

HISPANICS AND THE PRESIDENT'S BUDGET: FISCALLY RECKLESS, MORALLY IRRESPONSIBLE, AND A FAILURE OF LEADERSHIP

Democrats believe that on every issue our nation faces, it is our responsibility to ensure that the policies we pursue are consistent with the values we cherish. The Republican budget fails in every respect. It is fiscally reckless, adding trillions to the deficit over the next 10 years. It is morally irresponsible, slashing funding for key homeland security, veterans benefits, health care, and education programs. And the Bush Administration's failure to include details of its Social Security privatization proposal and the cost of the war in Iraq is a clear failure of leadership. Democrats are fighting to restore fiscal responsibility and hold those in power responsible for their actions. We are committed to upholding the key values that are the foundation of a strong and secure America: national security, prosperity, community, fairness, accountability and opportunity.

No action on job creation, with 1.1 million Hispanic workers still looking for a job. The budget squanders an additional \$1.6 trillion over the next 10 years on additional tax cuts for the wealthy, but does little to create good-paying jobs here at home. In fact, those tax cuts squeezed out a range of programs to help create new opportunities, support a strong national security, and restore prosperity.

Cuts funding for small businesses. There are more than 1 million Hispanic-owned small businesses. The Bush budget cuts funding for the Small Business Administration, which helps minority-owned small businesses grow, by \$85 million from last year's proposal. The budget provides no resources for the Microloan program, even though it is critical to aiding minority communities by supplying small loans to start up newly established and growing small businesses.

Denies job training opportunities for migrant farmworkers. Some Latino workers lack the academic preparation and skills training needed for economic success. However, the Bush Administration shortchanges the job training needed to create new opportunities. For the third year in a row, the budget proposes to eliminate funding for the National Farmworker Job Program, which provides training, housing, and medical care for agricultural workers.

Leaves veterans and our troops behind. There are more than 1.1 million Hispanic veterans. Latinos are the most decorated group in the U.S. armed forces, and have won the most medals for outstanding military service. The budget raises health care costs for 2.2 million veterans, imposing new co-payments on prescription drugs and enrollment fees that will cost about \$2 billion over five years. It shortchanges veterans' health care programs, providing \$3.5 billion less than veterans' service organizations believe is needed, even as America welcomes a new generation of veterans home from Iraq and Afghanistan. The budget also fails to include funding for the promised increase in death benefits for the families of the servicemen and women who are killed in action.

Cuts funding for first responders. More than 80,000 Hispanics stand on the front-lines around the country as police officers, firefighters, and first responders. Police departments nationwide do not have the protective gear to safely secure a site after the detonation of a weapon of mass destruction. The budget includes a net cut in first responder funding within the Department of Homeland Security of \$302 million, and slashes aid to state and local law enforcement.

Breaks the promise of a better education. More than 25 percent of Hispanic students drop out of high school, but the budget eliminates funding for dropout prevention programs. It provides \$12 billion less for education than was promised in the No Child Left Behind Act, leaving 3 million children without the help with reading and math that they were promised under Title I, cuts Education Department funding below this year's level, and freezes funding for bilingual education, even though the number of students with limited English proficiency is growing rapidly.

Guts Head Start and Eliminates Even Start. There are 324,700 Hispanic children being served through Head Start, including thousands of children of migrant workers, but the President's budget eliminates the comprehensive educational, health, and nutrition services that children in this program currently receive. In addition, the budget freezes Head Start funding at this year's level, meaning that 25,000 children will have to be cut from the program next year. It also eliminates the Even Start program, which integrates early childhood education, adult literacy, and parenting education into a unified family literacy program for 23,000 Hispanic families.

Eliminates help to succeed in high school and college. Only 11 percent of Hispanic American adults have their bachelor's degree, and yet the budget completely eliminates the \$306 million GEAR-UP, \$313 million Upward Bound, and \$150 million Talent Search programs, eliminating the support that 1.3 million students – 70 percent of whom are minorities – need to make it to college. Despite nationwide increases in the cost of college, the Bush Administration has broken their promise to raise the maximum Pell Grant to \$5,100, instead proposing to force the typical student borrower to pay an additional \$5,500 for their college loans.

Fails to make healthcare affordable. There are over 13 million Hispanic Americans without health insurance and millions more who can barely afford to pay their premiums. The budget cuts \$60 billion from Medicaid, decimating health care funding for children, the elderly, and people with disabilities, making it even harder for families to afford nursing home care. These cuts will shift costs to states and beneficiaries, cut payments for providers, and increase the number of the uninsured. While the Bush budget claims to reinvest \$15 billion of the \$60 billion in cuts back into Medicaid, the bulk of that spending is from an "outreach initiative" which is unlikely to ever produce any new coverage, as many states have moved to make it more difficult for families to enroll.

Cuts Office of Minority Health. Hispanics are almost twice as likely to die from diabetes as whites are, and they have higher rates of high blood pressure and obesity than do whites. The budget makes a six percent cut in the Office of Minority Health, which supports disease prevention, health promotion, and educational efforts to combat the high rate of disease in racial and ethnic minority communities.

The Republican budget demonstrates a failure to lead on Social Security. Despite the fact that the President has called his proposal to privatize Social Security his top domestic priority this year, his budget includes no details on his plan. His failure to provide a clear and honest accounting of the difficult trade-offs between increases in the debt, benefit cuts, and tax increases necessary to fund the Republican privatization proposal is a failure of leadership. Nearly 2.3 million Hispanics receive Social Security benefits and over 75 percent of Hispanic beneficiaries rely on Social Security for a majority of their income. Democrats stand ready to address the challenges facing Social Security, but the President must put forward a proposal that is fiscally responsible, fair, and does not slash benefits.

Slashes programs for revitalizing communities. The budget slashes funding for community and economic development programs that provide housing, employment counseling, water and sewer improvements, and small business loans by \$2 billion – a 30 percent cut in funding. These cuts will particularly affect cities, and rural communities.

Democrats have a better way. 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 America's middle class: national security, prosperity, opportunity, fairness, community, and accountability.

