

**STATEMENT OF CONGRESSMAN STENY H. HOYER  
BEFORE THE HOUSE COMMITTEE ON THE BUDGET  
HOUSE OF REPRESENTATIVES**

**March 8, 2001**

Mr. Chairman, and Members of the Committee:

I would like to thank you for the invitation to appear before the committee this afternoon to discuss several critically important issues related to the federal budget for fiscal year 2002.

I would like to focus on five important subjects:

- Budget reality;
- Federal employees;
- Election reform;
- Education Reform; and
- Treasury-Postal appropriations

## **BUDGET REALITY**

The budget for the next fiscal year, in my opinion, should continue the fiscal framework that this Congress and the previous Administration established over the last eight years. The American people deserve a budget that incorporates a balanced and responsible approach to meeting those needs. We can give the American people a sizable and affordable tax cut, and still have surplus funds to pay down the debt; invest in priorities such as education and a prescription drug benefit under Medicare; modernize our national defenses; and extend the solvency of Social Security and Medicare.

The Administration is unfortunately taking a different course. President Bush wants us to enact a \$1.6 trillion tax cut, but the numbers just don't add up. When you factor in the higher interest cost associated with the revenue reduction and changes to the Alternative Minimum Tax, the cost increases to \$2.3 trillion.

Practically the entire non-Social Security and non-Medicare surplus will be allocated to tax cuts, leaving next to nothing for crucial national priorities such as defense, prescription drug coverage for seniors, education and debt reduction.

In the President's budget "Blueprint," he calls for growth of non-defense programs that is lower than the amount the Congressional Budget Office has deemed necessary to maintain purchasing power. In light of this fact, I am at a loss as to where the funding is going to come

from to pay for programs that the American people demand.

Mr. Chairman, your counterpart on the other side of the Capitol, Senator Pete Domenici has said that “It will be very hard to live on 4 percent with all the priority items that our president wants.” I hope that this Committee will construct a budget framework that is responsible, realistic, and workable for the American people.

### **FEDERAL EMPLOYEES**

The next issue that I would like to address, Mr. Chairman, is pay for Federal employees.

The recruitment and retention issues in the military that have received so much attention are also occurring in the Federal civilian sector. The pay gap between the military and the private sector is approximately 10 percent, according the Bureau of Labor Statistics. The same survey estimates that the federal civilian workforce and the private sector gap has grown to 32 percent. If our civilian workforce is going to be successful in the future they, just like the military, will have to compete for talent in a competitive market.

Frankly speaking, we will not be able to recruit, much less retain, the best and most valuable employees if we pay them one third less than they can make in the private sector. No successful fortune 500 company would stand for this and I don't think we should either.

In 1990, I worked to enact the Federal Employee Pay Comparability Act which was

intended to reduce the pay gap between the private sector and Federal employees to 5 percent. Unfortunately, that disparity has not been reduced.

This year, the administration has proposed only a 3.6 percent adjustment for the civilian workforce. This is far less than they are entitled to under the Federal Employee Pay Comparability Act and lower than the 4.6 percent estimated for the military.

In 1967, Public Law 90-207 required that military pay be increased by the same proportion as pay for federal employees. For the most part, we have historically achieved parity between the military and civilian workforce and we should continue that trend in 2002. Given this historic parity and the widening pay gap I ask that when you draft the budget resolution you include 4.6 percent for the Federal civilian workforce.

### **ELECTION REFORM**

Mr. Chairman, another issue that clearly affects our budget but has far broader implications for the integrity of our political system and democracy itself is the national imperative of election reform.

I don't intend to revisit last November's election debacle here. But I feel compelled to note that an estimated 2 million votes nationwide went uncounted last November. That's 2 million voices silenced. That's 2 million Americans essentially disenfranchised.

That's totally unacceptable in the greatest democracy the world has ever known. And it cries out for a remedy that includes the infusion of federal assistance to the States to ensure that it never – ever – happens again.

Practically every Member and citizen that I have spoken with on this topic over the last few months agrees: We need election reform and we need it now – not four, six, or eight years from now.

To that end, let me add that last week I introduced the “Voting Improvement Act of 2001,” with Congressman Horn. This is a bipartisan election reform bill that currently has 66 co-sponsors in the House, including several Members of this Committee. Unlike any other federal legislation introduced to date, this bill proposes a federal buyout of all punch-card voting systems nationwide. Punch cards, which gained so much notoriety in Florida, have proven particularly prone to error and must be replaced by more reliable equipment.

The Voting Improvement Act would provide up to \$6,000 per precinct to replace punch-card systems. If every precinct in America that currently uses punch cards took advantage of this federal buyout, the total cost would be approximately \$432 million.

In addition, the bill would provide \$150 million in annual grants for voter education, poll worker training, equipment purchases, and research and development. It also would establish a bipartisan Election Reform Commission that would study and make recommendations on

improvements to our election system.

Mr. Chairman, I know that budgeting is all about setting priorities. And I know that this is far from easy because there are so many worthy endeavors that deserve federal funding.

However, election reform strikes at the core of our political system and our democratic values. Whether or not it's the Voting Improvement Act or other election reform legislation, I urge you and the Members of this Committee to do all that you can to address this issue.

### **EDUCATION REFORM: FULL-SERVICE SCHOOLS**

Improving education is the top priority in America today. Educators, parents, students, elected officials, community organizations, the private sector and others are all searching for ways to ensure excellence in our schools. I applaud the President for proposing that all states develop comprehensive systems of standards and accountability. However, it is not enough to set high standards and then measure students' progress toward them. We must ensure that our school systems have the capacity to provide effective teachers, a strong curriculum, and swift academic interventions. And most importantly, once a school has been identified as failing, we must have interventions in place to improve the school's outcomes.

Soon, I will introduce the Full-Service Schools Act of 2001, a bill that will provide the support our children need to be successful in school. A Full-Service school actively partners with community organizations and agencies to create a united movement for our schools. The

Full-Service Schools Act will bring services such as after-school care, head start, health care, job training, and juvenile justice right into our schools, so that when our children first sit down at a desk, they are ready to learn. We cannot expect our children to achieve high academic standards if they do not have their basic needs met. The Full-Service Schools Act will create a \$200 million annual grant program for states and local education agencies to encourage community organizations to coordinate their services within a school setting. I urge you to consider this important legislation when determining the budget for the Departments of Education and Health and Human Services.

#### **TREASURY-POSTAL APPROPRIATIONS**

Finally, Mr. Chairman, I am concerned with the level of funding included in the President's budget for the Department of Treasury. The budget includes a \$700 million increase over fiscal year 2001 spending. Of that amount, \$325 million is for the Internal Revenue Service's (IRS) Information Technology Investment Account. I am pleased to see that this Administration is committed to modernizing the IRS, which is an essential effort mandated by Congress and one that must continue. However, the rest of the Treasury Department would be required to operate under a 2.67 percent increase for fiscal year 2002, well below the amount the Congressional Budget Office identifies as necessary to maintain purchasing power for current programs. It is hard to envision how this meager increase could possibly support the essential Treasury law enforcement programs that make up one third of all Federal law enforcement.

In particular, the U.S. Customs Service must continue to modernize their import

processing system, called the Automated Commercial Environment, or “ACE.” This is a \$1.3 billion, five-year effort, which Congress appropriated \$130 million for in FY 2001, yet the Administration’s budget does not appear to provide an increase to meet the five-year development plan.

It does not appear that the Secret Service will have the resources to continue an essential recruitment and retention effort that is necessary to reduce overtime levels among agents that have reached as high as 90 hours per month or to provide security support for the 2002 Winter Olympics.

Mr. Chairman, we depend on the Department of Treasury to be a tax administrator, a revenue collector, a law enforcer, and a financial manager. They deserve a budget that appropriately reflects these priorities.

Finally, the President’s budget includes \$500 million for the Federal Courthouse Construction program, which is funded under the General Services Administration. This number includes approximately \$276 million in advanced appropriations, so the new funding level for courthouse projects is \$224 million. What is worrisome is that the request made by the Administrative Office of the Courts totals \$665 million, a \$441 million difference. We have a serious crisis going on across the country in terms of adequate federal courthouses. Congress has spent billions of dollars over the last 10-15 years on the war against drugs and crime. This has resulted in an enormous increase in the judiciary’s caseload. Over the past five years for

example, the number of appeals filed per authorized three-judge appellate panel increased 5 percent; criminal case filings grew 30% and bankruptcy filings rose 14%. I am a strong supporter of the Courthouse Construction program and hope that this committee will recognize the need to provide sufficient funding to meet the demand for federal courthouses.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions at this time.