

## Feb 24 2006 - President's Budget Leaves New York Behind

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Misplaced Priorities Put Job Training, Education, and Health Further Out of Reach

Washington, DC - A recent Democratic analysis of President Bush's proposed 2007 federal budget has revealed how damaging it will be for New York families and citizens.

"There isn't anything sacred enough to avoid being slashed by this budget," Rep. Slaughter said. "Healthcare, jobs, education, national security, the quality of our environment - the President thinks it's all less important than ensuring that those already on top stay there."

"The President's misguided priorities aren't shared by the citizens of Western New York, or the American people," Rep. Slaughter said. "Democrats have always fought, and will continue to fight, for an honest and open government that will put our physical and economic security first, that will defend our schools, extend healthcare, and demand a responsible federal budget."

"The people want a government that shares their values - not the same backward agenda that the President insists on offering us," Rep. Slaughter concluded.

The study, conducted by the Democratic Party's leadership, found that:

- While 167,100 manufacturing jobs have been lost in New York since 2000, and while family income has dropped by an average of \$709, the President's budget eliminates \$238,365,000 in funding for job training and employment services in the state.

- While there are 2,705,000 people without health insurance in New York, and while health insurance costs have increased by 36 percent, the Republican budget eliminates \$99 million in preventive and community health funding nationwide. It also cuts Medicare by \$36 billion over the next five years.

- While home heating costs are expected to increase by 87 percent in New York's region of the country, and gas prices have increased by 89 cents in New York since January 2001, the President's budget is \$2.3 billion short on low-income home energy assistance (LIHEAP) promised in the new energy law, and slashes help to working Americans to reduce their energy bills.

In addition:

- The President's budget slashes first responder funding in the Homeland Security Department by 25 percent below this year's level, including completely eliminating the \$385 million Local Law Enforcement Terrorism Prevention Program.

- Over the past five years, Republicans have underfunded the No Child Left Behind Act by \$55 billion nationwide. Under the President's budget 300,605 children in New York will go without promised help in reading and math.

- The budget eliminates \$54,510,000 in funding from New York's Community Services Block Grant, which works to lessen poverty in communities, and cuts \$32,810,000 in funding from the Social Services Block Grant, which provides people in New York with social services directed toward achieving economic self-sufficiency.

- President Bush is willing to do all of this while also squandering trillions of dollars on permanent tax cuts for the wealthy - giving New York's wealthiest one percent \$23,299 in tax breaks in 2010, while middle-income families would get \$67. His tax cuts have helped push our national deficit to a record-high \$8 trillion, increasing the amount of money America owes foreign countries.

The complete findings of the analysis are included below:

THE PRESIDENT'S BUDGET AND New York:

MORE OF THE SAME MISPLACED PRIORITIES

PUTTING SPECIAL INTERESTS AHEAD OF New York's FAMILIES

Democrats believe that we must pursue new policies that take our country in a different direction. The Bush Administration's FY 2007 budget fails on that score; it continues with more of the same wrong priorities that have taken our country in the wrong direction. It put special interests first and the American people - New York's families - last. It is fiscally reckless, adding trillions to the deficit over the next 10 years, and morally irresponsible, slashing funding for key priorities critical to America's middle class. Democrats are fighting to restore fiscal responsibility and to bring real solutions to the American people, along with economic prosperity, a strong national defense, affordable health care and energy, and strong public schools.

With An Economy Not Delivering for New York Families, Cuts Job Training and Employment Assistance. Since President Bush took office, 167,100 manufacturing jobs have been lost in New York, with 487,146 people currently looking for a job. [BLS, 1/06] Family income has dropped by \$709 since 2000, while health care and energy prices are climbing. [CPS, 8/05] And yet the President's budget eliminates \$238,365,000 in funding for job training and employment services in New York. [FFIS, 2/06] And the President's new block grant is unlikely to make up for this loss of funding. The President's budget also eliminates \$59,488,000 in vocational education funding in New York, which has played a critical role in preparing students at high schools and community colleges for today's job market. [FFIS, 2/06]

Budget Is Fiscally Irresponsible, Creating Trillions Of Dollars In New Deficits That Threaten Our Economy and Jeopardize The Future Of New York's Children. The national debt has increased to \$8 trillion, increasing our borrowing from foreign countries. The President's budget squanders trillions of dollars on permanent tax cuts for the wealthy - giving New York's wealthiest one percent \$23,299 in tax breaks in 2010, while middle-income families would get \$67. [CTJ, 11/18/05]

Working Families in New York Struggling Under Rising Health Care Costs. There are 2,705,000 people without health insurance in New York. [CPS, 10/05] The cost of health insurance has increased by \$538 - a 36 percent increase. [KFF 2005; MEPS 2005] But the Republican budget eliminates \$99 million in preventive and community health funding nationwide. In addition, the Bush budget cuts Medicare by \$36 billion over the next five years, resulting in \$1,171,328,406 in cuts to hospitals, nursing homes, and home health providers serving seniors and people with disabilities in New York. [The Health Economics and Outcomes Research Institute at Greater New York Hospital Association, 2/06]

New York Families Get No Relief From Rising Home Heating and Gas Prices, as Oil Companies Reap \$7 Billion In Royalties Under President's Budget. Home heating costs are expected to increase by 87 percent in New York's region of the country, and gas prices have increased by 89 cents in New York since January 2001, an increase of approximately 62 percent. [EIA, 2/06 and 1/01; AAA Fuel Gauge Report, 2/06] The President's budget includes only a \$130 million increase to renewable energy programs to end our addiction to foreign oil, while protecting billions in giveaways to the oil companies. And the President's budget is \$2.3 billion short on low-income home energy assistance (LIHEAP) promised in the new energy law, and slashes help to working Americans to reduce their energy bills.

Does Not Do Enough to Protect America Here At Home. The President's budget slashes first responder funding in the Homeland Security Department by 25 percent below this year's level, including completely eliminating the \$385 million Local Law Enforcement Terrorism Prevention Program. Last year, New York received \$17,970,155 for this critical initiative. [Department of Homeland Security, 2005] The budget also slashes funding for the COPS program by 79 percent. In addition, the budget provides no new funds for the CDC Bioterrorism program.

Fails to Honor Promises to New York's Veterans and Troops. 12,025 brave men and women from New York are currently serving their country in Afghanistan and Iraq. [DOD Legal Residence/ Home of Record for Service Members Deployed, 1/06] The President's budget funds the National Guard at well below authorized levels, even though our troops are already strained. And Republicans have failed to provide our forces with the equipment and resources to get the job done and return home safely. Last year, Republicans shut 9,357 in New York out of the VA health care system. [VA Department] The President's budget imposes new health care fees on one million veterans and increases TRICARE health premiums for many of the nation's military retirees under 65. It also fails to end the Disabled Veterans Tax to provide promised benefits for 5,006 military retirees in New York. [House Government Reform Committee, 6/05]

Revives Attack on Social Security - Cuts Benefits to Widows, Orphans and Children and Revives Privatization Plan. Social Security is the nation's most successful family program - currently there are 3,044,526 people in New York receiving monthly benefits. [SSA, 10/05] The President's budget eliminates the death benefit Social Security provides to 800,000 surviving spouses and children of workers who die each year. [House Ways and Means Committee, Democratic Staff; 2/06] The budget also includes Social Security privatization which would slash Social Security retirement benefits for all workers.

Betrays New York's Children and Young Adults. Over the past five years, Republicans have underfunded the No Child Left Behind Act by \$55 billion nationwide. Under the President's budget 300,605 children in New York will go without promised help in reading and math. [Senate Appropriations Committee, Democratic Staff, 2/06] It provides \$403,834,534 less for children with disabilities in New York than promised. [Senate Appropriations Committee, Democratic Staff, 2/06] Head Start is a vital program for 49,300 children in New York and yet the President's budget underfunds it once again, freezing it at this year's level. [Administration for Children and Families, 2/05]

Cuts Funding for New York's Small Businesses. Small businesses employ nearly half of all workers and create three out of four new jobs, but the President's budget cuts Small Business Administration (SBA) funding for the sixth year in a row. The budget increases fees for every SBA lending program and continues the elimination of appropriations for 7(a) loans,

jeopardizing the New York's economy. In 2004 alone, New York small businesses received \$586,721,000 in 7(a) small business loans. [SBA] The President's budget cuts the Manufacturing Extension Program (MEP) to help small manufacturers by 58% nationwide and eliminates the Advanced Technology Program entirely.

Cuts Funding For New York's Environmental Programs, Including the Clean Water Program. For the sixth year in a row, the Bush budget proposes significantly cutting funding for programs that protect public health and the environment. It slashes funding for the states' Clean Water revolving loan funds, which help improve wastewater treatment, by \$22,394,000 in New York. [FFIS, 2/06] The President's budget also cuts \$1.7 million from the nation's funding for environmental justice programs that protect the health of low-income and minority communities from environmental toxins.

Cuts Funding For Vital Community Revitalization. The budget eliminates \$54,510,000 in funding from New York's Community Services Block Grant, which works to lessen poverty in communities, and cuts \$32,810,000 in funding from the Social Services Block Grant, which provides people in New York with social services directed toward achieving economic self-sufficiency. [FFIS, 2/06] The budget slashes \$70,533,000 in Community Development Block Grant funding in New York, which provides critically-important funding for affordable housing, employment counseling, and transitional assistance. [FFIS, 2/06]

Democrats Have A Better Way For New York Families. Democrats are seeking a new direction for America in which the interests of working families take priority over special interests. That kind of honest leadership is needed to bring real solutions to the American people, along with economic prosperity, a strong national defense, health care that works for everyone, fiscal responsibility, and strong public schools. Democrats insist upon fiscal discipline with budgets that pay as you go, and over the coming months, we will fight for a budget that reflects the values of New York and America's middle class. Together, America can do better than out-of-control deficits and misplaced priorities.