

Testimony to the Committee on the Budget

March 11, 2009

Rep. Ron Klein

Thank you, Mr. Chairman for inviting me to testify before the Budget Committee today. This budget will serve as a blueprint for the future—a commitment to our long term vision of what is most important to our country. Under your leadership, we are returning to a culture of fiscal discipline. In these economic times, nothing is more important.

Mr. Chairman, for the first time, the American people will have an honest and transparent budget to evaluate. For too long, the government was not being completely open by running two wars and other expenditures off the books. No American family or business can run its budget in that manner, and the government shouldn't either. Hundreds of billions of dollars later, the American people will finally be able to see the serious financial consequences that we face today. Restoring honesty and fiscal discipline is an important step in re-establishing trust in government.

Whether you support or oppose the war, we all agree that when Americans who wear the military uniform return from service, they deserve to be treated with the highest level of respect and dignity that they have earned. This includes making sure that they receive the necessary benefits. Last year, I testified before your committee about the backlog in disability claims. We have seen some progress, but not enough. As of September 2008, 330,000 Iraq and Afghanistan war veterans have filed disability claims to the VA. Yet, 54,000 are still waiting for confirmation that the VA received their claims. The average wait for a disability claim is more than six months. I come before you again this year to speak on behalf of the veterans of Palm Beach and Broward Counties in South Florida, from World War II to Operation Enduring Freedom and Operation Iraqi Freedom, and ask that we keep our promise to our nation's veterans and ensure that they get their benefits in an easy and efficient manner. America is at its best when we honor those who have served us, and I know that this budget will reflect those priorities.

Our budget must also include funding for Priority 8 veterans. Many veterans in South Florida make too much to be eligible for VA healthcare, but make too little to be able to pay for quality health insurance. In the last administration, those veterans were not able to get the benefits that they earned. This must change. We must move quickly to get our Priority 8 veterans the services they deserve.

I am also alarmed by the recent rise in military suicides. A recent RAND study indicated that 20% of the servicemembers who are returning from combat suffer from post-traumatic stress disorder or major depression. We have learned that the VA suicide hotline took about 55,000 calls during its first year in operation. Florida was among the highest in number of calls to the hotline. With this in mind, we must expand mental health screenings and provide our military with the resources to research the effects of war when our servicemen and women come home.

Mr. Chairman, another important area of the budget that deserves a high level of support is medical and scientific research. It is clear that research and technological progress can help save lives and advance our country's priorities. We also know that some of the best scientists, engineers and doctors are working in the most premiere research institutions in the world, right here in the United States. When I served in the Florida State legislature, I helped bring The Scripps Research Institute to Palm Beach County to jumpstart the biotech industry in South Florida. Scripps Florida opened last week, and it couldn't have come at a better time. It is this innovative spirit that makes America strong. When Florida's economy is hurting, jobs in research and technology could help expand employment in our communities.

On a national level, institutions like the National Institute of Health and the National Science Foundation deserve our robust commitment. I believe that this budget should double cancer funding over the coming year and heavily invest in research on Parkinson's, diabetes and Alzheimer's. And, as a longtime proponent of embryonic stem cell research, I believe that our budget should enable our scientists to pursue every reasonable path to successfully complete lifesaving research.

Mr. Chairman, as we face critical challenges ahead, we must work together. Democrats and Republicans alike are committed to providing the best opportunities for the American people, and this budget is a first step in redefining our priorities for the future.

There is one provision in the budget that I would like to discuss today.

Our community in South Florida faces distinct challenges. Unemployment in the State of Florida has risen to 8.6%. As of the end of 2008, 20% of home loans in Florida were past due or in default.

Many in our community have begun to reach out their hand for help...sometimes to the government and other times to charities—charities like Covenant House Florida in Fort Lauderdale. They have provided shelter to over 30,000 homeless young people since they were founded in 1985. They have helped young men find jobs and have taught young women to care for their children. But, despite their successes, the need for their services has only grown. Their executive director, Jim Gress came to my office last week to talk about their predicament. He told us that last month, for the first time since 1990, Covenant House Florida ran out of beds. The tough economy makes their job that much harder.

Fundraising for these charities is not easy either. In South Florida, many philanthropists can't afford to be as generous as they were in the past. Charities have also found that some of their supporters were victims of Bernie Madoff's Ponzi scheme. Without the support of benefactors, just when we thought times couldn't get worse, our community found that non-profits like South Florida's Picower Foundation, were closing their doors, no longer able to assist in food banks, healthcare, education and job training.

It is under these circumstances in South Florida that I come to you to ask that you reconsider a provision in the proposed budget. Under current law, a philanthropist can write off 35% of his

or her contributions to a charity. This allows charities to grow, even more importantly in this economy. But, there is a proposal to cap the charitable deduction at a 28% rate.

I have heard from several charitable organizations in my district that their services depend on the generosity of their benefactors. They have told me that contributions to their charities currently under stress, will decline further if this provision goes into effect.

I would like to read an email I received from Mr. Anthony Middleton, who is the treasurer of his church, Sonfest Chapel of Boynton Beach, Florida.

“Many contributions received by faith-based institutions are used in a benevolent manner to help needy families and individuals and the homeless. If the allowance for charitable contributions is reduced, it will severely impact and threaten the existence of churches and charities, as well as spending by these organizations to aid the poor and homeless. When people donate to a charity or through their church, at least they know what they are directly supporting.”

Mr. Chairman, I strongly believe in a balanced budget, as you do. I am a deficit hawk, and I believe that we must pay for what we spend, just like any American family. Mr. Chairman, I hope that as we continue to work on the budget bill, we can work together to find an alternative to this reduction of the tax deduction for charitable contributions so that we can meet our goals of fiscal discipline and responsibility to the American taxpayer.

I ask unanimous consent to place in the record letters that I have received from Covenant House Florida, the Union of Orthodox Jewish Congregations of America and the Jewish Federation of South Palm Beach County, asking me to oppose this provision.

Though challenges abound, I am confident that we will get through this together. We have many opportunities ahead to strengthen our great country, and I look forward to working with you, Mr. Chairman, our colleagues in the Congress and the President, to ensure that we have a budget that prioritizes America's working families and makes America stronger. Our future holds great opportunities for America, and this budget should reflect the vision of the American people.