

FY2010BUDGET: VIEWS FROM MEMBERS OF CONGRESS

STATEMENT FROM CONGRESSMAN STEVE COHEN

BEFORE THE HOUSE BUDGET COMMITTEE

MARCH 11, 2009

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

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

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

This budget would cut the deficit the President inherited by at least half by the end of his first term. The inherited deficit for 2009 is \$1.3 trillion and will fall to \$533 billion by 2013. The smaller deficits result in part from

reduced war costs over time and not extending tax cuts for people with incomes above \$250,000.

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

Healthcare

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

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

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

38108 area worse than the developing nations of Iran, Indonesia, Nicaragua, El Salvador, Syria and Vietnam in infant mortality rate.

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

Education

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

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

Veterans

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

Energy

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

Tax Cuts

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