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

Dear Mr. President:

As your first term as President draws to a close and you consider your budget and legislative priorities for the upcoming year, the National Council of La Raza (NCLR) would like to take this opportunity to reflect on how our nation's 40 million Latinos have fared under your Administration. More importantly we would like to provide you with a roadmap for improving life opportunities for Latinos.

Although this is our fourth letter to you since you took office, the Latino community has failed to see few of its priorities realized under your presidency. Among these missed opportunities are the restoration of eligibility for health care services to legal immigrant children and pregnant mothers, the removal of barriers that immigrant students face in their pursuit of higher education and U.S. citizenship, and the investment of adequate resources to help schools effectively serve a rapidly-growing English language learner student population. While modest in scope, the potential impact of these proposals is great for Latinos and the nation as whole.

In the last three years, the Latino community has clearly voiced its concerns, and NCLR has worked with members of Congress on both sides of the aisle to generate possible solutions. Latinos are deeply disappointed with your Administration's silence and failure to act on these issues. Over the first three years of your presidency, your Administration has delivered empty rhetoric, glossy photo opportunities, and hollow measures, rather than meaningful policy solutions, adequate investment, and measurable results. Little time is left in your Administration before the next presidential election. Please know that the Latino community will carefully track your response to its concerns between now and the November elections.

Regardless of party affiliation, those who demonstrate an ability and willingness to engage in key issues that Latinos value - education, jobs and the economy, housing, health care, and immigration - have much to gain from the Latino electorate. Latino voting in the 2002 midterm election confirmed that Latinos judge candidates by their record and issue positions, not by their party. In addition, the Latino electorate continues to grow at a steady pace. From 1996 to 2000, our nation witnessed a 20% increase in the number of Latinos who voted, and, in 2004, the Latino vote is expected to grow by approximately two million, an increase of more than 32%. Moreover, the surge in Latino voters will be particularly high in critical battleground states, such as Arizona, Florida, Colorado, and Nevada.

The time to act is now. Instead of balancing the budget on the backs of Latino workers and families, we urge you to take the opportunity in your fiscal year 2005 budget to invest in the education, workforce development, and health programs proven to help Latinos and other Americans obtain better life opportunities.



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LA RAZA: The Hispanic People of the New World

NCLR understands that our nation has many needs, and difficult decisions will have to be made as you develop your domestic agenda and the budget to support it. However, Latinos represent a rapidly-growing segment of our nation's population and are now the largest minority group. The nation's blueprint for economic prosperity should, therefore, reflect the needs and priorities of the Latino community. NCLR urges investments in education, economic mobility programs, housing, health care, and immigration, as outlined below. We look forward to working with the Administration to ensure that these priorities are addressed in the upcoming year.

Educational Opportunities

Almost two years ago, you enacted the No Child Left Behind Act (NCLB) with a pledge to fully fund this new law, which affects the education of millions of Hispanic students. Key programs authorized in NCLB are those serving the growing number of English language learner (ELL) students and those supporting parental involvement. These programs, if adequately funded, could help close the persistent achievement gap that exists between Hispanic and non-Hispanic students. Unfortunately, your Administration has refused to request a single dollar increase for bilingual education programs and sought to eliminate support for parent assistance altogether. What meager increases these programs received are due to the commitment of members of Congress forced to work in direct opposition to your Administration. This is doubly disturbing given that your Administration has aggressively marketed NCLB as its chief domestic policy reform for Hispanics.

In addition, your Administration has an opportunity to impact immediately the lives of tens of thousands of children who are among the most needy in our nation – the children of migrant and seasonal farmworkers. Under the Head Start Act, the Secretary of Health and Human Services (HHS) has the discretion to provide the Migrant and Seasonal Head Start Program (MSHS) with additional funds to expand MSHS. However, your Administration has failed to take this modest step on behalf of these children.

Finally, we believe the time has come for your Administration to voice its support for legislation to help thousands of immigrant students enter college and graduate, enhancing their opportunities to work and further contribute to our nation's prosperity. Over the last two years, Congress has debated bills that would provide immigrant students with opportunities to attend college and adjust their immigration status so they can come out of the shadows and find meaningful employment. Unfortunately, your silence on these bills, which have been closely tracked by and are immensely popular with the Hispanic community, has served to stall their movement through Congress.

Your FY 2005 budget offers an opportunity to turn these disturbing trends around and invest in the fastest-growing segment of our nation's child population. We believe the following steps represent a strategic approach to helping Latino students meet the ambitious but attainable goals delineated in NCLB. Specifically, NCLR recommends that the Administration:

Σ 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 for the Latino community. The bilingual education legislation in NCLB sets clear English-language acquisition and academic achievement benchmarks for the nation's five million ELL students. However, unless the program is adequately funded, these important reforms will not be effectively implemented. NCLR recommends providing \$1.2 billion for Language Assistance State Grants for FY 2005.

▮ Fund Parent Assistance programs. NCLB 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 outlined in NCLB. 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 2005, NCLR recommends \$100 million for Parent Assistance programs, including \$25 million for LFICs.

- ▶ Provide increased funds for Migrant and Seasonal Head Start (MSHS). MSHS programs provide critical education and developmental services to the children of farmworking families. Moreover, the value of this program goes beyond simply providing them access to an early educational opportunity. For these children, access to MSHS is a health and safety issue, bringing children out of the fields and into classrooms away from pesticides and other occupational hazards. According to a study released by HHS in September 2001, MSHS serves fewer than 20% of the eligible child population. In comparison, the regional Head Start program serves 60% of its eligible child population and is largely inaccessible for children of farmworking families. Despite current language in the Head Start law instructing the Secretary of HHS to address a documented need by approving additional expansion funds, MSHS has never received more than 4% of the Head Start appropriation. For FY 2005, NCLR urges you to serve approximately 10,000 children by providing an additional \$69 million for MSHS programs. In addition, we urge you to support language in the "Head Start Improvements for School Readiness Act of 2003," S.1909, which authorizes 5% of the overall Head Start appropriation for MSHS.
- ▶ Increase access to higher education and the path to U.S. citizenship among immigrant students. Each year, 65,000 undocumented students graduate from our nation's high schools. Although they have attended the same schools and grown up in the U.S., they lack access to in-state tuition rates, as well as the financial support, that are available to their U.S.-born peers. In effect, these students are often unable to attend college. Should these students have the opportunity to go to college, graduate, and enter the workforce, the positive fiscal impact is likely to be quite large. For example, based on estimates in a 1999 RAND study, an average 30-year-old Mexican immigrant woman who has graduated from college will pay \$5,300 more in taxes and cost \$3,900 less in criminal justice and welfare expenses each year than if she had dropped out of high school – a common result with current law. This amounts to a total annual increased fiscal contribution of more than \$9,000 per person. The increased fiscal contribution would repay the required educational investment within a few years, and thereafter would provide a profit to taxpayers for several decades. For FY 2005, NCLR urges you to endorse the "Development, Relief, and Education for Alien Minors (DREAM) Act," S. 1545, and the "Student Adjustment Act," H.R. 1684, to facilitate state efforts to offer in-state tuition to undocumented students and allow certain U.S.-raised immigrant students the chance to adjust their immigration status.

The Economy and Jobs

In today's workforce, more than 16 million Latinos are striving to climb the economic ladder, achieve the American Dream, and provide some financial security for their children and families. However, given the requirements of the current labor market, which demands high literacy and numerical skills, inadequate educational preparation and skills training affect the placement of Latinos in the U.S. workforce. For example, while Latino men are the group of Americans most likely to be working, they are also the group most likely to be seeking a job. If working, they are concentrated in jobs that pay the least, which tend not to offer benefits such as health insurance and pension plans. In fact, the earnings of Latino workers are lower than those of their Black and White counterparts, as is family income.

Unsurprisingly, in a 2003 poll conducted by the Latino Coalition, 62.1% of Latinos stated that improving the economy and creating jobs are going to be the most important issues in their decision for president in 2004. In another poll, two-thirds (66%) of Latinos surveyed believed that it is the job of the federal government to make sure that minorities have equal access to quality jobs. It is clear that Latinos care deeply about economic and job-related issues, and that these issues will affect their choices at the voting booths.

As President, you have the opportunity to address the stark economic challenges that Latinos face. With some modest investments and minor policy changes, Latinos and our nation will endure lasting benefits. To prepare and implement an effective Latino-focused economic opportunity plan, NCLR recommends that the Administration:

- ▶ Provide increased access to job training services among non-English-speaking workers. According to the Department of Labor's 2001 program data, 7.5%, or 8,013 persons, were served by the Workforce Investment Act's (WIA) intensive services, and only 5%, or 6,979, limited-English-proficient (LEP) persons received training under WIA. Increasing access to intensive and training services under WIA's

One-Stop system is vital to increasing the skill and language acquisition levels of Latinos, immigrants, and LEP persons, and enhancing their economic advancement opportunities. Local areas demand resources to help them successfully implement Title VI of the Civil Rights Act and provide workers with better training options that meet their language skill needs. NCLR recommends the authorization of a line item in the amount of \$150 million to help One-Stop Centers stay in compliance with Title VI of the Civil Rights Act.

- ▶ Develop integrated training programs for LEP workers. Programs that integrate occupational training and English language acquisition, tailored to the unique needs of LEP workers and employers in their communities, have remarkable outcomes. However, anecdotal evidence from integrated training program providers indicates that such programs are rarely funded since providers are unable access WIA Title I and Title II funding. Therefore, NCLR recommends that \$50 million be set aside for competitive grants to fund integrated training programs in rural and urban areas, with the inclusion of an evaluation component to ensure that LEP persons have the opportunity to enhance their English language and job-specific skills.
- ▶ Support the National Farmworker Jobs Program (NFJP). The NFJP is the only program that serves the unique workforce needs of our nation's farmworkers. It is estimated that more than 80% of U.S. farmworkers are Hispanic. These are among the lowest-paid workers in our national workforce. While the challenges that One-Stop Centers face in serving the farmworker population have been well documented, NFJP grantees have been extremely successful in increasing job placement and educational attainment rates among migrant and seasonal farmworkers. NCLR recommends that the Administration increase training and educational opportunities to migrant and seasonal farmworkers by funding the NFJP in FY 2005 at \$102.7 million.
- ▶ Enhance transportation services for LEP workers. The Department of Transportation's guidance outlines several important ways to improve services for LEP individuals, such as translation and interpretation services. While the LEP guidance is an important first step in ensuring meaningful access to transportation programs and activities, the transportation reauthorization provides an opportunity to ensure that transit authorities reach out and offer language services to communities with high concentrations of LEP persons. In addition, greater opportunities for Latino community-based organizations to engage in state and local transportation policy are critical. NCLR recommends a set-aside grant of \$50 million under the Department of Transportation to ensure that any job creation benefits in transportation initiatives result in genuine increased job opportunities for all workers, including Latinos.
- ▶ Level the playing field in the tax code for low-income workers raising children and provide much-needed child tax credit relief to working families. The Child Tax Credit (CTC) has been an instrumental tool for Hispanic working-poor families who are deeply affected by taxes and need assistance to offset the tax burden on their families. The aftermath of the passage of the 2003 tax cuts revealed that congressional negotiators excluded families earning between \$10,500 and \$26,625 from claiming the CTC increase. As a result of this oversight, nearly 1.6 million, or 30%, of eligible Latino households, who might otherwise have benefited from this increase, were left out. The House's intransigence on this issue – demonstrated by its insistence that additional billions of dollars be added to any measure providing relief to these families – ultimately resulted in a failure to remedy the situation. NCLR asks the Administration to include \$3.5 billion in its FY 2005 budget to extend the enhanced CTC to the poorest families without expensive, fiscally irresponsible add-ons.
- ▶ Enable low-income and LEP taxpayers to claim the tax benefits they earn. Low-income families, including over one-third of Hispanic households, have benefited greatly from tax credits, such as the Earned Income Tax Credit (EITC) and the partially refundable CTC. The combined average EITC and CTC refund for Latino families was estimated at \$2,359 in 2000. When even a modest portion of this refund is channeled into savings, it potentially results in measurable increases in wealth and financial

security for Hispanic families. 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. NCLR recommends that \$15 million be allocated to the IRS's Wage and Investment Division to provide grants to community organizations to assist in tax outreach and enhance services for LEP families. Furthermore, NCLR recommends that the Administration expand the size of the LITC program from \$9 million to \$22 million for FY 2005, eliminate the matching funds requirement, and modify the IRS rules to enable the LITC program to extend its reach and harmonize with VITA services.

- ▶ Conduct a study to evaluate the effectiveness of various financial education programs. 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 importantly invest wisely and accumulate assets. However, despite the interest in financial education and the abundance of financial education programs currently operating across the country, it remains unclear what specific approaches work best. The dearth of research in this area has made it difficult to assess the long-term impact of financial education and its impact on behavior. The findings of a comprehensive study would provide valuable guidance to industry, governmental, and community-based professionals targeting financial education efforts to Latino families. To ensure that Latino families make informed choices about important wealth-building services and products, NCLR recommends that \$10 million be provided in FY 2005 to the Department of the Treasury to conduct a study on the effectiveness of financial education strategies for Hispanic families.

Housing

An AOL Time Warner poll showed that 73% of Hispanics rated "allocating funds for building affordable housing" extremely or very important. For many Latino families, securing a home is all too often impossible. By virtually every standard, Latinos remain among the worst-housed groups in the nation. As housing costs continue to increase rapidly and family income remains low among Latino workers, NCLR believes that the housing crisis will only worsen. Immediate policy intervention is warranted, including the following:

- ▶ Continue to invest in housing counseling services. Housing counseling is a critical tool in overcoming the barriers to homeownership experienced by first-time homebuyers, minorities, and immigrants. Housing counseling helps Latino families navigate the intricacies of an unfamiliar mortgage system and access local downpayment assistance. In addition, housing counseling cautions potential homeowners of common financial pitfalls. For example, research shows that homebuyer education and one-on-one counseling significantly mitigate the risk of 60-day delinquency. NCLR applauds the Administration's increase of housing counseling funds in FY 2004. An increased investment, however, is still needed. For FY 2005, NCLR recommends increasing the U.S. Department of Housing and Urban Development's (HUD) budget for housing counseling to \$50 million to support the expansion of community-based housing counseling agencies.
- ▶ Create opportunities for agencies to upgrade, expand, and build on their success in creating more homeowners. Recent technological innovations have increased the level of sophistication within the housing counseling industry. At the same time, changing market dynamics have increased the demands on local nonprofits to provide more services, such as financial education, services to the unbanked, credit counseling, home maintenance, antipredatory lending initiatives, and default counseling. NCLR recommends a set-aside of \$20 million to develop technology tools, as well as to train counseling agencies and industry on new innovations in homebuyer counseling for FY 2005.
- ▶ Encourage innovation in the housing counseling system to improve services to families. In order to increase low-income and minority homeownership, the housing industry must seek and identify new strategies. Using the competitive grant process that is already successfully employed by HUD, the

Administration should provide funding to pilot projects that connect housing counseling with other critical financial services, such as credit counseling, financial education, taxpayer assistance, and savings programs, as well other relevant services such as fair housing. In addition, eligible activities must include intermediary technical assistance and follow-up research to measure the impacts of these new initiatives. For FY 2005, NCLR recommends appropriating \$25 million in new funding to HUD for the research and development of innovative practices that aim to increase low-income and minority homeownership.

- ▶ Conduct research on the rise in foreclosures, links to predatory lending, and the actions needed to improve the market. Recent increases in foreclosure rates, often concentrated in minority neighborhoods, is a cause for serious concern. However, unlike mortgage lending data that is centralized and reported nationally, information on foreclosures is dispersed among cities and counties and is difficult to track by race and ethnicity. Therefore, increased research on foreclosure on a national scale is critical. Increased knowledge of this issue will build confidence among prospective Latino homebuyers in the mortgage lending market. For FY 2005, NCLR recommends \$10 million to fund a national study that would closely examine foreclosure rates, the potential impact of predatory lending on minority communities, and possible remedies.

Health

Latinos, including Latino children, face daunting barriers to accessing health care. The 2000 Census data reveal that Latinos are the most likely of all groups to lack health insurance. A third of Latinos (33.2%) lack health insurance, and nearly a quarter (24.1%) of Latino children are uninsured compared with 7.4% of White children and 13.9% of Black children. The lack of access to health insurance has led to a number of health problems in the Latino community. Specifically, Latinos disproportionately suffer from high rates of asthma, tuberculosis, diabetes, obesity, HIV/AIDS, teen pregnancy, and mental health problems.

Latinos are keenly aware of the health crisis plaguing their community. According to a poll conducted by the Henry J. Kaiser Family Foundation, an overwhelming majority (82%) of Latinos believes that being able to afford the cost of health insurance or necessary medical care is a problem.

The Administration has an opportunity to play a significant role in improving the health status of Latino children and families. Given that polling data indicate that three-fourths (75%) of Latino voters support ensuring access to benefits for legal immigrants, NCLR continues to look to the Administration to adopt policies that remove barriers to health care for legal immigrants. Specifically, 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 the opportunity to participate in Medicaid and the State Children's Health Insurance Program (SCHIP) to lawfully-present children and pregnant women if they are otherwise eligible. 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 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 in grants to support community health workers 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 \$3.37 billion in FY 2004, including increases for Programs of Regional and National Significance and for the Substance Abuse Block Grant. NCLR believes it is critical to fund the continuum of care – treatment, prevention, and research – and recommends a 25% increase for FY 2005 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.
- ▶ **Restore and increase funding levels for drug courts.** Drug court funding was cut in FY 2004 by \$6 million, receiving only \$38.5 million. The Latino community benefits from drug courts, which place nonviolent drug offenders into intensive, community-based treatment, rehabilitation, and supervision program for drug offenders. Additionally, drug courts alleviate the workload faced by judges, prosecutors, and other court staff. NCLR urges full restoration for drug courts at the same level of FY 2003 and believes that a 10% increase of that level would provide an economically sound and effective alternative to incarceration, particularly for nonviolent drug offenders.

Immigration Reform

NCLR and the Latino community recognize that our current immigration system has failed to regulate the flow of migrants to the U.S. and is in urgent need of repair. Approximately eight million undocumented immigrants live and work in the U.S., filling essential positions in the nation's labor force. These workers must pay large sums to smugglers and risk their lives to work and be reunited with family members in the U.S. Once they are here, these workers are forced to live in the shadows of society, hiding from law enforcement and working under very vulnerable conditions.

The time to reform our immigration system is now. Several polls report that 85% of Latinos favor proposals to provide legal status to certain undocumented immigrants. Echoing the voice of the greater Latino community, NCLR urges the Administration to support comprehensive immigration reform legislation to provide targeted adjustment of status to immigrants currently in the U.S. workforce, to open new avenues for workers to immigrate legally, and to clear current visa backlogs. Such legislation would ensure that immigration to this country occurs legally and safely, and would protect the interests of U.S. workers as well as foreign workers. Specifically, NCLR recommends that the Administration:

- ▶ **Support legislation to legalize our nation's farmworkers.** One first step toward comprehensive immigration reform is passage of S. 1645/H.R. 3142, the "Agricultural Job Opportunity, Benefits, and Security Act of 2003" (AgJOBS). This bipartisan bill, which is the product of years of negotiations between farmworker advocates and the agriculture industry, would legalize the status of undocumented

farmworkers in the U.S and would make positive changes to the current H-2A nonimmigrant agricultural worker program. AgJOBS provides essential relief to thousands of farmworkers who labor under extreme conditions to harvest the U.S. food supply. Passage of AgJOBS also paves the way for further reforms to our immigration system, which will create a well-functioning and legal mechanism for filling our nation's labor needs. NCLR urges the Administration to support and push for passage of AgJOBS.

The needs and concerns of the Latino community have been clearly and consistently communicated to your Administration throughout your term as President. The Latino community is awaiting your response. Send a message to Latinos and all Americans that you are serious about enhancing life opportunities for Latino families. Ensuring that our nation's fastest-growing population is on the right path secures the future, not only for Latinos, but for all Americans.

Sincerely,

Raul Yzaguirre
President & CEO

cc: Senate Majority Leader Bill Frist
Senate Minority Leader Tom Daschle
House Speaker Dennis Hastert
House Minority Leader Nancy Pelosi
Joshua Bolten, Director, Office of Management and Budget