

PREPARED STATEMENT OF REPRESENTATIVE PHIL HARE FROM ILLINOIS
MEMBERS' DAY — HOUSE COMMITTEE ON THE BUDGET

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

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

Economic Development

Locks and Dams:

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

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

Additionally, every spring and summer, my district, along with most of the Midwest is susceptible to flooding. We have had two 500-year floods in the past 15 years that have devastated entire towns, farmland and critical infrastructure. It is impossible to overstate the

economic damage this has on the communities along the river and on our country as a whole. We must fund comprehensive, long-term flood-protection strategies such as the Upper Mississippi River Comprehensive Plan. Developed in response to the great flood of 1993, the Plan calls for building 100-year levels of protection for agricultural areas and 500-year levels for critical infrastructure such as water treatment plants, roads, and bridges along the Upper Mississippi Valley. The Comprehensive Plan will increase public safety and provide economic growth throughout the Midwest. It will create jobs, protect our critical transportation infrastructure, and ultimately save lives.

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

Passenger Rail:

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

Rural Broadband:

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

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

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

Energy

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

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

Education

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

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

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

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

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

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

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

Labor

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

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

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

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

economic recovery. With these additional resources, MEP could double the number of manufacturers served and save 100,000 jobs.

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

Veterans

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

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

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