

ADDITIONAL VIEWS OF REPRESENTATIVES OBEY, HOYER AND MOLLOHAN

Representatives Obey, Hoyer and Mollohan offered an amendment in full committee to increase the hourly minimum wage from \$5.15 to \$5.85 on January 1, 2007; \$6.55 on January 1, 2008, and \$7.25 on January 1, 2009. It was the same amendment that the committee approved and included in the Labor-Health and Human Services-Education appropriations bill. When it became clear that the Republican Leadership would not allow that bill and the wage increase to receive a vote on the House floor, Democrats moved to offer the amendment again on this bill. This time, the amendment was defeated on a straight party-line vote of 28-34.

The need to increase the minimum wage is clear. According to the most recent poverty statistics, there are 3.7 million workers who worked full-time, year-round, and still lived in poverty. During the 1960s and 1970s, the annual earnings of a full-time, year-round worker earning the minimum wage were roughly equal to the poverty level for a family of three. To reach the poverty level for a family of three in 2006 (\$16,600), a full-time, year-round worker would need to earn \$7.98 an hour--\$2.83 more than the current minimum wage. Americans who work full-time, year-round should not live in poverty.

The minimum wage increase of \$2.10 per hour over 24 months in this bill would directly benefit about 7 million low-wage workers, according to the Economic Policy Institute, and its spillover effects would benefit an additional 8 million workers. Moreover, this increase would benefit poor workers who need it most: 54 percent of the gains from the proposed \$2.10 hourly increase would go to working households in the bottom 40 percent of the income scale.

Giving Americans a raise by increasing the minimum wage does not harm economic growth. Since 1997, 20 states and D.C. have enacted minimum wage rates above the \$5.15 Federal level. Employment growth in those states disproves predictions that increasing the minimum wage would make small business employers less inclined to hire. In fact, small business employment between 1997 and 2003 grew more in states with a higher minimum wage than in Federal minimum wage states (9.4 percent versus 6.6 percent).

The last increase in the federal minimum wage was signed into law nearly a decade ago by President Clinton. Since the wage has remained stagnant, it

now equals only 31 percent of the average hourly wage of American workers--the lowest level since 1949. The House recently agreed to legislation that would provide the ninth cost-of-living increase for Members of Congress since the current level of the minimum wage took effect. Isn't it time to vote on an increase in the minimum wage?

Dave Obey.

Alan B. Mollohan.

Steny Hoyer.

ADDITIONAL VIEWS OF THE HONORABLE DAVID OBEY AND THE HONORABLE ALAN B. MOLLOHAN

The President's request for Science, State, Justice and Commerce FY 2007 programs yields ground in the fight against crime, backs away from the supporting economically distressed communities, retreats from investments in cutting edge innovations, and abrogates our responsibility to ensure equal justice under the law. This bill improves on the Administration's budget, and Chairman Wolf, a man of principle and passion, deserves credit for those improvements. Nonetheless, the President's failures do not excuse Congress from its obligation to adopt a responsible budget resolution that enables us to adequately address these critical issues.

THE PRESIDENT'S BUDGET AND THE CHALLENGES WE FACE

State and Local Law Enforcement: Despite the subcommittee restoring \$1.1 billion above the request, this bill provides \$2.3 billion in assistance to state and local law enforcement, a reduction of \$200 million compared to last year and \$2.2 billion compared to 2001. Each year, President Bush's budget has proposed to cut funding for formula grants and assistance to: prevent and prosecute gang activities; combat methamphetamine; equip our police with bulletproof vests and interoperable communications; reduce recidivism; and, encourage effective crime prevention techniques for at-risk youth. Each year, the Committee struggles to restore these cuts. And each year, assistance to State and local law enforcement declines.

[In billions of dollars]

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
Enacted:	\$4.4	\$4.0	\$3.5	\$3.0	\$2.8	\$2.5	\$2.3 (H)
Request:		\$3.5	\$2.7	\$2.3	\$1.6	\$1.5	\$1.2

Last year, violent crime rose by the largest percentage since 1991. Murders increased 4.8 percent--the largest increase in 15 years according to FBI statistics. This is the first increase in violent crime since 2001.

When violent crime is on the rise and local police face additional homeland security demands, this is no time to cut assistance to our State and local law enforcement.

Economic Development Administration: The story is the same with the Economic Development Administration (EDA). Every year, the level provided is a little less than the year before. This year, the Chairman's mark provides \$261 million for EDA. This is \$66 million below the request of \$327 million and \$19 million below the 2006 enacted level. Since 2001, EDA support for communities with high unemployment and low incomes has been cut by \$179 million--more than 40 percent.

Even in good economic times, many communities in America have been left behind. Today, with the economy failing to provide new jobs and increased wages, EDA efforts that spur public and private investments in commercial and industrial jobs are needed more than ever. EDA's efforts have created more than four million new jobs since its inception and leveraged in excess of \$130 billion in private sector investment.

NASA science and education: While the primary Moon-Mars account rose by 30 percent, science funding increased only 1.5 percent, a cut after adjusting for inflation of 1.9 percent. The FY06 budget estimated the FY07 science account to be \$5.9 billion. Instead, the request was a little more than \$5.3 billion--a reduction of \$600 million. These cuts have been forced by funding increases for the Moon-Mars initiative and the continued costs of the space shuttle and the International Space Station. They have forced numerous science missions to be 'deferred' or cancelled outright. These missions expand our knowledge of the universe and our planet.

Until this year, NASA had made significant investments in science. And that investment resulted in incredible missions of discovery. For examples, these investments brought us: the Mars Rovers; the Mars Reconnaissance Orbiter, which is sending us high resolution images of the Martian surface; and, the Cassini/Huygens mission which may have found evidence of water on one of Saturn's moons.

These missions are exciting and are inspiring to the next generation of scientists and engineers. The Explorer Program, one of the programs targeted for reduction, is one of the few competitively run NASA programs that engages universities, industry, and other partners to explore the most cutting edge scientific discoveries in all aspects of astronomy and astrophysics. Designed to provide relatively cheap and fast access to space, these low-budget spacecraft are often developed and managed by university groups. Cuts to this program will end a generation of young people entering this field and possibly ending American domination of space science.

The President's request also cuts NASA education by 14 percent, \$25 million, from compared to two years ago--from \$178.9 million to \$153.3 million.

NASA's education programs capitalize on the excitement of NASA's discoveries and missions to inspire future generations of space scientists. At a time when the President is proposing to double the physical sciences in NSF, NIST, and DOE and we are all focusing on the importance of science education, cutting NASA science education simply makes no sense.

Legal Services Corporation: This year's bill provides \$313 million for Legal Services Corporation (LSC), \$12.7 million below the enacted level and \$87 million below the high water mark in 1996. LSC helps ensure that every American, regardless of income, receives equal access to justice.

LSC's budget declined precipitously in 1996, from \$400 million to \$278 million, then slowly but steadily rose to \$338 million in 2003. Since 2003, budget cuts and increasing costs have caused LSC to close 16 field offices, hire 100 fewer attorneys and 240 fewer paralegals. As a result, the number of cases handled by LSC declined by 30,000 even as the demand for legal services has increased. Since 2003, the eligible population has grown by 3 million Americans. We cannot continue to cut LSC and uphold the principle of the Pledge of Allegiance to provide justice for all.

THE MOLLOHAN AMENDMENT--THE DEMOCRATIC ALTERNATIVE

On eight of the other annual appropriations bills, Democrats have offered amendments that provided for additional investments in a range of domestic priorities offset by asking people making more than \$1 million a year to get by with a slightly smaller tax cut than

the Republicans would provide. These amendments were fiscally responsible and consistent with the Democratic alternative budget.

During consideration of this Science-State-Justice-Commerce bill, Representative Mollohan offered such an amendment. The Mollohan amendment would:

- Support state and local law enforcement grants by providing an additional \$312 million to reach the full authorization level of \$900 million;
- Assist economically distressed communities by providing an additional \$65 million, which is \$46 million above last year;
- Ensure assistance to those most in need is most effective by providing an additional \$13 million for the Survey of Income and Program Participation (SIPP);
- Help ensure equal justice by providing an additional \$92 million for the Legal Services Corporation (LSC), an increase that brings LSC to its 1995 high-water mark funding level;

Provide a range of assistance to small businesses by providing an additional \$20 million to the Small Business Administration's microloan program; and,
Bolster science and education programs at NASA by \$100 million to reverse the trend of damaging cuts in this area.

To be clear, the Mollohan amendment--as with all of the Democratic budget alternative amendments offered in committee--would not increase the deficit. These amendments are fully offset by providing people making more than \$1 million a year with a slightly smaller tax cut than Republicans would provide in their budget. In keeping with the Democratic alternative, the Mollohan amendment was offset by shrinking the average tax break for people making more than \$1 million a year by 1.45 percent--from \$114,172 to \$112,515--a reduction of \$1,657.

The bottom line is: \$59.8 billion is not enough for all the programs we have discussed and numerous others we have not mentioned, including funding for the National Oceanic and Atmospheric Administration, life sciences funding at NASA and biology funding at National Science Foundation.

EXPLOSIVES TAX

The bill contains a \$30 million tax on explosives users. The President proposed a \$120 million tax as he did last year. This tax is unacceptable. We hope and expect that the legislative provision that imposes the burdensome tax will be eliminated from this bill.

OTHER AMENDMENTS

Permanent Bases in Iraq The Committee accepted a Democratic amendment offered by Representative Obey that prohibits the use of funds to enter into military basing rights agreements between the United States and Iraq. In effect, this provision bars the establishment of permanent U.S. bases in that country. This provision is meant to send a clear, unequivocal message to the Iraqi people and to the world that the United States will not indefinitely occupy Iraq.

Congress missed the opportunity to signal its opposition to permanent bases in the recently approved FY 2006 Iraq supplement emergency supplemental. Despite both the House and the Senate including a ban on permanent basing in their respective bills, the conference committee just two weeks ago jettisoned the provision. We hope that the prohibition inserted in this bill will last longer than it did in the FY 2006 supplemental.

Leal Services Corporation. We are disappointed the Committee rejected, by a vote of 27-32, a Democratic amendment offered by Representative Obey to

add \$25 million to LSC to restore funding to the 2003 spending level, the recent high-water mark.

Survey of Income and Program Participation: Both the President's budget and the Chairman's mark eliminated funding for the Census Bureau's current Survey of Income and Program Participation (SIPP), which analyzes the impact of state and federal government programs on the well-being of American families. The data it gathers are essential to ensure the effectiveness of a range of federal, state, and local assistance for the most vulnerable in America. Eliminating the survey would leave gaps in the data until a new survey is designed and implemented, leaving policymakers in the dark at a time when Congress is considering changes to Social Security and Medicaid.

While we agree that the Census Bureau has made the decennial census its top priority, we cannot imagine that a survey measuring poverty and the participation of transfer payments should be a low priority. In fact, as government dollars become scarcer, we need the information provided by the SIPP to understand whether those resources are being effectively allocated and truly helping Americans in need. As such, we are pleased that the Committee accepted a Democratic amendment offered by Representative Serrano providing an additional \$13 million to continue the SIPP.

SBA Microloans: Both the President's budget and the Chairman's mark would eliminate the Small Business Administration's Microloan program, which is the largest federal program solely dedicated to supporting the credit needs of very small businesses and self-employed entrepreneurs.

The Microloan program is essential because it serves small businesses that would not typically fund a loan from financial institutions and would not qualify under the SBA's 7(a) loan program. Many do not meet traditional credit screening requirements or lack the business training necessary to access affordable capital. The Microloan program provides the funds and training these entrepreneurs need to get their new businesses off the ground.

The Committee accepted an amendment providing \$10 million in technical assistance and \$1 million of budget authority that will provide roughly \$9 million in lending authority for the Microloan program. We believe that this amount is wholly inadequate and hope that additional funding can be provided as the bill moves forward.

CONCLUSION

Chairman Wolf has a difficult job balancing a diverse portfolio of important programs in a tough budgetary climate. After House Republicans adopted an unrealistic budget resolution this past spring, this bill and the 10 other

annual appropriations bills the Committee has now reported are bound to come up short, and they have in ways large and small.

That budget resolution, which accepted the President's overall target for discretionary spending, didn't make this bill's failings a possibility; that budget made this bill's shortcomings a certainty.

Dave Obey.

Alan B. Mollohan.

