

THE PRESIDENT'S BUDGET AND ASIAN AMERICANS & PACIFIC ISLANDERS: More of the Same Misplaced Priorities

Key Points:

- **The Bush Administration's FY 2008 budget continues with more of the same wrong priorities of the past six years -- putting special interests first and the American people last.**
- **The President's budget is morally irresponsible, cutting health care, denying educational opportunity for our children, and doing too little to bring down energy prices.**
- **Democrats are committed to a new direction for America in which the interests of hardworking Asian American and Pacific Islander families take priority over the special interests.**

Democrats believe that on every issue our nation faces, we must pursue policies that take our country in a new direction. The Bush Administration's FY 2008 budget fails on that score; it continues with more of the same wrong priorities of the past six years that have failed Asian American and Pacific Islander (AAPI) families and the American people. It is fiscally reckless, adding trillions to the deficit over the next 10 years, and morally irresponsible, slashing funding for key priorities, such as health care and education, critical to America's middle class. Democrats are fighting for a budget that reflects the values of America's working families. We are working to restore fiscal responsibility and to deliver results to the American people, along with economic prosperity, a strong national defense, affordable health care and energy prices, and strong public schools.

Cuts Vital Health Care Programs. There are nearly 2.4 million Asian Americans and Pacific Islanders without health insurance and about 13 percent of AAPI children are uninsured. [CPS, 8/06; Census, 2/07]. Since 2000, American workers are paying \$1,359 more to insure their families – an 84% increase. [KFF, 9/06; MEPS, 8/06] And yet the President's budget slashes critical health insurance programs, including cutting Medicare by \$252 billion and Medicaid by \$61 billion over 10 years. The Medicare cuts result in nearly \$25.4 billion in cuts to hospitals, skilled nursing facilities, and home health providers serving seniors and people with disabilities over the next 5 years. [AHA, 2/07] In addition, the President's budget significantly underfunds the State Children's Health Insurance Program (SCHIP) program, a critical source of health care coverage for our nation's low-income children.

Betrays the 2.4 million Asian American and Pacific Islander children enrolled in K-12 school. The President's budget underfunds No Child Left Behind (NCLB) programs by \$14.8 billion in FY 2008. For example, it provides \$1.5 billion less for after-school programs than was promised in NCLB – meaning that 2 million children will be left without a safe place to play and learn after school. The President's budget also slashes funding by 71 percent for the Safe and Drug-Free School Program, which helps 15,000 school districts implement anti-drug, violence prevention, and school safety measures.

Does Not Do Enough to Protect America Here At Home. The President's budget slashes grants for first responders by 45 percent, including cutting firefighter grants by 55 percent and state homeland security grants by 52 percent. The budget also eliminates the Law Enforcement Terrorist Prevention Program (LETPP) which plays a key role in assisting local law enforcement agencies in information sharing, target hardening, threat recognition and mapping, and counterterrorism and security planning. The Bush budget cuts aid to state and local law enforcement in the Justice Department by 56 percent, slashing the COPS program by 94 percent.

Fails to Honor Promises to Asian American and Pacific Islander Veterans and Troops. There are 313,000 Asian Americans and Pacific Islanders who are honored veterans of our military and nearly 39,000 brave AAPI men and women have been deployed to Iraq or Afghanistan since September 2001. [Census, 1/06; DOD, 1/31/07] At a time when wounded troops returning from Iraq could overwhelm the VA health system, the budget underfunds veterans' health care, providing an increase in FY 2008, but cutting funds in FY 2009 and 2010 (below the proposed FY 2008 level) and freezing funding for VA health care thereafter. It also imposes new health care fees on 1.3 million veterans and may increase TRICARE health premiums for military retirees under 65.

Cuts Job Training and Employment Assistance. The real median household income for Asian American and Pacific Islander families is down \$2,157 since 2000 and the number of AAPIs living in poverty has grown by 244,000. [CPS, 8/06] More than 1.5 million AAPIs live below the poverty level. And yet the President's budget cuts critical job training and employment services by \$639 million. The President's budget also slashes funding for vocational education by 49 percent below the FY 2007 enacted level – drastically cutting back on innovative career and technical education programs for students attending high school and community college.

Creates Trillions Of Dollars In New Deficits Threatening Our Economy. The national debt has increased to \$8.7 trillion, increasing our borrowing from foreign countries. The President's budget squanders trillions on tax cuts for the wealthy – giving the wealthiest one percent \$62,000 in tax breaks in 2010. [Tax Policy Center, 11/06]

Cuts Small Business Administration Funding. More than 1.1 million small businesses are owned by Asian Americans and Pacific Islanders. But even though small businesses employ nearly half of all workers and create three out of four new jobs, the President cuts the Small Business Administration by 25 percent from last year's request and 45 percent from 2001. The budget cuts 17 out of 25 core programs, including key business counseling and outreach programs such as Small Business Development Centers, Women's Business Centers, the Program for Investment in Microentrepreneurs and technical assistance programs.

Leaves Asian American and Pacific Islander Families Out in the Cold. Average costs for American families to heat their homes this winter are up 57% from 2001. [EIA, 2/07] Yet, the Bush Administration cuts low-income home energy assistance (LIHEAP) for families by \$480 million, slashing help to working Americans to pay their energy bills. [FFIS, 2/07] Further, the President is cutting by 40 percent the Weatherization Assistance Program, denying help to an estimated 40,000 low-income Americans who are on waiting lists to reduce their energy bills by purchasing storm windows and insulation to improve their home's energy efficiency.

Gives No Relief to Working Families Struggling with Still High Gas Prices. Nationwide, gas prices have increased by ninety cents since January 2001, an increase of approximately 60 percent. [EIA, 2/07 & 1/01; AAA Fuel Gauge Report, 2/07] Ending our addiction to foreign oil is a key step in ensuring that energy will be more affordable for America's families in the future. But the President's total budget request for renewable energy and energy efficiency is the same as it was in 2001, and stagnant funding will not lead us to energy independence

Revives Attack on Social Security. More than 50 percent of older, unmarried Asian Americans and Pacific Islanders and 31 percent of married AAPI couples receiving Social Security rely on the monthly benefits for 90 percent or more of their income. [SSA, 6/06] Yet the President once again proposes to privatize Social Security and risk the retirement security of millions of Americans. This would cut Social Security benefits for the middle class and add trillions to the national debt.

Cuts Funding for U.S. Environmental Programs, Including the Clean Water Program. For the seventh year in a row, the Bush budget proposes significantly cutting funding for programs that protect public health and the environment. It slashes funding for the states' Clean Water revolving loan funds, which help improve wastewater treatment, by more than \$396 million. [FFIS, 2/07] The President's budget also cuts the nation's funding for environmental justice programs that protect the health of low-income and minority communities from environmental toxins by nearly 28 percent below the 2007 level.

Cuts Funding For Vital Community Revitalization. The budget eliminates \$631 million in funding from the Community Services Block Grant program, which works to lessen poverty in communities, and cuts \$500 million in funding from the Social Services Block Grant, which provides people with social services directed toward achieving economic self-sufficiency. [FFIS, 2/07] It also slashes \$741 million in Community Development Block Grant funding, which provides critically-important funding for affordable housing, employment counseling, and transitional assistance. [FFIS, 2/07]