

**Senate and House Democratic Policy Committees
Joint Hearing**

“The President’s Budget Request for Fiscal Year 2004”

Mayor Douglas Palmer
Mayor of Trenton, NJ

February 7, 2003

To the distinguished congressional members in attendance today, I want to thank you for inviting me here to testify on behalf of our nation’s mayors, our cities and the capital of the great state of New Jersey, Trenton. I have served as the mayor of Trenton for the past 12 years. I am actively involved in the United States Conference of Mayors and I currently serve on the Executive Committee. I hope that my testimony here today will provide you with a more clear understanding of the challenges many of my colleagues face around the country in light of President Bush's proposed 2004 budget.

The nation's mayors met last month here in Washington and we proposed a comprehensive blueprint for economic recovery, a new urban Marshall plan to invest in our cities, our economy, and our future. Unfortunately, the Administration's proposed budget for fiscal year 2004 fails to address many of our cities' key priorities that affect economic and homeland security. At a time when city budgets are severely pinched by the weak economy and significant local homeland security investments, the President's budget contains no general economic assistance for states and cities. Rather than boosting strategic investments in transportation, housing, job training, and Brownfields redevelopment, the budget instead recommends very small increases and some large cuts in these and other key programs.

While we are optimistic that the budget proposes a second installment of \$3.5 billion for local homeland security investments, cities continue to wait for the first round of this funding, which was promised more than a year ago. At a time when homeland security needs are only growing with the specter of war, we cannot afford to neglect our first responders. We continue to urge that these funds be provided directly to local governments, where they can be invested in homeland security most quickly and most efficiently.

As cities await homeland security funding, the Administration is proposing massive cuts in funding for programs that prevent more traditional crime, including a 77 percent cut in COPS--this will eliminate all funding to hire new officers--and an end to the Local Law Enforcement Block Grant Program. We must be able to simultaneously continue the fight against street crime and secure our cities against terrorist threats.

This Administration does seek to provide more funding for Amtrak than last year, however, the budget contains only half of what Amtrak needs to maintain current services. I might note that this budget targets for elimination six Amtrak routes. Highway funding, while higher than expected, is \$2.5 billion short of fiscal year 2002 levels and \$45 billion less than

what the U.S. Department of Transportation estimates is needed to adequately maintain our existing infrastructure. Each additional investment of \$1 billion in transportation creates more than 42,000 jobs.

There is an affordable housing crisis in the nation and it will demand federal attention. While there is a proposal for a homeownership tax credit and level funding for Community Development Block Grants, this budget recommends the elimination of HOPE VI, which has proven to be a highly effective tool for revitalizing public housing. This budget continues inadequate funding for our public housing authorities, whose budgets were already cut 10 percent this year.

We are pleased that the budget funds Brownfield site assessment and clean-up projects, yet it entirely eliminates funding for the redevelopment of these sites, a crucial environmental and economic priority for our cities that mayors have supported for more than a decade.

The Administration has proposed to add almost \$2 billion to Title I of the "No Child Left Behind Act," but that still leaves the states and cities at least \$3 billion short of what is needed to meet the law's mandates. The Administration continues to seek the elimination of Youth Opportunity Grants, as well as reductions in key after school programs.