



The Joint Economic Committee
**BUSH'S BUDGET AGAIN IGNORES
NORTH CAROLINA MIDDLE CLASS FAMILIES**

Senator Charles E. Schumer, Chairman
Congresswoman Carolyn B. Maloney, Vice Chair

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Critical Housing Programs Cut by President Bush Again. President Bush's FY 2009 budget again cuts federal housing programs, despite widespread recognition that the U.S. economy is facing a housing crisis. Bush's budget cuts to public housing and rental assistance programs would eliminate critical assistance for those who have been disproportionately impacted by the subprime housing crisis—lower income families, the elderly, and minorities—compounding the deep funding cuts of the previous six years. Under the President's budget proposal, the public housing capital fund would be cut by \$415 million from 2008, depriving North Carolina of \$11.5 million in necessary funding to keep its public housing stock a viable option for families that have lost their homes to foreclosure. At the same time, President Bush has proposed a \$740 million cut nationwide in the successful HUD Section 8 voucher program; as a result, 1,900 families could lose their homes in North Carolina. These programs will be critical in alleviating the hardships caused by the housing crisis, but the Bush administration again appears blithely ignorant to the reality facing American families. [President Bush's Budget, FY2009; Federal Funds Information for States Database; National League of Cities; Center for Budget and Policy Priorities.]

Huge Cuts Would Endanger Access to Quality Care for North Carolina's 1.3 Million Medicare and 1.2 Million Medicaid Beneficiaries. The Administration's budget includes \$195 billion in cuts over five years to Medicare and Medicaid that threaten to endanger North Carolina's 1.3 million Medicare and 1.2 million Medicaid patients' access to the care they need to lead healthy, independent lives. Under the President's plan, \$178 billion would be cut from Medicare and \$17 billion from Medicaid over five years. These cuts would be achieved by reducing reimbursements to health care providers and charging higher premiums based on income for Medicare beneficiaries for coverage of prescription drugs and doctors' services. [Kaiser Family Foundation, State Health Facts, March 2006 and December 2006; President Bush's Budget, FY2009; Department of Health and Human Services.]

Steep Cuts to Health Programs Jeopardize the Well-Being of North Carolina Residents. The President's budget would slash discretionary spending for government health resources and services by \$982 million, in addition to \$378 million in cuts to the Centers for Disease Control and Prevention. These cuts would jeopardize the health of millions nationwide who are suffering from life-threatening diseases and depend on these programs to fund life saving research projects. They include 36,000 people living with invasive cancer in North Carolina and the 9 percent of North Carolina adults who have been diagnosed with diabetes. [President Bush's Budget, FY2009; Kaiser Family Foundation, State Health Facts 2003 and 2005.]

Despite Dismal Job Growth in 2007, the Administration Still Proposes \$3.4 million in Cuts for Adult Employment and Training Services in North Carolina. The President's budget proposes cutting funding for adult employment and training services by nearly \$150 million nationwide at a time when the U.S. workforce has experienced the worst job growth in over 4 years. If these cuts stand, North Carolina's One-Stop Career System would lose \$3.4 million. These cuts would likely force the suspension of workforce preparation and talent development services at a time when rapid changes in the economy make such programs more important than ever for North Carolina workers. Moreover, the Administration's refusal to extend unemployment insurance means 1.4 million workers nationwide who have already exhausted their 26 weeks of unemployment insurance will be unable to get additional assistance. [President Bush's Budget, FY2009; Federal Funds Information for States Database; U.S. Department of Labor, Bureau of Labor Statistics, January Employment Report.]

Administration's Budget Fails College Students in Educational Grants, Even As North Carolina's Tuition Has Risen 71 Percent in Four Years. In 2007, Democrats fought to save critical college aid programs like the Supplemental Educational Opportunity Grants (SEOG) program, but once again the President's budget completely eliminates the program. North Carolina would lose \$16.5 million in SEOG grants in 2009. As average tuition and fees at 4-year public schools in North Carolina increased 71 percent in just four years, the Administration's cuts in student aid would put college further out of reach for many North Carolina students. [President Bush's Budget, FY2009; U.S. Department of Education; Fiscal Year 2001-2008 State Tables for the U.S. Department of Education"; U.S. Department of Education, Institute of Education Sciences, *Digest of Education Statistics*, "Average undergraduate tuition and fees and room and board rates charged for full-time students in degree-granting institutions, by type and control of institution and state or jurisdiction," 2001-2002 and 2005-2006.]

North Carolina's LIHEAP Funding Cut By President Yet Again. The President's FY 2009 budget calls for a 22 percent cut in the overall funding for the Low-Income Home Energy Assistance Program (LIHEAP) from 2008. LIHEAP helps America's lowest-income families afford to cool their homes in the summer and heat their homes in the winter. It is especially important to families with elderly persons and very young children. This year's budget would slash North Carolina's LIHEAP funding, leaving it up to the Congress once again to ensure that North Carolina's families can afford to cool and heat their homes. [President Bush FY2009 Budget; Federal Funds Information for States Database; U.S. Department of Health and Human Services, Administration for Children and Families.]

Programs to Keep North Carolina's Neighborhoods Safe Zeroed Out by Bush. The President's budget again assaults two of North Carolina's local crime fighting tools—the Community Oriented Policing Service (COPS) program and Justice Assistance Grants (JAG). COPS helps North Carolina's law enforcement agencies hire police officers, enhance crime fighting technology, and support crime prevention initiatives, while JAG supports state and local drug task forces, community crime prevention programs, and prosecution initiatives. Last year, North Carolina received \$2.7 million in JAG funding and \$8.7 million in COPS funding to keep neighborhoods safer for North Carolina families in FY 2007. North Carolina would receive no funding under President Bush's 2009 budget proposal. [President Bush FY2009 Budget; Federal Funds Information for States Database; U.S. Department of Justice, COPS Office.]

Another Round of Cuts to Community Investments Could Slow Economic Development in North Carolina. Year after year, Democrats have been called on to defend the Community Development Block Grant (CDBG) program, which is once again on the President's chopping block. The CDBG program is a signature program for North Carolina's cities, counties and local communities to create jobs, spur economic development and small business opportunities, and expand homeownership. North Carolina's CDBG funding in the President's budget represents a decrease of \$12.7 million from its 2008 funding level of \$69.4 million. By cutting CDBG, the President's budget would undermine the economic well-being of North Carolina's communities. [President Bush's Budget, FY2009; Federal Funds Information for States Database; National League of Cities.]

President Calls for Elimination of Grants to Fight Poverty. President Bush's budget would eliminate the Community Services Block Grant program which provides critical funding for state, local, and tribal poverty programs. Last year, this grant provided a total of \$654 million in crucial funding for education, employment, housing, and health programs serving North Carolina's 1.2 million residents living in poverty. Last year, North Carolina received \$17.2 million in federal funding to combat poverty. Under the President's budget, North Carolina would receive no funding for this program. At the same time, his budget would slash spending on Temporary Assistance to Needy Families, which provides a wide range of benefits and services to low income families with children, by \$340 million nationwide. [President Bush's Budget, FY2009; Federal Funds Information for States Database; U.S. Department of Commerce, Census Bureau, *Income, Poverty and Health Insurance Coverage in the United States: 2006 report*.]

President Bush Shorts North Carolina Funding for Environmental Protection Programs, Even As Dangers Become More Apparent. It is no secret that President Bush has consistently downplayed, ignored or even scoffed at the scientific consensus that has emerged with respect to the dangers posed by catastrophic global climate change. In keeping with his head-in-the-sand views, the President's budget aims to cut vital funding for the Environmental Protection Agency, including a cut to funding available for North Carolina promised under the Clean Air Act. For FY2009, the President aims to reduce this program's funding levels by \$23 million, a potential 7.5 percent decrease in funding for North Carolina to combat air pollution and the hazards resulting from climate change. This marks a consistent trend for the Administration, which has been slowly whittling away at federal support for environmental protections since 2004. [President Bush's Budget, FY2009.]