

**REMARKS OF THE HON. ROSA L. DELAURO
BEFORE THE HOUSE BUDGET COMMITTEE
THURSDAY, MARCH 8, 2001**

Good afternoon. I would like to thank Chairman Nussle for extending an invitation to Members to come before the Committee to share their thoughts and views on the Budget Resolution for Fiscal Year 2002. I believe we stand at a critical juncture in the debate over fiscal policy in America and I am grateful the Chairman has made this time available.

Let me also thank Ranking Member John Spratt, a good friend and one of the most thoughtful Members of the House. Members of the Democratic Caucus know they can count on John Spratt's insightful advice and candid counsel on so many issues related to the nation's budget. It is always a pleasure to work by his side.

As I stated, I do feel that we are at a critical turning point for the nation, and given the scope of the changes in spending and tax policy that are being debated, there is a great deal at stake. The Budget Resolution adopted for this fiscal year can either start us on a road back to past failures or on to a successful future.

When the president presented his budget to Congress last week, I applauded him for setting a positive tone for the country and for trying to find areas of agreement where we can make progress.

While I agree with many of the priorities that the president outlined, I am very concerned about his overall budget and the lack of detail he has provided thus far. It risks the fiscal discipline that has been important to our strong economy. And it fails to make the investments that our families need.

The president's tax plan could weaken our economy and fails to provide fair and significant tax cuts for those who need it the most. Instead of cutting taxes for working and middle class families, the president's budget gives 43% of the benefit of his tax cut to just the top 1% of earners.

If we act responsibly, we can have significant tax cuts for all Americans and still meet the nation's other pressing needs, such as education, Social Security, a Medicare prescription drug benefit, and national defense. Yet by pressing forward with such a large, inequitable tax cut, the president makes it impossible to meet these other priorities.

The president's budget will put American families in double jeopardy. If his tax cut should pass, the president must either dip into Social Security funds to pay for his other stated priorities or begin deficit spending, returning us to the days of higher interest rates and slow growth.

Not only would the president's budget fail to provide tax cuts for all American families, it increases the chance for higher interest rates and an economic slowdown that would hit working families the hardest. The president's plan provides the least benefit for working families, but leaves them the most at risk.

Additionally, and contrary to the president's statement, his tax cut would not provide any immediate stimulus to spur our economy. The majority of the tax cuts do not go into effect for years. In fact, seventy-one percent of the tax cuts would occur after 2006.

This fact represents a critical misstep if the tax cut's intent is to provide economic stimulus. Even Alan Greenspan has agreed that the president's tax plan provides little or nothing in the way of a boost for our economy. We would do better to provide greater relief, faster, and make sure that it helps working and middle class families.

I also strongly agree with the position of my Blue Dog colleagues that we should act on a budget resolution before voting on tax or spending legislation. No family or business would make a decision that would have a major impact on their finances for the next ten years without first sitting down and working out a budget to figure out what they can afford. It would be like writing checks without balancing your checkbook.

This is not just an argument about process or arcane budget rules, although these processes and the work of this committee are a vitally important part of how the Congress accomplishes its work. This is about an important principle about acting responsibly to balance priorities important to our constituents. It is impossible to balance these needs unless we see the big picture.

In the remaining time I have, I would also like to briefly present my concerns about how this year's budget could effect a number of programs that I believe are important nationally, as well as in my own district.

Since I came to the Congress, I have spent a great deal of time and effort trying to advance proposals in two critical areas: child care and development and women's health. The president's

budget raises a number of serious concerns about the president's commitment to these two critical issues.

Consider this: more than 5 million American children under the age of 3 are in the care of other adults while their parents work outside of the home. Twenty-five percent of these children – 3 million nationwide – are living below the poverty line. These are the children who are too often left behind. They are less likely to receive the care they need from parents or other child care providers to grow and develop healthy and thriving. By the time they arrive in school, they are already at a monumental disadvantage.

Head Start and the Child Care and Development Block Grant Program are critical parts of the solution. Last year, Head Start received a big boost with a one billion dollar increase. Yet Head Start currently serves only a little more than half of the four year old children eligible for the program. A similar increase this year would allow for the enrollment of another 82,000 children.

The president's budget outline, however, does not address future funding for Head Start. In fact, the words "Head Start" do not appear in his budget blueprint at all; not exactly a reassuring development. I urge the Committee to make room in its budget resolution for this critical program.

Access to child care is critical for low-income families struggling to make ends meet. The Child Care and Development Block Grant program focuses on improving child care quality and access for those families who need it to work and remain self-sufficient. While the president's budget claims

to increase CCDBG by \$200 million this year, it actually creates a set-aside within the program of \$400 million for a new after-school care initiative. For CCDBG, this 'increase' is in fact a \$200 million cut below last year's levels. While I support after-school care, it should not come at the expense of the core mission of CCDBG.

In the area of women's health research, the president has thus far provided nothing in the way of detail. There is, however, significant cause for concern due to the lower than needed increase his budget provides to meet the bipartisan goal of doubling the National Institutes of Health budget. By including only a \$2.8 billion increase this year, a \$4.2 billion jump would be required to meet the goal in 2003. That is a massive budgetary hurdle that will be difficult to clear in a single year.

In addition to these critical national needs, my constituents are also concerned about what the president's budget will mean for a number of critical challenges our community faces.

Defense policy and spending is also a critical priority. While I was pleased with the president's stance during the recent campaign, I was very disappointed that his budget failed to make necessary investments. In recent years, we have worked on a bipartisan basis to address quality of life issues for men and women in uniform. I am pleased that the president seeks to continue this commitment. However, our budget resolution must address what I see as critical shortcomings in the president's plan.

The president's desire to continue to pursue a flawed missile defense policy would require cuts of important weapons programs such as the F-22 and Joint Strike Fighter (JSF).

The F-22 is the Air Force's fighter for the next century. This stealth aircraft is designed to penetrate enemy airspace, and achieve first-look/first-kill capability against multiple targets. The JSF is being developed to be an affordable, lightweight, stealth fighter/attack plane for the Navy, the Marines, and the Air Force. Both programs are vital if we are to address the threats of the near future.

Let me once again thank Chairman Nussle and Ranking Member Spratt for providing me with the opportunity to speak with you. I am hopeful that we can come together on a fiscally responsible budget that cuts taxes for all families, that invests in education, Social Security and Medicare, and keeps us on track to paying off the debt. While I was disappointed with the budget outline the president provided, we have a chance now to work together to craft a bipartisan budget roadmap that sets us on the right course for the coming fiscal year and those that follow. Thank you.