

PRELIMINARY ANALYSIS OF THE PROPOSED FY 2007 FEDERAL BUDGET

The National Council of La Raza's (NCLR) initial analysis of the President's budget shows that it is a mixed bag of program cuts, program eliminations, and minor increases to specific programs. For example:

Most education programs are level-funded or eliminated.

- *Competitiveness Agenda.* The President's budget proposes a new \$138 million "Competitiveness Agenda" program, which includes funding for math and science teachers and classes, as well as other activities. It is unclear, however, whether or not this program would be funded by eliminating other effective programs. Nor is it clear whether or not Latinos will be served by this new initiative.
- *High School Reform.* The President's budget proposes once again to fund a new high school initiative by eliminating Dropout Prevention, Talent Search, Upward Bound, and GEAR UP. High school reform is critical to Latinos, who have higher dropout rates and lower college participation rates than non-Latinos and have less access to rigorous coursework. Several of NCLR's affiliates, including Hispanic Office of Planning and Evaluation – HOPE (MA), Latin American Youth Center (DC), and LEARN, Inc. (TX), provide services to youth through Talent Search, Upward Bound, and/or GEAR UP. GEAR UP works with disadvantaged middle schoolers to prepare them for completing high school and going to college. Upward Bound and Talent Search work with promising high schoolers. Upward Bound is especially important for Latinos because it is proven to provide them with access to more rigorous coursework, which prepares them for success in college and the workforce.
- *No Child Left Behind Act (NCLB).* The President's budget would provide no increase for bilingual education and eliminate parental involvement programs. While there is much debate about the merits of NCLB and how it will impact the public schools, it is clear that NCLB contains provisions that strengthen the federal program for English language learner (ELL) students. Specifically, NCLB requires schools to help ELLs make strides in acquiring English and improving their reading and math skills. This is critical for Latinos, who make up nearly eight in ten (79%) of all ELLs. In addition, while a system of accountability and assessments is the heart of NCLB, parents are the backbone of this legislation. Under NCLB, schools are required to assess student progress, give parents information about test scores, and provide parents of students in underperforming schools with options, including the right to transfer to another school and the opportunity to obtain extra tutoring for their children. However, it is unclear that parents are receiving sufficient information about their schools to hold schools accountable or to exercise their options. The President's budget would level-fund bilingual education and completely eliminate Parent Assistance Programs.
- *Adult English Language Acquisition and Civics.* The Administration's request provides \$68 million for ESL/Civics, which is a slight decrease from FY 2006. This amount is

insufficient to meet the enormous need for English as a Second Language (ESL) and integration services. Enrollment in Adult 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. Community-based organizations must piece together programs with volunteer labor and facilities, while the demand for English-language instruction far outweighs supply. In addition, immigrant communities face the dual challenge of acquiring English and integrating into the communities in which they work.

- *Even Start.* The Administration's proposal would eliminate Even Start, which integrates 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.

The major farmworker training program is eliminated.

- *The National Farmworker Jobs Program.* The President's budget would provide no funding for this program, which received \$80 million in FY 2006. Currently authorized in Section 167 of the Workforce Investment Act (WIA), this program serves the needs of migrant and seasonal farmworkers and their children; the Section 167 program provides English-as-a-Second-Language instruction, job-readiness, and skills training to migrant and seasonal farmworkers. The National Farmworker Jobs Program's 50 nonprofit and public agencies serve more than 25,000 hardworking, impoverished, and mostly Hispanic migrant and seasonal agricultural workers each year. It is the Department of Labor's most effective national job training program, with a success rate exceeding 83%. With help from this unique program, farmworkers often dramatically increase their earnings by entering industries such as health care, transportation, and manufacturing. Eliminating this program means that thousands more will be unable to integrate into the mainstream of American life. NCLR affiliates providing Section 167 services include Maui Economic Opportunity, Inc. (HI), Illinois Migrant Council (IL), NAF Multicultural Human Development, Inc. (NE), Home Education Livelihood Program, Inc. (NM), Rural Opportunities, Inc. (NY), ORO Development Corporation (OK), and United Migrant Opportunity Services, Inc. (WI).

Health care and food assistance funding is varied, with major program declines.

- *Substance Abuse and Mental Health Services Administration (SAMHSA).* The President's Budget Request includes an overall decrease for SAMHSA. Further, many important programs that help communities address mental health issues have received reductions in funding. In particular, the White House has requested more than \$35 million in cuts from the Mental Health Block Grant and Programs of Regional and National Significance. This decrease in funding jeopardizes many of the programs that allow NCLR affiliates and other community-based organizations (CBOs) to assist Latinos with mental health concerns. As an example, Valle Del Sol, Inc. in Phoenix, AZ, used to provide mental health services to senior citizens to mitigate suicide and help Hispanic seniors cope with depression. Due to past budget cuts, Valle Del Sol was forced to

discontinue this critical program and cannot provide mental health services for elderly Latinos. The President's budget also freezes funding for programs under the Garrett Lee Smith Memorial Act, which sustain suicide prevention programs targeted toward youth. NCLR urges an increase in funding for this act, which will help to address the disproportionately high rates of suicide attempts among Latina adolescents. According to the National Household Survey on Drug Abuse, 17.8% of Hispanic girls between the ages of 12 and 17 were at risk for suicide.

- *Decreased Funding for Food Assistance Programs.* The President's budget proposes \$5.2 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) food assistance program in FY 2007, a decrease of \$57 million from the FY 2006 funding level. WIC assistance promotes healthy development during a child's critical years by ensuring that families have access to nutritious foods. The WIC program is vitally important to Latino and immigrant communities because it remains one of the few major food assistance programs without program barriers that single out immigrant families. It is used by more than three million Hispanics. Cuts to this program will leave families with young children inadequate resources to buy nutritious foods.

For the second year in a row, the President's proposal again includes a provision to eliminate categorical eligibility for the Food Stamp Program for individuals receiving TANF-related services. When Congress overhauled the welfare program in 1996, Congress made a promise to ensure that working families on the Temporary Assistance for Needy Families (TANF) program would always have access to food stamps. The President is now requesting Congress to reverse that promise. Families will lose their food assistance due to increased barriers during enrollment, a troublesome practice that will especially impact limited-English-proficient (LEP) families. Last year, this provision was overturned by Congress in the final budget reconciliation. NCLR again urges Congress to reject cuts to food stamps.

- *Community Health Centers.* NCLR supports President Bush's decision to continue to increase funding for community health centers (CHCs) by \$181 million. We are encouraged that a subset of the funds will be used to target poor counties with low-income communities. For many Latinos, CHCs serve as an important source of primary and preventive 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 large proportion of the CHC patient population is Latino (35.6%). The work of an NCLR affiliate, the Idaho Migrant Council, provides insight into the impact that CHCs are having in Latino communities. In 2005, the Idaho Migrant Council received a federal grant to start a migrant health center. They estimated that they would be able to serve approximately 1,000 patients who lived in the Boise area who would not otherwise have access to health care.
- *Decline in Medicaid and SCHIP Funding.* The White House calls for reductions to Medicaid and the State Children's Health Insurance Program (SCHIP) of approximately \$13.5 billion over five years. These cuts exacerbate the Medicaid cuts that were enacted in recent budget reconciliation legislation, the Deficit Reduction Act of 2005 (S. 1932).

The President's FY 2007 proposal to cut Medicaid and SCHIP is extremely premature. In his State of the Union address, President Bush called for a bipartisan commission to review entitlement cuts, yet he is requesting major Medicaid and SCHIP program modifications before recommendations for long-term reform can be made. Cutting coverage or increasing costs for low-income beneficiaries under these vital health insurance programs is bad public policy. It will likely lead to increased reliance on more costly emergency health care services. The President's Budget Request also promotes the use of "Section 1115" waivers as a way to modify eligibility for Medicaid programs. While similar waivers were used to extend eligibility in the past, in recent years many of these waivers have been used to limit services for beneficiaries and reduce health coverage for certain Medicaid recipients. NCLR calls for immediate oversight of current and future state waivers, which are being misused to cut many eligible beneficiaries from the rolls of Medicaid. Nationwide, nearly ten million Latinos participate in Medicaid and will be negatively impacted by the President's Budget Request. When applying for insurance programs, like Medicaid, Latinos often face multiple legal, linguistic, and cultural barriers that prevent their entrance. These new barriers will compound existing uninsurance problems.

Housing counseling funding is slightly increased.

- *Housing Counseling.* The President's budget increases funding for housing counseling programs from \$42 million in FY 2006 to \$44.5 million in FY 2007. Community-based organizations, often the first point of contact for Hispanic families, are uniquely positioned to assist first-time homebuyers through the homebuying process, and are in the best position to deliver community development and homeownership services. Community-based housing counseling agencies also reduce the probability of mortgage delinquency. Congress and the Administration must facilitate increased opportunities for training and capacity-building to support the work of existing counseling and community development organizations and expand existing funds for housing counseling at the local level.