

The Bush Budget Shortchanges African Americans



A Report by House Democratic Leader Nancy Pelosi,
the Congressional Black Caucus
and the Leader's African American Working Group

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Introduction

Today, while many African Americans are finding it harder to achieve financial security, the Bush fiscal year 2005 budget ignores the very real challenges they are confronting. The President's budget fails to create jobs, and instead creates record deficits. It shortchanges education, health care, veterans' benefits, and small business development. Instead of helping African American families, it provides additional tax breaks for those who need them least and includes billions of dollars in new giveaways to HMOs and other wealthy corporate interests.

The Bush budget has shortchanged a number of key priorities that are particularly important to our nation's African American families. It fails to include a real economic growth package while at the same time cutting essential programs to create opportunity for all Americans. It raids the Social Security Trust Fund to pay for a fiscally irresponsible tax cut, and shortchanges critical infrastructure investments in America. The Bush budget also underfunds important civil rights, voting rights, and legal aid programs. The President's misplaced priorities are all proposed in order to pay for a tax break for the wealthy that will not create jobs, and will saddle the next generation with debt, threatening long-term economic growth.

This report examines the Bush budget and its effect on the African American community in the following areas:

- ! Jobs and the Economy
- ! Education
- ! Veterans
- ! Health Care
- ! Homeland Security/Law Enforcement
- ! Social Security
- ! Child Care
- ! Civil Rights
- ! Housing
- ! Environment

Democrats have different priorities. We want to help all Americans achieve financial security, invest in programs that create good paying jobs, improve education, lower health care costs, make college more affordable, help small businesses grow, support our veterans and military retirees, and do more to protect our ports and borders from terrorism and make our neighborhoods safe and secure.

Executive Summary

No action on job creation, with over a million African American workers still looking for a job. The Bush budget squanders an additional \$1 trillion over the next 10 years on additional tax cuts for the wealthy, but President Bush's budget does nothing to create good-paying jobs here at home. The African American unemployment rate was 9.8 percent last month, with 1.6 million African Americans actively looking for work. This rate is 20 percent higher than when President Bush took office.

Slashes funding for the Small Business Administration and eliminates Microloans. The Bush budget cuts funding for the Small Business Administration, which helps minority-owned small businesses grow, by \$79 million. There are over 800,000 African American owned small businesses. The Bush budget provides no resources for the Microloan program, which provides assistance to small start-ups, even though this program is critical to aiding minority communities. Last year, this vital program provided \$26.5 million in loans, and over time has loaned more than \$112 million to start-up newly established and growing small businesses.

Breaks the promise of a better education. With 8 million African American children enrolled in K-12 schools, the President's budget fails to provide \$9.4 billion in promised funding for public education – meaning that 2.4 million children will not get the help with reading and math they were promised. The Bush budget denies help to 1.3 million children who were promised after-school services; eliminates the Even Start program for 9,500 African American families which helps them with early childhood education, adult literacy, and parenting education; and guts Head Start for 297,000 African American children.

Shortchanges college opportunity. The President's budget closes the door on a college education for many students who need additional financial support to attend college. Even though approximately 69 percent of African American students received some form of financial assistance to attend college in 2000, the President's budget freezes the maximum Pell Grant award in the face of skyrocketing tuitions and cuts funding for Perkins loans by nearly \$100 million.

Leaves veterans behind. There are 2.6 million African American veterans, and yet the President's budget shortchanges veterans' health care -- raising health care costs for 1 million veterans, while failing to adequately address the waiting lists for health care.

Fails to make healthcare affordable. There are 7.4 million African Americans without health insurance and millions more who can barely afford to pay their premiums, yet the Bush budget does nothing to hold down costs. It includes a health care tax credit that covers only 5 percent of the 44 million uninsured, and Health Savings Accounts that help only the healthy and wealthy. The Bush budget would encourage States to limit their Medicaid costs by cutting people from the rolls, cutting benefits, and increasing cost sharing for some of our most vulnerable citizens, which could be very detrimental for the over 11 million African Americans who receive health care through Medicaid.

There are more than 2.7 million African American seniors on Medicare, and yet the Bush budget fails those who do not have prescription drugs coverage. Although the Bush budget now includes \$46 billion in special payments to HMOs – \$30 billion more than originally estimated – it does nothing to help seniors lower their prescription drug costs. Despite this, Republicans are refusing to hold down drug costs, refusing to let the government negotiate discounts for seniors, and refusing to allow Americans to import less expensive drugs from Canada.

Denies affordable housing. More than 45 percent of public housing residents are African American, and yet the President's budget makes deep cuts in housing programs. In fact, 250,000 families could lose their housing vouchers under the President's budget.

Undermines safe and strong communities. From 1993 to 2001, violent crime against African Americans dropped by 54 percent. Instead of building on this progress and working to strengthen communities and make them safer, President Bush's budget cuts funds for local police and EMS workers by 15 percent, slashes the COPS program to put more police on the streets by 87 percent, and cuts juvenile justice programs by 41 percent.

Shortchanges Election Reform & Civil Rights Enforcement. In its budget for FY 2005, the Administration calls for only \$40 million in funding for election reform, even though the Help America Vote Act authorizes \$800 million more to ensure that everyone's vote is accurately counted. The Bush budget also cuts funding to enforce anti-discrimination laws in housing and freezes funding for the Commission on Civil Rights.

Undermines Clean Air. Over 7 million African Americans live in counties with dangerous air quality, resulting in increased cases of asthma and other respiratory problems. Despite this, the President's budget cuts environmental protection funding by 7 percent.

Jobs and Economy

Since President Bush took office, nearly 2.9 million jobs have been lost. The unemployment rate for African Americans was 9.8 percent in February 2004, with 1.6 million African Americans looking for work. (**Bureau of Labor Statistics, 2/04**) This rate is 20 percent higher than when President Bush took office, which keeps it at levels not seen since 1997, and does not take into account the hundred of thousands of discouraged workers who have left the workforce in response to the dismal job market. Further, the median wage for African American workers has been stagnant over the past two years, with median household income dropping by 3 percent for African American families in 2002.

Includes budget-busting tax cuts, but fails to invest in our economic recovery. Despite this jobless recovery, the Bush budget squanders another \$1 trillion over the next 10 years on even more tax breaks for those who do not need them, creating a long-term drag on economic growth. The Bush tax cuts have not created good-paying jobs here at home, and have left minority families behind. In fact, last year an analysis of the Bush tax cuts to be extended in this new budget concluded that the tax cuts received by black and Hispanic taxpayers would be 35 percent smaller than the tax cuts received by white taxpayers. The centerpiece of the President's so-called "growth" package – the elimination of the tax on stock dividends would give the typical African American taxpayer \$25. (**House Government Reform Committee, 4/03**)

No help for the 543,000 African Americans who have lost manufacturing jobs, but GOP tax breaks for corporate interests that ship jobs overseas. The Bush budget cuts the Manufacturing Extension Partnership (MEP), which helps small U.S. manufacturers with everything from plant modernization to employee training, by nearly two-thirds from FY 2003 -- meaning 28,000 workers will either be laid off or not hired. The number of African Americans in manufacturing jobs dropped by more than 26 percent from February 2001 to December 2003 (**National Urban League Institute for Opportunity and Equality, 1/2004**) Overall, 2.8 million manufacturing jobs have been lost over the past three years, and yet the Bush budget fails to include a real manufacturing tax credit to create good jobs here at home. Instead, Republicans continue to push tax breaks for companies that move American jobs overseas.

Shortchanges Small Business. The growth of small business is critical to the prosperity of African Americans in the United States. In 1997, 800,000 African American-owned businesses generated \$71 billion in revenues. (**Census Bureau, 3/22/01**) Minority-owned firms have been growing at four times the rate of all firms in the U.S. economy, increasing from 2.1 million to 2.8 million firms from 1992 to 1997. (**Census Bureau, 7/12/01**) Yet, despite the importance of small business growth to our economy and to the African American community, the President's budget cuts \$79 million from the Small Business Administration (SBA). This makes it one of the hardest hit agencies under the President's budget, even though small businesses employ nearly half of all workers and create three out of four new jobs. Funding for the Small Business Administration has decreased every year since President Bush took office, and the FY 2005 budget represents a dramatic, wholesale withdrawal of federal resources from the small business sector. According to the Small Business Committee minority staff, 22 small business programs are slated for termination and with another 14 programs will be left with reduced funding. Overall, the average reduction in federal program funding is more than 70 percent.

The President's budget eliminates all funding for the SBA's largest small business loan program, the 7(a) program, and proposes to run the program solely through fee increases. The 7(a) program backs approximately \$11 billion in loans to many of the USA's 5.6 million small companies each year, and is especially helpful to business owners who could not qualify for traditional bank loans. These fee increases will substantially raise the cost for small businesses that use the program, and discourage some lenders from offering small business loans. As the National Small Business Association noted, "it makes starting or expanding a small business more difficult and more expensive." (**Chicago Tribune, February 3, 2004**)

Eliminates Microloan program and ends funding for other minority small business programs. The Bush budget provides no resources for the Microloan program, even though this program is critical to aiding minority communities. Last year, this vital program provided \$26.5 million in loans, and over time has loaned more than \$112 million to start up newly established and growing small businesses. Bush's 2005 budget also harms the following small business programs important in minority communities:

- Providing no funding for the New Markets Venture Capital Company Program that aims to bring equity investment to low-income communities across the nation, which will limit the availability of equity financing to entrepreneurs located in distressed urban and rural areas at a time when the economy is still struggling;
- Providing no funding for SBA's PRIME (Program for Investments and Microentrepreneurs) that provides technical assistance for disadvantaged microentrepreneurs to improve their success, which will create an important gap in technical assistance for low-income entrepreneurs, and will mean that many will be unable to realize their dreams of business ownership;
- Providing no funding for BusinessLINC, a mentoring program for small businesses in low-income areas; and
- Shortchanging the Office of Contracting/8A Program, which is the primary vehicle through which minority-owned businesses enter the federal marketplace, even though the 8(a) contracts have declined from 3.84 percent in 1995 to 2.39 in 2002 as a percentage of total of federal contract dollars.

Fails to extend unemployment insurance for long-term unemployed. The Bush budget fails to include funding for an extension of unemployment insurance to help 4.6 million unemployed Americans, even though nearly 2 million people have been looking for work for over 6 months without having found a job. Because Republicans are refusing to extend federal unemployment benefits, an estimated 760,000 jobless workers will have exhausted their regular unemployment benefits without getting federal help by the end of February. This could be devastating to the 1.6 million unemployed African Americans, who are more likely to be unemployed for a long time. Black workers experienced above average long-term unemployment in 2003 – with 475,000 out of work for six months or more, increasing 28 percent from 2002 and 162 percent from 2000. (EPI, 4/4/04)

Job Training: Cuts \$316 million from vocational education and community colleges and fails to increase job training and employment programs. While President Bush highlighted a modest increase in job training, his budget cut job training and employment programs in real terms, and cuts total funding below the 2005 amount over the next four years, with the steepest cut in 2006. By FY 2009, funding for this budget account would be cut 5 percent below this year's level, adjusted for inflation. (CBPP, 2/27/04) Further, the Bush budget slashes funding for vocational education by 24 percent, and freezes funding for adult education. This is on top of the more than \$1.5 billion in proposed cuts to job training and vocational education programs since he took office.

Freezes Youth Job Training Programs. The President's budget cuts job training for young people, in real terms, even though the unemployment rate for young African Americans was 25 percent in February. (BLS, 3/2004)

Shortchanges highway and transit spending. The Bush budget provides only \$256 billion for highways and transit over six years – far less than the \$375 billion bipartisan bill currently pending before the House of Representatives. The President’s budget does not increase funding for highways and transit over the next five years, even though congestion costs the U.S. economy \$69.5 billion a year in 75 cities alone. The House bill would create or sustain 1.7 million jobs, which could be of great help to African Americans as the construction industry is one of the few sources of new jobs for African-Americans -- growing by more 160,000 over the last two years. (National Urban League Institute for Opportunity and Equality, 1/2004)

Eliminates Empowerment Zones. The budget eliminates all funding for empowerment zones, which help revitalize city neighborhoods by attracting business development and providing employment opportunities.

Cuts Community Development Block Grant by 7 percent. The President’s budget cuts the Community Development Block Grant \$317 million below the 2004 enacted level, even though these grants work to promote economic development in low- and moderate-income communities. By 2009, the budget cuts funding by almost half a billion dollars below the 2004 level.

Community Development Financial Institutions (CDFI) Fund Cut. The CDFI program provides grants and loans to promote investment in economically distressed areas. The budget cuts the CDFI by 22.6 percent below the amount needed to maintain purchasing power at the 2004 level.

Eliminate Community Technology Centers. The President’s FY 2005 budget eliminates Community Technology Centers, which offer disadvantaged residents of economically distressed areas access to computers and training. Among children 3 to 17 years, 77 percent of White non-Hispanics lived in households with computers, while only 43 percent of Black children and 37 percent of Hispanic children had computers in their households. (U.S. Census Bureau, *Home Computers and Internet Use in the United States: August 2000*)

Shortchanges Public Education & College Opportunities

Education is the key to opportunity in America. Eight million African American children are enrolled in elementary and secondary schools. Yet, schools with high concentrations of Black students often lack adequate funding and have less qualified teachers. For example, schools serving African American, Hispanic and other disadvantaged students spent on average \$1,030 less per student in 2001 than schools with fewer children from low-income homes. (Education Trust, Fall 2003) The result is that Black students lag behind their elementary school peers in reading, math, and science proficiency, as well as in standardized testing. More than 20 percent of African Americans over the age of 25 did not have a high school education in 2002.

Breaks the promise of a better education. Instead of rising to the challenge to leave no child behind, the President’s budget fails to provide \$9.4 billion in promised funding for public education – meaning that 2.4 million children will not get the help with reading and math they were promised under Title I. Since enactment of No Child Left Behind, the President has proposed to shortchange it by \$27 billion. This new budget cuts the funding for the Department of Education by \$1.5 billion for FY 2006 and essentially freezes it at that low level for the following three years. In 2006 for Title I math and reading help for disadvantaged children, it provides \$8 billion less than was promised – meaning another 2.6 million children will not get help. Cuts for 2006 through 2009 will mean fewer children are challenged to learn and equipped to succeed, or helped to meet the goals of the President’s “No Child Left Behind” Act.

Undermines after-school programs. The Bush budget provides only half of the funding promised to these programs, meaning that 1.3 million children who were promised after-school services will not get them. The Census Bureau estimates that 6.9 million children are regularly unsupervised in the after-school hours and the peak hours of juvenile crimes (3:00 p.m.- 8:00 p.m.). According to a recent study, after-school programs “are already boosting academic performance, especially for African Americans and Hispanics.” (New York Times, Bob Hebert, 2/13/03; FightCrime.org, 2/3/03)

Shortchanges training for 56,000 teachers. The Bush budget provides only \$2.9 billion for teacher quality programs, which is \$234 million less than authorized in the No Child Left Behind Act. This means that 56,000 teachers will not get the extra training they need to help our children succeed.

Eliminates Even Start. The President’s budget eliminates the Even Start program, which integrates early childhood education, adult literacy, and parenting education into a unified family literacy program. Currently, 50,000 families are served through the Even Start program – 9,500 of them African American.

Eliminates School Dropout Program. Over 10 percent of African American students drop out of high school each year, yet the President’s budget eliminates all funding for dropout prevention. This marks the second year in a row the Bush budget has proposed eliminating this important program.

Jeopardizes aid to children of military families. The Bush budget freezes Impact Aid funding this year and cuts funding each year thereafter below the amount needed to maintain current services by 9 percent in FY 2009, jeopardizing programs and services for children of military families.

Guts Head Start. There are 297,000 African American children being served through Head Start, but the President’s budget eliminates the comprehensive educational, health, and nutrition services that children in this program currently receive. In addition, the President's budget essentially freezes funding for Head Start, after accounting for inflation, even though Head Start currently leaves behind 40 percent of eligible preschoolers. Then it reduces Head Start funding in the future -- cutting \$177 million in 2006, assuming that the cut to children and family programs is applied across the board. (House Budget Committee, 2/19/04) By 2009, the cut in Head Start could result in 62,000 fewer children in the program compared to 2004. (CBPP, 2/27/04)

Closes the door on a college education. Only 17 percent of African American adults over 25 have their bachelor’s degree. Pell Grants are key to helping African American young people get to college, with more than 45 percent of African American students at four-year public colleges and universities depending on Pell Grants to make college affordable. (CRS estimates based on National Postsecondary Student Aid Study, Department of Education, 1999-2000) Despite nationwide increases in the cost of college, the Bush budget proposes to deny any increase in the maximum Pell Grant award and cut funding for Perkins loans by nearly \$100 million. Under the Bush budget, Pell Grants would pay for only 34 percent of typical costs at a four-year public college -- down from 72 percent in 1976, despite the Bush campaign promise to increase Pell Grants by over \$1,000 -- and would be cut by at least \$75 in 2006. (House Budget Committee, 2/19/04) This year, tuition at state universities increased nationwide by as much as 40 percent in some States.

Eliminates State college scholarships program, and risks \$1 billion in non-federal Student Aid. The Bush budget eliminates the \$66 million Leveraging Educational Assistance Partnerships (LEAP) initiative, which encourages States to establish college scholarships for students. In 2001-2002, the federal investment in LEAP leveraged more than \$1 billion in matching State spending.

Cuts programs that boost college opportunities for students and veterans. The Bush budget freezes GEAR UP and TRIO funding – programs that boost opportunities for veterans, the disadvantaged, and first generation college students to earn a college degree. The President’s freeze severely handicaps TRIO – which currently serves only 7 percent of all eligible students and veterans due to inadequate funding.

Veterans

There are over 2.6 million African American veterans. The President’s budget raises health care costs for 1 million veterans, imposing new co-payments and enrollment fees that will cost veterans over \$2 billion over five years. In fact, over five years, the budget for veterans’ health care programs is \$13.5 billion below the amount needed to maintain services at current levels. By FY 2009, the funding for veterans’ health services would fall \$5.7 billion below the FY 2004 level, adjusted for inflation. (CBPP, 2/27/04)

Proposes new increases in the cost of veterans’ health care. Every year since taking office, the Bush Administration has proposed to increase the cost of health care for veterans. Specifically, the President’s budget proposes to double the prescription drug co-payments, and impose a \$250 enrollment fee for veterans making as little as \$25,000 per year. According to the Administration’s own figures, this will result in driving about 200,000 veterans out of the system, and discourage another 1 million veterans from enrolling.

Fails to provide meaningful investment in veterans’ health care and slashes long-term care funding. Right now, over 30,000 veterans are waiting six months or longer for an appointment at VA hospitals. But the President’s budget includes an increase of less 2 percent for veterans’ health care - not enough to maintain current services and \$3.2 billion less than the veterans’ organizations agree is needed. The budget also slashes \$294 million in funding for long-term care for America’s veterans, which will reduce the number of patients treated by more than 8,000.

Health Care

Access and affordability of health care is a critical issue for African Americans. Overall, more than 20 percent of African Americans have no health insurance. (Census, 9/2003) That is why Medicaid, which provides health care coverage to low-income seniors, children, and disabled Americans, is critical to minorities. Minority children, in particular, face obstacles in getting the health care they need. In fact, 4.6 million African American children get healthcare through Medicaid or S-CHIP. (Census, 8/2003)

Fails to make healthcare affordable for middle-class families. There are 7.4 million African Americans without health insurance and millions more who can barely afford to pay their premiums, yet the Bush budget does nothing to hold down costs. It includes \$70 billion for a \$1,000 tax credit for individual coverage that covers only 5 percent of the 44 million uninsured, and Health Savings Accounts that help only the healthy and wealthy.

Undermines Medicaid. Not only does the Bush budget do little for the uninsured, it makes the problem worse. The Bush budget expresses support for transforming a large portion of Medicaid from an entitlement to a block grant, shifting the cost of the program onto hard-pressed States, many which are in severe budget crisis. The Bush plan would encourage States to limit their liability by cutting people from the rolls, cutting benefits, and increasing cost sharing for some of our most vulnerable citizens. Over 11 million African Americans receive health care through Medicaid. (Congressional Research Service)

Prescription Drugs: more for special interests, not for 2.7 million African American on Medicare.

African-American seniors are more than twice as likely as whites to go without prescription drugs because they cannot afford the cost, according to a Robert Wood Johnson study. (8/03) Although the Bush budget now includes \$46 billion in special payments to HMOs – \$30 billion more than originally estimated – it does nothing to help seniors lower their prescription drug costs. Republicans are refusing to hold down drug costs, refusing to let the government negotiate discounts for seniors, and refusing to allow Americans to import less expensive drugs from Canada.

Slashes programs to increase minority representation in the health professions. Many of the Title VII Health Professions Training programs are focused on increasing minority representation in the health professions. And yet the Bush budget slashes funding for these programs by 96 percent – cutting funding from \$294 million in Fiscal Year 2004 to \$11 million in Fiscal Year 2005. (For the separate Title VIII Nursing Training programs, the Bush budget provides \$147 million, a \$5 million increase.) The Bush budget completely eliminates the \$36 million Health Careers Opportunity Program, which helps individuals from disadvantaged backgrounds prepare for and successfully graduate from health professions schools, and the \$34 million Minority Centers of Excellence Program, which supports programs of excellence that train minority health professionals. It also slashes Health Professions Scholarships for Disadvantaged Students by 79 percent -- from \$48 million in Fiscal 2004 to \$10 million in Fiscal 2005.

Freezes Minority HIV/AIDS Initiative. The Clinton Administration created the important Minority HIV/AIDS Initiative, which works to ensure that such programs as the Ryan White CARE Act and CDC HIV/AIDS prevention programs meet the needs of the minority community. In 2002, African Americans accounted for half of the new HIV infections reported in the United States. (Centers for Disease Control <http://www.cdc.gov/hiv/pubs/facts/afam.htm>) And yet over the last three years, the Bush Administration has kept funding for this important initiative stagnant. Once again, the Bush budget proposes essentially freezing this initiative.

Underfunds National Center on Minority Health and Health Disparities. The Clinton Administration created the National Center on Minority Health and Health Disparities at the National Institute of Health (NIH). Despite the fact that African Americans are 40 percent more likely to die from heart disease than whites; infant mortality rates are twice as high for African Americans as for white Americans; and African American men suffer from heart disease at nearly twice the rate of whites, research on minority health is underfunded in the Bush budget. Given its underfunding, the Bush minimal request of a 2.7 percent increase remains inadequate. The Bush administration has finally admitted that a report produced by the Department of Health and Human Services (HHS) on health disparities was intentionally altered by political appointees to downplay serious health problems faced by minorities. HHS now admits it left out, among other references, the unequal treatment that African Americans and Hispanics face in emergency rooms and hospitals, the higher rates of hospitalizations for asthma among African American children and the societal and personal price that these disparities cost.

Cuts Office of Minority Health. The President's budget cuts funding for the Office of Minority Health by 15 percent from this year's enacted level. This office supports disease prevention, health promotion, service demonstration, and educational efforts that focus on health concerns that cause the high rate of disease in racial and ethnic minority communities.

Fails to Meet Goal on Global AIDS. Despite Bush's promise of \$10 billion in new money for Global AIDS over 5 years, the budget provides only approximately \$2.8 billion in FY 2005 – \$200 million short of what was promised. In addition, the President's budget has proposed a 64% cut for the Global Fund to Combat AIDS, TB, and Malaria. These programs are critical to begin to stem the tide of the millions who die from AIDS each year in Africa, as Sub-Saharan Africa is the home to more than half of the world's infected population.

Keeping Our Communities Safe & Strong

All of us are concerned about the safety of our communities -- whether it is the threat of terrorists or crime. We also look to improve our communities economically to make them a better place to live. On criminal justice, we have made great strides; violent crime against African Americans dropped 54 percent from 1993 to 2001. (Bureau of Justice Statistics, 8/03) Unfortunately, the Bush budget takes us in the wrong direction on these issues.

Significantly cuts funding available to police, firefighters, and medics. Police departments nationwide do not have the protective gear to safely secure a site after the detonation of a weapon of mass destruction and fire departments have only enough radios for half the firefighters on a shift. And yet the Bush budget includes a net cut in first responder funding within the Department of Homeland Security of \$648 million, or 15 percent. This net cut is the result of slashing first responder formula-based grants by \$821 million, or 37 percent, and slashing the separate Firefighter Grant program by \$246 million, or 33 percent – somewhat offset by an increase in the first responder urban-areas grant program. Over five years, the President's budget cuts first responder programs by a total of \$1.3 billion below a freeze at the 2004 enacted level.

The Bush budget slashes aid to state and local law enforcement by a total of \$959 million or 32 percent. Progress in reducing crime against African Americans was in part born out of community policing funded through the COPS community oriented policing service program. But the Bush budget undermines that progress; it eliminates the local law enforcement block grant and the Byrne grant program, and slashes the COPS program by 87 percent, which provides grants and other assistance to help communities hire, train, and retain police officers and improve law enforcement technologies.

Cuts Juvenile Justice. The President's budget cuts juvenile justice programs by 41 percent, including a \$3.2 million cut in funding for the Office of Juvenile Justice and Delinquency Prevention. (Children's Defense Fund, 2/04) These programs to prevent juvenile crime are important to the African American community, as 31 percent of juveniles in juvenile court are African American. (Children's Defense Fund, 2/20)

Social Security

Social Security plays a key role in the life of African American seniors. Without Social Security, the poverty rate for African American seniors would increase from 21 percent to 60 percent. (Social Security Administration, 2000)

Spends every dime of the Social Security Trust Fund on tax cuts for the wealthy. The Bush budget provides more than \$1 trillion dollars of tax cuts for the wealthy, which forces the borrowing of every dime from the Social Security Trust Fund. When the President took office, the government was projected to save every dollar of the Social Security surplus. But now, the Bush Administration would borrow and spend all of the money from the Social Security Trust Fund over the next 10 years, just as the Baby Boomers are about to retire. The long-term cost of the Administration's tax cuts is more than three times the entire long-term Social Security shortfall. (CBPP, 3/5/03)

Social Security Privatization. Even though 4.6 million African Americans receive Social Security, in his State of the Union address, the President continued his calls for Social Security privatization. This radical proposal pushed by Bush's Wall Street supporters would permanently damage Social Security, diverting nearly \$2 trillion out of the Social Security Trust Fund for private accounts over just the next 10 years. The result: Social Security benefit cuts for seniors and the disabled who rely on Social Security to make ends meet, or an increase in the retirement age, or both.

Civil Rights

Election Reform. In its budget for FY 2005, the Administration calls for only \$40 million in funding for election reform, even though the Help America Vote Act authorizes \$800 million more for grants to States and localities to ensure that everyone's vote is accurately counted. These funds are used to upgrade voting systems, develop electronic voting registration lists, assure access for individuals with disabilities, and train election officials. Not only has the Bush Administration shortchanged election reform, but it has delayed implementation of the new election reform law – dragging its feet on the appointment of the Election Reform Commission more than a year after the bill was enacted. This means that many of the reforms intended to be in place will not be ready for the 2004 election, according to election experts. (AP, 2/17/04)

Civil Rights Enforcement. The Bush budget cuts Fair Housing and Equal Opportunity Activities by \$1 million below the 2004 purchasing power level, and freezes the Commission on Civil Rights at the 2004 level.

Cuts Legal Services Corporation. The President's budget cuts the Legal Services Corporation, a \$10 million cut below the 2004 purchasing power level and \$23.4 billion below the amount requested. The Legal Services Corporation is the key mechanism to provide legal services to low-income Americans in more than 1 million cases including domestic violence, child custody, evictions, access to health care, bankruptcy, unemployment and disability claims. About 27 percent of those currently served by the Legal Services Corporation are African American, and yet Legal Services Corporation is force to deny 80 percent of eligible clients needed legal assistance.

Child Care and Development Block Grant (CCDBG)

Even though waiting lists for CCDBG assistance are tens of thousands of families long in many States, President Bush's budget proposes to increase child care waiting lists by hundreds of thousands. The Child Care and Development Block Grant provides child care assistance for low-income families working to get off welfare and early education to our country's most disadvantaged children. By freezing funding for CCDBG for the third consecutive year, the Bush budget - by their own admission - will cut child care assistance by an additional 300,000 children by FY 2009. Independent experts estimate that the loss under the President's budget will be even worse, eliminating child care for 447,000 children.

Housing

Lack of affordable housing is a huge problem for African American families. About 31 percent of African Americans spend more than one-third of their income on housing. But, rather than making more affordable housing available, the President's budget makes many cuts in public housing, even though these funds are critical to make it possible for 1.7 million low-income families to have shelter. More than 45 percent of public housing residents are African American. (HUD's Multifamily Characteristics Report)

Eliminates funding for rehabilitation of distressed public housing. For the second year in a row, the budget proposes to eliminate funding for HOPE VI, a program that has successfully transformed severely distressed public housing projects into vibrant mixed-income neighborhoods. This program was funded at \$570 million in 2003 but only \$149 million in 2004.

Cuts Section 8 housing choice voucher funding and moves toward a block grant approach. The budget cuts the Section 8 housing programs by \$791 million below the 2004 level and \$2 billion below the amount needed to maintain purchasing power at the 2004 level and renew all expiring voucher contracts. At the President's funding level, 250,000 families could be cut from this program, even though only about one out of four eligible families now receives this type of federal housing assistance. In addition to cutting the program, the President's proposal to block grant the program would eliminate the requirement to serve the neediest first, end the government's 30-year guarantee that low-income people only pay a certain portion of their income for rent, and allow current recipients to be kicked off of the program.

Cuts lead-based paint reduction by 20 percent. The President's budget cut lead-based paint hazard reduction by \$35 million, even though nationwide, the CDC reports roughly 500,000 children have lead levels high enough to cause irreversible damage.

Public Housing Drug Elimination Program. The President's budget eliminates the drug elimination grants for low-income housing, and cancels the remaining funding available for that program.

Environment

Weakens Clean Air and Clean Water Enforcement. Like all Americans, African Americans are concerned about clean air and clean water. They also want to protect the natural beauty of the parks and land where they can spend time with their families and to preserve these precious resources for their children and grandchildren. Instead of addressing these priorities, the President's budget cuts EPA funding by 7 percent. This will have the effect of weakening enforcement of the clean air and clean water laws, slashing Clean Water funds by 37 percent and freezes funding for safe drinking water, and shortchanging national parks. These cuts are unthinkable given that over seven million African Americans live in counties with dangerously polluted air – resulting in asthma being 26 percent more prevalent among African American children than white children.

(Source: Air of Injustice: African Americans and Power Plant Pollution, by Black Leadership Forum, Clear the Air, Georgia Coalition for the People's Agenda; http://www.earthdaycoalition.org/what_is_eq/air.html)

Toxic Waste Clean-ups. The Bush budget continues to shift the cost of toxic waste site cleanups from corporations on to taxpayers. These clean-ups are important as there is a disproportionate share of toxic waste sites in black and Latino communities, with African Americans heavily concentrated in cities with the largest number of abandoned toxic waste sites, such as Memphis, St. Louis, Houston, Cleveland, Chicago, and Atlanta. (Source: <http://cbcfhealth.org/content/contentID/1107>)

Brownfields Redevelopment Program Eliminated. The budget eliminates all funding for the Brownfields Redevelopment Program. This program cleans up property for redevelopment, which cannot be used because of the potential presence of a hazardous substance, pollutant, or contaminant left behind by heavy industry and dry cleaning facilities, for example. The program would require \$25 million to be funded at the 2004 level.

Conclusion

Democrats share the values of opportunity, faith, family, community and prosperity with African Americans and all Americans. We will continue to fight the Republican assaults on America's families and we will work to pass legislation that will improve the lives of all Americans.