



U.S. Representative • 9TH CD, New York • Brooklyn-Queens

ANTHONY D. WEINER

Report

IMPACT OF THE BUSH BUDGET ON NEW YORK CITY FY 2005

Presented by Congressman

Anthony D. Weiner

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Introduction

The Bush Administration released its fiscal 2005 budget today, and the President touted historic increases in homeland security funding as a centerpiece of his budget. And on the surface, some of the numbers are promising. However, upon further review, it is clear that on this front, and many others, the President has failed to adequately address the needs of our nation's top terror target: New York City.

The biggest homeland security funding increase in the President's budget is a doubling the High Threat Urban Areas Initiative from \$725 million to more than \$1.4 billion, and the President deserves to be commended for this increase. The problem is that the budget does not address the problem that current High Threat formula will dramatically dilute the impact of these increases. High Threat funding is currently going to 50 cities, including low threat areas like Fresno, Louisville and Richmond. Consequently, New York City received only 6.5% of the nation's High Threat money last year and can expect to receive \$95 million in fiscal 2005. If this High Threat funding were distributed according to the same formula applied to the first round of funding New York City could expect to receive \$350 million. Instead the City is going to \$50 million less than it received two budgets ago.

And as in years past, the President's funding increases in homeland security come at the expense of proven programs to make our communities safe. The budget would eliminate the hiring component of the Community Oriented Policing Services (COPS) program, which has put more than 7,000 new officers on the beat in New York City. It would also eliminate the Local Law Enforcement Block Grant program, costing the City more than \$12 million a year.

The budget also fails the City in a number of other areas. Among them:

- An estimated 7,800 New Yorkers would be at risk of losing their Section 8 housing vouchers because the Bush budget under funds the entire program nationally by \$2 billion.
- New York City would receive \$505 million less in Title 1 funding (used for disadvantaged students) than promised by President Bush when he signed the No Child Left Behind Act into law, and \$289 million less than promised under the Individual with Disabilities Education Act.
- New York City loses \$18 million under the SCAAP program, which is used to defray the costs incurred by the City to incarcerate illegal aliens who break the law.

In his State of the Union address the President said that his budget will “focus on priorities and cut wasteful spending.” This review of the President’s budget makes it clear that his definitions of priorities and wasteful spending are much different from a typical New Yorker’s.

Homeland Security

New York City’s fiscal 2005 budget seeks \$400 million in federal homeland security funding. On its face, the President’s budget might look like good news for New York City, as the budget nearly doubles funding for the “high threat” urban area initiative, increasing it from \$725 million to \$1.446 billion. The problem is that the budget does not change the formula to make threat the most critical factor or cap the number of cities. During the latest round of high-threat grants, the number of cities increased from 30 to 50 and New York City’s share of the pot fell from 18% to 6.5%. If the Department of Homeland Security uses the same formula it did in FY04, NYC would receive \$94 million in High Threat money. So despite the fact that the high threat account has been doubled for FY05, the City would still receive more than \$50 million less in high threat assistance than it received in FY03 when total funding was \$800 million. In addition, New York City would receive \$10.1 million in additional homeland security funding from the general first responder block grant. **Bottom line: Despite funding increases, NYC will receive \$295 million less than the City’s request for first responder funding.**

Community Oriented Policing Services (COPS)

For the fourth consecutive year, President Bush has proposed eliminating the entire hiring component of the COPS program -- a cut of \$120 million. Since its creation in 1994, COPS has provided funding to hire over 110,000 police officers in more than 11,000 communities. In addition, COPS funding also advances community policing, enhances crime-fighting technology, funds training and supports crime prevention initiatives. In New York City alone, COPS has provided \$597 million to hire more than 7,000 police officers. Based

on historic funding levels for New York City (8.65% of hiring grants awarded), the city will likely receive a cut of \$10.4 million in COPS funding this year as a result of the Bush budget, enough funding to hire 139 new officers. **Bottom line: New York City would lose an estimated \$10.4 million this year, which could cover the costs of 139 new officers.**

State Criminal Alien Assistance Program (SCAAP)

The State Criminal Alien Assistance Program (SCAAP) provides federal assistance to State and localities that are incurring costs of incarcerating undocumented criminal aliens who have been accused or convicted of State and local offenses. The idea behind this program is that these aliens are in our country because the federal government failed to uphold its responsibility to secure our border, so the feds should bear a portion of the costs to imprison them when they commit a crime. New York City has historically been one of the nation's top beneficiaries of this program, and the City is expected to receive more than \$18 million in reimbursement from the SCAAP program in FY04. The Bush budget eliminates SCAAP -- a \$298 million cut. **Bottom line: NYC would lose \$18 million annually to cover costs incurred due to the federal government's failure to enforce its immigration laws.**

Local Law Enforcement Block Grant (LLEBG)

The Local Law Enforcement Block Grant provides largely unrestricted funding to states which can be used for a variety of law enforcement purposes. In FY04, New York City is expected to receive \$12.1 million in LLEBG funding. The Bush budget would eliminate the Local Law Enforcement Block Grant -- a \$235 million cut. **Bottom line: New York City would lose more than \$12 million in local law enforcement assistance.**

Title I -- Improving Academic Achievement for Disadvantaged Children

Title I provides money to high-poverty school districts based on the number of children receiving free or reduced-price lunch. This money is intended to target these low-income students so that they can receive the additional resources needed to help them perform at the same level as their peers. It can also be used for educational assistance in the form of additional instruction in areas such as reading, writing, English as a Second Language, and for support and guidance counselors. President Bush's FY05 budget proposes \$13.34 billion in Title I local education formula grants, a \$1 billion increase from FY04. Under the Bush Budget, New York City would receive about \$950 million in Title I funding in FY05 -- a \$72 million increase from fiscal 2004. While all funding increases are welcome, it's far short of what the City was promised in the No Child Left Behind Act. Under that bill, the funding levels for Title I were set at \$20.5 billion for fiscal 2005. If the Bush budget had fully funded No Child Left Behind, the City would be receiving \$1.454 billion in fiscal 2005. So while, New York City will get a boost in Title I funding, they will receive \$505 million less than they were promised under the education reforms that President Bush signed into law. **Bottom line: NYC will receive \$505 million less than they were promised in Title I funding by the No Child Left Behind Act.**

Individuals with Disabilities Education Act (IDEA)

IDEA provides special education and related services to children with

disabilities. Activities supported by this program include training for teachers of students with disabilities and acquisition of assistive technology devices such as textbooks in Braille or wheelchair ramps Under the President's budget IDEA would receive \$11.1 billion, a \$1 billion increase from FY04. NYC would receive \$297 million in FY05, a \$27 million increase. However, when IDEA was enacted in 1975, it authorized the federal government to cover 40 percent of the cost of special education in order to provide all students with disabilities a free education that met their needs. If the President were to meet that 40% promise, he would have had to request \$21.9 billion for IDEA in FY05. Therefore, New York City will receive \$289 million less for special education in fiscal 2005 than was promised. Not only does the President's budget fail to fulfill the 40% promise, it doesn't even fully fund the Republican IDEA Reauthorization bill that was passed last year, which authorized IDEA at \$13.6 billion. Using last year bill as the benchmark, NYC would still be shortchanged \$66 million for special education in FY05. **Bottom line: NYC would receive \$66 million less than they were promised last year for special education, and \$289 million less than they were promised by the original Individuals with Disabilities Education Act.**

Housing

This past month the New York City Housing Authority announced that it was going to lay off more than 980 workers in the next 2 years, because of the cumulative effects of past HUD budgets under President Bush. Since 2001, NYCHA has seen its federal funding cut by a total of \$175 million by the Bush Administration (\$33 million for the Operating Fund; \$107 million in capital funds, \$35 million due to the zeroing out of the Drug Elimination Grant program). President Bush's fiscal 2005 budget promises more of the same.

Section 8 Housing Voucher Program

The Bush Budget proposes a dramatic restructuring of the Section 8 Housing Voucher program. Section 8 is one of the linchpins of U.S. Housing policy and more than 80,000 New York City families are currently enrolled in the Section 8 program, with an additional 150,000 on the waiting list. While the President's budget is short on details, it does propose to switch Section 8 funding from a unit-based approach to a dollar based approach, wherein Public Housing Authorities would receive a set amount of funding that is not directly tied to the number of vouchers. Over time, this plan would erode support for assisted housing because funding would no longer be based on the costs of existing units. The Bush budget proposes \$18.5 billion for the Housing Voucher Program. Using Congressional Budget Office assumptions, it would take \$20.5 billion to maintain current service levels, meaning there is a \$2 billion shortfall. **Bottom line: 150,000 New Yorkers waiting for housing vouchers will certainly have to continue waiting, and the 80,000 families currently enrolled in the program are faced with numerous questions as the President's proposal would likely eliminate the guarantee that their vouchers would be renewed. Considering that the budget provides 9.7% less than CBO says is needed to maintain current services, it is possible that up to 7,900 New Yorkers could lose their vouchers.**

Public Housing Capital Fund

The Bush Budget proposes \$2.674 billion for HUD's Public Housing Capital Fund, a cut of \$38 million, and \$88 million less than needed to keep pace with inflation. The Capital Fund finances the modernization and rehabilitation of existing public housing developments. In FY04, the New York City Housing Authority received \$367 million for the modernization and rehabilitation of from this fund. New York City historically receives 14% of Capital Fund money. As a result of this cut, New York City would have \$28.5 million less to cover the costs of needed repairs in our public housing, which is home for more than 500,000 New Yorkers. This is **Bottom Line: The New York City Housing Authority would lose \$5.2 million for building improvements and \$12 million less than necessary to keep pace with inflation.**

Community Services Block Grant

The President's budget would cut the Community Services Block Grant (CSBG) by \$147 million. CSBG provides states with a block grant to fund a variety of anti-poverty activities. A modern version of President Johnson's war on poverty programs, the CSBG provides funds to nonprofit and public social services organizations that provide transportation for seniors and youth, emergency assistance, credit counseling, parental nutrition. **Bottom Line: New York State would lose \$12.6 million.**

Low-Income Heating and Energy Assistance Program (LIHEAP)

The President's budget would include \$2 billion for the Low-Income Heating and Energy Assistance Program, up from \$1.889 billion in FY04. More than 300,000 New York City households receive help from LIHEAP to pay their heating bills, and this funding increase would mean an additional \$7.73 million more for New York City, which would provide assistance for an additional 1,600 New Yorkers. **Bottom line: 1,600 additional New Yorkers would receive heating assistance.**

Congressman Anthony D. Weiner

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