

THE HONORABLE STEVE KAGEN
Statement before the House of Representatives
March 11, 2009

Mr. Chairman:

Thank you for allowing me an opportunity to present my views and offer suggestions to the Fiscal Year (FY) 2010 budget. I believe a nation's budget is a reflection of its values and its priorities, and I look forward to working with you and our colleagues in designing the FY 2010 budget.

These are tough times for all of us, everywhere in these United States. We are facing the most serious and complex economic challenges of the century and we cannot afford mistakes or miscalculations. During the last eight years the federal deficit surged to over \$1.3 trillion dollars; the amount of publicly held debt has doubled; and over 3.6 million Americans have lost their jobs. Today more than ever, we need elected officials at every level of government with good judgment.

One of the most important inclusions in the President's budget outline is his down payment on health care reform. As you know, Mr. Chairman, the largest cost of any business is health care. It is my hope that Congress will collaborate with the Administration to develop practical, substantive and needed reforms to our health care delivery system.

I believe that future reforms must require all health insurance companies to openly disclose their prices within Metropolitan Statistical Areas, and no citizen should have their civil rights denied through the discriminatory actions of insurance companies who deny coverage due to pre-existing medical conditions. No citizen should pay more than the lowest price available for a given procedure or a medical treatment. In addition, Medicare and Medicaid should begin to reward value instead of volume by making certain that physicians and hospitals are paid sufficiently to cover all overhead costs plus a margin of profit. Finally, patients, their families, and their doctors must be the only ones to determine which treatments are best for the patient, without any interference from insurance companies, hospital administrators or government officials.

I am pleased President Obama has been honest about the costs of such necessary reforms, and has listed them in the federal budget. I am confident the Committee will continue its previous commitment to transparency and present these costs in its budget as well.

It is also important to note that the President is committed to ending many of the budgetary gimmicks previous Administrations utilized to portray an unreal financial picture. I am heartened that the President operates under the same realistic perspective as the Committee has utilized during my time in Congress. By clearly articulating future war costs and placing them in the budget, and by recognizing the need for future natural disaster funding, the federal government and the public are fully aware of the financial decisions we face. It is important to provide the American people the unvarnished truth

so that we can move forward in reducing the deficit and establishing a federal government that is fiscally responsible in practice, not just on paper.

As the economy recovers, our workforce will also need to be responsive. I would ask the Committee to recognize the continued need for worker training programs. Manufacturing jobs are changing and are require fewer man-hours. Our government must assist workers in need to meet new standards our economy may place upon them and help to maintain our traditional knowledge advantage in the global marketplace.

It is also incumbent for Congress to recognize the consequences of our increasingly globalized economy. I support increased funding for the Trade Adjustment Assistance (TAA) Program. When a plant is moved overseas, or a foreign company undercuts our domestic market, workers are affected most. This has not gone unnoticed by the federal government, and TAA has evolved to assist workers during economic downturns. By providing temporary support as well as training programs, TAA allows workers to return to full time employment as soon as possible.

I would be remiss if I didn't remind the Committee how badly the economy has affected farmers, who don't need the rug pulled out from under them again, by cutting our support even further. The Obama Administration has mentioned revisiting the issue of direct payments for farmers. This House just passed a bipartisan Farm Bill which included significant reductions in direct payments to farmers, perhaps already accomplishing the President's goal of ending support to large agribusinesses who don't need them.

I look forward to the Committee's work in designing a budget that truly reflects the needs and priorities of the American people.

Thank you for your consideration of my views.