

ANALYSIS OF PRESIDENT'S FY 2007 BUDGET PLAN

By Jose Quiñones*

INTRODUCTION

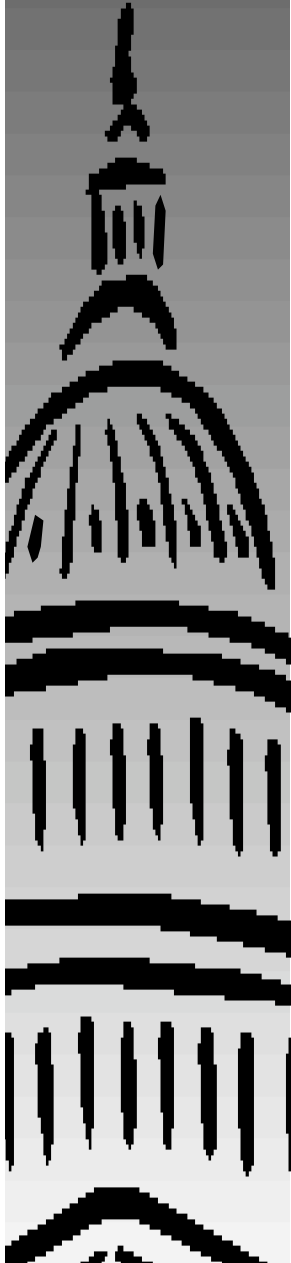
In early February 2006 President Bush proposed a \$2.77 trillion spending plan for fiscal year (FY) 2007. The President's plan would buttress the Administration's budget priorities to date by drastically cutting funding for domestic programs well into the future while calling on Congress to make the 2001 and 2003 tax cuts permanent. The Center on Budget and Policy Priorities and other leading experts estimate that, if fully extended, these tax cuts along with extending the Alternative Minimum Tax, which most of Congress supports, would cost a total of \$2.8 trillion over ten years.¹

The Administration's budget also proposes changes to entitlement programs important to Latinos,² such as Medicaid, the Earned Income Tax Credit (EITC), and food stamps (see box on entitlement reforms below), in order to achieve significant savings in those programs. The plan also calls for shifting domestic spending in order to fund an "American Competitiveness Initiative" (see box below), which includes research and development, education, training, and comprehensive immigration reform.

The National Council of La Raza (NCLR) prepared a comprehensive analysis of the Administration's budget plan as a foundation for further examination of congressional efforts. The budget is viewed through the prism of four policy priority areas critically important to the well-being of Latinos:

Investments in education – Studies have long documented the growing disparities in educational attainment between Latino and other American children. Prudent federal investments in early education programs, Head Start, high school graduation and dropout prevention, and college

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preparation programs are vital to helping Latino students prepare for productive and fulfilling lives.

- **Work and savings** – America's economy and fiscal status depend heavily on worker productivity and family economic well-being. The labor market status, personal savings rates, and wealth levels of Latinos lag far behind their American counterparts despite higher work participation rates. Investments in workers and working families which build skills and economic security are wise and essential for future economic growth.
- **Health care and nutrition** – Federal health and nutrition programs serve families during times of need and help keep children and workers healthy and productive. However, existing barriers to health care bar many families, especially immigrants, from needed services. Federal investments can give Latinos equal access to vital health care, which can help keep more workers in the workforce and children in school.
- **Safe and strong communities** – Community investments and increased homeownership are important ways to strengthen neighborhoods and generate widespread economic growth. Concentrations of Latinos in poor and economically distressed communities and the nationwide homeownership gap between Latinos and their peers persist. Disparities in business activity, poverty levels, and household income between communities and families throughout the nation can be addressed and remedied with effective distribution of federal resources.

President Bush submitted his budget plan on February 7, 2006. The Senate began working on its blueprint on March 13, 2006, and approved its budget resolution on March 16, 2006, by a vote of 51-49. The House of Representatives is expected to begin deliberation on its budget plan in late March, and lawmakers are expected to complete a budget resolution by April 15. Appropriations committees will then start their respective work of allocating funding to departments and agencies within their jurisdictions.

FEDERAL BUDGET CALENDAR	
KEY DATES AND EVENTS	
February 11	President send budget proposal to Congress.
March 25	Congressional committees report budget estimates to Budget Committees.
April 15	Congress completes budget resolution.
May 15	House consideration of annual appropriations bills may begin.
June 15	Action to be completed on reconciliation.
June 30	Action on appropriations to be completed by House.
July 15	President transmits mid-session review of the budget.
October 1	Fiscal year begins.

METHODOLOGY

This analysis highlights the Administration's FY 2007 budget proposal in program areas of particular concern for Latinos. For example, the paper highlights the following agencies: the U.S. Department of Education, the U.S. Department of Labor, the U.S. Department of Health and Human Services, and the U.S. Department of Housing and Urban Development. Moreover, the paper includes other general programs of interest, such as the Food Stamp Program, and several independent agencies, such as the Equal Employment Opportunity Commission (EEOC). Overall, the focus of the analysis is in nondefense and non-Homeland Security program areas and those that particularly impact low-income families. Furthermore, programs that have special significance for NCLR's network of nearly 300 community-based, Hispanic-serving organizations are highlighted.

The data are presented as follows: a table identifies the specific programs, the enacted FY 2006 levels, the Administration's proposed FY 2007 levels, and the actual (nominal) change in million-dollar figure and the corresponding percent difference. In each section, the table is included and followed by subsections that briefly explain each program. In compiling this information, NCLR:

- Used data provided by the Office of Management and Budget (OMB) and specific federal agencies and, in most cases, only included their calculations of nominal changes in budget authority between fiscal years.
- Focused on new discretionary budget authority, which is the amount of money the law allows the government to commit to spending during the current fiscal year or future years, in order to determine the President's actual budget priorities for FY 2007. This is instead of program levels or obligations, outlays, or mandatory spending (unless otherwise noted), where spending levels are set by previous and current law, or by other factors that may not be controlled directly by the Administration.
- Examined nominal changes in budget authority, with references to the impact of inflation or "current services levels" only in the text and where available.

The program sections of the report also include: 1) brief descriptions of the program's goals; 2) data on the significance of the program to Latinos; 3) where available, the funding request made by NCLR and other major national organizations for FY '07; 4) the Administration's line-item budget request for FY '07 (and, where necessary and appropriate, the rationale offered by OMB to justify budget cuts); and 5) where available, the potential implications of the President's request on Latinos. However, NCLR did not attempt to quantify precisely how many individuals would be affected by the budget request. Instead, the analysis contains brief assessments of program impacts; detailed impact assessment of a budget request requires a more in-depth analysis than is afforded here.

This analysis also begins with a discussion of the Administration's proposal to reduce the federal deficit, reduce entitlement spending, and provide additional tax cuts. Finally, NCLR highlighted, where necessary and typically in text boxes, new initiatives that the President proposed, especially those with implications for current funding levels in program areas.

DEFICIT REDUCTION, ENTITLEMENT REFORMS, AND TAX CUTS

The Administration proposed a number of noteworthy items in the FY 2007 budget with respect to “entitlement” programs and taxes. For example, the White House proposed making the 2001 and 2003 tax cuts permanent as well as adding several new tax cuts. Studies by the Center on Budget and Policy Priorities (CBPP), the Tax Policy Center, and the Congressional Budget Office have documented that the 2001 and 2003 tax cuts have contributed significantly to producing annual federal budget deficits. Those studies find that nearly half of the current budget deficit is attributable to enactment of tax cuts since 2001.³

Moreover, the studies show that the distribution of the tax cuts and those proposed largely benefit a select group of upper-income households. A recent study by CBPP estimated that if these tax provisions were extended, then households with annual incomes exceeding \$1 million (a group that comprises .3% of the population) would receive 20% of the total tax cut benefits between 2007 and 2016.⁴

Reducing the deficit is, ostensibly, the rationale for deep cuts being proposed in the President's FY '07 budget in discretionary (e.g., job training, housing counseling) and some entitlement (e.g., Food Stamp) programs that serve low-income families. However, the CBPP study found that when the current set of tax cuts is fully in effect in 2011, the cost just for households with income above \$1 million would be, “more than 4 times the savings that would be achieved that year from proposed cuts in elementary, secondary, and higher education...[and] more than 15 times the savings from cuts in low-income housing programs.”⁵

The evidence suggests that because many Latino households are low-income, many have not benefited equally from enacted tax cuts since 2001. At the same time, Latinos stand to lose out substantially if cuts in entitlement and discretionary programs are enacted. Hispanic and other low-income families are being impacted negatively by current federal budget and tax priorities. The current trend is to enact tax cuts that largely benefit wealthy households and to pay for it by cutting critical public services that benefit low-income families. Even more problematic for Latinos, the federal budget environment is most restrictive at a time when greater investments are needed. NCLR believes that, as in 1993, lawmakers must begin to place tax increases back on the table to ensure that important national priorities are adequately funded while bringing the budget into balance.

The following specific items within the President's FY 2007 budget are worth highlighting:

Bipartisan Commission on Entitlement Reform

In his State of the Union address, President Bush proposed a bipartisan commission to examine the aging population's impact on several entitlement programs, including Medicaid, Medicare, and Social Security. Given that the Bush Administration continues to request major budgetary reductions to these programs in the absence of analyses to identify effective reforms, NCLR is concerned that the President's budget

proposal will affect the commission's charge to develop unbiased reform recommendations. NCLR agrees that these programs must be improved to reflect the changing demographics of the nation, including the increased presence of the Latino community. However, moving forward with cuts and disjointed structural changes to entitlements without a comprehensive examination of reform proposals will be dangerous to the sustainability of entitlements for future generations. The President's budget plan does not include further details on the commission.

Food Stamps

The Administration's budget proposal cuts the Food Stamp Program by \$782 million over five years by limiting categorically eligibility for the program to those persons receiving Temporary Assistance for Needy Families (TANF) cash assistance or Supplemental Security Income (SSI). The proposal is estimated to cut 300,000 people from the Food Stamp Program. This new policy will be particularly harmful for Latino families because of language barriers and confusion about program eligibility. These barriers would prevent Latinos from reenrolling in the program and result in the loss of benefits for families who are on the verge of hunger. In addition, this proposal would have the secondary effect of cutting nearly 40,000 children from school meal programs, due to their ineligibility for food stamps, resulting in \$32 million in budgetary reductions over the next five years and seriously weakening the food security of needy families. *NCLR recommends the continuance of the current policy, ensuring that working families receiving TANF services have access to food stamps and can continue to move toward self-sufficiency.*

Earned Income Tax Credit

The Earned Income Tax Credit (EITC) is a critical anti-poverty program that helps low-income families offset the burdens of payroll taxes. For many low-income families, the EITC is often the largest lump sum portion of income that comes into a household during the year, allowing them to invest in resources, such as housing, that improve their long-term financial viability. Over several years, the President's budget request has targeted EITC access for immigrant families. The proposal seeks to eliminate eligibility for households in which tax filers do not hold work-authorized Social Security numbers, which are not indicative of one's permission to work in the U.S. This proposal disregards the fact that there are bureaucratic flaws within the immigration system which prevent many immigrant families from obtaining work-authorized Social Security numbers (SSNs), even though they have an eligible work status. *NCLR supports EITC tax simplification efforts, but strongly opposes the measure pertaining to work-authorized SSNs.*

Medicaid

The Medicaid program is a principal provider of health care coverage for low-income families, including nearly ten million Latinos. The President's budget request reflects a \$4.9 billion reduction in spending on Medicaid over the next five years, due to permanent changes to Medicaid entitlement.⁶ Many of the proposals shift costs to state governments by reducing reimbursement under certain programs. Of particular

concern is a proposal to reduce the reimbursement rates to states for Targeted Case Management to a 50% match rate, a program which ensures that high-risk and vulnerable populations, such as children and pregnant women, have access to quality health care. Without adequate reimbursement, many states are less likely to invest resources into keeping individuals connected to the health care system.

AMERICAN COMPETITIVE INITIATIVE

The President's budget proposal includes a new "American Competitive Initiative" which packages \$5.9 billion in tax credits and spending for FY 2007 in research and development, education, and job training, while calling for immigration reform.

Research and Development. The Administration's proposal includes making the Research and Experimentation (R & E) federal tax credit permanent at a cost of \$4.6 billion in FY 2007. The R & E tax credit is provided to private companies to encourage investment in research and development.

Education. The Administration's proposal would fund the development of math and science curricula and expand access to rigorous math and science coursework for low-income students through the Advanced Placement/International Baccalaureate (AP/IB) Program.

Job Training. The Administration's proposal would consolidate job training and employment programs into a block grant called Career Advancement Accounts (see below).

Immigration Reform. The Administration's proposal calls for Congress to pass "comprehensive immigration reform."

Investing in Latino students and workers is critical to ensuring a competitive American workforce. NCLR applauds the Administration's focus on providing low-income students with greater access to rigorous math and science coursework and its call for comprehensive immigration reform legislation. However, NCLR opposes the block granting of federal employment and training programs and the elimination of other job training programs included in the Administration's budget. In addition, minor increases in education programs under the American Competitiveness Initiative are undermined by level-funding, program cuts, and program eliminations throughout other sections of the Administration's budget proposal.

U.S. DEPARTMENT OF EDUCATION

The Administration proposed \$54.4 billion in discretionary funding for FY 2007 for the Department of Education - a 3.8% reduction in discretionary spending from FY 2006 levels. The budget plan includes a number of program eliminations, consolidations, and new initiatives that would have a significant impact on Hispanic students.

The President's budget would eliminate 42 U.S. Department of Education programs worth \$3.465 billion in funding. Many of these programs serve at-risk minority students, helping them enter school "ready to learn," complete high school, and go on

to college. For example, the President plans to eliminate the School Dropout Prevention Program, GEAR UP, and Even Start.

Of the 16 programs included in this analysis, the budget plan would eliminate five that are of particular importance to Hispanic students. The budget also level-funds seven programs that are integral for the educational development of Hispanic students and that still require significant new investments to achieve their goals.

U. S. DEPARTMENT OF EDUCATION				
	FY06 Enacted	FY07 Proposed (millions)	\$ change FY06-07 (millions)	% change FY06-07 (millions)
21st Century Community Learning Centers	981	981	0	0%
School Dropout Prevention Program	4.8	0	-4.8	-100%
English Language Acquisition	669	669	0	0%
English Literacy and Civics Education Program	69	68	-1	-1%
Even Start	99	0	-99	-100%
GEAR UP	303	0	-303	-100%
HEP/CAMP	34	34	0	0%
High School Reform	0	1,475	1,475	100%
Hispanic-Serving Institutions	95	95	0	0%
Migrant Education Program	386	386	0	0%
Parent Assistance	39.6	0	-39.6	-100%
Pell Grants	13,045 ⁷	12,739	-306.4	-2.3%
Reading First State Grants ⁸	1,132	1,132	0	0%
Improving Teacher Quality State Grants ⁹	2,887	2,887	0	0%
TRIO Talent Search	145	0	-145	-100%
TRIO Upward Bound and Upward Bound Math/Science	311	0	-311	-100%

21st Century Community Learning Centers

The 21st Century Community Learning Centers (21st Century) program is a key component of the No Child Left Behind Act, providing children at risk of school failure with more “time on task” so they can meet academic standards. These programs provide students with academic enrichment opportunities along with activities designed to complement students’ regular academic programs. In addition,

21st Century programs also help working parents by providing a safe environment for students during non-school hours or periods when school is not in session. The President's budget plan funds this program at \$981 million - the same level of funding as in FY 2006. ***NCLR recommends increased funding for 21st Century after-school programs.***

School Dropout Prevention Program

The No Child Left Behind Act (NCLB) authorizes the School Dropout Prevention Program under Title I, Part H. This program helps states and school districts to implement research-based, sustainable, and coordinated school dropout prevention and reentry programs in order to raise student achievement. Latinos currently have the highest dropout rates among U.S. students. The President's budget would eliminate the School Dropout Prevention Program. NCLR recommends \$44.9 million for this program.

English Language Acquisition

Language Acquisition State Grants provide schools with funds to address the academic needs of the 5.5 million limited-English-proficient (LEP) children attending American schools. These grants support school efforts to help LEP students learn English and meet challenging state academic content and achievement standards. *The President's budget plan funds this program at \$669 million - the same level of funding as in FY 2006. NCLR recommends \$738 million for Language Acquisition State Grants.*

English Literacy and Civics Education Program

The English Literacy and Civics Education Program is an integrated program of educational services for immigrants and other LEP populations to acquire the basic skills they need to function effectively as parents, workers, and citizens. Local providers implementing English Literacy and Civics Education Programs are charged with incorporating instruction on the rights and responsibilities of citizenship and civic participation. *The President's budget plan funds this program at \$68 million - a reduction of \$1 million from the FY 2006 funding level. NCLR recommends \$100 million for English Literacy and Civics Education.*

Even Start

Even Start programs integrate 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 - nearly half (46%) are Hispanic.¹⁰ *The President's budget would eliminate this program. NCLR recommends \$225 million for Even Start.*

GEAR UP

GEAR UP supports early college preparation and awareness activities at the state and local levels to ensure that low-income elementary and secondary school students are

prepared for and pursue postsecondary education. Latinos constitute three in ten (30%) GEAR UP participants.¹¹ The President plans to eliminate this program. NCLR recommends \$325 million for GEAR UP.

HIGH SCHOOL REFORM INITIATIVE

The Administration proposes once again to eliminate seven programs,¹² including GEAR UP, Talent Search, and Upward Bound, and to redirect that funding into a \$1.5 billion High School Reform Initiative. This initiative would require further testing for high school students in language arts and math. States and school districts would have the flexibility to align the testing system with their existing instructional program, but would be held accountable for improving student achievement. The Administration argues that the programs it plans to eliminate are either ineffective with no substantial impact or without the capacity to achieve their long-term performance goals.¹³ However, the same evaluation of Upward Bound has shown the program to be effective in increasing rigorous course-taking among Latino students, which increases their chances of graduating from high school and attending and completing college.¹⁴ In addition, GEAR UP, unlike any other federal program, works with cohorts of at-risk middle school students to make sure they are on track to graduate from high school.

High school reform is critical to Latinos, given the fact that roughly only one in two (53%) Latinos currently graduates from high school.¹⁵ *Thus, while NCLR supports high school reform efforts, it is unclear how the President's initiative will improve Latino high school performance by eliminating programs successful at keeping Latinos from dropping out, providing them access to more rigorous coursework, and helping them enter and graduate from college.*

High School Equivalency Program (HEP) and College Assistance Migrant Program (CAMP)

The High School Equivalency Program (HEP) helps migrant and seasonal farmworkers (or children of such workers) who are 16 years of age or older and not currently enrolled in school. The program helps students to obtain the equivalent of a high school diploma and subsequently to gain employment or begin postsecondary education or training. The College Assistance Migrant Program (CAMP) provides migrant students in their first year of undergraduate studies at an institution of higher education with counseling and stipends. CAMP serves about 2,400 students annually, nearly all of whom complete their first year of college. *The President's proposal funds HEP-CAMP at \$34 million, the same level of funding as in FY 2006. NCLR recommends \$42.1 million for HEP-CAMP programs to meet the growing needs of migrant students.*

Hispanic-Serving Institutions

The Developing Hispanic-Serving Institutions (HSIs) Program helps institutions of higher education to expand their capacity to serve Hispanic and low-income students. HSIs are designated as institutions with 25% Hispanic students, not less than 50% of

whom are from low-income households. Almost one-half of Hispanic undergraduate students are enrolled in more than 219 colleges and universities categorized as HSIs. *The Administration's proposal funds this important program at \$95 million - the same level of funding as in the FY 2006 budget. This level of funding does not keep pace with the increased demand of Hispanic students for quality higher education. NCLR recommends a budget of \$175 million for HSIs.*

Migrant Education Program (State Grants)

The goal of the Migrant Education Program (MEP) is to ensure that all migrant students reach challenging academic standards and graduate with a high school diploma (or complete a GED) that prepares them for responsible citizenship, further learning, and productive employment. MEP awards formula-based grants to states to identify and recruit migrant students and provide them with educational, health, and nutritional services, among other activities. *The President's budget plan funds this program at \$386 million, the same level of funding as in FY 2006. NCLR recommends \$442.2 million for the Migrant Education Program.*

Parent Assistance

The No Child Left Behind Act (NCLB) authorizes Local Family Information Centers (LFICs) under Title V, "Providing Informed Parental Choice and Innovative Programs." Funding these centers would ensure that Hispanic parents are empowered to hold schools accountable for helping their children meet the rigorous academic benchmarks outlined in NCLB. Nearly all (96%) Americans with school-aged children believe that parents should be familiar with the academic standards in their children's schools. However, only 38% of Latino parents believe that schools are adequately providing this information.¹⁶ LFICs would help parents understand the school system, including how standards and assessments can be used to help improve student achievement. In addition, LFICs can provide information about important educational options, including English language learner programs, college preparation assistance, and charter schools. *The President's budget request would eliminate funding for Parent Assistance Programs. NCLR recommends \$100 million, including \$25 million for LFICs.*

Pell Grants

Undergraduate students establish eligibility for these grants under award and need determination rules set out in the authorizing statute and the annual appropriations act. Recent program data indicate that more people are applying for Pell Grants, and more of those applying are eligible to receive aid, than previously forecasted. *The Bush Administration's FY 2007 budget plan proposes a decrease of \$306 million for Pell Grants. NCLR supports increased funding for Pell Grants.*

Reading First and Early Reading First State Grants

Reading First and Early Reading First State Grants are intended to help students in preschool and elementary schools improve their reading skills. Reading First supports

programs that help students in grades K-3 to ensure that all children can read at grade level by third grade. Early Reading First grants prepare young children to enter kindergarten with the necessary language, cognitive, and early reading skills to prevent reading difficulties and ensure school success. These programs are critical for Latinos who show increased reading scores when they receive early literacy services.¹⁷ *The President's budget plan funds this program at \$1.132 billion, the same level of funding as in FY 2006. The Budget includes \$103 million for Early Reading First to develop model childhood literacy and pre-reading programs for schools serving high-poverty communities.*

Improving Teacher Quality State Grants

The purpose of the Improving Teacher Quality State Grants Program is to help increase the academic achievement of all students by helping schools and school districts ensure that all teachers are highly qualified to teach. Research consistently shows that ineffective teachers have an adverse impact on student achievement. Latino students, as with other minority students, are more likely to be in schools with unqualified, often ineffective teachers. About two-thirds of Latino, African American, and Native American eighth-grade math students have teachers who do not have an undergraduate degree in mathematics, compared to half of all White students.¹⁸ Improving teacher quality is thus critical to obtaining better academic outcomes for Latino students. *The President's budget plan funds this program at \$2.887 billion, the same funding level as in FY 2006.*

TRIO Programs

The TRIO programs include Talent Search and Upward Bound, which help disadvantaged middle and high school students prepare for college by providing tutoring, rigorous coursework, and guidance. Together, Talent Search and Upward Bound serve approximately 455,000 middle and high school students; 19% are Hispanic. *The President plans to eliminate both of these programs and to redirect \$145 million from Talent Search and \$311 million from Upward Bound to a new High School Reform Initiative. TRIO programs have proven effective in helping participants graduate from high school ready for college. NCLR recommends \$900 million for these programs.*

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

The Administration has proposed a FY 2007 budget of \$66 billion for the U.S. Department of Health and Human Services (HHS) - a 2.1% decrease in discretionary spending from FY 2006. The President's budget calls for more than 21 program terminations - cuts that will result in more than \$1 billion in funding losses for HHS programs.

More notable is a continued trend to significantly cut health care entitlement programs. The President's budget plan requests deep funding reductions to both Medicare and Medicaid (\$117 billion over ten years), which will negatively impact

access to health care. The cuts to Medicaid create a specific threat for Latinos, since the program is a major source of health coverage.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	FY06 Enacted (millions)	FY07 Proposed (millions)	\$ change FY06-FY07 (millions)	% change FY06-FY07
Centers for Disease Control and Prevention	6,176	5,809	-367	-6%
Child Care and Development Block Grant	2,062	2,062	0	0%
Community Health Centers	1,782	1,963	181	10%
Head Start	6,786	6,786	0	0%
Health Resources and Services Administration	6,625	6,266	-359	-5%
Individual Development Accounts	24	24	0%	0%
Low-Income Home Energy Assistance	2,161	2,782 ¹⁹	621	29%
Minority HIV/AIDS Initiative (HRSA funding only)	52	52	0	0%
National Center on Minority Health and Health Disparities	195	194	-1	-1%
Office for Civil Rights	31	33	2	6%
Office of Minority Health	56	46	-10	-18%
Racial and Ethnic Approach to Community Health (REACH)	34.3	33.9	-0.4	-1%
Ryan White CARE Act Program	2,063	2,158	95	5%
State Children's Health Insurance Program	5,775	5,948	173	3%
Substance Abuse and Mental Health Services Administration	3,205	3,134	-71	-2%

Centers for Disease Control and Prevention (CDC)

The Centers for Disease Control and Prevention (CDC) is the lead federal agency for protecting the health and safety of people, providing credible information to enhance health decisions, and promoting health through partnerships with community-based organizations (CBOs). NCLR-affiliated CBOs have forged strong partnerships with the CDC to develop and implement Hispanic-focused health promotion campaigns. *The President proposes to fund CDC at \$5.809 billion in FY 2007 - a decrease of 6% from FY 2006.*

Child Care and Development Block Grant

The Child Care and Development Block Grant (CCDBG) program provides funds to states for direct child care assistance payments to low-income families. The program helps to cover monthly child care expenses for approximately 1.8 million families who are working or engaged in education or training programs. The Office of Management and Budget's evaluation of CCDBG, using the Program Assessment Rating Tool (PART), found that it plays a critical role for families transitioning from welfare to work and that child care subsidies expand parental access to a range of care options. However, according to the U.S. Department of Health and Human Services, only about 15% of those eligible for child care subsidies under CCDBG receive them.²⁰ Given that Latino families with children under age 12 constitute 29% of all low-income families in the U.S.,²¹ funding of CCDBG is significant for Latinos. *The President's FY 2007 budget plan funds CCDBG at \$2.062 billion, the same level of funding as in FY 2006.*

Community Health Centers

Community Health Centers (CHCs) are health care facilities that provide comprehensive, culturally-competent primary care and preventive care services to medically underserved populations. Latinos, who face the highest uninsurance rates compared to all racial and ethnic populations, value CHCs as integral access points to health care. According to the National Association of Community Health Centers, the number of Latinos using health centers grew by 48.8% between 1999 and 2004, and a large proportion of the CHC patient population is Latino (35.6%).²² *The President's budget plan requests 1.963 billion for FY 2007, an increase of \$181 million for community health centers. Further, the budget request indicates that a subset of the funds will be used to target poor counties with low-income communities. NCLR endorses the FY 2007 funding levels and encourages continued support for the development of CHCs.*

Head Start

Head Start and Early Head Start are comprehensive health and educational programs that serve low-income children from birth to age five, pregnant women, and their families. The Migrant and Seasonal Head Start (MSHS) program makes these same services available to the children of farmworkers. Head Start currently serves only 60% of eligible preschoolers, while MSHS serves a mere 19% of its eligible children. Hispanic children represent 30% of all Head Start enrollees, and they account for the vast majority of children eligible for MSHS. *The President proposes level-funding for Head Start in FY 2007 at \$6.786 billion. NCLR recommends full funding of Head Start. Until full funding is achieved, NCLR recommends an additional \$69 million increase for MSHS programs in FY 2007, which would result in direct services to an additional 10,000 children of farmworkers.*

Health Resources and Services Administration (HRSA)

HRSA is the primary federal agency for improving access to health care services for people who are uninsured or medically vulnerable. HRSA distributes the bulk of its funding to states, local governments, and local organizations to implement community-based health programs designed to eliminate disparities, improve access to health care, improve quality of care, and ultimately improve health outcomes. *The Administration's FY 2007 budget proposal decreases HRSA's funding by 5% - reducing funding by \$359 million.*

Individual Development Accounts

Individual Development Accounts (IDAs) are matched savings accounts designed to help low-income and low-wealth families accumulate savings that they can use for education/job training, homeownership, and/or microenterprise. There are more than 400 community-based IDA programs in 47 states, including several NCLR Affiliates, available to low-income working families. Research has shown that Latino IDA participants save more on average than their peers, but few Latinos are able to participate given limited federal funding. *The President proposes to fund IDAs in FY 2007 at \$24 million - the same level of funding as in FY 2006.*

Low-Income Home Energy Assistance

The Low-Income Home Energy Assistance Program (LIHEAP) provides direct heating and cooling benefits to millions of low-income families. A 2005 report by Economic Opportunity Studies found that of households in poverty (earning less than 100% of federal poverty guidelines), more than 13 million will spend an average of 25% of their entire FY 2006 annual income on their energy bills just to maintain their modest levels of usage.²³ *The President's budget plan funds LIHEAP at \$2.782 billion - an increase of 29% from FY 2006 when taking into account new mandatory spending.*

Minority AIDS Initiative

This initiative focuses on the need to address the alarming rate of HIV/AIDS infection in minority communities. While racial minorities account for about 33% of the U.S. population, they account for more than 57% of all AIDS cases in the U.S. *The President's budget plan funds this initiative under the Health Resources and Services Administration at \$52 million - the same level of funding as in FY 2006.*

National Center on Minority Health and Health Disparities

The National Center on Minority Health and Health Disparities (NCMHD) promotes minority health. The Center also leads, coordinates, supports, and assesses the National Institutes of Health's (NIH) efforts to reduce and ultimately eliminate health disparities. In this effort, NCMHD conducts and supports basic, clinical, social, and behavioral research; promotes research infrastructure and training; fosters emerging programs; disseminates information; and reaches out to minority and other

communities experiencing health disparities. *The President's budget plan funds this program at \$194 million - a 1% decrease from FY 2006.*

Office for Civil Rights

HHS's Office for Civil Rights (OCR) promotes and ensures that people have equal access to and the opportunity to participate in and receive services from all HHS programs without facing unlawful discrimination. In particular, OCR is responsible for oversight and enforcement of laws that prevent discrimination against persons because of their national origin. These laws help to ensure that limited-English-proficient (LEP) persons have equitable access to health care. *The President proposes to fund OCR at \$33 million - a 6% increase from FY 2006. NCLR supports the increase in funding but encourages OCR to dedicate specific funds to reduce discrimination against LEP individuals in health care settings.*

Office of Minority Health

The Office of Minority Health (OMH) works closely with state, tribal, and local governments, as well as with nonprofit organizations, to improve the health status and eliminate health disparities among Americans of all racial and ethnic groups. The most recent National Healthcare Disparities Report confirmed that the health disparity between Latinos and non-Hispanic Whites has grown. Continued cuts in funding for OMH hinder it from carrying out activities that increase equity in the health system for communities of color. *The President proposes to fund OMH at \$46 million in FY 2007 - an 18% reduction from FY 2006.*

Racial and Ethnic Approach to Community Health (REACH)

REACH 2010 is part of a national initiative by the CDC to eliminate disparities in health status experienced by racial and ethnic minority groups. REACH 2010 supports community coalitions in designing, implementing, and evaluating community-driven strategies to address disparities. Specifically, REACH helps to support efforts that provide education on disease prevention for health care providers, health education and health promotion programs that use lay health workers to reach community members, and communications campaigns on healthy lifestyles. *The President proposes to fund REACH at \$33.9 million - a 1% reduction in funding from FY 2006.*

Ryan White CARE Act

The Ryan White Comprehensive AIDS Resources Emergency (CARE) Act is federal legislation that addresses the unmet health needs of persons living with HIV and AIDS by funding primary health care, drug assistance, and support services. The CARE Act reaches more than 500,000 individuals each year, making it the federal government's largest program specifically for people living with HIV/AIDS. Although Hispanics composed just 13.7% of the U.S. population in 2003, they accounted for more than 20% of reported AIDS cases. *The President proposes \$2.158 billion in FY 2007 - a 5% increase over FY 2006.*

State Children's Health Insurance Program (SCHIP)

The State Children's Health Insurance Program (SCHIP) addresses the growing problem of children without health insurance. Congress designed SCHIP as a federal-state partnership, similar to Medicaid, with the goal of expanding health insurance to children whose families earn too much money to be eligible for Medicaid but not enough money to purchase private insurance. SCHIP is the single largest expansion of health insurance coverage for children since the inception of Medicaid in the mid-1960s. *The Administration's proposal requests \$5.948 billion dollars in SCHIP funding - a 3% increase over FY 2006. This funding includes \$100 million for a new "Cover the Kids" initiative to improve enrollment in SCHIP and Medicaid.*

Substance Abuse and Mental Health Services Administration

The Substance Abuse and Mental Health Services Administration (SAMHSA) focuses attention, programs, and funding on improving the lives of people with or at risk for mental and substance abuse disorders. According to one study, less than one in four (24%) Latinos with mental health problems is receiving the appropriate care.²⁴ *The President proposes to fund this program at \$3.134 billion - a 2% reduction from FY 2006.*

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Administration proposed \$33.6 billion for the U.S. Department of Housing and Urban Development (HUD) for FY 2007. Without including additional disaster assistance funds received by HUD last year, the amount stands as a reduction of 1.8% from FY 2006. Of the five programs that form part of this analysis, the Administration proposes a reduction of \$909 million - a 15% cut from last year's spending. The reduction is mainly due to the 27% cut in the Community Development Block Grants program that helps to revitalize distressed communities.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
	FY06 Enacted (millions)	FY07 Proposed (millions)	\$ change FY06-FY07 (millions)	% change FY06-FY07
Community Development Block Grant	4,178	3,032	-1,146	-27%
Fair Housing Assistance Program	26	25	-1	-4%
Fair Housing Initiative Program	20	20	0	0%
HOME Investment Partnerships Program	1,757	1,917	160	9%
Housing Counseling Assistance	42	45	3	.07%
Housing Choice Vouchers	15,417	15,920	503	3.3%

Community Development Block Grant

Community Development Block Grants (CDBGs) provide funding for community infrastructure, affordable housing, and economic development projects principally in low- and moderate-income neighborhoods. CDBG is important to Latinos because it is designed primarily to improve the quality of low- and moderate-income neighborhoods. A substantial number of NCLR Affiliates use CDBG funds to provide housing counseling, develop affordable housing opportunities, create economic development, and attract private partners into their communities. In the FY 2006 budget, the President proposed to consolidate programs into a massive Strengthening America's Families Block Grant and cut funds off the top. Congress did not support this effort. This year, the Administration proposes to consolidate several HUD programs into CDBG and cut overall funding. *The President's FY 2007 budget proposes \$3.032 billion for CDBG, a \$1.1 billion dollar cut from the FY 2006 amount.*

Fair Housing Assistance Program

Research shows that housing discrimination against Latinos remains persistent and high. For example, in 2000, fair housing testers found that 27% of Hispanic renters and 20% of Hispanic home shoppers experienced some level of discrimination while looking for housing.²⁵ Moreover, research documents insufficient enforcement activities targeted to or carried out on behalf of Latinos. HUD's Office of Fair Housing and Equal Opportunity administers federal laws and establishes national policies that ensure that all Americans can pursue housing opportunities free of discrimination. The office administers the Fair Housing Assistance Program (FHAP), which provides resources to state and local agencies to process and investigate complaints filed under Title VIII of the Civil Rights Act of 1968. *The President proposes to fund FHAP at \$25 million, \$1 million less than approved in FY 2006.*

Fair Housing Initiative Program

The Office of Fair Housing and Equal Opportunity also administers the Fair Housing Initiative Program (FHIP). FHIP funds strengthen the ability of private fair housing community groups to enforce laws protecting all Americans against housing discrimination. *The President's budget plan freezes funding levels between FY 2006 and FY 2007 for FHIP at \$20 million.*

HOME Investment Partnerships Program

HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME provides funds to expand affordable housing by acquisition, rehabilitation, and new construction of housing and tenant-based rental assistance. As many Latinos live in high-cost markets, there is significant need to produce and rehabilitate affordable housing. Similarly, many low- and moderate-income Latino families would not be able to purchase their first home without downpayment assistance. The American Dream Downpayment Initiative (ADDI) is a set-aside within the HOME budget which

helps make homeownership more affordable through downpayment assistance. *The President proposes to fund HOME at \$1.917 billion - a 9% increase over FY 2006. Moreover the President proposes to fund ADDI at \$100 million.*

Housing Counseling Assistance

The Housing Counseling Assistance program offers comprehensive housing counseling services, including pre-purchase, default, and renter counseling, to eligible homeowners and tenants. Given low Hispanic homeownership rates, high rates of discrimination, and growing concerns over predatory lending, housing counseling is an essential and proven method of delivering homebuying information and services to the Latino community. As a HUD intermediary, NCLR distributes HUD funding to 37 of its Affiliates, collectively known as the NCLR Homeownership Network, annually serving more than 24,000 families and helping more than 3,500 families become homeowners; more than three out of four families served are below 80% of Area Median Income. The President proposes to fund this program at \$45 million - a 7% increase from FY 2006. NCLR recommends increasing housing counseling funding from \$42 million to \$50 million for FY 2007.

Housing Choice Vouchers

Housing Choice Vouchers, commonly known as Section 8 housing, provide two million low-income families with subsidies to help them afford safe and decent housing. Under the program, participants contribute 30% of their income toward rent, and a voucher covers the difference between this amount and an established fair cost for housing in a particular area. This program is important to the lowest-income Latinos who rely on temporary housing subsidies until they are able to find an affordable housing option. *The President has requested \$15.9 billion for the Housing Choice Voucher program, an increase of 3.3% (\$503 million) over FY 2006. This is enough to fully fund existing vouchers but will not expand the program to additional needy families.*

U.S. DEPARTMENT OF LABOR

The U.S. Department of Labor (DOL) reported that the Administration proposed \$54.1 billion in both mandatory and discretionary budget authority for DOL programs in FY 2007 - \$2.8 million more over FY 2006. Although the overall DOL budget is projected to rise, this is largely attributable to spending on programs such as unemployment insurance, pension insurance benefits, and others, where funding is determined by formula rather than appropriations. For discretionary programs such as Adult Employment and Training and Job Corps, the Administration proposes to reduce overall spending by \$600 million.

The President's budget plan would eliminate several programs, including the Migrant and Seasonal Farmworker Training programs for adults and youth, which provide essential employment and job training services to more than 25,000 migrant and seasonal farmworkers. Moreover, the Administration proposes to block grant major

employment and training programs, cut overall funding for those programs, and create a new funding stream based on Career Advancement Accounts (see box below).

U.S. DEPARTMENT OF LABOR				
	FY06 Enacted (millions)	FY07 Proposed (millions)	\$ change FY06-FY07 (millions)	% change FY06-FY07
Job Corps	1,557.3	1,501.6	-56	-4%
National Farmworker Jobs Program	80	0	-80	-100%
National Farmworker Youth Program	0	0	0	0%
Office of Federal Contract Compliance Programs	81	83.7	2.7	4%
Career Advancement Accounts ²⁶	0	3,412.9	3,412.9	100%
WIA Adult Employment and Training Activities	857	712	-145	-17%
WIA Youth Activities	943	841	-102	-11%
WIA Dislocated Worker Employment and Training Activities	1,440	1,218	-222	-15%

Job Corps

Job Corps is the nation's largest and most comprehensive residential education and job training program for at-risk youth ages 16 through 24. The program combines classroom, practical, and work-based learning experiences to prepare youth for stable, long-term, high-paying jobs and serves more than 60,000 young people every year. Minority youth make up 70% of Job Corps participants, and Latinos constitute about 18% of participants. The Job Corps program has a proven record in helping youth attain their GEDs, which is important for Latinos; Hispanics are still the least likely of all Americans to have high school diplomas. *The Department of Labor reported that the President's request would reduce the budget authority for Job Corps in FY 2007 by \$56 million to \$1.501 billion - a 4% cut in funding from FY 2006. This funding level includes a rescission of \$75 million from Job Corps Construction funds.*

National Farmworker Jobs Program

Currently authorized in Section 167 of the Workforce Investment Act (WIA), this program serves the needs of migrant and seasonal farmworkers, providing English-as-a-Second-Language instruction, job-readiness, and skills training. The National Farmworker Jobs Program's 50 nonprofit and public agencies, including many NCLR Affiliates, serve more than 25,000 hardworking, impoverished, and mostly Hispanic migrant and seasonal agricultural workers each year. It is one of the Department of Labor's most effective national job training programs, with a success rate exceeding 83%.²⁷ With help from this unique program, farmworkers often dramatically increase

their earnings by entering other fields such as health care, transportation, and manufacturing. *As in previous years, the President's budget would eliminate this program - a decrease of \$80 million from FY 2006 funding levels. NCLR recommends \$102.7 million for this program to reach more migrant farmworkers.*

National Farmworker Youth Program

Previously authorized in Section 127 of the Workforce Investment Act (WIA), this program provided tutoring, mentoring, career counseling, job training, child care, and health referrals to migrant and seasonal farmworker youth ages 14-21 and to the children of hardworking, often impoverished migrant and seasonal farmworkers. This segment of the youth population has one of the highest high school dropout rates, and this program had shown impact in tackling these challenges. The program did not receive any funding for FY 2006 and expired. *NCLR recommends a minimum of \$10 million to carry out these activities.*

Office of Federal Contract Compliance Programs

The Office of Federal Contract Compliance Programs (OFCCP) is responsible for ensuring equal employment opportunity and nondiscrimination in employment based on race, sex, religion, color, national origin, disability, or veteran status for businesses contracting with the federal government. *The Administration proposes to fund OFCCP by \$83.7 million - a 4% increase over FY 2006. NCLR supports the Administration's funding request.*

CAREER ADVANCEMENT ACCOUNTS

In years past, the Administration has proposed to consolidate major employment and training programs into a block grant (see NCLR White Paper on President's FY 2006 Budget, WIA Consolidation State Grants). NCLR has traditionally opposed these efforts.

In FY 2007, the Administration has proposed a total of \$3.413 billion for Career Advancement Accounts (CAAs). Funds previously appropriated for the WIA Adult, WIA Dislocated Worker (including National Reserve), WIA Youth Programs, and Employment Services would be allocated to states as a single funding stream for CAAs. The proposal would provide accounts up to \$3,000 that states would distribute to workers entering the workforce or transitioning between jobs and careers. Funds could also be used by incumbent workers in need of new skills to remain employed. DOL estimates that CAA funds will provide training opportunities to 800,000 workers. Unlike previously proposed Personal Reemployment Accounts (PRAs), CAAs can only be spent on job training. The consolidation of major programs under the CAA plan would result in a cumulative funding cut of approximately \$500 million.

NCLR opposes the combining of funding streams initially created to address the needs of different types of workers and is concerned about the ability of Latinos and persons of limited English proficiency to access adult education and job training services under this structure, where all workers compete for services under reduced funding. NCLR strongly urges Congress to reject the consolidation effort.

OTHER U.S. DEPARTMENTS AND FEDERAL AGENCIES

In addition to the aforementioned federal agencies, there are selected areas of the federal government which are of particular concern to Latinos and worth highlighting.

OTHER U.S. DEPARTMENT AND FEDERAL AGENCIES				
	FY06 Enacted (millions)	FY07 Proposed (millions)	\$ change FY06-FY07 (millions)	% change FY06-FY07
U.S. Equal Employment Opportunity Commission	327	323	-4	-1%
U.S. Small Business Administration	306	291	-15	-5%
USDA - Rural Housing	7,908	6,271	-1,637	-21%
- Section 502	1,129	1,237	108	10%
- Section 514	38	42	4	11%
- Section 516	14	14	0	0%
- Section 523	5	5	0	0%
USDA - Women, Infants, and Children (WIC) Program	5,204	5,200	-4	-0%
U.S. Department of Justice Office of Juvenile Justice and Delinquency Prevention Operating Budget	0.7	0.7	0	0%
- Title II, State Grants	79.2	93.2	14	18%
- Title V, Local Delinquency Prevention	64.4	32	-32.4	-50%
- Juvenile Accountability Block Grant	49.5	0	-49.5	-100%

U.S. Equal Employment Opportunity Commission (EEOC)

The mission of the EEOC is to promote equal opportunity in employment through administrative and judicial enforcement of federal civil rights laws and through education and technical assistance. As in past fiscal years, a minority of EEOC cases are Hispanic, largely because the Latino community continues to be underserved. An increase in the budget is needed to expand outreach programs and partnerships with stakeholder groups, as well as to devote more resources to claims filed by low-wage workers and national origin claims. *The Administration proposes to reduce funding for EEOC by \$4 million - a 1% decrease from FY 2006 - to \$323 million in FY 2007.*

U.S. Small Business Administration

Established in 1953, the U.S. Small Business Administration (SBA) provides financial, management, and technical support to help Americans start, run, and grow their businesses. SBA is the nation's single largest financial backer of small businesses, with a vast array of business loans, loan guarantees, and disaster loans totaling more than \$45 billion. SBA's own data show significant service levels to Hispanic-owned and -operated small businesses throughout the country. SBA offers management and technical assistance to more than one million small business owners, of whom one-fourth are Latino. *Over the last several years, SBA has received significant resources above its annual budget authority for disaster relief. The Administration reports a slight cut in budgetary authority for SBA for FY 2007 from FY 2006; however, actual resources for SBA are difficult to assess given a host of budgetary and accounting maneuvers.*

U.S. Department of Agriculture: Rural Housing

There are several programs located at USDA which help Latinos in rural areas develop and find affordable housing and homeownership opportunities. The Section 502 program provides mortgage loans to the rural poor, many of whom are involved in the Self-Help housing program (Section 523) where families perform approximately 65% of the construction labor required to build their home with the assistance of a community-based organization. This model has proven successful in many rural Latino communities. Two other programs used in tandem to improve the housing situation of migrant and seasonal farmworkers, some of the nation's most poorly-housed families, are Section 514, which provides subsidized mortgage loans, and Section 516, which provides development subsidies. *The Administration proposes increases for the Section 502 program by 10% from FY 2006 to \$1.237 billion. The Administration proposes an increase for Section 514 and level funding for Section 516 and Section 523.*

U.S. Department of Agriculture: Women, Infants, and Children (WIC) Program

This WIC program provides direct assistance to women with young children for basic nutritional needs. Overall, funds provide vouchers to low-income, at-risk, or postpartum women, infants, and children for nutritious supplemental food packages, nutrition education and counseling, and health and immunization referrals. Numerous studies have shown the effectiveness of WIC in improving health outcomes, such as higher birth weights for children and fewer preterm births.²⁸ The Administration proposes a slight reduction in funding for the WIC program. *NCLR recommends that the WIC program, which consistently has been shown to improve the health outcomes of young children, be fully funded.*

U.S. Department of Justice: Juvenile Justice and Delinquency Prevention Programs

Juvenile Justice and Delinquency Prevention programs support a variety of activities that prevent and reduce juvenile crime. For example, the Title II formula grants to states provide funding for activities to strengthen the juvenile justice system and reduce recidivism. The Title V Local Delinquency Prevention program funds a wide range of collaborative, comprehensive, community-based delinquency prevention programs including early childhood development, nurse home-visiting, after-school activities, mentoring, and tutoring, as well as dropout, gang, and substance abuse prevention. The Juvenile Accountability Block Grant (JABG) supports local juvenile justice approaches ranging from secure juvenile corrections facilities for some violent offenders, to effective community-based residential treatment programs for offenders who do not need to be locked up, to substance abuse and mental health services for nonviolent offenders remaining at home, to school safety programs. *The Administration's budget would increase funding for Title II, reduce Title V funding by 50%, and eliminate the JABG. In addition, the President's proposal would level-fund the Office of Juvenile Justice and Delinquency Prevention (OJJDP) operating budget. NCLR recommends \$93.2 million for Title II, \$80 million for Title V, \$190 million for JABG, and \$3.6 million for the OJJDP operating budget.*

CONCLUSION

President Bush initiated the annual debate on our nation's priorities and values when he submitted his budget proposal to Congress on February 6, 2006. However, Congress has the ultimate responsibility to allocate federal funds and make investments that meet public needs, ensure our economic prosperity, and maintain our nation's competitive edge.

The Administration's plan is marked by expanded tax cuts, budget cuts through consolidation and elimination of critical programs, and changes in entitlement programs that serve low-income families. As such, the President's proposal seeks a radical reorganization of our nation's safety-net programs on which millions of Latinos rely to climb out of poverty and enter the middle class.

The plan is also notable for what it does not say. Although the FY 2007 priorities are outlined, the Administration is not specific on how Congress should cut \$214 billion in domestic spending over the next five years. The plan also does not fully account for the cost of tax cuts when fully implemented beyond the five-year budget window or take into account fully the cost for military expenses abroad or costs associated with Social Security reform. Congress has much work to do to spell out the details and settle on a budget that serves all Americans.

The Senate took small steps in the right direction by approving, with bipartisan support, amendments to the Senate budget resolution to increase funding for LIHEAP, CDBG, and education, health, and training programs. However, the Senate budget resolution (approved by a vote of 51-49) does not fully restore funding cuts in

these programs contained in the President's blueprint. In addition, the failure of the Senate to consider revenue raisers means that we have little hope of closing our nation's budget deficit in the near future.

The President provided a blueprint of spending priorities short on key investments for Latinos. Thus, the President's pledge to fund a competitiveness agenda rings hollow given the fact that Latinos represent a significant portion of the future workforce and will be largely responsible for maintaining the nation's leadership in industry, its national defense, its fundamental infrastructure, and its retirement programs, including Social Security and Medicare. The Senate's budget resolution is only slightly better. The next steps in the budget and appropriations process are critical to Latinos (see budget timeline above). As the House of Representatives deliberates on its budget resolution and Congress works to finalize the nation's plan for spending on programs and raising revenues to pay for them, it is up to Latinos and other Americans to let Congress know that we must do better.

ENDNOTES

1. See Aron-Dine, Aviva and Joel Friedman, *The Skewed Benefits of the Tax Cuts, 2007-2016: If the Tax Cuts Are Extended, Millionaires Will Receive More than \$600 Billion over the Next Decade*. Washington, DC: Center on Budget and Policy Priorities, March 16, 2005; and Carlitz, Ruth and Richard Kogan, *CBO Data Show Tax Cuts Have Played Much Larger Role Than Domestic Spending Increases In Fueling the Deficit*. Washington, DC: Center on Budget and Policy Priorities, January 31, 2005.
2. The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout this document to identify persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, and Spanish descent; they may be of any race.
3. *CBO Data Show Tax Cuts Have Played Much Larger Role, op. cit.*
4. *The Skewed Benefits of the Tax Cuts, op. cit.*
5. *Ibid.*
6. This savings figure is provided in the Bush Administration's official document on major entitlement reforms and program terminations, "Major Savings and Reforms in the President's FY 2007 Budget." However, the Center on Budget and Policy Priorities (CBPP) has identified net legislative and regulatory cuts to Medicaid which would reduce spending by \$14 billion over the next five years. Available online at: <http://www.cbpp.org/2-14-06health.htm>
7. FY 2006 funding for Pell Grants includes a one-time \$4.3 billion appropriation to eliminate a Pell Grant funding shortfall. Total fiscal year 2006 appropriation for Pell Grants was \$17,345 (in millions).
8. The figures include annual and advanced appropriations as well as funds for Early Reading First.
9. The figures include annual and advanced appropriations.

10. *Even Start Facts & Figures, Student Achievement and School Accountability Programs*, Office of Elementary and Secondary Education, U.S. Department of Education website: <http://www.ed.gov/about/offices/list/oese/sasa/esfacts.html>.
11. *National Evaluation of GEAR UP: A Summary of the First Two Years*. Washington, DC: U.S. Department of Education, 2003.
12. The Administration's proposal would also eliminate Vocational Education State Grants, Vocational Education National Programs, Tech Prep State Grants, and the Smaller Learning Communities program.
13. For example, the Administration's assessment states that an evaluation of the Upward Bound program found no overall impact on participants' grades, credits earned, high school graduation rates, or college enrollment rates.
14. The federal government now utilizes the Program Assessment Rating Tool (PART) to provide an overall assessment of the management and performance of federal programs by evaluating a program's purpose, design, planning, management, results, and accountability to determine its overall effectiveness.
15. Swanson, Christopher, *Who Graduates, Who Doesn't: A Statistical Portrait of High School Graduation, Class of 2001*. Washington, DC: The Urban Institute, 2004.
16. *Findings from the Council for Basic Education's National Poll of Public Attitudes toward Rigorous Academic Standards*. Washington, DC: Council for Basic Education, 1998.
17. Denton, Kristen and Jerry West, *Children's Reading and Mathematics Achievement in Kindergarten and First Grade*. Washington, DC: U.S. Department of Education, 2002.
18. Haycock, Kati, *Thinking K-16: Good Teaching Matters...A Lot*. Washington, DC: The Education Trust, 1998.
19. This figure includes new mandatory spending equaling \$1 billion. Thus, this budget request represents a \$379 million (17.5%) decrease for FY 2007.
20. Takanishi, Ph.D., Ruby, "Leveling the Playing Field: Supporting Immigrant Children from Birth to Eight," *The Future of Children: Children of Immigrant Families*, Vol. 14, No. 2, Summer 2004.
21. Population Reference Bureau, analysis of data from U.S. Census Bureau, 2000 Census Summary File 3 (Tables P87 & P159H).
22. *Health Centers' Role in Reducing Health Disparities Among Hispanics & Latinos*. Washington, DC: National Association of Community Health Centers, September 2003.
23. LIHEAP Clearinghouse, National Center for Appropriate Technology, Volume 57, February 2006, <http://www.liheap.ncat.org/newslett/57net.htm#study>.
24. *Mental Health: Culture, Race, and Ethnicity, A Supplement to Mental Health: A Report of the Surgeon General*. Washington, DC: Department of Health and Human Services, 2001.
25. *Discrimination in Metropolitan Housing Markets, Phase 1*. Washington, DC: U.S. Department of Housing and Urban Development, 2002.
26. This new funding stream includes WIA Adult, Youth, and Dislocated Worker programs listed, and also (not listed) included are Employment Service State Grants, Labor Market Information Service, and Work Opportunity Tax Credits as part of the consolidation.

- 27 "National Farmworker Jobs Program Overview," fact sheet on Department of Labor website, <http://www.doleta.gov/MSFW/html/facts.cfm>.
- 28 Oliviera, Victor, Elizabeth Racine, Jennifer Olmsted, and Linda M. Ghelfi, *The WIC Program: Background, Trends, and Issues*. Washington, DC: United States Department of Agriculture, March 2005.