in the long term.

We must come together to lift up the millions and millions of Americans who are working full time, but are still living in poverty.

There are 100 million more who are working hard everyday, but are trapped by stagnating wages and high costs and lack the upward mobility of the generation that came before them.

We cannot reduce our deficits simply by cutting food for hungry children or stripping our schools of computers and new books.

We must take a hard look at our priorities and make smart and targeted investments that will restore economic mobility and reignite the American Dream for all Americans.

Poverty and economic stagnation isn't just a burden for this generation, but slows the growth and development of every generation that follows.

We must immediately address the chronically unemployed who have grown by 441% since 2008 by providing them with the emergency funding to extend, not cut, Unemployment Insurance to those who have exhausted their benefits.

Nearly 3 million families will be abruptly cut off this year as emergency extensions of UI run out and they find themselves with no income and nowhere to turn.

That is why the FY2013 budget must not only respond to families in crisis during the recession, it must strengthen our long-term commitment to human needs and social service programs so that we can r citizens from keeping themselves afloat even in the most prosperous of times.

Economic opportunity for all is a value that defines the United States, and it is the responsibility of this Congress to make sure that our guiding principles are turned into a reality for all Americans.

We must embrace a budget that provides a proven pathway out of poverty to prosperity for all Americans.

We can do all these things and more, but first we must have a serious discussion about our priorities and how we can pay for them.

Mr. Chairman, I support reducing the deficit. But cutting non-defense discretionary spending alone will not solve the problem. We need to talk about raising revenues, about repealing tax cuts to the most wealthy, and ending the longest war this country has ever faced.

Americans want a land that is rich with opportunity for all and not just the privileged few.

I urge every member of the Budget Committee to give a full and fair consideration of the Congressional Progressive Caucus budget alternative. The CPC budget, if enacted, would save more money than any of the proposed budgets, would reach balance faster than any of the proposed budgets and would balance the necessary savings with the critical investments in our nation's people and infrastructure to make us stronger and more prosperous now and into the future.

I thank the Committee once again for the opportunity to share my testimony and I respectfully request that my full statement and a detailed list of the budget priorities I have outlined be included in the record.

[The prepared statement of Mike Coffman follows:]

PREPARED STATEMENT OF HON. MIKE COFFMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Dear Chairman Ryan and Ranking Member Van Hollen: Thank you for the opportunity to express to you my principal interest regarding the 2013 federal budget.

On behalf of my constituents, I ask that you take this opportunity to act upon the urgent need to save Medicare. The status quo is simply not possible any longer, because the new health care reform law passed in 2010 already cut more than $500 billion from Medicare and approved an unelected board of bureaucrats who will decide what care patients may receive. Obviously, there will be consequences from these cuts and changes. Nearly one-in-three primary care doctors (according to the American Medical Association) are limiting the number of Medicare patients they see, and more than half of doctors say the law will compel them to close or restrict their practices for Medicare patients (according to the Physicians Foundation).

On top of these problems, Medicare faces significant stress form other factors. More than 10,000 Baby Boomers are reaching retirement age every single day, and Americans are living about a decade longer than they did in 1965 when Medicare was created. As you know, Richard Foster, Chief Actuary of the Centers for Medicare & Medicaid Services, testified before your committee that the Medicare Hospital Insurance trust fund will be insolvent in 2024.

For our country's seniors, including my own mother in Aurora, Colorado, Medicare is a life line. And so, as you formulate our nation's fiscal plan for upcoming years, you must include not only necessary spending levels to guarantee that our senior's receive the healthcare coverage they need, but you also must negate the destructive changes inflicted on Medicare under the healthcare changes made by President Obama and his congressional allies. As you do so, first and foremost, no changes should be made for those in or near retirement age. Instead, those looking to retire in ten years or later need the ability to choose from a list of assured coverage options which best suit their needs, including an option to retain the current Medicare program. Low-income individuals should receive greater support, as well as those with higher health risks. Efforts to increase the fight against waste, fraud and abuse need to be included, to assure financial stability.

This is not only my principal interest, but also the principal interest of thousands of my constituents. I appreciate your attention to this vital matter.

[The prepared statement of Bob Goodlatte follows:]

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

Thank you for allowing me to testify before you today.

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

We have a spending addiction in Washington, D.C., and it has proven to be an addiction that Congress cannot control on its own. We have gone in a few short years from a deficit of billions of dollars to a deficit of trillions of dollars. We are printing money at an unprecedented pace, which presents significant risks of inflation. Our debt is currently an unfathomable 15 and a half trillion dollars and mounting rapidly, as is the waste associated with paying the interest on that debt. Yet, Congress has done little to address this crisis. It is clear that Congress needs pressure from outside to force it to rein in this out-of-control behavior.

Families all across our nation understand what it means to make tough decisions each day about what they can and cannot afford. Yet far too frequently this fundamental principle has been lost on a Congress that is too busy spending to pay atten-

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

On the first day of the 112th Congress, I re-introduced legislation, H.J.Res. 2, to deliver to Congress the necessary pressure to rein in spending. My legislation would amend the United States Constitution to require a balanced federal budget each year. 242 bipartisan cosponsors have joined this effort and the legislation received 261 votes on the House Floor this past fall. It would require that total spending for any fiscal year not exceed total receipts and require the President to propose budgets to Congress that are balanced each year. It would provide an exception in times of war and during military conflicts that pose imminent and serious military threats to national security, as well as in other emergency situations. It would make it harder to increase taxes by requiring that legislation to increase revenue be passed by a true majority of each chamber and not just a majority of those present and voting. Furthermore, the bill requires a ⅗ majority vote for any increases in the debt limit.

Our nation faces many difficult decisions in the coming years, and Congress faces great pressure to spend beyond its means rather than make the difficult decisions about spending priorities.

I thank the Chairman for his Leadership in confronting our fiscal crisis and his work toward wresting control of our spiraling deficits and debt through the budget process. I encourage you to enact the toughest budget possible for Fiscal Year 2013 that eliminates our deficit in as few years as possible. I will support the strongest efforts to rein in the federal government's spending spree.

However, we need to keep in mind that even if Congress enacts a budget that makes significant progress toward achieving balance within a short period of time, the reality is that if a new Congress is elected that favors spending over fiscal responsibility, all the work that this Committee does could be overturned and the progress toward achieving balance could be turned on its head.

Unless each Congress—regardless of party affiliation—is forced to make the decisions necessary to create a balanced budget, the temptation will always be there for Congress to spend more than it receives in revenues. That is the advantage of a Constitutional Balanced Budget Amendment, which would ensure that the principle of fiscal responsibility is forced upon all future Congresses. The BBA is a common sense approach to ensure that Congress is bound by the same fiscal principles that America's families face each day.

I urge this committee to demonstrate leadership by balancing the federal budget in as few years as possible, and I continue to urge support of a balanced budget Constitutional amendment to ensure that future Congresses are not allowed to continue to saddle our children and grandchildren with debt that is not their own.

[The prepared statement of Janice Hahn follows:]

PREPARED STATEMENT OF HON. JANICE HAHN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Thank you Mr. Chairman for allowing me to testify before the committee today and discuss some of the issues that are important to me and my constituents.

PORT SECURITY GRANTS

Ports are the gateway in and out of the United States. They are our country's link to the rest of the world and the global economy.

As someone who founded the Congressional Ports Caucus and whose district borders the Port of Los Angeles, one of the largest ports in the country, I feel very strongly that ports must remain competitive and secure given its importance to our national economy.

That's why I believe the Port Security Grant Program is so important.

The Port Security Grant Program helps strengthen our homeland security by providing vital funding to port areas for enhancing their capability to prevent, detect, respond to, and recover from attacks involving improvised explosive devices, Chemical, Biological, Nuclear explosives, and other non-conventional weapons.

This program, along with other state and local programs, also helps ensure that our first responders have the tools they need to make sure they are adequately prepared to swiftly and effectively respond to threats of all kinds.

However, under the Presidents FY 2013 budget request, this program, along with other state and local programs, will collapse into one National Preparedness Grant Program.

Now I applaud the President's effort to begin awarding grants based on risk as well as his request to increase the total overall funding from last year.

However, there is a danger that lumping all of them into one singular program will run the risk of diluting critical funding for these major programs.

Additionally, the increased funding from the President's budget only represents a total increase from last year and is still significantly below its funding from previous years.

For example, even though the President's request for state and local programs represents an increase of $609 million from last year's budget, it is still a $480 million (14%) decrease from FY 2011.

This combined with the fact that these programs are now forced to split funding with one another, make me greatly concerned for the future of port security in this country.

Potential cuts to these grants will result in gaps being left unaddressed and security officials unable to build and sustain capabilities needed to prevent, detect, respond to, and recover from a potential attack.

That's why I would urge this committee to make sure that any future budget support increased funding for the Port Security Grant Program.

TSUNAMI WARNING SYSTEM

While port security will continue to be a major focus within the homeland security landscape, Tsunami preparedness is also a growing issue that deserves more attention within this congress.

As we have seen with the March 2011 Tsunami that hit Japan, an effective public alert warning system is needed to save lives. The devastation that resulted from this incident resulted in over 15,000 deaths in Japan and billions of dollars in property damage worldwide, including a death and significant property damage in California.

As the representative of the 36th district of California, my district borders the port of Los Angeles as the Alameda Corridor and LAX Airport.

If a Tsunami were to hit my district, the resulting devastation would be disastrous, not only for my constituents, but for the country as a whole.

The need to strengthen existing national public alert systems are essential to make sure that states, such as my home state of California, are sufficiently protected against these types of disasters.

That is why I have recently signed onto a letter supporting adequate funding for the National Tsunami Hazard Mitigation Program (NTHMP) and the Deep-ocean Assessment and Reporting Tsunamis (DART) buoys that will make sure people are adequately prepared if such an emergency were ever to occur.

I urge this committee to please consider the importance of these programs as you continue preparing next year's budget.

Thank you and yield back my time.

[The prepared statement of James R. Langevin follows:]

PREPARED STATEMENT OF HON. JAMES R. LANGEVIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF RHODE ISLAND

Good afternoon. I would like to thank Chairman Ryan, Ranking Member Van Hollen and the distinguished Members of the Budget Committee for this opportunity to testify before you today regarding important priorities in the Fiscal Year 2013 budget.

As Co-Chair of the Congressional Career and Technical Education Caucus, I have seen that a failure to engage our students has hurt our country's innovative edge and left us unable to fill the jobs of the 21st Century. In a survey of 2,000 firms conducted by the McKinsey Global Institute, 40 percent had positions open for at least six months because they couldn't find suitable candidates. While there is no one way to solve all of our economic challenges, we know improving workforce development has a vital role to play.

For this reason, I am advocating for $1.27 billion for career and technical education funding in Fiscal Year 2013. A revamped career and technical education system would allow school districts to develop integrated curricula of academics and technical programs that align with postsecondary education and career opportunities. This system will produce college- and career- ready students who have received relevant and rigorous academics and real-world experience that prepares them for a wide range of high-growth, high-skilled and high-wage occupations, such as engineering, arts and media, cybersecurity and health care.

Across the country, teachers and school administrators will be able to collaborate on an interdisciplinary approach that leverages partnerships with local businesses and community organizations to identify workforce demands and internship opportunities. This collaboration is already taking place at the Providence Career and Technical Academy, where students have the opportunity to see a glimpse of the world beyond the classroom and their interests and talents are nurtured. I am pleased that President Obama's budget provides support to expand the academy network.

In visits to businesses, I repeatedly hear they are struggling to fill openings because applicants lack necessary skills. Addressing this problem requires better cooperation between the businesses doing the hiring and the educators preparing the students, particularly within the career and technical training at our community colleges. That is why I support President Obama's $8 billion budget initiative to create partnerships between community colleges and expanding industries that will train workers with skills that lead directly to jobs. I hope my colleagues agree that this effort should transcend politics and will work with me to implement this policy of educational cooperation and economic growth.

I am pleased to report that such cooperatives are already successfully growing in my district. National Grid, our state's primary utility, needs a new generation of workers who can fix utility lines and maintain interconnected networks of electricity. The Community College of Rhode Island has the facilities to offer a certificate program in energy utility technology for relatively low tuition. With grants and an investment from National Grid, the school provides high-level math skills and utilizes state of the art equipment to prepare students, while the company provides 64 hours of hands-on training at its facility. Upon completion, the students are uniquely prepared to become new employees.

You couldn't ask for a more efficient program, and it should serve as a model for any company or industry seeking talented employees. Of course, the resources that CCRI, or any college, must invest in these initiatives costs money. At a time of strapped state budgets, many can't accommodate the programs necessary to match our workers with high-skilled jobs.

The President's Community College to Career Fund is a small price to pay for the benefit of placing more workers into rewarding jobs that allow them to support their families without relying on a government safety net. We must work together to make this program a reality.

Many of our constituents have rightfully lost faith that this Congress can make substantial progress on the most meaningful issues. There may be some differences we cannot overcome, but supporting these programs should be common sense if our number one goal is to put Americans back to work.

Again, thank you for the opportunity to address the Committee, and I look forward to working with you on our shared priorities going forward.

[The prepared statement of John Lewis follows:]

PREPARED STATEMENT OF HON. JOHN LEWIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

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 2013 budget.

For the past five years, Americans have struggled to overcome the most significant economic downturn since the Great Depression. A few years ago, Congress responded in an extraordinary manner—attempting to mitigate the massive impact of the crisis on hardest hit communities.

The President's FY13 budget proposal continues some of these critical investments and common-sense savings. It provides a clearer plan to end the costly wars in Afghanistan and Iraq which have depleted our reserves and budget surpluses. We simply cannot afford to drain our investments at home in support of war abroad. The administration should be applauded for the strong support of America's veterans. We must provide adequate funding for mental health and post traumatic stress disorder services, homeless veterans programs, workload reduction services, and veterans' employment and training services.

Now more than ever, we must invest in America's safety net and pave the path towards job creation. As you know, small business is the backbone of our economy. I truly believe that Department of Commerce and Small Business Administration programs which 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. Similar to proposals included in the President's American Jobs Act, I recently introduced a bill—the Back to Basics Jobs Act—which is

similar to ideas included in the President's plan; this bill would establish an immediate, one-time initiative to help the long-term unemployed, those who have exhausted unemployment benefits, and low-income individuals become gainfully self-employed, and create livable-wage jobs instantly.

In order to realize the goals of another key jobs effort—the National Export Initiative—Congress must also fully fund the Interagency Trade Enforcement Center (ITEC), the Trade Adjustment Assistance for Firms Program, the Manufacturing Extension Partnership, and the Trade Adjustment Assistance for Community Colleges and Career Training Program. American businesses must be able to compete with our global competitors, and these programs help level the playing field.

Innovative economic development and redevelopment programs must be continued, and programs that provide housing assistance for the most vulnerable—the elderly, homeless youth, women, children, and struggling families—must be protected.

Any and every way that we can help hard-working Americans efforts get back on their feet are keys to our long-term recovery. Income security programs like the Supplemental Nutrition Assistance Program, Unemployment Insurance, Medicaid, and COBRA should continue to be a cornerstone of this year's budget. Especially now, I strongly object to proposed cuts to anti-poverty initiatives like the Low Income Home Energy Assistance Program, the Assets for Independence Program, the Community Services Block Grant, Job Corps, and the Clean Water and Drinking Water State Revolving Funds (SRFs).

Special attention should be given for these and other anti-poverty initiatives like the 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 Commodity Supplemental Food Program, the Social Services Block Grant, Women, Infants and Children Program (WIC), and the HOME Investment Partnerships Program. I am very concerned with the HOME program's levels and the loss of family unification vouchers, but I strongly favor of the restoration of housing counseling funds.

During times like these, it is vital that regulatory agencies have the appropriate resources and tools to shield our constituents from predatory and discriminatory practices. Supporting the Consumer Financial Protection Board, the National Mediation Board, the National Labor Relations Board, and the National Transportation Safety Board ensures that our road to recovery does not come at the expense of our national standards and core values. Staffing agencies like the Internal Revenue Service adequately helps our constituents receive their tax returns more quickly, while allowing the government to collect overdue revenue efficiently and effectively.

This brings me to another important issue that needs to be addressed across the board—treatment of federal workers in the budget and appropriations process. Few of my colleagues realize that more federal employees serve our constituents from agencies across the country than in Washington, D.C. Not only are they public servants, but they are also taxpayers, and this constant assault is unnecessary. Federal employees' retirement and salaries should not be the pay-for proposal for every tax cut extension and new bill. For example, we can start with cutting funding for war. My no-cost bill, the Cost of War Act, would help every American taxpayer calculate the cost of war to their household. Investments in America's safety net cannot be the victim of unfunded conflicts.

As you know, I have long represented the area with the longest Social Security Disability Appeals backlog in the country. I know that the Social Security Administration has been working hard to reduce the backlog, and significant progress has been made. Underfunding the Social Security Administration now will result in a massive set-back, not only in hearing disability appeals, but more immediately, in constituent services by phone and in person and prompt payments—not just in Metro Atlanta, but across the country.

I continue to strongly support restoring funding for the Children's Hospital Graduate Medical Education Payment Program, and continued funding for the Ryan White Care Act, the National Center on Minority Health and Health Disparities, the Maternal and Child Health Block Grants, and the Public Health Training Program. We must continue to invest 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. We all know that prevention is far less costly than treatment.

The Center for Disease Control and Prevention (CDC) is also located in my congressional district. We must continue to fund CDC's important activities so that doctors, patients and communities have the information and tools they need to protect their health and prevent disease and injury.

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 and vocational education initiatives will help build a skilled workforce for generations to come.

Education is the key to our future. I applaud the Administration's commitment to college affordability by fully funding Pell Grants through 2015. It is also 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 institutions. 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 are realized and that discretionary grants for key historic preservation and educational endeavors are included in this year's budget.

A strong national transportation grid is an integral component of our economic recovery and global competitiveness. The economic crisis has forced many transit 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. People need to commute to work, business, school, and spend tourist dollars in a timely, safe, and affordable manner.

I strongly support the President's bold investment National Infrastructure Bank and continued funding for transportation initiatives. We must continue to invest in transit and provide as much funding and flexibility as possible to struggling transit systems. I recently joined a bipartisan coalition of my congressional colleagues in strongly opposing any attempt to restructure the financing for or eliminate the Mass Transit Account.

I would also like to commend the President for his increased support to ports preparing for the 2014 expansion of the Panama Canal. Falling behind our global competitors is simply not an option. I oppose, however, the proposed reduction to the Grants-in-Aid for Airports Program. My congressional district is home to Hartsfield-Jackson Atlanta International Airport, the world's largest passenger airport, and a key job provider in my district. We must continue to invest in models that work.

While the passage of the FAA reauthorization was long overdue, and the investments in NextGen technology are critical, now is not the time to cut funding to airports, which have applied federal funds wisely. Passengers should not be forced to bear the brunt of these cuts. Local transit and traffic congestion projects, port expansion, safety, and security initiatives create jobs throughout our state and sustain our role in the global economy.

I continue to support any and all 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. Rising energy costs are simply unsustainable. Green jobs and technology are an integral part of our economic future.

Similar to many other localities, many local governments continue to face budget challenges. I strongly support the President's budget proposals to fund anti-crime initiatives at the local level. Juvenile Justice Programs, Byrne Justice Assistance Grants, the Second Chance Act, and Court Appointed Special Advocate funds are lifelines for many initiatives in my congressional district. 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. There should be increased attention 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.

The President also included proposals similar to my bill, the SMART Teen Dating Violence Prevention Act, which streamlines existing youth Violence Against Women Act (VAWA) programs to break the cycle of violence at the root. Congress must come together in a bipartisan way to reauthorize and fully fund the Violence Against Women Act and the William Wilberforce Trafficking Victims Protection Act this year.

Time and time again, economic studies have shown that peace is so much more inexpensive than war and violence. Two of my bills, the Gandhi-King Scholarly Exchange Initiative Act and the SAFETY through Nonviolence Act create a new generation of leaders committed to peace and nonviolence. Both bills are low-cost, but provide significant impacts. The President's budget recognizes this investment by

continuing funding for the U.S. Institute of Peace and highlighting USIP's work as a key component of our withdrawal from Iraq and Afghanistan.

As a Member of the Congressional Black Caucus, I also applaud Secretary Clinton for the swift and continued response to the humanitarian crisis in the Horn of Africa and the creation of the Race, Ethnicity, and Social Inclusion Unit (RESIUNIT) which plays a key role in the U.S.-Colombia Action Plan on Racial and Ethnic Equality, and the U.S. Brazil Joint Action Plan to Eliminate Racial and Ethnic Discrimination and Promote Equality. We all are struggling with the loss of our foreign affairs leader—Congressman Payne. I would like to applaud Administrator Shah for his recognition of the tireless work of my good friend and colleague with the creation of the Donald Payne Fellowship Program. Despite our work in the Middle East and North Africa region, these initiatives must be fully funded and protected.

I would like to close by commending the Administration for their support of the Smithsonian's National Museum of African American History and Culture, the National Endowment for the Arts, and the National Endowment for the Humanities. Preserving our history and culture not only bring tourists from all over the world, but also create jobs in the humanities and the arts.

As always, Mr. Chairman, Mr. Ranking Member, and Members of the Committee, I thank you for the opportunity to share some of my priorities on the fiscal year 2013 budget. I remain available to discuss these issues with you in the future and look forward to working with 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

Chairman Ryan, Ranking Member Van Hollen, and Members of the Committee, I appreciate the opportunity to present my views on the fiscal year (FY) 2013 budget resolution as it relates to programs within the jurisdiction of the Committee on Transportation and Infrastructure.

In light of the urgent need to reduce the Federal budget deficit, the Committee is recommending funding reductions for many programs within its jurisdiction. These recommendations are detailed in the Committee's Views and Estimates, which were approved earlier today and will be transmitted to you shortly.

As it has done over the past year, the Committee will continue to examine programs within its jurisdiction to cut costs, consolidate facilities, eliminate waste, and create efficiencies. In addition, the Committee will work to ensure that infrastructure investments funded by these programs are those that make sense and yield the greatest benefit for the least cost.

Last month, the Committee successfully concluded a five-year effort to reauthorize federal aviation programs. Despite resistance from the other body, the FAA Modernization and Reform Act of 2012 (P.L. 112-65) ultimately authorized a decrease in funding for the Federal Aviation Administration, and made significant reforms to the Essential Air Service (EAS) program. For FY 2013, the Committee recommends reducing FAA funding by $130 million (-0.08 percent) below the FY 2012 enacted level, consistent with the FAA Modernization and Reform Act. In addition, the Committee supports the recently-enacted reforms to the EAS program, which will save about $16 million per year in the near-term.

As you know, we must also reauthorize surface transportation programs this year. The previous authorization for these programs, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), expired at the end of FY 2009. Since that time, the highway, transit, highway safety, and motor carrier safety programs have been operating under a series of eight short-term extensions, the most recent of which extends the programs through March 31, 2012.

Last month, the Committee approved H.R. 7, the American Energy and Infrastructure Jobs Act of 2012, which authorizes surface transportation programs through FY 2016. H.R. 7 provides the stable and predictable funding stream that is necessary for the efficient implementation of long lead-time construction programs such as these. In addition, H.R. 7 accomplishes more with less through significant reforms including cutting in half the time it takes to complete major infrastructure projects. H.R. 7 establishes a blueprint for job creation, is responsibly paid for, and includes no earmarks, tax increases or deficit spending.

The Committee continues to believe that H.R. 7 is the best way forward on surface transportation reauthorization, and requests that the FY 2013 budget resolution provide to our Committee an allocation sufficient to accommodate this legislation.

The Committee also hopes to complete work on legislation to reauthorize the United States Coast Guard this year. In November 2011, the House passed H.R.

2838, the Coast Guard and Maritime Transportation Act of 2011. This bill currently awaits action by the Senate. For FY 2013, the Committee recommends $8.77 billion for the Coast Guard, consistent with the level authorized in H.R. 2838 as passed by the House.

In addition to reauthorization of surface transportation programs and the Coast Guard, the Committee's other legislative priorities this year include reauthorization of hazardous materials transportation safety programs, the Economic Development Administration, and the Federal Emergency Management Agency, and development of a water resources development act. As the Committee moves forward on each of these bills, it will continue to recognize the need to constrain federal spending and reform programs to ensure the best use of scarce resources.

The Committee believes that properly targeted investment in transportation and infrastructure programs is necessary to ensure the safe and efficient movement of people and goods, increase economic growth, and maintain our global economic competitiveness. I look forward to working with you to ensure that such investments are made, and that the budget resolution accommodates the important legislation within the Committee's jurisdiction that must be enacted this year. Again, thank you for the opportunity to present these views.

[The prepared statement of Cedric L. Richmond follows:]

PREPARED STATEMENT OF HON. CEDRIC L. RICHMOND, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. Chairman thank you for allowing me to testify to my budget priorities for Fiscal Year 2013. It has been said that budgets reflect our values. This is absolutely true, and is more important than ever that we invest in priorities that are consistent with our character as a nation and that will leave our families and communities stronger for the future. We must invest in economic growth items and in human capital so that we can lay the proper foundation for our children to compete with their peers in other nations in the decades ahead. There are a number of areas that deserve significant investment if we are to preserve our standing and create an environment where private sector led growth can help my constituents in the 2nd District of Louisiana pursue the American dream. That being said, given the limited time today, I will focus on three areas in particular that I hope the Committee takes under advisement as it works to craft its FY 2013 Budget Resolution. I want to emphasize that these investments are critical and the Committee should explore the best way to make them within the allowable parameters of the Budget Control Act of 2011.

First and foremost we have to ensure that our families and our neighbors have access to quality healthcare. The President's budget requests $3.1 billion to help provide critical access to communities across the country. This significant investment represents progress in the right direction as more and more of our elderly, and low-income citizens are turning towards Community Health Centers. It is crucial that we fund Primary Care for those in need, not only as a moral obligation, but also to curb higher health care costs down the line. Community Health Centers are making a difference in neighborhoods across America and are crucial to us in New Orleans, especially after the loss of our historic Charity Hospital. For example, Jefferson Community Health Care Center operates two sites and with a 2-year grant period has employed 32 staffers, including 9 providers. They provide the critical preventive care that many in our communities cannot get anywhere else. Creating new access points and continuing the work of Community Health Centers is a key for our cities and rural areas providing the care every American deserves. I urge the Committee to reflect the President's request in its resolution.

Second, we must continue to increase investments in our infrastructure needs, especially our ports, harbors and hurricane protection efforts. Most ports and harbors require dredging to combat the accumulation of sediment. As sediment collects, ships are forced to carry less cargo, increasing transportation costs, and making our businesses less competitive on the global market. Shippers have paid billions of tax dollars into the Harbor Maintenance Trust Fund (HMTF) specifically for the purpose of keeping channels dredged to authorized depths. Unfortunately, much of this funding sits idle in the HMTF. This has resulted in a growing surplus in the HMTF of more than $6 billion, while dredging needs continue to be unmet. Appropriations for maintenance dredging in a typical year total only about half of what is collected from the Harbor Maintenance Tax. The Administration's request for FY 2013, while a slight increase from previous years, continues this trend by only allocating around half of projected collections to the HMTF's intended purposes. We must do better.

Adequate dredging will decrease the cost of consumer goods, lessen the potential for groundings and spills, and increase the environmentally friendly, cost-effective

movement of goods to market. Currently 99.4 percent of the overall tonnages of U.S. overseas exports move through the nation's seaports. Only two of the top ten seaports in the U.S. are dredged to their authorized dimensions—Los Angeles and Long Beach, CA. Thus, full funding of dredging is vital to achieving the President's goal of increasing our exports over the next five years.

As you formulate the FY2013 Budget Resolution, I request that the Committee apportion the entire budget financed by the Harbor Maintenance Tax for maintenance dredging purposes for our nation's ports and harbors.

In addition to investing in our ports, we must give the Army Corps the resources it needs to maintain critical projects across the nation that are critical to commerce and the preservation of human life.

I ask that the Committee's Resolution reflects anticipated funding requests for hurricane protection construction and maintenance. For example, in FY2014, the Corps will require additional funding to operate and maintain several key facilities that make up the Inner Harbor Navigation Canal-Lake Borgne Storm Surge Barrier. In addition, new levee embankments constructed in southeast Louisiana for the Hurricane and Storm Damage Risk Reduction System (HSDRRS) are settling so dramatically that keeping them high enough will require extra lifts for many years. This is because the combined effect of levee subsidence and sea level rise is occurring at a faster rate than the originally estimated by the Corps. Thus, additional "levee lifts" will need to be funded in order that the HSDRRS provide a minimum of 100 year flood protection. Please keep these priorities in mind because the investments we make in local projects have broad national impact.

Finally, we must invest more in economic development, with a focus on small business development and access to capital for those in underserved areas. We must invest in small businesses because they are the engine of job growth in our country. The Administration's $949 million request is a small price to pay for the economic benefits that the Small Business Administration confers on our nation's entrepreneurs. SBA's investments in contracting, access to capital and technical assistance resources help small firms at every stage, from startup to mature job creator. Underfunding this critical agency will only serve to hurt American firms that represent the very essence of American entrepreneurial spirit. We must also invest in the Minority Business Development Agency by meeting or exceeding the budget authority that reflects the Administration's $29 million FY 2013 request. The MBDA plays a crucial role in helping historically economically challenged firms improve the economic narratives in their communities. It provides sorely needed resources that drive job creation and innovation and will help the U.S. achieve its export oriented growth strategy. Minority firms currently export to 41 nations across the globe, and a robust investment in MBDA can leverage these opportunities appropriately. Last, but not least, we must provide the Community Development Financial Institutions Fund with the proper level of resources to ensure that it can continue to promote sustainable opportunity in underserved neighborhoods. The programs administered by the CDFI Fund, including the New Markets Tax Credit program, make incredible contributions to economic growth in my district and across the country. The capital provided by the CDFI's drives job and wealth creation in areas that have previously experienced great challenge.

I am hopeful that the Budget Resolution reflects the Administration's $229 million request.

Thank you for presenting me with the opportunity to highlight the areas in the FY 2013 Budget that are critical to economic growth and opportunity in the 2nd District of Louisiana. It is my home. I grew up there and I have served it my entire adult life. I know that we have made some strides as we continue to rebuild from recent devastating challenges. But more must be done. I look forward to working with my colleagues on both sides of the aisle to craft a budget that promotes growth and opportunity.

[The prepared statement of Gregorio Kilili Camacho Sablan follows:]

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

Dear Chairman Ryan and Ranking Member Van Hollen: Thank you for the opportunity to submit testimony on the difficulties the U.S. Insular Areas face regarding federal data collection efforts and how Congress can play a role in helping these efforts. The U.S. island territories lag far behind the states in terms of priority, availability, timeliness and types of data collection and the federal government has been slow in responding to the need to provide improvement and reform. This lack of in-

formation prevents federal and local governments from objectively measuring local activity and hinders effective planning. Sound policy depends on sound data and without accurate numbers on the economy, on employment, and on income levels, policymakers are less able to make informed decisions. It is difficult for governments and the public to know if policies are effective, when there is little or no objective numbers to measure against.

Federal government departments and agencies collect, compile, and often analyze data in the 50 states, the District of Columbia, and Puerto Rico concerning many aspects of state or local economies, workforces, and households. These data collection programs occur more frequently than the decennial census, and provide timely information of value to state and local governments and to the federal government when considering the allocation of resources to states and localities. For the most part, however, insular areas are not included in these data collection efforts. Insular areas, by virtue of their small and unsteady economies, limited local data collection and analyses resources, and modest financial means, would greatly benefit by federal collection and compilation of such data and, as members of the United States family, merit the same level of federal support in this regard as the states receive. Some federal data collection efforts include some, but not all, insular areas; other efforts simply exclude all insular areas. Federal funding for any data collection, compilation, or analysis programs applicable to the mainland should also include sufficient funding, and a mandate, for those efforts to extend to the insular areas.

The U.S. Department of Labor's Bureau of Labor Statistics is "the principal Federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support public and private decision-making." The Northern Mariana Islands, however, is not included in the BLS's state- or local-level data concerning employment, unemployment, pay and benefits, or workplace injuries. All of this data would be valuable not only to the Commonwealth government for its internal use, but also would assist public and private organizations in applying for federal grants.

Similarly, the U.S. Census Bureau's American Community Survey (ACS), a survey that provides data every year, gives communities the current information they need to properly plan investments and services, is not conducted in the insular areas. Data derived from the ACS help determine how more than $400 billion in federal and state funds are distributed annually. Likewise, the Census Bureau's Small Area Income & Poverty Estimates program, designed to "provide updated estimates of income and poverty statistics for the administration of federal programs and the allocation of federal funds to local jurisdictions," omits the insular areas.

There is clearly a need for the insular areas to have the same type of data available to the states. Therefore, I respectfully request sufficient budgetary resources to provide for data collection in the U.S. insular areas equivalent and comparable to data collected by the agencies of the federal government for all other parts of the nation.

[The prepared statement of Robert T. Schilling follows:]

PREPARED STATEMENT OF HON. ROBERT T. SCHILLING, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Chairman Ryan and Ranking Member Van Hollen: I believe that current law promotes and perpetuates the idea of wasteful, hurry-up, end-of-year spending. Therefore, I have introduced H.R. 3376, the Savings vs. Over Spending Act to promote smarter, reduced spending throughout the federal government and I believe this mechanism should be considered for inclusion in the budget the House will soon consider.

As a small business owner, I know that giving employees incentives for efficient, high-quality work is part of a business model for success. Saving taxpayer money while preserving a strong level of service represents common sense, but the government's current "use it or lose it" system, which incentivizes agencies to find ways to spend dollars that they do not need to spend to carry out their mission, has resulted in too much wasteful spending.

According to a 1980 report by the Senate Committee on Government Affairs, while "spending at year-end may be the result of legitimate, planned, and worthwhile spending intended by congress...the Subcommittee (on Oversight of Government Management) found numerous examples in which agencies took short cuts in the last few weeks of the fiscal year that led to questionable contracts." Furthermore, "Hurry-up procurement practices resulted in the purchase of millions of dollars worth of goods and services for which there was no demonstrated current need."

It's time that government agencies had some "skin in the game" when it comes to incentives to saving taxpayers money. Under the Savings vs. Over Spending Act, all Executive, Judicial and Legislative agencies would be incentivized to save money from their salaries and expenses. For any amounts saved by an agency at the end of a fiscal year, 50 percent would go towards deficit reduction and 50 percent would be returned to the agency that saved the money, to be carried over and spent at their discretion during the next fiscal year. This money would not be able to be carried over on a multi-year basis.

The federal government should proactively pursue solutions for smarter spending by government agencies, not encourage end-of-year waste. Again, thank you for the opportunity to raise awareness of this legislation.

[The prepared statement of Kurt Schrader follows:]

PREPARED STATEMENT OF HON. KURT SCHRADER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. Chairman, thank you for taking the time to hear from Members of the House of Representatives on the FY2013 budget resolution. I know you share my concerns for the growing fiscal imbalances in federal finances.

The National Debt stood at nearly $15.5 trillion when this week began. Of that total roughly $4.7 trillion is held by the government; the lion's share of that being owed to the Social Security Trust Fund which will need to transfer those holdings to the public as the trust fund pays itself out over the next twenty-five years. Despite this mountain of debt, Congress, just last month, added over $100 billion to this year's trillion dollar deficit by passing an unpaid for payroll tax cut.

Clearly the deal reached between the White House, Senate, and House of Representatives to pass the Budget Control Act (BCA) of 2011 on August 1, 2011 was a only a start to badly needed fiscal reforms. In FY2013 we must stick to the discretionary spending caps set by the BCA to cut $900 billion in deficits in the next ten years and not flinch in the face of sequestration if we are to give financial markets and job creators any cause for hope.

The fact of the matter is we must also go several steps further, beyond the additional $1.2 trillion in spending cuts needed to avoid sequestration in 2013. My priority for the FY2013 budget is to help lay the ground work for a grand bargain, to put and use everything on the table to reduce deficits over the next ten years by more than $4 trillion.

Deficit reductions of $4 trillion over the next ten years are only the beginning. Responsible spending caps and tax policies will be needed to spur and maintain the fiscal responsibility and economic growth necessary to bring our budget into balance nearly thirty years from now. Every day we wait, implementing and sticking with a solution grows exponentially more difficult.

After years of irresponsible spending and tax policies it is time for us to put aside partisan gamesmanship and do what is right for the nation.

Nobody wants automatic spending cuts to indiscriminately hit federal programs. The whole point of having sequestration was to force congressional action by making the cost of inaction immediately too high. The cost of reversing course now would be even higher. This leaves us but one option for restoring faith in our legislative process and providing for our fiscal and economic futures—to move forward with a bold plan to reduce the deficit.

Mr. Chairman, you are no stranger to putting forward bold plans. Although I could not support the specific policies in the plan you put forward for the FY2012 budget, I applaud your courage for offering a plan addressing politically untouchable issues into the public record. With elections a mere eight months away, our window to take the action necessary to pass a responsible alternative to sequestration is closing quickly. We need to take the opportunity to put forward another bold but bipartisan plan to address our fiscal imbalances.

The principles I support are simple, responsible spending caps, reforms to strengthen and sustain entitlement programs, and tax policies that supports both adequate federal revenues and a growing economy. A budget resolution cannot put all of this in place, but it can provide the framework for laws which can achieve those goals.

If we do our job correctly, we can reduce the deficit responsibly while still fulfilling the obligations of the federal government to provide for the general welfare and common defense. Avoiding sequestration will allow us to invest in infrastructure and our local communities.

We need a highway bill and to have a highway bill we need a budget capable of accommodating one. Transportation infrastructure creates and sustains jobs and bolsters economic activity. I have a community in Woodburn, Oregon which has

been waiting a generation for the federal government to step up and come through on the promise to maintain an efficient Interstate Highway system. Woodburn is a community ripe for development. They have saved millions of their own money to contribute to the federal project needed to improve the I-5 Woodburn Interchange. Once the traffic jams along the interstate are cleared and trucks can reach the freeway, hundreds of acres of ready land will open up to industrial development.

Our communities also need us to prioritize so they can rely on our continued support. The Secure Rural Schools and Self-Determination Act (SRS) is the lifeblood for many counties across Oregon which once relied on timber harvests off federal lands. Until we implement a sustainable and scientifically defensible plan for our federal forests that generates revenue for our counties this program must be reauthorized. Without these funds many rural communities will effectively dissolve as schools, law enforcement, public safety, and transportation infrastructure crumble.

Our communities need us to set our priorities straight. Our children need us to provide for their futures. Our parents need us to ensure the solvency of their retirement and healthcare. We can do all of this or none of this, it depends on the priorities we set.

Please, go big.

Thank you for your consideration.

[The prepared statement of Timothy J. Walz follows:]

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

Chairman Ryan, Ranking Member Van Hollen, 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 to that work in a small way.

In my view, there are two very important areas that need to be addressed in regards to the budget that are interrelated—tackling our national debt, and investing in a 21st century economy.

First, one of my most important responsibilities as a Member of Congress is to ensure that taxpayer dollars are being spent in a wise and efficient manner.

And I'm proud to say that, since taking office in 2007, I've made it my mission to take a proactive approach towards doing so.

• I have returned over $300,000 in taxpayer funds from my office budget to the U.S. Treasury with the intention of paying down the national debt and I am one of the only Members of Congress to return every salary increase I've ever received.

• Although I make these good faith efforts to reduce our debt, I know that they alone are not enough.

Tackling our national debt will require us to make some tough choices. And I remain committed to working with my colleagues on both sides of the aisle to do so.

Last year, we took a major step in this process by enacting more than $2 trillion dollars in spending cuts—but even this will not be enough to tackle the problem at hand

That is why last year, I joined with 100 Republicans and Democrats in calling on Congress to go big and pass a package that reduces the debt by fully $4 trillion

In order to get to that total, we will have to make significant cuts to programs that are unnecessary or ineffective

But securing America's long-term fiscal security and maintaining our leadership role in the world economy also requires us to invest in the kinds of things that have always been the bedrock of America's international competitiveness:

• Educating the world's most productive workforce
• Building the world's most highly-developed infrastructure
• Taking the lead in the technologies of the future

As parent and a teacher, I may be biased in how important I believe education is to our country.

I hear so often from business owners and managers in southern Minnesota about how the lack of sufficiently qualified workers is holding them back

That is why we need to continue to invest in America's schools, from pre-k up through community colleges and technical schools, to ensure that our workforce has the skills to meet employer demand

At the same time, southern Minnesota's businesses can't compete in the world economy if they can't get their goods to market

As a member of the House Transportation Committee, I recognize the importance of taking a visionary approach to infrastructure investment.

This country became what we are today because of the innovative vision our forefathers took towards infrastructure:

• They built the railroads that connected the continent and spurred the industrial revolution;

• They built the interstate highway system that made our American economy the greatest the world has ever known.

But today, it seems as though we have lost that vision

At a time when our competitors overseas are investing in smarter roads and faster trains, our infrastructure is crumbling

• There are approximately 150,000 American bridges that have been deemed "structurally deficient" or "functionally obsolete" by the Federal Highway Administration.

• Nearly 1,500 of those bridges are in my home state of Minnesota.

This is unacceptable. We need to make a commitment to restoring and modernizing our infrastructure for the next century.

We can do this by taking the same visionary approach that our forefathers took.

In doing so we will:

• Put hundreds of thousands of Americans to work all across the country;

• Give folks peace of mind by repairing our deficient roads and bridges so their daily commute is safer; and

• Create a 21st century infrastructure, including investment in high-speed rail that will allow our businesses and communities to grow and prosper.

Now is not the time to under-invest in our crumbling infrastructure. Now is not the time to compromise on safety. And now is not the time to let America fall behind the rest of the world.

This situation calls for leadership and a vision for the future. Both the Chamber of Commerce and the labor community agree; investment in infrastructure will create jobs and grow our economy immediately.

Finally, I believe that our budget should help America's inventors, entrepreneurs and manufacturers lead the world on the clean energy technologies of the 21st century

Just as past support for research, development and implementation helped American businesses take the lead in the transportation, communications, and energy technologies of the last century

So too should we pursue a policy that helps American businesses lead the world in the wind, solar, and other renewable energy technologies of the next century

This is a smart investment not only in American jobs and competitiveness

It will also help America achieve our goal of energy independence using the natural resources and ingenuity that are found in southern Minnesota and across the country

Let us not settle for the small.

Let's work together in bipartisan fashion and make a commitment to our nation's future.

Let's make a robust investment in our nation's infrastructure that will create All-American jobs, repair our roads and bridges, and help our communities prosper.

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.

[Whereupon, at 2:34 p.m., the Committee was adjourned.]

○