

NCLR

NATIONAL COUNCIL OF LA RAZA

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The Honorable George W. Bush
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear Mr. President:

As you prepare your budget and legislative agenda for the coming year, the National Council of La Raza (NCLR) would like to make you aware of several opportunities you have to improve the lives of the nearly 40 million Hispanics living in the United States. We believe that strategic investments in programs vital to the Latino community are critical to strengthening our nation's economic outlook and homeland security.

The 2002 midterm elections provide lessons for policy-makers and highlight the need to move beyond rhetoric and to address the concerns of the growing Latino electorate. As a preliminary matter, the failed election bids of anti-immigrant candidates should make clear that immigrant-bashing is no longer a winning strategy. In fact, candidates who engaged in positive outreach to Hispanic and immigrant communities were rewarded with Election Day victories. On the other hand, incumbents from both parties with a record long on rhetoric but short on policy lost significant Latino support. Thus, the key lesson from the recent election is that Latinos are clamoring for more than just outreach; they are calling for substantive policy-making that responds to our concerns about the future direction of the country.

A recent NCLR analysis of the Latino electorate, *Mobilizing The Vote: Latinos and Immigrants in the 2002 Midterm Election*, shows that regardless of party affiliation, Latinos have very strong views on key issues. We believe that these data provide the beginnings of a roadmap for policy-makers. For example, the Pew Hispanic Center found that registered voters list education as the most important issue determining their vote. An AOL Time Warner poll found that 95% of Latinos support bilingual education. The same poll showed that 73% of Hispanic rated "allocating funds for building affordable housing" extremely or very important, while only 39% of non-Hispanics rated it as such. Several polls report that 85% of Latinos favor proposals to provide legal status to undocumented immigrants. Your Administration has an historic opportunity to address these issues and make real changes that will have a positive impact on the Latino community.

The time to respond to the concerns and interests of Hispanics is now. Like all Americans, the Latino community was deeply distressed by the September 11 terrorist attacks and supports



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effective measures to make this nation safer. However, recent legislation and Department of Justice actions aimed at combating terrorism have had a severely negative effect on immigrants. As a result, the Latino community is feeling fearful, alienated, marginalized, criminalized, and generally unwelcome. While the impact has been felt most by new immigrants, Hispanics already living in the U.S. have endured physical assaults and infringement of their civil rights, and face the real possibility that their daily activities may result in detention, penalties, and even deportation for themselves or their family members.

In addition to these new policies, the last year can be characterized as one of missed opportunities to support modest proposals that have the potential to improve the lives of Latinos and immigrants. These include restoring states' rights to provide in-state college tuition to undocumented students, and creating a path toward permanent residence for these students, the restoration of eligibility for health care services to legal immigrant children and pregnant mothers, and the establishment of a maximum six-month processing deadline for adjudication of citizenship applications. NCLR would like to work with the Administration to ensure that these priorities are addressed in the coming year.

We understand that developing the next fiscal year's budget will be challenging and that the Administration and Congress will be looking for ways to save money and offset the costs of the war on terrorism. We also understand that it will be necessary to make difficult choices about domestic spending. However, NCLR urges you to resist cutting programs proven to help Hispanics. NCLR believes that the strategic investments in the areas of health care, education, economic mobility, immigration, and housing outlined below would significantly improve life opportunities for millions of Hispanics.

Health Care

The 2000 Census data demonstrate what we know to be true – Hispanic health care is in crisis. Specifically, Latinos, particularly Latino children, face daunting barriers to accessing health care. According to the U.S. Census, Hispanic Americans are the most likely of all people to lack access to health insurance in this country. A third of Latinos, 33.2%, lack health insurance, compared with 10.0% of Whites and 19.0% of Blacks. Further, Latino children have the highest uninsurance rates in the U.S. child population. Nearly a quarter (24.1%) of Latino children are uninsured compared with 7.4% of non-Hispanic White children and 13.9% of Black children.

The impact of lack of health insurance on Latinos is well documented. Studies have shown that Latinos are disproportionately affected by a number of disease and risk factors, including high rates of asthma, tuberculosis, diabetes and obesity, HIV/AIDS, teenage pregnancy, and mental health problems, which could be more effectively managed or prevented with adequate access to health care.

NCLR looks to the Administration to adopt policies that address health barriers to Hispanics including welfare reform policies barring legal immigrants access to health care, language barriers to federal programs, the lack of job-based and private health coverage, and support for substance abuse programs. In particular, NCLR recommends that the Administration:

- **Lift the ban to health care for legal immigrant children and pregnant women.** While Hispanic children are the fastest-growing child population in the U.S., they face the highest uninsured rates among U.S. children. Studies show that Latino children's lack of health care access undermines their overall health status as many preventable illnesses go without treatment and develop into costly and more serious health complications. A significant reason for the low level of insurance coverage among Hispanic children stems from current law barring many lawfully-present immigrants from enrolling in federal health programs despite the fact that their taxes support those health programs. *NCLR requests that, at a minimum, the Administration restore to lawfully-present children and pregnant women the opportunity to participate in the Medicaid and SCHIP program if they are otherwise eligible and not be punished for lawfully adopting this nation as their own. Further, as the National Governors Association and the National Conference of State Legislatures have articulated in their statements of support for this measure, the federal government should share in the responsibility of providing health services to lawfully-present children and pregnant women and not leave the burden solely to the states and localities.*
- **Fund services to limited-English-proficient individuals.** Under Executive Order 13166, supported by President Bush, and Title VI of the Civil Rights Act of 1964, recipients of federal funding must make a reasonable effort to ensure language access for individuals who are limited-English-proficient (LEP) in necessary settings, such as hospitals, clinics, and other medical settings. While these provisions take significant steps to improve current language access problems, providing an enhanced federal match for LEP services would support efforts to implement language access services in critical settings where currently both medical personnel and patients are struggling with a lack of communication that leads to costly medical mistakes, confusion, and at times life-threatening problems. *NCLR urges you to provide for an enhanced 90% federal matching rate to states through Medicaid and SCHIP for the provision of language services, including oral interpretation, translation of written materials, and other language services, for individuals with limited English proficiency.*
- **Fund Community Health Workers Grants.** *Authorize \$5 million for fiscal years 2004 through 2005 in grants to support community health workers – or promotores – in improving the health of women and families, especially racial and ethnic minority women in medically-underserved communities.*
- **Support the Hispanic Health and Nutrition Examination Survey.** *Provide such sums as necessary for fiscal years 2004 through 2005 for the Secretary to conduct a national assessment of the status of Hispanic health to be known as the “Hispanic Health and Nutrition Examination Survey” or “HHANES II.”*
- **Increase funding for the Substance Abuse and Mental Health Services Administration (SAMHSA) at the Department of Health and Human Services.** Through its Substance Abuse Block Grant and its Programs of Regional and National

Significance, SAMHSA provides substance abuse prevention, treatment, and rehabilitation services for many Latinos with addiction problems. SAMHSA received \$3.135 billion in FY 2002, including increases of 13% for Programs of Regional and National Significance and 3.6% for the Substance Abuse Block Grant. *NCLR believes it is critical to fund the continuum of care – treatment, prevention, and research – and recommends a 15% increase for FY 2004 for the Center for Substance Abuse Prevention (CSAP) and a 12% increase for the Center for Substance Abuse Treatment (CSAT), as well as a 15% increase for the Substance Abuse Block Grant.*

Educational Opportunities

Early last year, you signed into law the No Child Left Behind Act, which overhauled federal education programs affecting millions of Hispanic students. Among the changes were provisions establishing new school system accountability measures, changes to the federal bilingual education program, and parent assistance programs intended to prepare parents to hold their local schools accountable for appropriately implementing these important reforms. All of these changes constitute a stronger federal emphasis on standards-based reform, which if adequately funded and properly implemented could close the persistent achievement gap that exists between Hispanic students and their non-Hispanic peers.

The nation's belief in strong accountability and standards-based reform has renewed hope in the Latino community that our public schools can help Hispanic students meet higher academic benchmarks. NCLR believes that, provided with the opportunity, Latino students are capable of achieving at the highest levels, completing high school, and pursuing postsecondary education. However, as your Administration, Congress, and the American public have embraced accountability for results as a guiding principle for enhancing educational opportunities for all students, including Latinos, we must also ensure that the nation's budget priorities also reflect this value. As such, we believe the following steps represent a strategic approach to helping Latino students meet the ambitious but attainable goals delineated in the No Child Left Behind Act. Specifically, NCLR recommends that the Administration:

- **Provide full funding for bilingual education reforms.** Supported by more than nine in ten Latinos, bilingual education is one of the most critical education issues to the Latino community. The new bilingual education legislation in the No Child Left Behind Act sets clear English-language acquisition and academic achievement benchmarks for English language learner (ELL) students. In addition, the No Child Left Behind Act changes the way programs for ELLs are funded from competitive-based to a state formula. This modification was designed to ensure that federal bilingual education funds reach all 4.4 million ELLs in our K-12 schools. However, unless the program is adequately funded, this policy shift could end up spreading federal monies too thinly, hampering states' efforts to improve schooling for ELLs. During floor consideration of bilingual education legislation, the Senate voted, with strong bipartisan support, to increase authorization levels for ELL programs over the next six fiscal years in order to fully fund ELL programs. *NCLR recommends providing \$1.2 billion for Language Assistance State Grants for FY 2004.*

- **Fund Parent Assistance programs.** The No Child Left Behind Act authorizes Local Family Information Centers (LFICs) under Title V, “Providing Informed Parental Choice and Innovative Programs.” Operated by local community-based organizations, LFICs would ensure that Hispanic parents are in a position to hold schools accountable for helping their children meet the rigorous academic benchmarks delineated in the No Child Left Behind Act. 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 and charter schools. *For FY 2004, NCLR recommends \$100 million for Parent Assistance programs, including \$25 million for LFICs.*
- **Adequately fund GEAR UP.** NCLR fully supports the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). Distinct from other federal education programs, GEAR UP supports early college awareness for low-income youth starting in middle school and helps them complete high school. Also unique to GEAR UP, the program identifies entire cohorts of students, rather than individual students, and helps them finish high school and get into college. This program is critical for Latino students, who are more likely than other students to drop out of high school and consequently are less likely than others to attend and complete college. Currently, over one-third of the students served in GEAR UP are Latino. *For FY 2004, NCLR recommends \$425 million for GEAR UP.*
- **Provide increased funds for Adult English-as-a-Second-Language programs.** Enrollment in Adult English-as-a-Second-Language (ESL) has increased 105% over the past ten years, yet there is a lack of programs and funding to ensure that all who desire to learn English have access to appropriate services. Currently, community-based organizations must generally piecemeal programs together with volunteer labor and facilities. The need for more targeted services is overwhelming. Demand for English-language instruction far outweighs supply. Waiting lists for classes typically range from several months to years, and states like New York are so under capacity that it has resorted to a lottery system to select individuals who may enroll in ESL classes. The current \$70 million in funding is insufficient to meet the enormous demand for ESL services. As the labor market continues to demand English-proficient labor, investing in ESL programs will strengthen the labor pool and create a more versatile and productive workforce. *To further enhance Hispanic parents’ ability to participate in their children’s education and the labor force, we urge you to increase funding to \$500 million for the English Language and Civics Education Initiative and to include language to funnel monies directly to community-based organizations on the front lines of providing ESL services.*

The Economy and Jobs

Today there are more than 16 million Hispanic workers across the country. Hispanic Americans are working hard to climb the economic ladder, achieve the American Dream, and provide some

measure of financial security for their spouses, children, and relatives here and abroad. There are several important policy measures that would substantially increase employment and economic opportunities for hardworking Latinos. With some modest investments and minor changes, these activities could pay significant dividends to the nation over the long run.

Hispanics care deeply about economic and job-related issues, but too often the major economic policy and political debates fail to respond to the specific set of issues that matter most to Latinos. A new economic, wealth-building, and jobs package targeted specifically to Latino workers is long past due. This Administration could be the first to tackle these issues in a comprehensive manner. An effective Hispanic-focused economic opportunity plan would:

- **Enhance access to the Unemployment Insurance system.** Hispanics work hard for long hours and low pay and tend to have more trouble than other American workers in keeping jobs when the economy slows. The Unemployment Insurance (UI) system is designed to assist workers and help parents maintain the ability of their families to meet basic necessities and enable them to search for new jobs. But the UI system's requirements leave many Latinos ineligible because their wages are too low or their work histories are inconsistent. *NCLR recommends that federal laws be changed to allow workers' most recent wages to be counted toward UI eligibility, as well as allow eligibility to expand to part-time workers. It is estimated that in order to support these changes at the state level, it would cost the federal government \$30 billion.*
- **Expand transportation initiatives that connect workers to jobs.** Many jobs are located in the suburbs, while most Latino workers reside in central cities and rural areas. More Latino workers could find and keep jobs if transportation barriers were reduced. The Job Access and Reverse Commute program was created to provide transportation services to low-income families for whom getting to jobs and related services is a particular challenge. Unfortunately, the program has been underfunded since its inception. Helping Hispanic workers to find jobs and get to work will immensely contribute to local and state economies. *NCLR recommends that the Administration propose an increase of \$300 million for FY 2004 for the Job Access and Reverse Commute program.*
- **Help state and local workforce systems to serve Hispanics more effectively.** Over the past decade, demographic growth patterns have resulted in the increase or emergence of populations whose native language is not English across various states. While members of these growing populations work at high levels and maintain a strong desire to work, limited proficiency in English seriously hampers their employment and earning opportunities. Moreover, state systems designed to assist low-income families in identifying work opportunities, building skills, and finding and keeping jobs have found it difficult to assist these particular families. Unfortunately, many states and cities have not been able to invest a sufficient amount to strengthen their infrastructures and better serve this growing sector of their workforce. *NCLR recommends that the Administration propose a new competitive grant program or funding stream in the amount of \$300 million, to provide resources to state and local agencies in the Temporary Assistance for*

Needy Families and Workforce Investment Act systems. The funds would be for the expressed purpose of building state/local administrative capacity to serve more effectively families and workers with limited English proficiency through various activities, such as: translation of documents, use of a language hotline, hiring of interpreters and/or bilingual staff, and other vital language services.

- **Expand access to Individual Development Accounts (IDAs).** A matched savings program that allows accountholders to purchase their first home, pay for secondary education, or start a small business, IDAs are a promising tool that could significantly increase the net worth of Hispanic families by empowering them to save, acquire assets, and become healthier financially. However, if more Latinos are to participate in IDAs, several structural improvements to the program should be considered during the upcoming reauthorization of the Assets for Independence Act (AFIA). Reducing the match requirement and including a technical assistance component are but a few programmatic changes that would encourage greater participation among community-based organizations that serve low-income Latino families. *Additionally, NCLR recommends that the Administration propose \$500 million over five years for the AFIA grant program.*
- **Expand and improve on IRS outreach activities and tax preparation assistance services targeted to low-income taxpayers with limited English proficiency.** Tax legislation enacted in 2001 provides tens of billions of dollars to low-income families in general tax changes as well as expanded Earned Income Tax Credit (EITC) benefits and a partially refundable child tax credit. However, far too many low-income workers, especially Hispanics, remain unaware of the tax relief measures for which they are eligible. The Internal Revenue Service (IRS) administers grants to Low Income Taxpayer Clinics (LITCs). These programs provide legal assistance as well as engage in outreach services, tax education, and free tax preparation in communities with LEP populations. In addition, the IRS's Volunteer Income Tax Assistance (VITA) program works with community-based organizations to provide free tax preparation services to low-income tax filers. Increased awareness, along with free or low-cost tax preparation assistance allows low- and moderate-income taxpayers to maximize the benefits of their federal income tax refunds. *In order to keep more tax dollars with workers and their families, NCLR recommends that \$9 million be allocated to the IRS's Wage and Investment Division to provide assistance to VITA sites in addition to the in-kind aid it currently contributes. Furthermore, NCLR recommends that the Administration work to expand the size of the LITC program from \$9 million currently to \$22 million for FY 2004, eliminate the match funds requirement, and modify the IRS rules to enable the LITC program to extend its reach and harmonize with VITA services.*
- **Make the retirement Savers Tax Credit refundable.** Tax legislation enacted in 2001 provided certain low-income workers a non-refundable tax credit if they make qualified retirement savings contributions to an Individual Retirement Account or an employer-sponsored pension plan. While more than 40% of Hispanic workers are in private firms that sponsor a pension plan less than three in ten (27%) participate in these plans. In

addition, few Latinos have IRAs. Enhancing the tax credit by making it refundable would provide a powerful financial incentive for Latino workers to invest in a retirement savings plan. *NCLR recommends that the Administration propose making the Savers Credit refundable, perhaps with a modest cap.*

- **Introduce a major new initiative for “unbanked” or “under-banked” workers.** Having a strong relationship with a financial institution is critical to a family’s ability to purchase and accumulate assets and build financial security. Nonetheless, Latinos are less likely to use mainstream financial institutions to meet basic banking needs. Only about 33% of Hispanics have basic checking accounts. A major new initiative that includes a cross-section of partners and targets unbanked and/or under-banked workers and families is needed. This initiative could build on the work of “First Accounts” but take bolder steps. For instance, the new program could allow increased flexibility on expenditures of resources (e.g., including capital expenditures), greater simplicity in the application for grants process, and improved ability of community-based organizations to administer and implement initiatives. *NCLR recommends that the Administration propose a new initiative on the “unbanked” and allocate the modest sum of \$10 million in FY 2004 for launch, marketing, and implementation of the program.*
- **Increase funding for the U.S. Department of the Treasury’s Office of Financial Education.** There has been considerable discussion about the importance of financial education in helping individuals and families avoid harmful debt, learn about predatory practices, and most important, invest wisely and accumulate assets. Undoubtedly, financial education is crucial to wealth-building for Latino families. A variety of financial education programs are currently operating across the country targeted to different groups, and it remains unclear what specific approaches work best. *Therefore, NCLR applauds the creation of the Office of Financial Education and recommends that \$10 million be provided in FY 2004 to evaluate, support, and assist in the implementation of effective financial education strategies for Hispanic families.*
- **Provide tax refunds to low-income workers who did not receive a tax rebate in 2001.** The economic downturn has threatened the financial security of many low-income workers and their families. In order to aid these workers and stimulate the economy, workers who filed income tax returns for 2000 should be eligible for a tax rebate regardless of whether they had any income tax liability. When tax rebates were mailed in the summer of 2001, approximately 14 million taxpayers received only a partial rebate while 34 million taxpayers received nothing. During last year’s debate on an economic stimulus package, NCLR agreed with a provision in the Administration’s proposal that would provide tax rebates to these workers, many of whom, because of relatively low incomes, are likely to spend a high proportion of any new income they receive resulting in a direct stimulus to the economy. *Accordingly, NCLR recommends that tax rebates be provided to low-income taxpayers who did not receive a check in 2001 in the amount of \$300 per individual, \$500 per head of household, and \$600 per couple. Partial checks should also be provided to those workers who received less than \$300. The estimated cost of this measure is \$14 billion.*

- Restore the National Farmworker Jobs Program funded through Section 167 of the Workforce Investment Act of 1998.** The National Farmworker Jobs Program is the only program focused on serving the unique workforce needs of this rural population, while jointly addressing the needs of agricultural employers. It is estimated that over 80% of U.S. farmworkers are Hispanic, and among the lowest-paid workers in our national workforce. Given the documented challenges of the One-Stop Career Center infrastructure in serving the needs of farmworkers, and the successes of Section 167 grantees in providing essential services to increase the job placement rates and educational status of migrant and seasonal farmworkers, it is important that funding is allocated for the continuation of this program. *NCLR believes it is essential to maintain a national program that provides employment, training, and other related assistance for farmworkers. NCLR recommends the restoration of Section 167 funding above and beyond the FY 2002 level, to \$160 million for FY 2003. Subsequently, NCLR urges the Administration to fund the FY 2004 National Farmworker Jobs Program at a level consistent with increased FY 2003 levels. Additional funding for the National Farmworker Jobs Program for FY 2003 and 2004 will increase the availability of services to eligible seasonal and migrant farmworkers while addressing the needs of employers.*
- Increase FY 2003 and 2004 Workforce Investment Act funding levels with an emphasis on training provisions for limited-English-proficient (LEP) persons.** With the economic market slowing, it is important to note that the economic recession adversely impacts low-income incumbent workers, many of whom are Latino. The fact that Latinos are adversely affected has been demonstrated in previous economic downturns. According to the Pew Hispanic Center, during the 1990-91 recession Latinos were slow to recover, and most of their economic gains were restored only during the last few years of the decade, from 1997 to 1999. The Bush Administration requests a \$2.9 billion cut in Department of Labor-Employment Training Administration funds for FY 2003 (including a 5% cut in adult job training funds and a 10% cut in funds for dislocated workers under the Workforce Investment Act), and implications for FY 2004 funding levels appear to be uncertain. *NCLR urges the Administration to reconsider and renew the commitment to training workers through funding the Workforce Investment Act, under the Labor, HHS and Education appropriations bill at 10% above FY 2002 levels for the Adult, Dislocated Workers, and Youth funding streams for FY 2003. In addition, NCLR also recommends that the Administration fund FY 2004 levels at least 10% above the FY 2003 levels for the Adult, Dislocated Workers and Youth funding streams. Doing so will enable local workforce systems to meet the needs of employers and will create opportunities for this nation's working Latinos.*

In addition, NCLR strongly believes that the Administration must strengthen the federal government's capacity to reduce employment discrimination. In this regard, we recommend the following:

- Increase funding of the Equal Employment Opportunity Commission (EEOC).** In recent years, the EEOC has tried to reduce the tremendous backlog of complaints filed

against employers, an effort both the business community and civil rights groups have argued is necessary. Yet, adequate funding is required to reach this goal. The EEOC received \$310 million for FY 2002, a mere 2% increase from FY 2001. The figure for FY 2003 is still uncertain but a budget cut for the agency is expected. *As a result, for FY 2004, NCLR recommends an increase of 20% to a total appropriation of \$372 million.*

Immigration Reform

Comprehensive immigration reform must be a priority for the coming year. The current immigration system is out of sync with our country's economic and social realities. With the new Department of Homeland Security, housing immigration policy and services, NCLR is extremely concerned that our heritage as a nation of immigrants is in jeopardy, and that immigration will now be viewed solely through the lens of national security. All efforts must be made to ensure that immigration and naturalization services are not left undervalued, underresourced, and underfunded. NCLR believes the following modest steps represent a common sense approach to immigration reform:

- **Provide adequate funding for immigration and naturalization services.** Now that the INS has been dissolved and immigration services have been placed within the Department of Homeland Security, it is critical that immigration services receive adequate personnel and funding to meet the needs of the millions of newcomers requiring services. Naturalization, in particular, must be sufficiently funded so as to decrease existing backlogs and provide citizenship services to the tens of thousands of long-term legal residents who will file naturalization applications over the coming year. Additionally, while performing extensive security checks on visa and naturalization applicants is commendable, it is critical that funding from adjudications not be used to cover the costs of additional security checks. Funding and personnel for security checks must be appropriated. Finally, we ask you to provide adequate funding for regional immigration service centers. *NCLR recommends that the Administration continue its dedication to naturalization backlog reduction by authorizing \$100 million this year to reduce the naturalization backlog, which currently stands at approximately 800,000.*
- **Pursue comprehensive immigration reform.** As was the case before September 11, 2001, fundamental reform of our nation's immigration policy that both legalizes those currently living undocumented in the U.S. and controls future flows of migrants is necessary and wise. There are currently approximately eight million undocumented immigrants living in the U.S. who are working and contributing to our economy, but do not have legal status. Because of their precarious situation, undocumented immigrants are forced to live in the shadows, fear contact with government authorities, risk losing their jobs, work in unsafe and demeaning conditions, and have little opportunity to defend their civil rights. In addition to the economic and social benefits, legalization has important security benefits as well. Rather than the current situation in which eight million people now find themselves, a legalization program would require applicants to submit to extensive background checks, providing assurance that potentially dangerous individuals do not qualify. Legalizing immigration and creating safe and smart borders

should be a top priority of the Administration. *Thus, we strongly urge the Administration to resume negotiations with Mexico and enact comprehensive immigration reform.*

Housing and Community Development

Despite recent increases in homeownership rates and high levels of workforce participation, by virtually every standard Hispanics remain among the worst-housed groups in the nation. Moreover, the combination of rapidly-rising housing costs and stagnant incomes is likely to worsen the housing picture for low- and moderate-income Latino families considerably over the coming year. NCLR strongly believes in and supports market-oriented solutions to many problems; however, given the magnitude of the problem, we also believe that immediate policy intervention is warranted, including the following modest proposals:

- **Increase funding for key homeownership initiatives.** NCLR has praised the homeownership initiative announced by the Administration last year. Specifically, we appreciated the increase to \$35 million in funding for housing counseling, as well as your proposal to establish a \$250 million fund for downpayment assistance. Both of these efforts effectively support otherwise creditworthy homebuyers, including many Hispanic Americans, who need help navigating the complex mortgage process, or who lack sufficient savings to qualify for an affordable mortgage. *NCLR recommends an increase to \$50 million for housing counseling, and maintenance of the \$250 million level for down payment assistance, in your FY 2004 budget request.*
- **Support the homeownership tax credit.** As you know, a coalition of nonprofit organizations has encouraged the introduction of new, bipartisan legislation designed to encourage the production of more affordable homeownership units. Modeled after the successful Low Income Housing Tax Credit, the new Renewing the American Dream Tax Credit would provide up to \$2.4 billion over five years in tax incentives to increase the supply of affordable homes. *As a first step, NCLR encourages the Administration to allocate at least \$480 million toward this effort in the FY 2004 budget.*
- **Ensure adequate funding for fair housing enforcement targeting Hispanics and other underserved groups.** The Department of Housing and Urban Development (HUD) recently released findings from its Housing Discrimination Survey, 2000. This comprehensive study found that, although housing discrimination had decreased for African Americans over the past decade, housing bias against Latinos remains high. Unfortunately, this reality has not been reflected in either HUD's fair housing enforcement caseload, or in its funding under the Fair Housing Initiatives Program (FHIP), which supports outreach and enforcement efforts by private community groups. *NCLR urges an increase of \$5 million in HUD's Office of Fair Housing and Equal Opportunity and \$5 million in new funding for FHIP, earmarked specifically to serve Latinos, immigrants, and other underserved groups.*
- **Maintain reasonable funding levels for rental housing.** During a time of severe budget constraint, we are not optimistic about major new investments in support for

rental housing. However, as important as increasing homeownership is to the Latino community, the most vulnerable members of our community are largely relegated to the rental market. In this connection, we would vigorously oppose proposals, such as those included in the House Committee version of the FY 2003 VA-HUD appropriations legislation, that would both reduce the supply of affordable rental housing and cut public support for low-income renters. *Instead, we recommend that the Administration support FY 2003 funding levels included in the Senate Committee version of the bill, and at a minimum, to maintain these levels in your FY 2004 budget.*

We urge you in the strongest possible terms to send a message to the Latino community that the Administration understands our concerns and shares our views on the issues that are important to us. Moreover, it is our belief that the time has come for specific policy proposals which, although modest, would signify a level of seriousness about expanding opportunities for Latinos that our community expects from the Administration. It is clear that ensuring a healthy, well-prepared Hispanic workforce is in the best interest of the nation as a whole, and that carrying out these proposals will achieve that. More important, making these investments in Hispanic families communicates this important message to all Americans.

Sincerely,

Raul Yzaguirre
President & CEO

cc:

Senate Majority Leader Trent Lott
Senate Minority Leader Tom Daschle
House Speaker Dennis Hastert
House Minority Leader-Elect Nancy Pelosi
Mitchell Daniels, Office of Management and Budget