

**Statement of the Honorable Rosa DeLauro
Democratic Policy Committee Hearing on the Budget Deficit**

January 20, 2004

Thank you, Chairman Dorgan, for giving me this opportunity to attend and participate in this hearing today. Your leadership on matters relating to our budget and the deficits we see before us is critical to our efforts to address the very real concerns nearly every state in the nation are experiencing.

Historically, the federal budget has reflected our priorities as a people. It has reflected our values as a nation – our shared values.

But in the last 3 years, our budget reflects a government out of control, undermining our long-term well-being and contradicting our values. We have witnessed the sharpest budget turnaround in history. What was once a \$5.6 billion surplus projected through 2011 is now a \$2.3 trillion deficit, largely due to the series of massive tax cuts the Administration passed over the past 3 years – tax cuts that have benefited almost exclusively to large corporations and wealthy individuals.

The states have been left with providing the services that the Federal government is now underfunding, even as the states are facing their own deficits. In my state, we face a three-year budget gap of \$3.6 billion. Almost 30,000 people have already been eliminated from Husky program, Connecticut's SCHIP plan. 6 social services offices have been closed and adult job training programs have been cut.

Comment: Courant 1/17/03.

The Administration and the majority in Congress are intent on so debasing the quality of public services that citizens give up and turn, out of necessity, to the private market. Their long-range plan is to destroy the capacity and obligation of the Federal government to provide key social support.

We could face this challenge if the White House approached these budget issues honestly. Consider what they did with No Child Left Behind. After passing that historic education bill, the president's budget shorted it by \$8 billion. On Medicaid, the Administration has proposed to turn it into a block grant, but with progressively less funding – leaving the states with the enormous responsibility of providing health care for the nation's poorest citizens. In 2002 alone, more than 1.2 million additional people who lost their jobs and their insurance turned to Medicaid for assistance as their only option for health care for their families.

The same is true of their proposal to “reform” Head Start, the most effective early learning program ever developed. Their plan offers governors choice and so-called flexibility, but with starvation funding.

In the case of child care, Republicans proposed a welfare reform bill that created an \$11 billion unfunded mandate for the states. The list goes on – cuts to the HOPE VI public housing program, cuts in Immunization Grants, which have been effective in preventing meningitis, bacterial blood infections, and ear infections, and cuts to the

Health and Human Services block grant, which includes blood lead testing for uninsured children and hearing loss screenings for newborns.

By passing unaffordable tax cuts for the wealthiest Americans, Republicans are not merely sapping government resources – they are destroying the idea that our society can act with a shared sense of purpose and responsibility to address tasks before our country. As we look ahead to the coming year’s budget prospects, Democrats will need to be bold in their thinking and resolute in their principles. We have a fight ahead of us.

Again, let me thank the chairman for inviting me today.