

Congressman Joe Courtney
Hearing on the President's FY 2009 Budget
February 28, 2008

Chairman Spratt and members of the Committee, I want to thank you for giving me the opportunity to testify before you today.

While the President's budget contains \$537 billion for non-war related activities, I remain concerned that there is not enough emphasis placed on our shipbuilding needs.

In 2001, the U.S. Navy numbered 341 multi-mission battle force ships. Today, however, the fleet is at a 91-year low of 279 ships – 34 below the Navy's own requirements. While the Department of Defense's (DOD) overall budget has increased by nearly 81 percent since 2001 (excluding supplementals), the Navy's budget for new ship construction has increased only 12 percent. Had Navy shipbuilding budgets kept pace with the increases in DOD spending, this year's budget request should have asked for \$19.4 billion, rather than the \$12 billion asked for -- just seven new naval ships.

As a result of this underfunding of shipbuilding, our Navy fleet will be strained as it tries to accomplish more with less. Last year, Congress added funding to the Navy's shipbuilding budget to begin construction on five ships that were not requested in the President's budget. Specifically, \$50 million was added to begin construction on the 10th ship of the LPD-17 class, \$300 million was added for advanced construction of the 12th, 13th, & 14th ships of the T-AKE class and \$588 million was added to accelerate construction of 2 Virginia class submarines per year.

The President's FY2009 budget does not provide the follow-on funding needed to complete construction of the LPD-17 or the 13th and 14th ships of the T-AKE class. And, while the budget accelerated the Virginia class to 2 per year in 2011 using last year's additional advanced procurement funding, it fails to include sufficient funding to further accelerate Virginia class to two per year in FY2010. In order to get to the minimum goal of a 313-ship Navy, we are going to need to invest more in our shipbuilding programs, both this year and in the years ahead. I would like to introduce a copy for the Record of an article in the February 28, 2008 edition of the *New York Times*.

Like many of you, I was extremely disappointed, but not exactly surprised, to see a budget from President Bush that continues the country on a path of fiscal irresponsibility. The budget contains the same misguided domestic policy priorities we have seen over the last seven years that continue to burden the low and middle class.

I want to thank Chairman Spratt and the Committee for laying the foundation in the FY 2008 Budget Resolution for the College Cost Reduction and Access Act, enacted in September 2007. A strong education foundation is the roadmap to a strong middle class. We need to ensure that our teachers have the resources needed to provide students the training necessary to gain the skills to compete in the 21 century. Our economy cannot prosper if we do not invest in education. The FY 2009 budget is frozen at last year's level

even as school districts throughout eastern Connecticut are struggling to balance their budgets while providing a quality education in a safe environment. Once again, the Administration shortchanges the elementary and secondary education budget, providing only \$125 million above last year for a cumulative shortfall to the NCLB law of \$85.6 billion. At a time when families are struggling throughout this country, President Bush provides just a pittance of an increase to Title I funding that doesn't even cover the inflation rate. In FY 2008, over \$13 million in Title I funding was provided to eastern Connecticut towns. As towns and cities are squeezed and students and families face rising college costs, this Administration mistakenly terminates 47 critical education programs, further reducing its investment in education by \$3.2 billion.

Right now, 92 percent of Connecticut's Medicare population are experiencing higher Medicare Part B payments and reduced benefits in order to subsidize increased benefits for only 8 percent of the population through Medicare Advantage. These resources could be used to improve traditional Medicare.

At the same time, the President proposes drastic cuts to Medicare & Medicaid Reimbursements for hospital services. Already, Connecticut's full-service hospitals are facing financial hardship due to rising operating costs, new costly technologies, labor shortages and an increasing number of uninsured Americans that are depending on them as a health safety net. The federal government should be supporting hospitals in their health care mission, not providing further challenges. The President's budget would be devastating for eastern Connecticut, with a projected loss of over \$90 million over the next five years.

The budget is an assault on science and medical advancements as well. The National Institute of Health (NIH) is our nation's best hope for curing and treating so many of the illnesses that families battle on a daily basis. We are dependent on their research and research grants to provide advancements in curing cancer, heart disease and diabetes and many other diseases. Yet, President Bush has proposed flat funding NIH at \$29.5 billion for Fiscal Year 2008. Since 2003, funding for NIH has failed to keep pace with biomedical inflation - resulting in fewer research grants, cancelled clinical trials and a reluctance to start new investigations due to uncertain funding. My state of Connecticut received 1,200 grants in 2007 for a total of \$469,206,694. Funding went to research projects at the University of Connecticut Storrs and Yale, both world renowned academic institutions working to make scientific advancements. If the President's budget is accepted, these institutions and others throughout the country will not be able to get the funding necessary to conduct today's research in order to find tomorrow's cures.

With the current mortgage market crisis, low-income Americans have been feeling the greatest impact. The Community Development Block Grant program is an effective program that helps support homeownership, housing rehabilitation and economic development programs. This proven HUD program not only helps improve individual communities, but serves to strengthen the local economy. Yet once again, President Bush has attempted to dismantle a program serving the housing needs of low- and middle-income Americans. He has proposed merging the CDBG with other programs and

decreasing the spending by \$86 million. Given the turbulence in the housing market, now is not the time to cut programs that support housing development.

Connecticut, like much of the Northeast, is vulnerable to fuel oil shortages and price spikes due to the high demand for heating oil. The Energy Information Administration projected that the cost to heat a home this year increased by \$375 to \$1,841. Families in eastern Connecticut are paying approximately \$3.40 per gallon for heating oil, nearly a dollar increase from last year. I have seen no indication that this trend will reverse itself, so I am perplexed as to why the Administration cut the Low Income Home Energy Assistance Program (LIHEAP) by \$320 million. This cut will mean that Connecticut receives \$6.6 million less which will be troubling to families that avail themselves of LIHEAP funding in eastern Connecticut.

At a time when ensuring our nation's security is of paramount importance, President Bush cuts funding for a variety of first responder programs. It outright eliminates the COPS program, which provides grants to communities to hire and train police officers and improve their telecommunications capacity. The budget cuts \$465 million from Fire Grants that help local departments obtain equipment, gear, vehicles and additional training. Connecticut would stand to lose over \$5 million from this budget cut alone.

The President gives little attention to infrastructure investment. The budget cuts the Federal –Aid Highways program by \$800 million to maintain current services. This funding is critical to my district and the entire State of Connecticut, which stands to lose \$8.3 million. Eastern Connecticut faces many unique circumstances and the state itself has 48 percent of roads and 34 percent of bridges are deteriorating. The budget also significantly cuts the Clean Water State Revolving Fund by \$148 million below the level needed to maintain current services. The cost to Connecticut if this federal water quality program is cut stands at nearly \$2 million.

I urge you to restore these ill-conceived budget cuts. It is important to the families, schools and businesses in eastern Connecticut. Thank you Mr. Chairman.