

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 23, 1999

TO THE HOUSE OF REPRESENTATIVES:

I am returning herewith without my approval H.R. 2488, the "Taxpayer Refund and Relief Act of 1999," because it ignores the principles that have led us to the sound economy we enjoy today and emphasizes tax reduction for those who need it the least.

We have a strong economy because my Administration and the Congress have followed the proper economic course over the past 6 years. We have focused on reducing deficits, paying down debt held by the public, bringing down interest rates, investing in our people, and opening markets. There is \$1.7 trillion less debt held by the public today than was forecast in 1993. This has contributed to lower interest rates, record business investment, greater productivity growth, low inflation, low unemployment, and broad-based growth in real wages -- and the first back-to-back budget surpluses in almost half a century.

This legislation would reverse the fiscal discipline that has helped make the American economy the strongest it has been in generations. By using projected surpluses to provide a risky tax cut, H.R. 2488 could lead to higher interest rates, thereby undercutting any benefits for most Americans by increasing home mortgage payments, car loan payments, and credit card rates. We must put first things first, pay down publicly held debt, and address the long-term solvency of Medicare and Social Security. My Mid-Session Review of the Budget presented a framework in which we could accomplish all of these things and also provide an affordable tax cut.

The magnitude of the tax cuts in H.R. 2488 and the associated debt service costs would be virtually as great as all of the on-budget surpluses the Congressional Budget Office projects for the next 10 years. This would leave virtually none of the projected on-budget surplus available for addressing the long-term solvency of Medicare, which is currently projected by its Trustees to be insolvent by 2015, or of Social Security, which then will be in a negative cash-flow position, or for critical funding for priorities like national security, education, health care, law enforcement, science and technology, the environment, and veterans' programs.

The bill would cause the Nation to forgo the unique opportunity to eliminate completely the burden of the debt held by the public by 2015 as proposed by my Administration's Mid-Session Review. The elimination of this debt would have a

beneficial effect on interest rates, investment, and the growth of the economy. Moreover, paying down debt is tantamount to cutting taxes. Each one-percentage point decline in interest rates would mean a cut of \$200 billion to \$250 billion in mortgage costs borne by American consumers over the next 10 years. Also, if we do not erase the debt held by the public, our children and grandchildren will have to pay higher taxes to offset the higher Federal interest costs on this debt.

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Budget projections are inherently uncertain. For example, the Congressional Budget Office found that, over the last 11 years, estimates of annual deficits or surpluses 5 years into the future erred by an average of 13 percent of annual outlays - a rate that in 2004 would translate into an error of about \$250 billion. Projections of budget surpluses 10 years into the future are surely even more uncertain. The prudent course in the face of these uncertainties is to avoid making financial commitments -- such as massive tax cuts -- that will be very difficult to reverse.

The bill relies on an implausible legislative assumption that many of its major provisions expire after 9 years and all of the provisions are repealed after 10 years. This scenario would create uncertainty and confusion for taxpayers, and it is highly unlikely that it would ever be implemented. Moreover, this artifice causes estimated 10-year costs to be understated by about \$100 billion, at the same time that it sweeps under the rug the exploding costs beyond the budget window. If the tax cut were continued, its budgetary impact would grow even more severe, reaching about \$2.7 trillion between 2010 and 2019, just at the time when the baby boomers begin to retire, Medicare becomes insolvent, and Social Security comes under strain. If the bill were to become law, it would leave America permanently in debt. The bill as a whole would disproportionately benefit the wealthiest Americans by, for example, lowering capital gains rates, repealing the estate and gift tax, increasing maximum IRA and retirement plan contribution limits, and weakening pension anti-discrimination protections for moderate- and lower-income workers.

The bill would not meet the Budget Act's existing pay-as-you-go requirements, which have helped provide the discipline necessary to bring us from an era of large and growing budget deficits to the potential for substantial surpluses. It would also automatically trigger across-the-board cuts (or sequesters) in a number of Federal programs. These cuts would result in a reduction of more than \$40 billion in the Medicare program over the next 5 years. Starting in 2002, they would also lead to the elimination of numerous programs with broad support, including: crop insurance, without which most farmers and ranchers could not secure the financing from banks needed to operate their farms and ranches; veterans readjustment benefits, denying education and training to more than 450,000 veterans, reservists, and dependents; Federal support for programs such as child care for low-income families and Meals on Wheels for senior citizens; and many others.

As I have repeatedly stressed, I want to find common ground with the Congress on a fiscal plan that will best serve the American people. I have profound differences, however, with the

extreme approach that the Republican majority has adopted. It would provide a tax cut for the wealthiest Americans and would hurt average Americans by denying them the benefits of debt reduction and depriving them of the certainty that my proposals for Medicare and Social Security solvency would provide as they plan for their retirement.

I hope to work with Members of Congress to find a common path to honor our commitment to senior citizens, help working families with targeted tax relief for moderate- and lower-income workers, provide a better life for our children, and improve the standard of living of all Americans.

WILLIAM J. CLINTON

THE WHITE HOUSE,  
September 23, 1999.

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## **Implications of a One-Percent Congressional Across-the-Board Spending Cut**

### **Education and Training**

A one-percent cut would lead to approximately 74,000 fewer women, infants, and children benefitting from the food assistance and nutrition services offered by the Special Supplemental Nutrition Program for **Women, Infants, and Children (WIC)**.

A one-percent cut would lead to approximately 2,800 fewer children receiving child care assistance through the **Child Care and Development Block Grant**.

Cuts to the **Department of Labor's Youth Activities Formula Grants** would be \$10 million. This reduction would deny job training, summer employment, and education opportunities to almost 6,000 disadvantaged youth.

This cut would cause **Head Start** to provide services to approximately 5,000 fewer children and their families than otherwise would be served.

**Education for the Disadvantaged:** Title I, Education for the Disadvantaged (Grants to LEAs) would be cut by \$78 million and could keep over 120,000 students in high-poverty communities from receiving key educational services necessary to improve their future prospects.

**Reading Excellence:** The Reading Excellence program would help about one million children learn to read well and independently and by the 3rd grade. This cut would reduce funding by \$2.6 million and provide literacy services to approximately 10,000 fewer children.

### **Environment and Health**

Funding for **Health Services and Resources Administration Family Planning** activities would be cut by over \$2 million. This could prevent roughly 40,000 women, who received services in FY 1999, from receiving comprehensive reproductive health care services.

Funding for the **Centers for Disease Control and Prevention's Childhood Immunization Program** could be cut by approximately \$4.8 million, which could prevent roughly 3,000 additional children from receiving the full complement of childhood immunizations.

**Substance Abuse and Mental Health Services Administration** funding would be reduced by \$25.5 million, which could deny treatment to over nearly 4,000 people who receive mental health and substance abuse services.

**Superfund Cleanups:** EPA's Superfund program would be cut by \$14 million below the FY 2000 enacted level. This would eliminate funding for an additional two new, federally-led cleanups (on top of the 11 cleanups eliminated by the enacted bill), further jeopardizing public health for citizens living near affected sites.

#### **Effect on Emergency Agricultural Assistance**

Vitally needed assistance to our Nation's farmers would be cut by \$89 million, further reducing emergency farm aid that the Administration has noted is already insufficient to help farmers deal with this year's dual-problems of low commodity prices and natural disaster losses. Income assistance would be cut by over \$60 million, and crop and livestock loss payments would be cut by \$15 million. The amounts in the FY 2000 Agriculture/Rural Development appropriations bill for crop and livestock loss payments are not enough to cover expected eligible claims, such that payments will have to be pro-rated. An additional one percent cut would leave farmers even more short, increasing the number who will be forced to exit farming.

#### **Department of Defense**

The bottom line is that a one-percent cut would have an adverse impact on **select national security programs**, as outlined below.

- A one-percent across-the-board cut would equate to a **\$2.8 billion cut to Defense**. \$2.7 billion would come from programs funded in the Defense Appropriations Act, and \$0.1 billion from programs in the Military Construction Appropriations Act.
- An overall one-percent cut would still put the appropriation at about \$1.7 billion *above* the President's request. However, the indiscriminate nature of the cut would mean that certain accounts that fund **military pay and readiness**, appropriated at or below the President's request, would suffer. Two examples follow.
  - \* The cut would require the military services to make cuts in recruiting and engage in a loss of up to about 50,000 **military personnel**.

NOTE. This assumes that all the reductions are made to enlisted personnel because such reductions would likely be taken from new recruits and first term reenlistments. This 50,000 figure is consistent with the 70,000 figure used by the President in describing the impact of a 1.4 percent cut. If, however, the reductions were made strictly across the board, we estimate that roughly 28,000 personnel would need to be cut. This is consistent with the initial OMB figure of 39,000 for a 1.4 percent cut.

- \* Such a cut to military personnel would disrupt military planning, exacerbate our already-difficult recruiting problems, and harm the **morale** of our men and women in uniform. A one-percent cut in funding for personnel would lead to an estimated 2.0 percent cut in their numbers because it would take months to begin the necessary reductions. As a result, roughly twice the number of personnel have to be reduced in order to make a given percentage funding reduction.
- \* The cut would further reduce funding to support **overseas contingencies**. Congress has already cut the President's request by \$665 million, leading to a shortfall for operations such as Bosnia and Southwest Asia. The one-percent cut would add \$17 million to the existing shortfall.

### **Other Key Programs**

A one-percent reduction from the FY 2000 enacted level would force the **Department of Housing and Urban Development (HUD)** to protect all **Section 8 contract renewals** by taking the full reduction from new incremental assistance. Approximately 20,000 households would not receive housing voucher assistance, a loss of over 33 percent of the enacted level.

A one-percent cut from the enacted level for **NASA** would require a \$136 million reduction from the agency's enacted level of \$13.65 billion, \$149 million less than the FY 1999 enacted level. With the \$385 million in earmarks in the enacted bill, this reduction would likely result in the deferral of some Earth and Space Science missions, the potential delay of Space Station construction, and the cancellation of university grants in many States.

The **National Park Service (NPS)** operating budget would be cut by \$14 million, eliminating many operational increases to improve facilities maintenance and support expanding operational needs at new or growing parks. Such a reduction could also undercut the NPS Natural Resource Initiative to increase accountability for protection and management of park natural resources.

The proposed reductions would require the **Federal Bureau of Investigation (FBI)** to cut staff by approximately 255 FTE (from the baseline level of 24,884), including 110 agents (from the baseline of 10,687) and 145 analysts, computer specialists, engineers, and other support staff. This would significantly reduce FBI resources for critical law enforcement activities, including national security investigations, combating organized crime and illegal drugs, and fighting cyber crime.

Cuts to the **Immigration and Naturalization Service**, if taken from the enforcement account, could result in a reduction of approximately 120 Border Patrol agents and 159 support staff.

## WHY THE PRESIDENT WILL VETO THE REPUBLICAN TAX BILL

September 23, 1999

### **The President Has Said That He Will Veto the Republican Tax Cut Because:**

- It would likely drain hundreds of billions of dollars from the Social Security surplus, money that should have been used for debt reduction.
- It puts at risk our fiscal discipline and the continuing economic expansion.
- It would explode in cost, threatening our fiscal discipline and leaving America permanently in debt.
- It would leave no money to extend Medicare solvency or provide for prescription drugs.
- It would lead to an untenable reduction in domestic spending, with potentially huge cuts in education, law enforcement, public health, the environment, and veterans programs.
- It would be unfair to working Americans.

### **PROTECTING SOCIAL SECURITY SURPLUSES AND FISCAL DISCIPLINE**

#### **The Republican Tax Bill Would Likely Drain Hundreds of Billions of Dollars From the Social Security Surplus, Diverting Money From Debt Reduction While Not Extending The Solvency of Social Security By a Single Day.**

- Uses the entire non-Social Security surplus. The Republican tax cut, without sunsets, would cost more than \$850 billion over 10 years; with interest added it would use up the entire \$996 billion non-Social Security surplus projected by the Congressional Budget Office.
- Uses Social Security surpluses after 2004. The Republican tax cut uses more than the entire on-budget surplus after 2004, forcing the Republicans to choose between using Social Security revenues to pay for their tax cut or making even larger cuts in education and other parts of core government.
- Predictable consequence of the tax and budget plan is to drain hundreds of billions of dollars from the Social Security surplus. The Republican budget resolution plans to cut defense and domestic discretionary spending by nearly \$700 billion relative to the President's plan. Spending cuts of this magnitude would require a nearly 50 percent cut in non-defense discretionary spending in 2009. If these untenable cuts were not made, the consequence of the tax and budget plan would be to divert hundreds of billions of dollars of the Social Security surplus from promised debt reduction.
- The Republican plan would not extend Social Security solvency. The Republican plan does not extend solvency past 2034. Worse still, by diverting money from debt reduction it will make it even more difficult for the Nation to meet our obligations to future retirees.

#### **The Republican Tax Cut, Assuming It Was Continued, Would Explode After 10 Years, Just When Social Security Begins To Come Under Strain and Medicare Approaches its Projected Insolvency (2015). The tax cut, together with funding for essential national defense, would leave America permanently in debt.**

- Sunsets hide potential cost. To keep to a \$792 billion tax cut, the Republicans sunset many of the major provisions after 2008; the result is that taxes *increase* by more than \$60 billion in 2009 relative to their 2008 level. Reversing this implausible provision would bring the total cost to more than \$850 billion.
- Cost would explode to \$2.7 trillion in second decade. Projections by the Department of the Treasury indicate that the tax cut would cost \$2.7 trillion between 2010 and 2019. The extra debt service associated with the tax would be another \$1.4 trillion – bringing the total cost of the tax cut over the second 10 years to about \$4 trillion.
- Cost, with interest, is \$5 trillion over 20 years. If continued, the tax cut and the associated interest would cost \$5 trillion over 20 years.
- Does not pay down the debt. The President's plan invests in key priorities and pays off the debt by 2015. If the Republican tax cut were continued, and defense was funded at the levels requested by the President, the debt would never be repaid.

## **The Republican Tax Bill Would Threaten Our Fiscal Discipline and Risk Our Economic Expansion.**

- Paying down the debt is best for the economy. Leading experts, from Federal Reserve Chairman Alan Greenspan to Wall Street's Henry Kaufman, have recognized that paying down the debt, not large tax cuts or spending increases, would be best for our economy.
- President's plan would pay down more debt. The predictable consequence of the Republican tax and budget plan, because it ignores Medicare and requires 50 percent cuts in domestic spending, would be to contribute less to debt reduction than would the President's plan, resulting in less investment in the technologies and equipment that make America's workers the most productive – and the highest paid – in the world.
- Republican plan threatens our fiscal discipline. The commitment to a large and exploding tax cut *based merely on projected surpluses* threatens our commitment to fiscal discipline and risks raising interest rates.

## **NOTHING FOR MEDICARE**

### **The Republican Plan Leaves Nothing for Medicare, Which Is Projected To Become Insolvent In 2015.**

- Tax cut uses all non-Social Security surpluses. The Republican tax cut spends the entire non-Social Security surplus, leaving nothing for Medicare solvency.
- Substantial solvency for Medicare will require additional resources. Medicare experts agree that additional resources are needed to extend Medicare solvency substantially without risky cuts or higher payroll taxes.
- No surplus to modify 1997 reforms. Many Republican Members of Congress have supported increasing Medicare spending by repealing some Balanced Budget Act of 1997 provisions. If none of the surplus is saved for Medicare, even larger cuts in hospitals and nursing homes would be required to extend solvency.

## **LARGE CUTS IN MEDICARE AND CORE GOVERNMENT**

### **As Written, GOP Tax Bill Would Also Trigger Automatic Across-The-Board Cuts That Would Cut Medicare & Entirely Eliminate Key Programs.**

- Triggers mandatory cuts. The Republican tax cut, as written, would trigger across-the-board spending cuts in mandatory programs (known as sequestration) under the Budget Enforcement Act's pay-as-you-go rules.
- Cuts Medicare. These cuts would eliminate \$41.4 billion from Medicare over the next 5 years (2000-2004), according to an Office of Management and Budget analysis.
- Eliminates key programs. These cuts would automatically eliminate several key programs, including farm safety net programs (cut by \$19.2 billion), veterans education and training (cut by \$2.0 billion), child support enforcement (cut by \$10.3 billion), and Social Service Block Grants that pay for child protection, child care, and the needs of the elderly and disabled (\$4.4 billion).
- Even these cuts would not pay for the tax cut. Even the reduction or elimination of these programs would offset only a small fraction of the Republican tax cut; the remainder would force choices between large and untenable cuts in core government or diverting Social Security funds from promised debt reduction.

### **The Republican Tax Cut Is Based On Untenable Reductions in Domestic Priorities, Including Education, Law Enforcement, Public Health, the Environment, and Veterans Programs.**

- President's spending is tight but realistic. The President's budget devotes \$328 billion to discretionary spending, which still keeps spending slightly below its current level adjusted for inflation. Domestic discretionary spending will be kept roughly 10 percent below its current level adjusted for inflation by 2009.
- 50 percent cuts under Republican plan. The Republican tax and budget plan, if they match the President's defense request, would lead to a nearly 50 percent cut in all domestic discretionary spending in 2009. This could require massive cuts in everything from education, to the environment, to public safety.
- Predictable consequence is less debt reduction. If these highly damaging cuts are not made, the Republican tax and budget plan would divert hundreds of billions of dollars from promised debt reduction.

## **UNFAIR TO WORKING AMERICANS**

**The Large Republican Plan Delivers Only a Fraction of Its Benefits to the Middle Class; Even These Benefits Could Be More than Wiped Out by the Higher Interest Rates That Could Result from this Fiscally Irresponsible Policy.**

- Little tax relief for the middle class. Under the Republican tax plan, 24 percent of the tax cuts go to the top 1 percent of families, those earning over \$347,000 per year. At the same time, less than 22 percent of the benefits go to the roughly 90 million families – 80 percent of all families – earning less than \$82,000 per year.
- Higher mortgage payments could reverse tax break. Under the Republican plan, middle-income families will see an average tax reduction of about \$350. *If mortgage rates rose even ½ percentage point, this tax break would be fully offset by higher mortgage payments* for a typical middle-income family with a \$100,000 mortgage.
- Estate tax elimination provides large benefits to a few, just years before Medicare is projected to become insolvent. Eliminating all estate tax revenues for 2009 would cost almost \$36 billion, which would provide an average benefit of over \$700,000 to the roughly 50,000 estates – less than 2 percent of all deaths – subject to taxes. At the same time, if no steps are taken, the Medicare trust fund will start to be depleted and will become insolvent in 2015.

## **PRESIDENT CLINTON AND VICE PRESIDENT GORE: A RESPONSIBLE BUDGET THAT PUTS FIRST THINGS FIRST**

*September 23, 1999*

**President Clinton and Vice President Gore Have Proposed a Fiscally Responsible Budget Plan that Eliminates the Debt, Strengthens Social Security and Medicare, and Maintains Key Priorities like Education.** Under the President's proposal:

- ✓ The debt held by the public would be repaid by 2015, resulting in lower interest rates and higher incomes.
- ✓ Medicare solvency would be secured for at least a quarter century and Medicare would be reformed to make it more efficient and competitive, and its benefits modernized with a new prescription drug benefit.
- ✓ The Social Security surplus would be dedicated to paying down the debt and solvency would be extended.
- ✓ The budget framework would invest in key priorities like education, environment, public safety, and national security, while keeping overall spending at tight but realistic levels.
- ✓ A fair and responsible tax cut would provide tax relief for middle-class Americans while helping them save for retirement.

**The President's Balanced and Responsible Budget Will Help Keep the Economy Strong, Building on the Progress That He Has Made in Bringing America's Fiscal House Back in Order.** The debt held by the public is now \$1.7 trillion lower than it was projected to be when the President came into office. This achievement has kept interest rates down and confidence and investment up, contributing to the strongest American economy in generations.

- By comparison, debt quadrupled in the previous 12 years. Under the Reagan and Bush Administrations, the debt held by the public quadrupled, increasing from 26 percent of GDP in 1981 to 50 percent in 1993.
- The surplus this year is the largest on record. In 1992 the deficit was \$290 billion and projected to grow to more than \$400 billion this year. As a result of the decisive action the President took in 1993 and 1997, the budget surplus for this year is expected to be \$99 billion, or 1.1 percent of GDP. This would be the largest dollar surplus on record, and the largest relative to GDP since 1951.
- The largest pay-down of debt in history. The Treasury Department recently announced that we will pay down \$87 billion of debt held by the public this fiscal year. That is the largest pay-down of debt on record. In the last two years, we will have paid down \$142 billion of debt held by the public.
- Investment has boomed. The benefits of fiscal discipline for our economy have been enormous. Interest rates are lower than they would have been otherwise, helping to fuel a 12.4 percent annual increase in producers durable equipment investment since 1993—compared to 3.1 percent annual growth from 1981-92.
- Unemployment is the lowest in a generation. The unemployment rate has fallen to 4.2 percent – the lowest level in 29 years – and the Nation has created more than 19 million jobs since January 1993.

**President Clinton Has a Plan to Pay Down the National Debt by 2015.** The President has proposed that we move Social Security surpluses entirely off-budget, reserving them to pay down the national debt and use the interest savings from debt reduction to extend the solvency of Social Security. Paying down the debt would be highly beneficial:

- Interest payments would be eliminated. Under the President's budget, we can pay down the debt held by the public by 2015. As a result, interest payments, once projected to eat up 28 percent of all federal spending in 2015, would also be eliminated.
- Prepare for the retiring baby boomers. Paying off the debt will free up funds for investment, help keep interest rates low, and boost workers' productivity and incomes. This fiscal discipline is the best way to prepare the government, and the Nation, to meet the challenge of the retiring baby boomers.

**Strengthening and Modernizing Medicare, While Paying Down the Debt to Prepare for Our Future Obligations.** On June 29, the President introduced a plan to strengthen and modernize the Medicare program and prepare it for the health, demographic, and financing challenges it faces in the 21st Century.

- Making Medicare more efficient and competitive. The President's plan will save an estimated \$72 billion over 10 years by introducing greater competition between private health plans and traditional Medicare and adopting successful private sector tools for managing Medicare. It also invests \$7.5 billion to restore some of the provider payment reductions from the Balanced Budget Act of 1997.
- Securing Medicare solvency for a quarter century. As part of this comprehensive reform package, the President's plan dedicates \$328 billion of the non-Social Security surplus over 10 years to shore up Medicare's Hospital Insurance trust fund. These resources will be used to pay down additional debt held by the public and, together with the other reforms, this will extend solvency for at least a quarter century.
- Modernizing benefits. The President has proposed to modernize Medicare to provide an optional prescription drug benefit for all beneficiaries. About 75 percent of Medicare beneficiaries lack adequate, dependable, affordable private-sector coverage of prescription drugs.

**President Clinton Has a Fiscally Responsible Plan to Extend the Solvency of Social Security.**

- Keeping Social Security surpluses for Social Security. The President proposes to lock away all of the Social Security surplus, a step that would pay down debt and prepare the government, and the Nation, for the retirement of the baby boomers.
- Social Security solvency and debt reduction transfers. After a decade of debt reduction, the President's plan dedicates the interest savings resulting from this debt reduction to the Social Security Trust Fund. These fiscally prudent steps will pay down the government debt, reduce interest payments in the future, and provide resources to extend the solvency of Social Security by a half century.
- Working together to extend solvency for 75 years. In addition to using the savings from debt reduction for Social Security, the President has called for a bipartisan effort to make the reforms necessary to extend solvency to 2075 while dealing with poverty of older women and eliminating the retirement earnings test.

**Maintaining Our Domestic Priorities, Including National Defense, Education, Law Enforcement, Public Health, the Environment, and Veterans Programs.**

- Funding for priorities. As part of a balanced and responsible framework with Social Security and Medicare reform, the President's budget allocates an additional \$328 billion over the next ten years for discretionary spending beyond the levels provided in the 1997 Balanced Budget Act.
- Spending is kept below inflation. These spending plans are tight but realistic, *keeping overall discretionary spending growth slightly below inflation*, and domestic discretionary spending in 2009 roughly 10 percent below its current level adjusted for inflation.

**The President Is Committed to Fair and Substantial Tax Cuts for Middle-Income Americans.**

- The President proposes \$250 billion of tax cuts targeted to the middle class. The President has proposed Universal Savings Accounts (USAs) which would provide a tax credit to help middle-income families save for retirement. The President's budget provides targeted tax relief to help families meet child care needs and provide long-term care for ill relatives, to help communities build modern schools, and to encourage investment in areas of our country which have not fully participated in our expansion.

address the needs of only one-tenth that many schools. The President's proposal to rebuild our public schools could be fully funded using about 1% of the Republican tax cut approved by the House.

- **Cut violence and drug prevention programs.** By the tenth year of the Republican tax cut, Safe and Drug Free Schools and Communities funding would be reduced by nearly \$334 million. This is less than half of the \$696 million that would be invested in violence and drug-prevention under current spending patterns. Republican plans could also slash funding for crisis counseling and increased security in schools experiencing violent incidents, such as the recent tragic shootings in Littleton, Colorado and Conyers, Georgia.
- **Make college less affordable for nearly 4 million low and middle-income students by slashing Pell Grants.** The Pell Grant program, which benefits nearly 4 million students, would have its maximum grant level slashed to \$2175, the lowest level since 1987. This would be a sharp cut from the \$3850 which would otherwise be reached by FY2009 under current spending patterns, and it would deny low-and middle-income students critical financial aid to make college more affordable.
- **Deny over 500,000 students the opportunity to work their way through college.** The Work-Study program currently helps approximately 930,000 low and middle-income students work their way through college. Over 500,000 students could be denied access to this program under Republican tax and budget plans.
- **Deny over 500,000 disadvantaged students the extra guidance and support they need to prepare for college.** Under the Republican plan, over 500,000 young people would not get the extra support they need to prepare for college through the GEAR-UP and TRIO programs. GEAR-UP is a nationwide initiative to help about 227,000 low-income middle and high school students receive academic and support services to prepare for college. About 118,000 fewer students could receive these service under the Republican plans. The President has proposed doubling funding for this program. TRIO provides counseling and educational support for 725,000 students nationwide, but the Republican plans could deny 400,000 students access to this crucial support.
- **Deny hundreds of thousands of disadvantaged young people the summer jobs and job training they need to succeed.** Under the Republican plan, about 330,000 fewer disadvantaged students would get the education, training, and summer jobs they need. Sixty-two out of 118 Job Corps centers could be forced to close, taking away job training from 21,000 disadvantaged youth, and more than 26,000 thousand students in high-poverty communities would be denied access to education, training, and employment assistance through Youth Opportunity Grants.

**For Each State the Republican Tax Proposal Would Cut Key Programs by Roughly Half.** See attached table. The 2009 funding levels and per student costs maintains participation at the 1999 level for 2009 adjusting for inflation. The Republican budget and tax proposal result in a roughly 50% cut from those levels. Head Start figures reflect current services although the President has a goal of funding 1 million children on Head Start by 2002. For Class Size Reduction, 2009 funding is based on the level of funding required to implement the President's plan to hire 100,000 teachers by 2005. The Republican 2009 funding level reflects the 1999 level increased to offset inflation, then reduced by roughly 50% consistent with their budget and tax proposals.

#### **State By State Comparisons Include These Key Programs:**

- **Work Study:** The Work Study Program provides part-time jobs to undergraduate and graduate students to help them pay education expenses.
- **Class Size Reduction:** The President's Class Size Reduction initiative provides funding to help meet the goal of hiring 100,000 teachers to reduce class size in the early grades, to a national average of 18 students.
- **Head Start:** Head Start provides early childhood and preschool assistance to impoverished children.

**THE PREDICTABLE CONSEQUENCE OF THE REPUBLICAN TAX CUT  
WOULD BE TO DIVERT HUNDREDS OF BILLIONS OF DOLLARS FROM THE  
SOCIAL SECURITY LOCKBOX AND DEBT REDUCTION**

*September 23, 1999*

**The Republican Tax Cut, With Interest, Would Break the Social Security "Lockbox" After 2004** as shown in the table below.

|                                                      | 2005 | 2006 | 2007 | 2008 | 2009 |
|------------------------------------------------------|------|------|------|------|------|
| Non-Social Security Surplus (CBO)                    | 92   | 129  | 146  | 157  | 178  |
| Republican Tax Cut*                                  | 85   | 117  | 140  | 168  | 188  |
| Additional Interest From Tax Cut                     | 11   | 16   | 24   | 33   | 44   |
| Social Security Surplus Diverted From Debt Reduction | -4   | -4   | -18  | -44  | -54  |

\*Assumes that the full tax cut is continued after 2008.

**To Avoid Using Social Security Surpluses, the Republican Tax and Budget Plan Is Forced To Cut All Domestic Discretionary Spending by Nearly Half in 2009** (assuming that defense is funded at the President's level). This could require cuts of nearly 50 percent in everything from air traffic safety to education to healthcare to veterans programs.

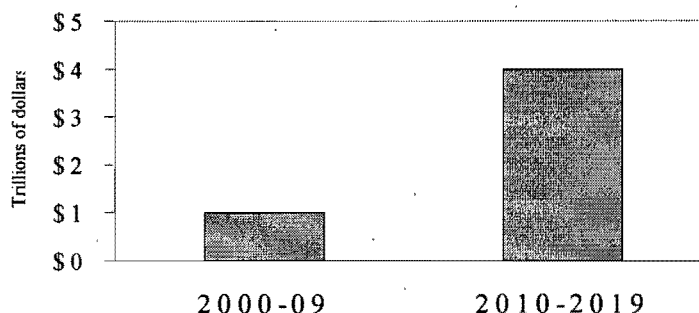
- The Republican budget resolution sets aside \$606 billion for all discretionary spending in 2009. If the Republicans fund defense at the levels requested by the President (\$384 billion in 2009), they would be able to devote only \$222 billion to all domestic spending, including education, healthcare, and veterans programs, in 2009. This is substantially below the roughly \$304 billion spent on non-defense discretionary spending in 1999. This represents a nearly 50 percent cut relative to 1999 levels adjusted for inflation.

**If These Unfeasible and Undesirable Cuts Are Not Made, then the Republican Tax Cut Would Spend Hundreds of Billions of Dollars from the Social Security Surplus.** Under highly conservative assumptions, even with large discretionary spending cuts, the fully phased in Republican tax cut would divert Social Security surpluses from debt reduction, leaving the debt hundreds of billions of dollars higher than the President's plan.

**The Republican Tax Cut, If Continued, Would Leave America Permanently In Debt.** It is unrealistic to assume that the Republican tax cut will be reversed. If the tax cuts were continued:

- The cost of the tax bill would explode just when the baby boomers begin to retire, Medicare becomes insolvent (2015), and Social Security payroll revenues begin to fall short of benefits.
- The cost between 2010 and 2019 would be \$2.7 trillion, according to projections by the Treasury Department. The total cost, including lost interest savings, would be over \$4 trillion.
- The total cost over the 20 years between 2000 and 2019, including interest, would be about \$5 trillion.
- The debt held by the public would not be eliminated (assuming defense is funded at the level requested by the President).

**The Exploding Republican Tax Cut**



Note: Cost with interest, assuming tax cut is continued.

- **Title I Grants:** Title I targets financial assistance to high poverty school districts.
- **Assistance to Disadvantaged Youth:** The Workforce Investment Act, includes a funding stream for programs providing summer jobs and job training assistance to economically disadvantage young people.
- **Pell Grants:** The Pell Grant Program provides grants to undergraduate students with financial need to help them pay for postsecondary education.

## **Congressional Tax Cuts Slash Funding for Children's Health, Education and Nutrition**

The Republican tax and budget plans would have severe, long-term impacts on programs that safeguard children's health, support early education, provide critical nutrition assistance, and provide youth employment opportunities. The Republican tax plan is risky, expensive and would disproportionately benefit the wealthy. In combination with their budget plan it would force devastating cuts in key programs focused on children's health, nutrition and ability to learn.

- **Limit access to critical health care.** Funding for the Maternal and Child Block Grant would be cut by \$440 million from the FY 2009 current services baseline, reducing access to health care for some of the nation's neediest children. At this level, as many as 8 million children would have limited access to valuable healthcare services, including primary care, screenings and immunizations, and special care for the developmentally disabled.
- **Deny nutritional assistance and reduce access to prenatal care.** A reduction of this magnitude would force over 3.7 million low-income women, infants and children off the Special Supplemental Program for Women, Infants and Children (WIC), of the 7.5 million average participation estimated in FY 2009. This cut would reduce the program to pre-1990 levels, reversing the progress of the last 10 years.
- **Deny child care services to nearly 175,000 children.** Funding for the Child Care and Development Block Grant would be cut by more than half, reducing the availability, accessibility and affordability of child care to nearly 175,000 children, and making it more difficult for their parents to work.
- **Slash Head Start participation by half.** Head Start services to over 430,000 children and their would be eliminated by FY 2009, reducing the estimated 835,000 program participation by more than half and serving less than 10% of the 4.1 million low-income children eligible for Head Start.
- **Deny 5.9 million children in high-poverty communities extra academic support under the Title I program.** Title I of the Elementary and Secondary Education Act provides much needed academic support to 12 million children in high-poverty communities. The Republican plan could reduce the number of children served by this program cut to pre-1992 levels -- completely eliminating the gains made in expanding help to America's neediest children under the leadership of President Clinton and Vice President Gore.
- **Deny 480,000 children the assistance they need to learn to read.** The Reading Excellence program currently provides funding that will help one million children learn to read independently and well by the end of the 3rd grade. Under the Republican budget and tax plans, 480,000 fewer children could get the help they need to learn to read.
- **Deny smaller classes to more than a million young children in the early grades.** The Republican plans could deprive more than one million students of the opportunity to learn in

smaller classes in the early grades by siphoning funding away from the President's plan to hire 100,000 well-prepared teachers to reduce class size in the early grades. Last year, a bipartisan agreement was reached to make a down payment on the President's plan and hire 30,000 well-prepared teachers this fall to reduce class size in the early grades all across America. While the President wants to finish the job and hire 100,000 teachers, the Republican tax and budget plans would fund 80,000 fewer teachers than the President's plan.

- **Deny 215,000 students the after school and summer school programs they need.** The 21st Century Community Learning Centers Program currently provides funding to help provide after-school and summer school programs to about 400,000 students in safe and enriching academic environments. While the President wants to triple this number, the Republican budget and tax plans would reduce it by 215,000 students.
- **Deny employment and training opportunities to low-income youth.** About 330,000 summer jobs and training opportunities for low-income youth could be eliminated from the 634,000 that would otherwise be provided in FY 2009. As many as 62 of the 118 Job Corps Centers could be closed, taking away job training from 36,000 disadvantaged youth, and denying 27,000 youth in high-poverty communities access to education, training, and employment assistance through Youth Opportunity Grants.

\*For every program except Class Size Reduction, the 2009 funding levels and participation levels are based on current services. Therefore the 2009 funding levels and per student costs include increases to offset inflation, maintaining participation in 2009 at the 1999 levels. The Republican budget and tax proposal result in a roughly 50% cut from those levels. This approach conforms with the approach used for the President's speech to Boys' and Girls' Nation and the press documents for that event.

\*Class Size Reduction has its own funding path (using the President's 100,000 teacher goal) that is reflected in the table.

\*Head Start figures reflect current services although the President has a goal of funding 1 million children on Head Start by 2002.

\*All the numbers were generated or confirmed by the Departments of Education, Labor, or Health and Human Services.

**IMPACT OF REPUBLICAN BUDGET ON STATES:**  
**KEY EDUCATION AND TRAINING PROGRAMS WOULD BE CUT ROUGHLY IN HALF**

Dollar Cuts To Key Programs from 2009 Funding Level (In Thousands of Dollars)

|                | Work Study Program |                                    | Teachers for Class Size Reduction |                                    | Head Start   |                                    |
|----------------|--------------------|------------------------------------|-----------------------------------|------------------------------------|--------------|------------------------------------|
|                | 2009 Funding       | Reduction Due to Republican Budget | 2009 Funding                      | Reduction Due to Republican Budget | 2009 Funding | Reduction Due to Republican Budget |
| Total          | 1,142,937          | -540,497                           | 3,012,286                         | -1,549,860                         | 5,297        | -2,754                             |
| Alabama        | 17,036             | -8,056                             | 47,259                            | -24,315                            | 106          | -55                                |
| Alaska         | 1,314              | -621                               | 14,131                            | -7,271                             | 9            | -5                                 |
| Arizona        | 12,085             | -5,715                             | 45,632                            | -23,478                            | 77           | -40                                |
| Arkansas       | 10,329             | -4,885                             | 28,800                            | -14,818                            | 69           | -36                                |
| California     | 111,279            | -52,624                            | 341,976                           | -175,951                           | 605          | -315                               |
| Colorado       | 12,689             | -6,001                             | 33,127                            | -17,044                            | 62           | -32                                |
| Connecticut    | 15,106             | -7,143                             | 28,328                            | -14,575                            | 45           | -24                                |
| Delaware       | 1,643              | -777                               | 14,131                            | -7,271                             | 15           | -8                                 |
| DC             | 9,958              | -4,709                             | 14,131                            | -7,271                             | 23           | -12                                |
| Florida        | 31,646             | -14,965                            | 136,564                           | -70,264                            | 212          | -110                               |
| Georgia        | 18,841             | -8,910                             | 78,701                            | -40,493                            | 148          | -77                                |
| Hawaii         | 2,293              | -1,084                             | 14,131                            | -7,271                             | 19           | -10                                |
| Idaho          | 3,657              | -1,729                             | 14,131                            | -7,271                             | 16           | -8                                 |
| Illinois       | 46,772             | -22,119                            | 122,124                           | -62,834                            | 244          | -127                               |
| Indiana        | 23,280             | -11,009                            | 50,725                            | -26,099                            | 91           | -47                                |
| Iowa           | 19,176             | -9,068                             | 24,298                            | -12,502                            | 48           | -25                                |
| Kansas         | 10,182             | -4,815                             | 23,962                            | -12,329                            | 50           | -26                                |
| Kentucky       | 22,306             | -10,549                            | 47,716                            | -24,551                            | 106          | -55                                |
| Louisiana      | 17,234             | -8,150                             | 71,158                            | -36,612                            | 143          | -74                                |
| Maine          | 12,358             | -5,844                             | 14,131                            | -7,271                             | 25           | -13                                |
| Maryland       | 15,449             | -7,306                             | 43,359                            | -22,309                            | 67           | -35                                |
| Massachusetts  | 73,772             | -34,887                            | 55,630                            | -28,622                            | 83           | -43                                |
| Michigan       | 34,405             | -16,270                            | 121,850                           | -62,693                            | 233          | -121                               |
| Minnesota      | 28,453             | -13,455                            | 41,371                            | -21,286                            | 67           | -35                                |
| Mississippi    | 13,826             | -6,538                             | 46,435                            | -23,891                            | 175          | -91                                |
| Missouri       | 24,203             | -11,446                            | 51,576                            | -26,537                            | 108          | -56                                |
| Montana        | 4,974              | -2,352                             | 14,131                            | -7,271                             | 18           | -9                                 |
| Nebraska       | 7,488              | -3,541                             | 14,834                            | -7,632                             | 30           | -16                                |
| Nevada         | 1,636              | -774                               | 14,131                            | -7,271                             | 14           | -7                                 |
| New Hampshire  | 10,183             | -4,816                             | 14,131                            | -7,271                             | 10           | -5                                 |
| New Jersey     | 19,564             | -9,252                             | 68,688                            | -35,341                            | 99           | -52                                |
| New Mexico     | 10,558             | -4,993                             | 24,710                            | -12,714                            | 49           | -26                                |
| New York       | 110,859            | -52,425                            | 273,666                           | -140,805                           | 319          | -166                               |
| North Carolina | 22,367             | -10,578                            | 62,542                            | -32,179                            | 121          | -63                                |
| North Dakota   | 4,387              | -2,074                             | 14,131                            | -7,271                             | 14           | -7                                 |
| Ohio           | 46,327             | -21,908                            | 112,396                           | -57,829                            | 254          | -132                               |
| Oklahoma       | 13,469             | -6,370                             | 34,159                            | -17,575                            | 85           | -44                                |
| Oregon         | 17,927             | -8,478                             | 28,863                            | -14,850                            | 38           | -20                                |
| Pennsylvania   | 66,576             | -31,484                            | 124,043                           | -63,822                            | 202          | -105                               |
| Puerto Rico    | 19,726             | -9,328                             | 97,644                            | -50,239                            | 233          | -121                               |
| Rhode Island   | 10,128             | -4,789                             | 14,131                            | -7,271                             | 19           | -10                                |
| South Carolina | 13,375             | -6,325                             | 36,961                            | -19,017                            | 78           | -40                                |
| South Dakota   | 6,221              | -2,942                             | 14,131                            | -7,271                             | 16           | -9                                 |
| Tennessee      | 17,752             | -8,395                             | 49,968                            | -25,709                            | 103          | -54                                |
| Texas          | 55,568             | -26,278                            | 246,238                           | -126,693                           | 401          | -209                               |
| Utah           | 5,886              | -2,784                             | 19,419                            | -9,991                             | 33           | -17                                |
| Vermont        | 9,589              | -4,535                             | 14,131                            | -7,271                             | 10           | -5                                 |
| Virginia       | 22,811             | -10,788                            | 52,693                            | -27,111                            | 84           | -44                                |
| Washington     | 21,105             | -9,981                             | 49,039                            | -25,231                            | 68           | -35                                |
| West Virginia  | 9,120              | -4,313                             | 27,325                            | -14,059                            | 48           | -25                                |
| Wisconsin      | 24,780             | -11,719                            | 50,675                            | -26,073                            | 90           | -47                                |
| Wyoming        | 1,267              | -599                               | 14,131                            | -7,271                             | 10           | -5                                 |

# REPUBLICAN TAX AND BUDGET PLAN COULD DEVASTATE FUNDING FOR EDUCATION AND OTHER KEY PRIORITIES

*September 7, 1999*

**The GOP Tax and Budget Plan Would Force Drastic Cuts in Priorities Like Education, Health, Safety and the Environment.** The Republican tax bill, and the associated interest costs, would spend the entire \$1 trillion non-Social Security surplus over the next 10 years. This, together with funding defense at the level requested by the President, would leave the Republicans with an impossible choice: either make nearly 50 percent cuts in essential government functions, everything from education to air traffic control to the Federal Bureau of Investigation, or divert hundreds of billions of dollars of the Social Security surpluses from promised debt reduction.

**The Republican Tax and Budget Plan Could Devastate Funding for Key Education Programs for Everything from Head Start to Lifelong Learning and Dramatically Cut Programs in Each State.** In the tenth year of the Republican tax and budget plan, the nation could be forced to:

- **Deny 5.9 million children in high-poverty communities academic support under the Title I program.** Title I of the Elementary and Secondary Education Act currently provides much-needed academic support to 12 million children in high-poverty communities, and the President has proposed important reforms to make sure they master the basics and reach high standards. The Republican plan goes in the opposite direction and could reduce the number of children served by this program to pre-1992 levels.
- **Deny 520,000 children the assistance they need to learn to read.** The Reading Excellence program currently provides funding that will help one million children learn to read independently and well by the end of the 3rd grade. Under the Republican budget and tax plans, 480,000 fewer children could get the help they need to learn to read.
- **Deny smaller classes to more than a million young children in the early grades.** The Republican plans could deprive more than one million students of the opportunity to learn in smaller classes in the early grades. Last year, a bipartisan agreement was reached to make a down payment on the President's plan to hire 100,000 teachers to reduce class size in the early grades to a nationwide average of 18, and earlier this month the U.S. Education Department awarded funds to help local school districts hire 30,000 teachers before school starts this fall. While the President wants to finish the job and hire 100,000 teachers, the Republican tax and budget plans could force cuts from current levels by nearly half. In July, a narrow majority in the House even voted for a bill the President has pledged to veto, which would remove the guarantee that any class size reductions will be achieved at all.
- **Deny early childhood and preschool services to 430,000 kids.** Head Start currently provides early childhood and preschool services to 835,000 students. The Republican plan could deny 430,000 children access to this essential support.
- **Deny 215,000 students the after-school and summer school programs they need.** The 21st Century Community Learning Centers Program currently provides funding to help provide after-school and summer school programs to about 400,000 students in safe and enriching academic environments. While the President wants to nearly quadruple this number to 1.5 million, the Republican budget and tax plans would reduce it by 215,000 students.
- **Slash funding for children with disabilities.** Special Education could be cut by \$3.4 billion by the tenth year of the tax cut, severely limiting the federal contribution to programs that help children with disabilities.
- **Deny local school districts vital support to build and modernize 5400 public schools across the nation.** The President's targeted tax cut would cover the interest on state and local efforts to build and modernize 6,000 public schools across the nation. The Republican tax cut provides marginal help to address the needs of only one-tenth that many schools. The President's proposal to rebuild our public schools could be fully funded using about 1% of the Republican tax cut approved by the House.

- **Cut violence and drug prevention programs.** By the tenth year of the Republican tax cut, Safe and Drug Free Schools and Communities funding would be reduced by nearly \$334 million. This is less than half of the \$696 million that would be invested in violence and drug-prevention under current spending patterns. Republican plans could also slash funding for crisis counseling and increased security in schools experiencing violent incidents, such as the recent tragic shootings in Littleton, Colorado and Conyers, Georgia.

- **Make college less affordable for nearly 4 million low and middle-income students by slashing Pell Grants.** The Pell Grant program, which benefits nearly 4 million students, would have its maximum grant level slashed to \$2175, the lowest level since 1987. This would be a sharp cut from the \$3850 which would otherwise be reached by FY2009 under current spending patterns, and it would deny low-and middle-income students critical financial aid to make college more affordable.

- **Deny over 500,000 students the opportunity to work their way through college.** The Work-Study program currently helps approximately 930,000 low and middle-income students work their way through college. Over 500,000 students could be denied access to this program under Republican tax and budget plans.

- **Deny over 500,000 disadvantaged students the extra guidance and support they need to prepare for college.** Under the Republican plan, over 500,000 young people would not get the extra support they need to prepare for college through the GEAR-UP and TRIO programs. GEAR-UP is a nationwide initiative to help about 227,000 low-income middle and high school students receive academic and support services to prepare for college. About 118,000 fewer students could receive these service under the Republican plans. The President has proposed doubling funding for this program. TRIO provides counseling and educational support for 725,000 students nationwide, but the Republican plans could deny 400,000 students access to this crucial support.

- **Deny hundreds of thousands of disadvantaged young people the summer jobs and job training they need to succeed.** Under the Republican plan, about 330,000 fewer disadvantaged students would get the education, training, and summer jobs they need. Sixty-two out of 118 Job Corps centers could be forced to close, taking away job training from 21,000 disadvantaged youth, and more than 26,000 thousand students in high-poverty communities would be denied access to education, training, and employment assistance through Youth Opportunity Grants.

**For Each State the Republican Tax Proposal Would Cut Key Programs by Roughly Half.** See attached table. The 2009 funding levels and per student costs maintains participation at the 1999 level for 2009 adjusting for inflation. The Republican budget and tax proposal result in a roughly 50% cut from those levels. Head Start figures reflect current services although the President has a goal of funding 1 million children on Head Start by 2002. For Class Size Reduction, 2009 funding is based on the level of funding required to implement the President's plan to hire 100,000 teachers by 2005. The Republican 2009 funding level reflects the 1999 level increased to offset inflation, then reduced by roughly 50% consistent with their budget and tax proposals.

#### **State By State Comparisons Include These Key Programs:**

- **Work Study:** The Work Study Program provides part-time jobs to undergraduate and graduate students to help them pay education expenses.

- **Class Size Reduction:** The President's Class Size Reduction initiative provides funding to help meet the goal of hiring 100,000 teachers to reduce class size in the early grades, to a national average of 18 students.

- **Head Start:** Head Start provides early childhood and preschool assistance to impoverished children.

- **Title I Grants:** Title I targets financial assistance to high poverty school districts.

- **Assistance to Disadvantaged Youth:** The Workforce Investment Act, includes a funding stream for programs providing summer jobs and job training assistance to economically disadvantage young people.
- **Pell Grants:** The Pell Grant Program provides grants to undergraduate students with financial need to help them pay for postsecondary education.

## **PRESIDENT CLINTON'S LABOR DAY COMMITMENT TO INVEST IN SCHOOL CONSTRUCTION AND MODERNIZATION**

*September 6, 1999*

*"Today too many of our schools are so old they're falling apart, or so over-crowded students are learning in trailers. Last fall, Congress missed the opportunity to change that. This year, with 53 million children in our schools, Congress must not miss that opportunity again."*

-- President Clinton, State of the Union Address, 1999

**TODAY, PRESIDENT CLINTON STRESSES THE IMPORTANCE OF INVESTING IN SCHOOL CONSTRUCTION AND MODERNIZATION.** Today, at Coleman Place Elementary School in Norfolk, Virginia, President Clinton renews his commitment to addressing the urgent need to invest in school construction and modernization. The President tours the school and does some volunteer work to help repair the school. The President also applauds the union workers around the country who have committed to volunteering their time to help address the urgent need to build and repair our schools. The President will highlight his School Modernization Bond proposal, which provides \$24.8 billion in tax credit bonds over two years to modernize up to 6,000 schools. President Clinton's proposal has an estimated cost of \$3.7 billion over five years, and is fully paid for in his budget.

**REPUBLICAN PLAN WOULD SUPPORT THE MODERNIZATION OF ONLY ABOUT ONE-TENTH AS MANY SCHOOLS AS THE PRESIDENT'S PLAN.** The President's targeted tax cut would cover the interest on state and local efforts to build and modernize 6,000 public schools across the nation. The Republican alternative, part of their tax bill, is inadequate to address the urgent needs for school construction and modernization. The Republican plan provides marginal help to address the needs of only 644 schools. In fact, it could cause delays in construction and encourage risky investment of taxpayer funds. While the Republican tax bill provides little for school construction that would potentially benefit millions of children, it uses 25 times as much money to eliminate the estate tax – which is estimated to benefit 72,000 wealthy families by an average of \$600,000 each in 2009.

### **REPUBLICAN TAX AND BUDGET PROPOSALS THREATEN EDUCATION PRIORITIES.**

President Clinton will stress that the Republican tax cut would spend the entire non-Social Security surplus and would lead to cuts of nearly 50 percent in domestic spending by the end of the decade (assuming defense was funded at the level requested by the President). These could lead to nearly 50 percent cuts in key initiatives to keep schools safe and drug-free, help children learn to read, reduce class size in the early grades, support after-school programs, and expand access to college. The President will urge Congress to work with him to enact a responsible budget that puts first things first, paying down the debt, strengthening and modernizing Medicare and Social Security, and investing in key priorities like education.

### **NATIONALLY, THERE IS AN URGENT NEED FOR SCHOOL MODERNIZATION**

- **One-Third of All Schools Need Extensive Repairs.** One third of all public schools – about 25,000 schools – need extensive repair or replacement.
- **Average School is 42 Years Old.** The average public school in America is 42 years old, and school buildings begin rapid deterioration after 40 years.
- **\$112 Billion Needed Just for Repairs.** \$112 billion is needed just to repair the existing schools across the nation.

- **School Enrollment Higher than Ever.** On August 19<sup>th</sup>, the President released the Baby Boom Echo report on rising school enrollment. A record **53.2** million children are enrolled in elementary and secondary school today, and this number will climb to 54.3 million by 2008.

## **THE URGENT NATIONAL NEED FOR SCHOOL CONSTRUCTION AND MODERNIZATION**

*September 6, 1999*

Communities across the country are struggling to address critical needs to build new schools and renovate existing ones. School construction and modernization are necessary to address urgent safety and facility needs, to accommodate rising student enrollments, to help reduce class sizes, and to make sure schools are accessible to all students and well-equipped for the 21<sup>st</sup> century.

### **AMERICA'S SCHOOLS ARE WEARING OUT**

In January of 1999, the National Center for Education Statistics (NCES) released an issue brief entitled *How Old Are America's Schools?* NCES reported that:

- **The average public school in America is 42 years old, and school buildings begin rapid deterioration after 40 years.**
- **The oldest schools are also lagging behind other schools in the push to connect to the Internet.** While almost 60 percent of schools built since 1985 were connected to the Internet by 1995, only 42 percent of schools in the oldest condition were connected to the Internet by the same year.

In 1995 and 1996, the General Accounting Office (GAO) released a series of reports on the condition of American schools. [GAO Report Number HEHS-95-61 *School Facilities: The Condition of America's Schools*] The GAO reports revealed:

- **According to GAO estimates, it would cost \$112 billion to bring the nation's schools into good overall condition.**
- **The average cost of construction for new schools is \$8 million for elementary schools, and \$16 million for high schools.** [Council for Educational Facility Planners International, 1997]
- **One-third of all public schools – about 25,000 schools – need extensive repair or replacement.** In addition, about 60 percent of all schools (including some schools in generally adequate condition) report needing at least one major building feature to be replaced or extensively repaired. Over 28,000 schools have less-than-adequate heating, ventilation, and air-conditioning systems; over 23,000 schools have less-than-adequate plumbing; and over 21,000 schools have less-than-adequate roofs.

### **ENROLLMENTS ARE RISING**

On August 19, 1999, the President released the Department of Education's report entitled *The Baby Boom Echo: No End in Sight*. The report, which was based on NCES data, found that:

- **Total public and private school enrollment will reach a record 53.2 million students this year.** The 1996-97 school year was the first year that members of Baby Boom Echo broke their parents' record for school enrollment, and they have continued to enroll in the record-breaking numbers every year since then. In fact, it is expected that enrollment will continue to increase every year.

- **Unlike the end of the “baby boom” of the 1950s and 1960s, we will have no respite from the current enrollment boom, as births will begin edging up from 4.1 million in 2008 to 4.5 million in 2018.** The long-term implications of this immense wave of young people going to school require educators and community leaders to recognize that short-term solutions—symbolized by the ever-present portable classrooms in countless school yards—will not be sufficient for the task at hand.
- **At least 2,400 new public schools will be needed by 2003** to accommodate rising enrollments and to relieve overcrowding, and thousands more will be needed in following years. [NCES, 1999]

## **SCHOOL CONDITIONS HAVE AN IMPACT ON STUDENT ACHIEVEMENT**

A growing body of research has linked student achievement and behavior to the physical building conditions and overcrowding. *[Impact of Inadequate School Facilities on Student Learning]* For example:

- **A study of overcrowded schools in New York City found that students in such schools scored significantly lower on both mathematics and reading exams** than did similar students in underutilized schools. In addition, students and teachers in overcrowded schools agreed, when asked, that overcrowding negatively effects both classroom activities and instructional techniques. [Rivera-Batiz and Marti, 1995]
- **A study in the District of Columbia found that students in school buildings that were in poor condition had achievement 11 percent below students in schools in excellent condition** and six percent below students in schools that were in fair condition. [Edwards, 1991]
- Another study of high schools in rural Virginia examined the relationship between building condition and student achievement. **The study found that student scores on achievement tests were up to 5 percentile points lower in buildings with lower quality ratings, after adjusting for socioeconomic status.** Lower achievement was associated with specific building condition factors such as substandard science facilities, air conditioning, classroom furniture, more graffiti, and noisy external environments. [Cash, 1993]

## **VIRGINIA NEEDS SCHOOL MODERNIZATION FUNDING**

- Enrollment in Virginia over the last decade increased 14.8%. From 1998 to 2008 projected state enrollment in elementary and secondary schools is expected to increase by 62,000 students necessitating 2,480 additional classrooms. U.S. Department of Education, National Center for Education Statistics, *Common Core of Data Survey and Projections of Education Statistics to 2008*. Classroom calculation assumes 25 students per classroom.
- Virginia reports a \$6.3 billion unmet school modernization need. Commonwealth of Virginia Department of Education 1995-96 School Facility Status Survey, July 1996.

**IMPACT OF REPUBLICAN BUDGET ON STATES:**  
**KEY EDUCATION AND TRAINING PROGRAMS WOULD BE CUT ROUGHLY IN HALF**

Dollar Cuts To Key Programs from 2009 Funding Level (In Thousands of Dollars)

|                | Work Study Program |                                    | Teachers for Class Size Reduction |                                    | Head Start   |                                    |
|----------------|--------------------|------------------------------------|-----------------------------------|------------------------------------|--------------|------------------------------------|
|                | 2009 Funding       | Reduction Due to Republican Budget | 2009 Funding                      | Reduction Due to Republican Budget | 2009 Funding | Reduction Due to Republican Budget |
| Total          | 1,142,937          | -540,497                           | 3,012,286                         | -1,549,860                         | 5,297        | -2,754                             |
| Alabama        | 17,036             | -8,056                             | 47,259                            | -24,315                            | 106          | -55                                |
| Alaska         | 1,314              | -621                               | 14,131                            | -7,271                             | 9            | -5                                 |
| Arizona        | 12,085             | -5,715                             | 45,632                            | -23,478                            | 77           | -40                                |
| Arkansas       | 10,329             | -4,885                             | 28,800                            | -14,818                            | 69           | -36                                |
| California     | 111,279            | -52,624                            | 341,976                           | -175,951                           | 605          | -315                               |
| Colorado       | 12,689             | -6,001                             | 33,127                            | -17,044                            | 62           | -32                                |
| Connecticut    | 15,106             | -7,143                             | 28,328                            | -14,575                            | 45           | -24                                |
| Delaware       | 1,643              | -777                               | 14,131                            | -7,271                             | 15           | -8                                 |
| DC             | 9,958              | -4,709                             | 14,131                            | -7,271                             | 23           | -12                                |
| Florida        | 31,646             | -14,965                            | 136,564                           | -70,264                            | 212          | -110                               |
| Georgia        | 18,841             | -8,910                             | 78,701                            | -40,493                            | 148          | -77                                |
| Hawaii         | 2,293              | -1,084                             | 14,131                            | -7,271                             | 19           | -10                                |
| Idaho          | 3,657              | -1,729                             | 14,131                            | -7,271                             | 16           | -8                                 |
| Illinois       | 46,772             | -22,119                            | 122,124                           | -62,834                            | 244          | -127                               |
| Indiana        | 23,280             | -11,009                            | 50,725                            | -26,099                            | 91           | -47                                |
| Iowa           | 19,176             | -9,068                             | 24,298                            | -12,502                            | 48           | -25                                |
| Kansas         | 10,182             | -4,815                             | 23,962                            | -12,329                            | 50           | -26                                |
| Kentucky       | 22,306             | -10,549                            | 47,716                            | -24,551                            | 106          | -55                                |
| Louisiana      | 17,234             | -8,150                             | 71,158                            | -36,612                            | 143          | -74                                |
| Maine          | 12,358             | -5,844                             | 14,131                            | -7,271                             | 25           | -13                                |
| Maryland       | 15,449             | -7,306                             | 43,359                            | -22,309                            | 67           | -35                                |
| Massachusetts  | 73,772             | -34,887                            | 55,630                            | -28,622                            | 83           | -43                                |
| Michigan       | 34,405             | -16,270                            | 121,850                           | -62,693                            | 233          | -121                               |
| Minnesota      | 28,453             | -13,455                            | 41,371                            | -21,286                            | 67           | -35                                |
| Mississippi    | 13,826             | -6,538                             | 46,435                            | -23,891                            | 175          | -91                                |
| Missouri       | 24,203             | -11,446                            | 51,576                            | -26,537                            | 108          | -56                                |
| Montana        | 4,974              | -2,352                             | 14,131                            | -7,271                             | 18           | -9                                 |
| Nebraska       | 7,488              | -3,541                             | 14,834                            | -7,632                             | 30           | -16                                |
| Nevada         | 1,636              | -774                               | 14,131                            | -7,271                             | 14           | -7                                 |
| New Hampshire  | 10,183             | -4,816                             | 14,131                            | -7,271                             | 10           | -5                                 |
| New Jersey     | 19,564             | -9,252                             | 68,688                            | -35,341                            | 99           | -52                                |
| New Mexico     | 10,558             | -4,993                             | 24,710                            | -12,714                            | 49           | -26                                |
| New York       | 110,859            | -52,425                            | 273,666                           | -140,805                           | 319          | -166                               |
| North Carolina | 22,367             | -10,578                            | 62,542                            | -32,179                            | 121          | -63                                |
| North Dakota   | 4,387              | -2,074                             | 14,131                            | -7,271                             | 14           | -7                                 |
| Ohio           | 46,327             | -21,908                            | 112,396                           | -57,829                            | 254          | -132                               |
| Oklahoma       | 13,469             | -6,370                             | 34,159                            | -17,575                            | 85           | -44                                |
| Oregon         | 17,927             | -8,478                             | 28,863                            | -14,850                            | 38           | -20                                |
| Pennsylvania   | 66,576             | -31,484                            | 124,043                           | -63,822                            | 202          | -105                               |
| Puerto Rico    | 19,726             | -9,328                             | 97,644                            | -50,239                            | 233          | -121                               |
| Rhode Island   | 10,128             | -4,789                             | 14,131                            | -7,271                             | 19           | -10                                |
| South Carolina | 13,375             | -6,325                             | 36,961                            | -19,017                            | 78           | -40                                |
| South Dakota   | 6,221              | -2,942                             | 14,131                            | -7,271                             | 16           | -9                                 |
| Tennessee      | 17,752             | -8,395                             | 49,968                            | -25,709                            | 103          | -54                                |
| Texas          | 55,568             | -26,278                            | 246,238                           | -126,693                           | 401          | -209                               |
| Utah           | 5,886              | -2,784                             | 19,419                            | -9,991                             | 33           | -17                                |
| Vermont        | 9,589              | -4,535                             | 14,131                            | -7,271                             | 10           | -5                                 |
| Virginia       | 22,811             | -10,788                            | 52,693                            | -27,111                            | 84           | -44                                |
| Washington     | 21,105             | -9,981                             | 49,039                            | -25,231                            | 68           | -35                                |
| West Virginia  | 9,120              | -4,313                             | 27,325                            | -14,059                            | 48           | -25                                |
| Wisconsin      | 24,780             | -11,719                            | 50,675                            | -26,073                            | 90           | -47                                |
| Wyoming        | 1,267              | -599                               | 14,131                            | -7,271                             | 10           | -5                                 |

## THE REPUBLICAN TAX AND BUDGET PLAN WOULD IMPERIL INNOVATIONS IN SCIENCE AND TECHNOLOGY

September 1, 1999

**The President and Vice President have proposed increased investments in civilian research and development (R&D) in each of the last seven budgets.** Research and development has been the key to a stronger economy and greater prosperity. In the last fifty years, half of the productivity growth in the U.S. economy is attributable to technological innovation and the science that supported it.

**Continued investment in R&D that's necessary for prosperity in the 21<sup>st</sup> century is being jeopardized by actions of Congress.** Leaders in industry and academia agree on the need to increase our investment in R&D. The House, which has drafted 12 out of the 13 appropriations bills, would cut \$1.8 billion from the President's request for civilian R&D funding, an 8-10 percent reduction. These cuts would weaken America's leadership in information technology, cripple our space exploration program, undermine our efforts to protect the environment while growing the environment, and reduce support for long-term fundamental research.

**The large GOP tax cut uses the entire non-Social Security surplus and could result in cuts of up to 50 percent in Research & Development.** The Republican tax plan, if they meet the President's defense request, would require cutting all non-defense discretionary spending by nearly 50 percent in 2009, while doing nothing to extend the solvency of Social Security or Medicare. This could result in nearly 50 percent cuts in all domestic government programs – including vital investments in science and technology.

**While the President proposes increasing Science and Technology funding in key areas, the Congress' actions would reduce it:**

|                          | President's Request* | Congressional Action* |
|--------------------------|----------------------|-----------------------|
| Civilian R&D             | ↑                    | ↓                     |
| University Research      | ↑                    | ↓                     |
| Space Exploration        | ↑                    | ↓                     |
| Information Technology   | ↑                    | ↓                     |
| Environmental Protection | ↑                    | ↓                     |

\*compared to 1999 enacted

**What the cuts in the House FY2000 appropriations bills would mean for Science, Technology, and America:**

### **Civilian Research and Development**

- House action to date cuts \$1.8 billion from the President's civilian R&D request.
- House earmarks nearly \$1 billion of the R&D budget – bypassing merit review processes and potentially directing funds to projects of lower scientific priority.
- House eliminates funding for 14,000 researchers and science and mathematics teachers – impacting college and university students across the nation – by cutting \$275 million from the National Science Foundation.

-more-

## THE REPUBLICAN TAX BILL WOULD TRIGGER AUTOMATIC CUTS IN MEDICARE AND OTHER VITAL GOVERNMENT PROGRAMS

*August 25, 1999*

**Republican Tax Bill Drains Resources Needed To Secure Medicare, Protect Social Security Surpluses, Pay Down the Debt, and Prevent Deep Cuts in Key Priorities From Education to Agriculture to Public Safety to Science.** The Republican tax bill, and the associated interest costs, would use up the entire \$1 trillion non-Social Security surplus and, assuming it continued, would explode between 2010 – 2020, right at the time when the baby boom generation begins to retire, Medicare is projected to become insolvent, and Social Security comes under strain. Under the Republican budget resolution, key priorities including education, agriculture, public safety, and science would be cut by nearly 50 percent by 2009. (This assumes that the Republicans fund defense at levels requested by the President.)

**New Analysis in report released today from the Office of Management and Budget: As Written, GOP Tax Bill Would Over Next 5 Years Trigger Automatic Across-the-Board Cuts That Would Cut Medicare by \$41.4 billion & Entirely Eliminate Key Federal Programs Including Veterans Education and Training, Farm Safety Net and Child Support Enforcement Programs.** The Republican tax cut bill as written would, under existing law, automatically trigger across-the-board spending cuts in the budget (known as sequestration). These cuts would automatically come from mandatory programs, resulting in a \$41.4 billion cut in Medicare over the next 5 years (2000-2004), according to today's Office of Management and Budget analysis. These cuts would also force the complete elimination of key federal programs, including farm safety net programs like CCC and crop insurance, veterans education and training benefits, child support enforcement, and Social Service Block Grants, which support child care for low-income families and Meals on Wheels for senior citizens.

### Over the next 5 years (2000-2004), these automatic across-the-board cuts would:

- **Cut Medicare by \$41.4 billion.** Despite the fact that many Republican Members of Congress have written to the President asking that certain savings agreed upon in the Balanced Budget Act of 1997 be repealed, the GOP tax plan would cause Medicare spending to be cut by \$41.4 billion from 2000 - 2004. This would impose further reductions in Medicare payments to all providers (including hospitals, physicians, home health agencies, and skilled nursing facilities).
- **Eliminate Farm Safety Net Programs (Crop Insurance and CCC) by cutting \$19.3 billion.** Despite the fact that the Senate has just passed a bill that provides approximately \$7.4 billion in 2000 emergency assistance to the Nation's farmers, the Republican plan turns around and cuts \$19.3 billion from farm safety net programs, even though this is a time of nationwide low commodity prices and regional droughts that are withering crops and livestock. **Simply put, while the Republicans claim to be adding \$7.4 billion for farmers, their tax plan would cut more than twice as much from key programs that assist farmers.**

As a result, the Agriculture Department's crop insurance program would shut down starting in 2002. Without insurance, most farmers and ranchers could not secure the financing from banks needed to operate their farms and ranches. It would also eliminate assistance to farmers through the Commodity Credit Corporation, which provides the funding for core income and price support assistance programs for farmers, at a time when many farmers are enduring the worst farm economy in decades. In addition, with

- House cuts Department of Energy science funding by \$116 million, threatening cutting-edge research at universities and National Laboratories nationwide.
- House zeroes out funding to make America's cultural and educational assets available to all school children by cutting \$20 million from the initiative to digitize America's treasures, and provide education resources through the Internet.
- Action on biomedical research at the National Institutes of Health is still to come, but there is very little money left for the Labor/HHS bill, after funds have already been spent in other areas.

### **Information Technology**

- The House has cut the Administration's long-term Information Technology Initiative by 70 percent. This action comes at a time when information technology is responsible for one-third of U.S. economic growth and jobs in the IT sector pay wages 80 percent above the private-sector average.

### **Space Exploration**

- The \$1 billion cut passed by the House would devastate NASA space programs and potentially threaten 30 planned space missions.
- 500-600 grants nationwide would be eliminated with \$240 million cut to space science.
- House reduction of \$285 million would terminate earth science programs that could lead to more accurate weather forecasting, and better urban and transportation planning.
- \$250 million cut in human space flight budget defers Shuttle safety improvements and critical Space Station capabilities.

### **Public-Private Partnerships**

- House zeroes out Advanced Technology Program – cutting \$240 million from the development of leading edge technology using competitive, cost-sharing Research and Development partnerships between the government and the private sector.
- Additional \$60 million cut at NIST [National Institute of Standards and Technology] delays the development of high-tech industry standards, by postponing construction of a new standards laboratory and reducing standards research.
- House eliminates Federal Aviation Administration funding for the Global Positioning System (GPS) – cutting \$17 million from safety and reliability programs for civilian users.
- House cuts Partnership for a New Generation of Vehicles (PNGV) request by \$28 million – threatening progress toward a fuel-efficient vehicle that could dominate world markets.

### **Environmental Protection Research**

- Funding for research and development on renewable energy sources was cut. Research on how to reduce fossil fuel emissions was eliminated. Cleaning up power plants was blocked. At the same time, Business Roundtable's call for developing advanced energy technologies was ignored.

### **National Security**

- \$147 million reduction hits the Advanced Strategic Computing Initiative (ASCI) that replaces reliance on underground testing with computer simulations.
- Key arms control programs cut; efforts to improve the safety of Soviet-designed nuclear reactors blocked; Nuclear Cities Program virtually eliminated.

U.S. agriculture heavily dependent on exports, these cuts would end USDA's export credit programs that guarantee billions of dollars of farm exports a year.

- **Eliminate Veterans Readjustment, Education, and Training Benefits by cutting \$3.2 billion.** These cuts would deny education benefits and training to more than 450,000 veterans, reservists, and dependents who are eligible through the Montgomery GI Bill and the Vocational Rehabilitation and Counseling Programs. This would mean that these veterans, reservists, and dependents would lose access to the education and training programs many were promised (and paid into) when they enlisted. It would also mean that job and other assistance would be eliminated for 50,000 disabled veterans who have employment disabilities sustained on active duty.
- **Cuts Student Loans.** Guaranteed and Direct Student Loan Program borrowers would have their origination fees increased by one-half of a percentage point beginning in 2000. Over 5.5 million beneficiaries would be affected.
- **Eliminate Child Support Enforcement by cutting \$10.3 billion.** Federal funding for Child Support Enforcement would be eliminated beginning in 2002 and many states would no longer be able to continue this critical program. In 1998, this program collected \$14.3 billion on behalf of children and families, and helped many low-income families move from welfare to work.
- **Eliminate Social Services Block Grants (SSBG) by cutting \$4.4 billion.** Beginning in 2002, SSBG would be eliminated. SSBG provides funding to States to support a wide range of programs including child protection and child welfare, child care, as well as services focused on the needs of the elderly and handicapped. The inherent flexibility of this grant helps states to target funds to meet needs in their communities.

**Even With the Reduction or Elimination of These Key Programs, the Republican Tax Cuts Would Still Mean Roughly 50 Percent Cuts in Non-Defense Discretionary Spending by 2009** Cutting Medicare and eliminating of these key programs (triggered automatically by the Republican tax bill) would still not cover the full cost of the Republican tax bill. If the Republicans were to meet the President's defense budget and refrain from dipping into the Social Security surplus, they would have to make unfathomable cuts – nearly 50 percent across-the-board in domestic programs -- from education to agriculture to the FBI to the FAA to medical research by 2009. Even this analysis understates the potential harm of the Republican tax plan, because it does not allow any resources to extend Medicare solvency even though Medicare is scheduled to become insolvent in 2015 and most experts would agree that Medicare's long-term solvency could only be secured with additional resources.

## **REPUBLICAN PLANS FAIL TO PROVIDE SMALLER CLASSES FOR AMERICA'S CHILDREN**

- **Republican plans undermine a bipartisan effort to ensure funding for smaller classes.** Last year, a bipartisan agreement was reached to make a down payment on the President's plan to hire 100,000 teachers to reduce class size in the early grades to a nationwide average of 18; earlier this month the Education Department awarded funds to help local school districts begin hiring 30,000 teachers before school starts this fall. While the President wants to finish the job, House Republicans have passed a bill that undermines this class size initiative and fails to guarantee that one cent will be used to hire a single teacher to reduce the size of a single class.

## **REPUBLICAN TAX BILL SQUEEZES OUT OTHER KEY INVESTMENTS IN EDUCATION**

- **The Republican tax and budget plans could force dramatic cuts in funding for education.** The President cited Administration estimates<sup>i</sup> of the long-term impact of the Republican plans on key investments to improve our schools and expand access to college. In the tenth year alone of the Republican tax and budget plans, the nation could be forced to deny support to nearly 6 million students in high-poverty communities; withhold from 520,000 children the assistance they need to learn to read; deny 430,000 kids access to Head Start; slash Pell grants, and block hundreds of thousands of students from the opportunity to work their way through college.

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<sup>i</sup> The calculations are based on the Republican budget and tax plans, assuming that Congress also funds defense at the President's requested level and pays down debt by as much as the Congressional budget resolution promises. Given these assumptions, the Republican tax plan would require dramatic cuts to domestic discretionary programs -- cutting more than half from current funding levels.

**IMPACT OF REPUBLICAN BUDGET ON STATES:**  
**KEY EDUCATION AND TRAINING PROGRAMS WOULD BE CUT ROUGHLY IN HALF**

Dollar Cuts To Key Programs from 2009 Funding Level (In Thousands of Dollars)

|                | Work Study Program |                                    | Teachers for Class Size Reduction |                                    | Head Start   |                                    |
|----------------|--------------------|------------------------------------|-----------------------------------|------------------------------------|--------------|------------------------------------|
|                | 2009 Funding       | Reduction Due to Republican Budget | 2009 Funding                      | Reduction Due to Republican Budget | 2009 Funding | Reduction Due to Republican Budget |
| Total          | 1,142,937          | -540,497                           | 3,012,286                         | -1,549,860                         | 5,297        | -2,754                             |
| Alabama        | 17,036             | -8,056                             | 47,259                            | -24,315                            | 106          | -55                                |
| Alaska         | 1,314              | -621                               | 14,131                            | -7,271                             | 9            | -5                                 |
| Arizona        | 12,085             | -5,715                             | 45,632                            | -23,478                            | 77           | -40                                |
| Arkansas       | 10,329             | -4,885                             | 28,800                            | -14,818                            | 69           | -36                                |
| California     | 111,279            | -52,624                            | 341,976                           | -175,951                           | 605          | -315                               |
| Colorado       | 12,689             | -6,001                             | 33,127                            | -17,044                            | 62           | -32                                |
| Connecticut    | 15,106             | -7,143                             | 28,328                            | -14,575                            | 45           | -24                                |
| Delaware       | 1,643              | -777                               | 14,131                            | -7,271                             | 15           | -8                                 |
| DC             | 9,958              | -4,709                             | 14,131                            | -7,271                             | 23           | -12                                |
| Florida        | 31,646             | -14,965                            | 136,564                           | -70,264                            | 212          | -110                               |
| Georgia        | 18,841             | -8,910                             | 78,701                            | -40,493                            | 148          | -77                                |
| Hawaii         | 2,293              | -1,084                             | 14,131                            | -7,271                             | 19           | -10                                |
| Idaho          | 3,657              | -1,729                             | 14,131                            | -7,271                             | 16           | -8                                 |
| Illinois       | 46,772             | -22,119                            | 122,124                           | -62,834                            | 244          | -127                               |
| Indiana        | 23,280             | -11,009                            | 50,725                            | -26,099                            | 91           | -47                                |
| Iowa           | 19,176             | -9,068                             | 24,298                            | -12,502                            | 48           | -25                                |
| Kansas         | 10,182             | -4,815                             | 23,962                            | -12,329                            | 50           | -26                                |
| Kentucky       | 22,306             | -10,549                            | 47,716                            | -24,551                            | 106          | -55                                |
| Louisiana      | 17,234             | -8,150                             | 71,158                            | -36,612                            | 143          | -74                                |
| Maine          | 12,358             | -5,844                             | 14,131                            | -7,271                             | 25           | -13                                |
| Maryland       | 15,449             | -7,306                             | 43,359                            | -22,309                            | 67           | -35                                |
| Massachusetts  | 73,772             | -34,887                            | 55,630                            | -28,622                            | 83           | -43                                |
| Michigan       | 34,405             | -16,270                            | 121,850                           | -62,693                            | 233          | -121                               |
| Minnesota      | 28,453             | -13,455                            | 41,371                            | -21,286                            | 67           | -35                                |
| Mississippi    | 13,826             | -6,538                             | 46,435                            | -23,891                            | 175          | -91                                |
| Missouri       | 24,203             | -11,446                            | 51,576                            | -26,537                            | 108          | -56                                |
| Montana        | 4,974              | -2,352                             | 14,131                            | -7,271                             | 18           | -9                                 |
| Nebraska       | 7,488              | -3,541                             | 14,834                            | -7,632                             | 30           | -16                                |
| Nevada         | 1,636              | -774                               | 14,131                            | -7,271                             | 14           | -7                                 |
| New Hampshire  | 10,183             | -4,816                             | 14,131                            | -7,271                             | 10           | -5                                 |
| New Jersey     | 19,564             | -9,252                             | 68,688                            | -35,341                            | 99           | -52                                |
| New Mexico     | 10,558             | -4,993                             | 24,710                            | -12,714                            | 49           | -26                                |
| New York       | 110,859            | -52,425                            | 273,666                           | -140,805                           | 319          | -166                               |
| North Carolina | 22,367             | -10,578                            | 62,542                            | -32,179                            | 121          | -63                                |
| North Dakota   | 4,387              | -2,074                             | 14,131                            | -7,271                             | 14           | -7                                 |
| Ohio           | 46,327             | -21,908                            | 112,396                           | -57,829                            | 254          | -132                               |
| Oklahoma       | 13,469             | -6,370                             | 34,159                            | -17,575                            | 85           | -44                                |
| Oregon         | 17,927             | -8,478                             | 28,863                            | -14,850                            | 38           | -20                                |
| Pennsylvania   | 66,576             | -31,484                            | 124,043                           | -63,822                            | 202          | -105                               |
| Puerto Rico    | 19,726             | -9,328                             | 97,644                            | -50,239                            | 233          | -121                               |
| Rhode Island   | 10,128             | -4,789                             | 14,131                            | -7,271                             | 19           | -10                                |
| South Carolina | 13,375             | -6,325                             | 36,961                            | -19,017                            | 78           | -40                                |
| South Dakota   | 6,221              | -2,942                             | 14,131                            | -7,271                             | 16           | -9                                 |
| Tennessee      | 17,752             | -8,395                             | 49,968                            | -25,709                            | 103          | -54                                |
| Texas          | 55,568             | -26,278                            | 246,238                           | -126,693                           | 401          | -209                               |
| Utah           | 5,886              | -2,784                             | 19,419                            | -9,991                             | 33           | -17                                |
| Vermont        | 9,589              | -4,535                             | 14,131                            | -7,271                             | 10           | -5                                 |
| Virginia       | 22,811             | -10,788                            | 52,693                            | -27,111                            | 84           | -44                                |
| Washington     | 21,105             | -9,981                             | 49,039                            | -25,231                            | 68           | -35                                |
| West Virginia  | 9,120              | -4,313                             | 27,325                            | -14,059                            | 48           | -25                                |
| Wisconsin      | 24,780             | -11,719                            | 50,675                            | -26,073                            | 90           | -47                                |
| Wyoming        | 1,267              | -599                               | 14,131                            | -7,271                             | 10           | -5                                 |

**IMPACT OF REPUBLICAN BUDGET ON STATES:**  
**KEY EDUCATION AND TRAINING PROGRAMS WOULD BE CUT ROUGHLY IN HALF**

Dollar Cuts To Key Programs from 2009 Funding Level (In Thousands of Dollars)

|                | Work Study Program |                                    | Teachers for Class Size Reduction |                                    | Head Start   |                                    |
|----------------|--------------------|------------------------------------|-----------------------------------|------------------------------------|--------------|------------------------------------|
|                | 2009 Funding       | Reduction Due to Republican Budget | 2009 Funding                      | Reduction Due to Republican Budget | 2009 Funding | Reduction Due to Republican Budget |
| Total          | 1,142,937          | -540,497                           | 3,012,286                         | -1,549,860                         | 5,297        | -2,754                             |
| Alabama        | 17,036             | -8,056                             | 47,259                            | -24,315                            | 106          | -55                                |
| Alaska         | 1,314              | -621                               | 14,131                            | -7,271                             | 9            | -5                                 |
| Arizona        | 12,085             | -5,715                             | 45,632                            | -23,478                            | 77           | -40                                |
| Arkansas       | 10,329             | -4,885                             | 28,800                            | -14,818                            | 69           | -36                                |
| California     | 111,279            | -52,624                            | 341,976                           | -175,951                           | 605          | -315                               |
| Colorado       | 12,689             | -6,001                             | 33,127                            | -17,044                            | 62           | -32                                |
| Connecticut    | 15,106             | -7,143                             | 28,328                            | -14,575                            | 45           | -24                                |
| Delaware       | 1,643              | -777                               | 14,131                            | -7,271                             | 15           | -8                                 |
| DC             | 9,958              | -4,709                             | 14,131                            | -7,271                             | 23           | -12                                |
| Florida        | 31,646             | -14,965                            | 136,564                           | -70,264                            | 212          | -110                               |
| Georgia        | 18,841             | -8,910                             | 78,701                            | -40,493                            | 148          | -77                                |
| Hawaii         | 2,293              | -1,084                             | 14,131                            | -7,271                             | 19           | -10                                |
| Idaho          | 3,657              | -1,729                             | 14,131                            | -7,271                             | 16           | -8                                 |
| Illinois       | 46,772             | -22,119                            | 122,124                           | -62,834                            | 244          | -127                               |
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| Puerto Rico    | 19,726             | -9,328                             | 97,644                            | -50,239                            | 233          | -121                               |
| Rhode Island   | 10,128             | -4,789                             | 14,131                            | -7,271                             | 19           | -10                                |
| South Carolina | 13,375             | -6,325                             | 36,961                            | -19,017                            | 78           | -40                                |
| South Dakota   | 6,221              | -2,942                             | 14,131                            | -7,271                             | 16           | -9                                 |
| Tennessee      | 17,752             | -8,395                             | 49,968                            | -25,709                            | 103          | -54                                |
| Texas          | 55,568             | -26,278                            | 246,238                           | -126,693                           | 401          | -209                               |
| Utah           | 5,886              | -2,784                             | 19,419                            | -9,991                             | 33           | -17                                |
| Vermont        | 9,589              | -4,535                             | 14,131                            | -7,271                             | 10           | -5                                 |
| Virginia       | 22,811             | -10,788                            | 52,693                            | -27,111                            | 84           | -44                                |
| Washington     | 21,105             | -9,981                             | 49,039                            | -25,231                            | 68           | -35                                |
| West Virginia  | 9,120              | -4,313                             | 27,325                            | -14,059                            | 48           | -25                                |
| Wisconsin      | 24,780             | -11,719                            | 50,675                            | -26,073                            | 90           | -47                                |
| Wyoming        | 1,267              | -599                               | 14,131                            | -7,271                             | 10           | -5                                 |

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## **THE REPUBLICAN TAX AND BUDGET PLAN COULD DEVASTATE FUNDING FOR EDUCATION AND OTHER KEY PRIORITIES**

*September 7, 1999*

**The GOP Tax and Budget Plan Would Force Drastic Cuts in Priorities Like Education, Health, Safety and the Environment.** The Republican tax bill, and the associated interest costs, would spend the entire \$1 trillion non-Social Security surplus over the next 10 years. This, together with funding defense at the level requested by the President, would leave the Republicans with an impossible choice: either make nearly 50 percent cuts in essential government functions, everything from education to air traffic control to the Federal Bureau of Investigation, or divert hundreds of billions of dollars of the Social Security surpluses from promised debt reduction.

### **The Republican Tax and Budget Plan Could Devastate Funding for Key Education Programs for Everything from Head Start to Lifelong Learning and Dramatically Cut Programs in Each State.**

In the tenth year of the Republican tax and budget plan, the nation could be forced to:

- **Deny 5.9 million children in high-poverty communities academic support under the Title I program.** Title I of the Elementary and Secondary Education Act currently provides much-needed academic support to 12 million children in high-poverty communities, and the President has proposed important reforms to make sure they master the basics and reach high standards. The Republican plan goes in the opposite direction and could reduce the number of children served by this program to pre-1992 levels.
- **Deny 520,000 children the assistance they need to learn to read.** The Reading Excellence program currently provides funding that will help one million children learn to read independently and well by the end of the 3rd grade. Under the Republican budget and tax plans, 480,000 fewer children could get the help they need to learn to read.
- **Deny smaller classes to more than a million young children in the early grades.** The Republican plans could deprive more than one million students of the opportunity to learn in smaller classes in the early grades. Last year, a bipartisan agreement was reached to make a down payment on the President's plan to hire 100,000 teachers to reduce class size in the early grades to a nationwide average of 18, and earlier this month the U.S. Education Department awarded funds to help local school districts hire 30,000 teachers before school starts this fall. While the President wants to finish the job and hire 100,000 teachers, the Republican tax and budget plans could force cuts from current levels by nearly half. In July, a narrow majority in the House even voted for a bill the President has pledged to veto, which would remove the guarantee that any class size reductions will be achieved at all.
- **Deny early childhood and preschool services to 430,000 kids.** Head Start currently provides early childhood and preschool services to 835,000 students. The Republican plan could deny 430,000 children access to this essential support.
- **Deny 215,000 students the after-school and summer school programs they need.** The 21st Century Community Learning Centers Program currently provides funding to help provide after-school and summer school programs to about 400,000 students in safe and enriching academic environments. While the President wants to nearly quadruple this number to 1.5 million, the Republican budget and tax plans would reduce it by 215,000 students.
- **Slash funding for children with disabilities.** Special Education could be cut by \$3.4 billion by the tenth year of the tax cut, severely limiting the federal contribution to programs that help children with disabilities.
- **Deny local school districts vital support to build and modernize 5400 public schools across the nation.** The President's targeted tax cut would cover the interest on state and local efforts to build and modernize 6,000 public schools across the nation. The Republican tax cut provides marginal help to

address the needs of only one-tenth that many schools. The President's proposal to rebuild our public schools could be fully funded using about 1% of the Republican tax cut approved by the House.

- **Cut violence and drug prevention programs.** By the tenth year of the Republican tax cut, Safe and Drug Free Schools and Communities funding would be reduced by nearly \$334 million. This is less than half of the \$696 million that would be invested in violence and drug-prevention under current spending patterns. Republican plans could also slash funding for crisis counseling and increased security in schools experiencing violent incidents, such as the recent tragic shootings in Littleton, Colorado and Conyers, Georgia.
- **Make college less affordable for nearly 4 million low and middle-income students by slashing Pell Grants.** The Pell Grant program, which benefits nearly 4 million students, would have its maximum grant level slashed to \$2175, the lowest level since 1987. This would be a sharp cut from the \$3850 which would otherwise be reached by FY2009 under current spending patterns, and it would deny low-and middle-income students critical financial aid to make college more affordable.
- **Deny over 500,000 students the opportunity to work their way through college.** The Work-Study program currently helps approximately 930,000 low and middle-income students work their way through college. Over 500,000 students could be denied access to this program under Republican tax and budget plans.
- **Deny over 500,000 disadvantaged students the extra guidance and support they need to prepare for college.** Under the Republican plan, over 500,000 young people would not get the extra support they need to prepare for college through the GEAR-UP and TRIO programs. GEAR-UP is a nationwide initiative to help about 227,000 low-income middle and high school students receive academic and support services to prepare for college. About 118,000 fewer students could receive these service under the Republican plans. The President has proposed doubling funding for this program. TRIO provides counseling and educational support for 725,000 students nationwide, but the Republican plans could deny 400,000 students access to this crucial support.
- **Deny hundreds of thousands of disadvantaged young people the summer jobs and job training they need to succeed.** Under the Republican plan, about 330,000 fewer disadvantaged students would get the education, training, and summer jobs they need. Sixty-two out of 118 Job Corps centers could be forced to close, taking away job training from 21,000 disadvantaged youth, and more than 26,000 thousand students in high-poverty communities would be denied access to education, training, and employment assistance through Youth Opportunity Grants.

**For Each State the Republican Tax Proposal Would Cut Key Programs by Roughly Half.** See attached table. The 2009 funding levels and per student costs maintains participation at the 1999 level for 2009 adjusting for inflation. The Republican budget and tax proposal result in a roughly 50% cut from those levels. Head Start figures reflect current services although the President has a goal of funding 1 million children on Head Start by 2002. For Class Size Reduction, 2009 funding is based on the level of funding required to implement the President's plan to hire 100,000 teachers by 2005. The Republican 2009 funding level reflects the 1999 level increased to offset inflation, then reduced by roughly 50% consistent with their budget and tax proposals.

#### **State By State Comparisons Include These Key Programs:**

- **Work Study:** The Work Study Program provides part-time jobs to undergraduate and graduate students to help them pay education expenses.
- **Class Size Reduction:** The President's Class Size Reduction initiative provides funding to help meet the goal of hiring 100,000 teachers to reduce class size in the early grades, to a national average of 18 students.
- **Head Start:** Head Start provides early childhood and preschool assistance to impoverished children.

- **Title I Grants:** Title I targets financial assistance to high poverty school districts.
- **Assistance to Disadvantaged Youth:** The Workforce Investment Act, includes a funding stream for programs providing summer jobs and job training assistance to economically disadvantaged young people.
- **Pell Grants:** The Pell Grant Program provides grants to undergraduate students with financial need to help them pay for postsecondary education.

Below are State by State tables showing the impact of the Congressional budget and tax proposals on both funding levels and services provided in the following programs:

Title I

DOL Youth Act

Class Size Reduction

Pell Grants

Work Study

IDEA

Head Start

\*For every program except Class Size Reduction, the 2009 funding levels and participation levels are based on current services. Therefore the 2009 funding levels and per student costs include increases to offset inflation, maintaining participation in 2009 at the 1999 levels. The Republican budget and tax proposal result in a roughly 50% cut from those levels. This approach conforms with the approach used for the President's speech to Boys' and Girls' Nation and the press documents for that event.

\*Class Size Reduction has its own funding path (using the President's 100,000 teacher goal) that is reflected in the table:

\*Head Start figures reflect current services although the President has a goal of funding 1 million children on Head Start by 2002.

\*All the numbers were generated or confirmed by the Departments of Education, Labor, or Health and Human Services.

\*We do not include the impact on students served under IDEA. Participation levels will not change regardless of funding levels because eligible students are guaranteed services. Instead, Federal spending per child changes when the total funding levels changes. The Republican budget and tax proposal would result in a roughly 50% decrease in Federal funding per child in 2009.

## Title I Grants to LEAs

Estimated Impact on States of Republican Tax and Budget Cuts in 2009

|               | 2009 Funding* | Reduction in 2009<br>Funding Under<br>Republican<br>Budget | Number of<br>Participants | Reduction in<br>Participants Under<br>Republican<br>Budget |
|---------------|---------------|------------------------------------------------------------|---------------------------|------------------------------------------------------------|
| Total         | 9,518,567,000 | -4,949,655,000                                             | 12,000,000                | -5,900,000                                                 |
| Alabama       | 159,865,521   | -83,130,073                                                | 254,294                   | -125,028                                                   |
| Alaska        | 23,490,060    | -12,214,832                                                | 19,085                    | -9,383                                                     |
| Arizona       | 150,541,247   | -78,281,451                                                | 225,199                   | -110,723                                                   |
| Arkansas      | 97,832,911    | -50,873,115                                                | 147,272                   | -72,409                                                    |
| California    | 1,170,231,810 | -608,520,561                                               | 2,199,162                 | -1,081,255                                                 |
| Colorado      | 88,655,245    | -46,100,729                                                | 69,390                    | -34,117                                                    |
| Connecticut   | 86,187,970    | -44,817,746                                                | 64,778                    | -31,849                                                    |
| Delaware      | 26,228,782    | -13,638,967                                                | 11,848                    | -5,825                                                     |
| DC            | 31,067,219    | -16,154,954                                                | 50,457                    | -24,808                                                    |
| Florida       | 448,572,041   | -233,257,469                                               | 603,281                   | -296,613                                                   |
| Georgia       | 258,260,139   | -134,295,277                                               | 284,706                   | -139,981                                                   |
| Hawaii        | 25,025,289    | -13,013,151                                                | 51,141                    | -25,144                                                    |
| Idaho         | 29,050,078    | -15,106,041                                                | 39,191                    | -19,269                                                    |
| Illinois      | 406,270,040   | -211,260,428                                               | 389,408                   | -191,459                                                   |
| Indiana       | 144,464,453   | -75,121,518                                                | 108,308                   | -53,252                                                    |
| Iowa          | 66,265,394    | -34,458,006                                                | 63,849                    | -31,392                                                    |
| Kansas        | 69,323,180    | -36,048,055                                                | 78,311                    | -38,503                                                    |
| Kentucky      | 158,707,670   | -82,527,991                                                | 268,010                   | -131,772                                                   |
| Louisiana     | 237,872,697   | -123,693,807                                               | 351,987                   | -173,060                                                   |
| Maine         | 39,059,134    | -20,310,750                                                | 23,477                    | -11,543                                                    |
| Maryland      | 127,157,100   | -66,121,694                                                | 121,861                   | -59,915                                                    |
| Massachusetts | 189,342,785   | -98,458,251                                                | 165,858                   | -81,547                                                    |
| Michigan      | 415,281,194   | -215,946,228                                               | 266,725                   | -131,140                                                   |
| Minnesota     | 109,300,728   | -56,836,380                                                | 124,404                   | -61,165                                                    |
| Mississippi   | 155,186,621   | -80,697,045                                                | 298,835                   | -146,927                                                   |
| Missouri      | 166,011,939   | -86,326,211                                                | 169,481                   | -83,328                                                    |
| Montana       | 32,429,684    | -16,863,436                                                | 34,909                    | -17,164                                                    |
| Nebraska      | 40,029,823    | -20,815,509                                                | 39,526                    | -19,434                                                    |
| Nevada        | 28,398,244    | -14,767,087                                                | 28,020                    | -13,776                                                    |
| New Hampshire | 24,193,598    | -12,580,671                                                | 14,255                    | -7,009                                                     |
| New Jersey    | 217,853,212   | -113,283,674                                               | 157,713                   | -77,542                                                    |

|                |             |              |           |          |
|----------------|-------------|--------------|-----------|----------|
| New Mexico     | 81,424,387  | -42,340,683  | 80,942    | -39,797  |
| New York       | 902,674,075 | -469,390,534 | 726,453   | -357,173 |
| North Carolina | 181,760,341 | -94,515,380  | 269,043   | -132,280 |
| North Dakota   | 24,427,551  | -12,702,327  | 17,589    | -8,648   |
| Ohio           | 375,851,474 | -195,442,773 | 297,079   | -146,064 |
| Oklahoma       | 118,384,146 | -61,559,758  | 200,273   | -98,468  |
| Oregon         | 85,228,599  | -44,318,873  | 98,186    | -48,275  |
| Pennsylvania   | 416,812,687 | -216,742,604 | 377,312   | -185,512 |
| Puerto Rico    | 326,411,362 | -169,733,914 | 385,139   | -189,360 |
| Rhode Island   | 30,644,461  | -15,935,120  | 17,101    | -8,408   |
| South Carolina | 123,031,016 | -63,976,131  | 228,007   | -112,103 |
| South Dakota   | 24,540,566  | -12,761,095  | 22,495    | -11,060  |
| Tennessee      | 166,997,595 | -86,838,752  | 211,899   | -104,184 |
| Texas          | 823,022,928 | -427,971,936 | 1,755,571 | -863,156 |
| Utah           | 43,900,296  | -22,828,155  | 54,253    | -26,674  |
| Vermont        | 22,014,182  | -11,447,375  | 13,141    | -6,461   |
| Virginia       | 144,243,155 | -75,006,443  | 102,721   | -50,505  |
| Washington     | 135,492,762 | -70,456,239  | 161,965   | -79,633  |
| West Virginia  | 91,383,302  | -47,519,319  | 75,155    | -36,951  |
| Wisconsin      | 156,499,848 | -81,379,924  | 166,583   | -81,904  |
| Wyoming        | 21,666,458  | -11,266,559  | 14,352    | -7,056   |

\* For purposes of a simulation, the 2009 State shares are based on 1999 State shares and will vary from actual allocations.

## Department of Labor Youth Activities

Estimated Impact on States of Republican Tax and Budget Cuts in 2009

|                      | 2009 Funding  | Reduction in 2009<br>Funding Under<br>Republican<br>Budget | Number of<br>Participants | Reduction in<br>Participants Under<br>Republican<br>Budget |
|----------------------|---------------|------------------------------------------------------------|---------------------------|------------------------------------------------------------|
| TOTAL                | 1,230,705,036 | -639,966,618                                               | 635,039                   | -330,220                                                   |
| Alabama              | 16,773,140    | -8,722,033                                                 | 8,655                     | -4,501                                                     |
| Alaska               | 4,380,521     | -2,277,871                                                 | 2,260                     | -1,175                                                     |
| Arizona              | 19,110,976    | -9,937,707                                                 | 9,861                     | -5,128                                                     |
| Arkansas             | 12,352,036    | -6,423,059                                                 | 6,374                     | -3,314                                                     |
| California           | 203,777,852   | -105,964,483                                               | 105,149                   | -54,677                                                    |
| Colorado             | 7,336,942     | -3,815,210                                                 | 3,786                     | -1,969                                                     |
| Connecticut          | 9,469,402     | -4,924,089                                                 | 4,886                     | -2,541                                                     |
| Delaware             | 3,021,600     | -1,571,232                                                 | 1,559                     | -811                                                       |
| District of Columbia | 5,644,748     | -2,935,269                                                 | 2,913                     | -1,515                                                     |
| Florida              | 51,643,907    | -26,854,832                                                | 26,648                    | -13,857                                                    |
| Georgia              | 25,171,393    | -13,089,125                                                | 12,988                    | -6,754                                                     |
| Hawaii               | 6,790,914     | -3,531,275                                                 | 3,504                     | -1,822                                                     |
| Idaho                | 5,316,393     | -2,764,524                                                 | 2,743                     | -1,426                                                     |
| Illinois             | 50,441,170    | -26,229,409                                                | 26,027                    | -13,534                                                    |
| Indiana              | 13,544,935    | -7,043,366                                                 | 6,989                     | -3,634                                                     |
| Iowa                 | 4,009,124     | -2,084,744                                                 | 2,069                     | -1,076                                                     |
| Kansas               | 4,230,486     | -2,199,853                                                 | 2,183                     | -1,135                                                     |
| Kentucky             | 19,581,986    | -10,182,633                                                | 10,104                    | -5,254                                                     |
| Louisiana            | 26,172,445    | -13,609,671                                                | 13,505                    | -7,023                                                     |
| Maine                | 5,173,737     | -2,690,343                                                 | 2,670                     | -1,388                                                     |
| Maryland             | 19,176,155    | -9,971,601                                                 | 9,895                     | -5,145                                                     |
| Massachusetts        | 15,934,422    | -8,285,899                                                 | 8,222                     | -4,275                                                     |
| Michigan             | 33,548,740    | -17,445,345                                                | 17,311                    | -9,002                                                     |
| Minnesota            | 9,898,600     | -5,147,272                                                 | 5,108                     | -2,656                                                     |
| Mississippi          | 16,450,935    | -8,554,486                                                 | 8,489                     | -4,414                                                     |
| Missouri             | 19,430,722    | -10,103,975                                                | 10,026                    | -5,214                                                     |
| Montana              | 4,438,321     | -2,307,927                                                 | 2,290                     | -1,191                                                     |
| Nebraska             | 3,021,600     | -1,571,232                                                 | 1,559                     | -811                                                       |
| Nevada               | 4,502,270     | -2,341,181                                                 | 2,323                     | -1,208                                                     |
| New Hampshire        | 3,021,600     | -1,571,232                                                 | 1,559                     | -811                                                       |
| New Jersey           | 29,610,945    | -15,397,691                                                | 15,279                    | -7,945                                                     |

|                          |             |             |        |         |
|--------------------------|-------------|-------------|--------|---------|
| New Mexico               | 11,781,412  | -6,126,334  | 6,079  | -3,161  |
| New York                 | 109,091,206 | -56,727,427 | 56,291 | -29,271 |
| North Carolina           | 18,876,086  | -9,815,564  | 9,740  | -5,065  |
| North Dakota             | 3,021,600   | -1,571,232  | 1,559  | -811    |
| Ohio                     | 49,082,250  | -25,522,770 | 25,326 | -13,170 |
| Oklahoma                 | 9,881,383   | -5,138,319  | 5,099  | -2,651  |
| Oregon                   | 15,392,083  | -8,003,883  | 7,942  | -4,130  |
| Pennsylvania             | 47,639,703  | -24,772,646 | 24,582 | -12,783 |
| Rhode Island             | 3,063,413   | -1,592,975  | 1,581  | -822    |
| South Carolina           | 14,870,651  | -7,732,739  | 7,673  | -3,990  |
| South Dakota             | 3,021,600   | -1,571,232  | 1,559  | -811    |
| Tennessee                | 25,642,404  | -13,334,050 | 13,231 | -6,880  |
| Texas                    | 105,015,673 | -54,608,150 | 54,188 | -28,178 |
| Utah                     | 3,397,917   | -1,766,917  | 1,753  | -912    |
| Vermont                  | 3,021,600   | -1,571,232  | 1,559  | -811    |
| Virginia                 | 17,265,057  | -8,977,830  | 8,909  | -4,633  |
| Washington               | 21,757,489  | -11,313,895 | 11,227 | -5,838  |
| West Virginia            | 12,395,079  | -6,445,441  | 6,396  | -3,326  |
| Wisconsin                | 10,404,045  | -5,410,103  | 5,368  | -2,792  |
| Wyoming                  | 3,021,600   | -1,571,232  | 1,559  | -811    |
| American Samoa           | 174,631     | -90,808     | 90     | -47     |
| Guam                     | 1,711,871   | -890,173    | 883    | -459    |
| North Mariana Islands    | 99,613      | -51,799     | 51     | -27     |
| Puerto Rico              | 68,049,340  | -35,385,657 | 35,113 | -18,259 |
| Freely Associated States | 488,228     | -253,878    | 252    | -131    |
| Virgin Islands           | 1,096,975   | -570,427    | 566    | -294    |
| Indian Tribes            | 18,464,105  | -9,601,335  | 9,527  | -4,954  |

## Pell Grants

Estimated Impact on States of Republican Tax and Budget Cuts in 2009

|                      | 2009 Funding  | Reduction in 2009<br>Funding Under<br>Republican<br>Budget | Number of<br>Students Served | Reduction in<br>Students Served<br>Under Republican<br>Budget |
|----------------------|---------------|------------------------------------------------------------|------------------------------|---------------------------------------------------------------|
| Maximum Award        | 3,850         | -1,675                                                     |                              |                                                               |
| Total                | 9,462,038,000 | -4,896,480,000                                             | 4,002,588                    | -784,523                                                      |
| Alabama              | 171,547,000   | -91,450,000                                                | 74,051                       | -16,094                                                       |
| Alaska               | 11,469,000    | -6,108,000                                                 | 4,656                        | -16,093                                                       |
| Arizona              | 173,312,000   | -92,306,000                                                | 76,718                       | -16,595                                                       |
| Arkansas             | 92,378,000    | -49,261,000                                                | 38,311                       | -8,330                                                        |
| California           | 1,209,672,000 | -597,386,000                                               | 484,675                      | -73,505                                                       |
| Colorado             | 116,282,000   | -61,932,000                                                | 51,706                       | -11,185                                                       |
| Connecticut          | 56,076,000    | -29,875,000                                                | 25,995                       | -5,630                                                        |
| Delaware             | 14,085,000    | -7,502,000                                                 | 6,662                        | -1,441                                                        |
| District of Columbia | 26,946,000    | -14,351,000                                                | 11,333                       | -2,452                                                        |
| Florida              | 471,978,000   | -242,200,000                                               | 199,689                      | -36,313                                                       |
| Georgia              | 216,286,000   | -108,853,000                                               | 105,226                      | -34,237                                                       |
| Hawaii               | 21,177,000    | -11,279,000                                                | 9,117                        | -1,972                                                        |
| Idaho                | 50,671,000    | -27,002,000                                                | 21,353                       | -4,629                                                        |
| Illinois             | 320,302,000   | -168,514,000                                               | 142,241                      | -30,328                                                       |
| Indiana              | 159,590,000   | -85,056,000                                                | 73,012                       | -15,832                                                       |
| Iowa                 | 104,773,000   | -55,802,000                                                | 47,703                       | -10,319                                                       |
| Kansas               | 92,577,000    | -49,307,000                                                | 41,836                       | -9,050                                                        |
| Kentucky             | 151,311,000   | -80,588,000                                                | 63,249                       | -13,682                                                       |
| Louisiana            | 208,595,000   | -111,101,000                                               | 81,740                       | -17,684                                                       |
| Maine                | 35,658,000    | -18,991,000                                                | 15,545                       | -3,363                                                        |
| Maryland             | 123,808,000   | -65,940,000                                                | 56,283                       | -12,175                                                       |
| Massachusetts        | 177,898,000   | -94,749,000                                                | 77,736                       | -16,816                                                       |
| Michigan             | 245,493,000   | -130,277,000                                               | 115,183                      | -26,466                                                       |
| Minnesota            | 144,236,000   | -76,820,000                                                | 66,786                       | -14,447                                                       |
| Mississippi          | 138,111,000   | -73,558,000                                                | 54,654                       | -11,823                                                       |
| Missouri             | 169,053,000   | -90,037,000                                                | 75,129                       | -16,252                                                       |
| Montana              | 41,898,000    | -22,315,000                                                | 17,318                       | -3,746                                                        |
| Nebraska             | 58,559,000    | -31,189,000                                                | 27,514                       | -5,952                                                        |
| Nevada               | 21,728,000    | -11,572,000                                                | 9,864                        | -2,134                                                        |
| New Hampshire        | 27,867,000    | -14,842,000                                                | 12,980                       | -2,808                                                        |

|                            |               |                |           |          |
|----------------------------|---------------|----------------|-----------|----------|
| New Jersey                 | 185,920,000   | -99,104,000    | 78,353    | -17,006  |
| New Mexico                 | 76,883,000    | -40,948,000    | 32,433    | -7,016   |
| New York                   | 960,398,000   | -482,927,000   | 375,807   | -60,692  |
| North Carolina             | 191,711,000   | -102,106,000   | 84,411    | -18,260  |
| North Dakota               | 32,916,000    | -17,531,000    | 14,172    | -3,066   |
| Ohio                       | 298,915,000   | -156,185,000   | 135,257   | -30,065  |
| Oklahoma                   | 145,731,000   | -77,911,000    | 61,361    | -13,456  |
| Oregon                     | 86,118,000    | -45,866,000    | 37,756    | -8,167   |
| Pennsylvania               | 361,915,000   | -194,509,000   | 156,757   | -38,433  |
| Puerto Rico                | 573,455,000   | -268,051,000   | 198,361   | -12,399  |
| Rhode Island               | 38,566,000    | -20,605,000    | 17,542    | -3,838   |
| South Carolina             | 115,959,000   | -61,760,000    | 52,577    | -11,373  |
| South Dakota               | 33,849,000    | -18,028,000    | 14,747    | -3,190   |
| Tennessee                  | 164,975,000   | -87,878,000    | 70,984    | -15,362  |
| Texas                      | 647,176,000   | -333,167,000   | 280,290   | -50,273  |
| Utah                       | 88,721,000    | -47,253,000    | 41,258    | -8,925   |
| Vermont                    | 19,666,000    | -10,474,000    | 9,143     | -1,978   |
| Virginia                   | 189,864,000   | -101,122,000   | 83,127    | -17,982  |
| Washington                 | 169,707,000   | -90,386,000    | 71,675    | -15,505  |
| West Virginia              | 73,158,000    | -38,964,000    | 29,310    | -6,341   |
| Wisconsin                  | 120,645,000   | -64,256,000    | 55,627    | -12,034  |
| Wyoming                    | 18,114,000    | -9,647,000     | 7,828     | -1,693   |
| Subtotal                   | 9,447,698,000 | -4,888,841,000 | 3,997,041 | -783,321 |
| American Samoa             | 1,507,000     | -803,000       | 579       | -126     |
| Fed. Sts. of<br>Micronesia | 4,213,000     | -2,244,000     | 1,555     | -337     |
| Guam                       | 2,322,000     | -1,237,000     | 938       | -203     |
| Marshall Islands           | 1,539,000     | -820,000       | 656       | -142     |
| Northern Marianas          | 1,196,000     | -637,000       | 503       | -109     |
| Palau                      | 1,257,000     | -670,000       | 455       | -98      |
| Virgin Islands             | 2,306,000     | -1,228,000     | 861       | -187     |
| Subtotal                   | 14,340,000    | -7,639,000     | 5,547     | -1,202   |

Note: In addition to the aid available to students displayed above, the Department pays post-secondary institutions an administrative cost allowance in the amount of \$5 per Pell Grant recipient.

## Federal Work Study Program

Estimated Impact on States of Republican Tax and Budget Cuts in 2009

|               | 2009 Funding  | Reduction in 2009<br>Funding Under<br>Republican<br>Budget | Number of<br>Participants | Reduction in<br>Participants Under<br>Republican<br>Budget |
|---------------|---------------|------------------------------------------------------------|---------------------------|------------------------------------------------------------|
| Total         | 1,144,000,000 | -541,000,000                                               | 1,019,000                 | -523,000                                                   |
| Alabama       | 17,035,958    | -8,056,340                                                 | 15,316                    | -7,861                                                     |
| Alaska        | 1,313,961     | -621,375                                                   | 504                       | -259                                                       |
| Arizona       | 12,084,720    | -5,714,889                                                 | 8,105                     | -4,160                                                     |
| Arkansas      | 10,328,985    | -4,884,599                                                 | 10,271                    | -5,272                                                     |
| California    | 111,279,020   | -52,624,082                                                | 75,637                    | -38,820                                                    |
| Colorado      | 12,688,994    | -6,000,652                                                 | 9,320                     | -4,783                                                     |
| Connecticut   | 15,105,626    | -7,143,482                                                 | 13,792                    | -7,079                                                     |
| Delaware      | 1,642,693     | -776,833                                                   | 1,989                     | -1,021                                                     |
| Florida       | 31,645,874    | -14,965,400                                                | 27,646                    | -14,189                                                    |
| Georgia       | 18,840,647    | -8,909,781                                                 | 17,596                    | -9,031                                                     |
| Hawaii        | 2,293,016     | -1,084,372                                                 | 1,458                     | -748                                                       |
| Idaho         | 3,657,058     | -1,729,430                                                 | 3,537                     | -1,815                                                     |
| Illinois      | 46,771,976    | -22,118,566                                                | 39,569                    | -20,309                                                    |
| Indiana       | 23,279,765    | -11,009,050                                                | 22,600                    | -11,599                                                    |
| Iowa          | 19,175,585    | -9,068,174                                                 | 21,382                    | -10,974                                                    |
| Kansas        | 10,182,030    | -4,815,103                                                 | 10,222                    | -5,247                                                     |
| Kentucky      | 22,306,465    | -10,548,774                                                | 16,362                    | -8,398                                                     |
| Louisiana     | 17,234,047    | -8,150,017                                                 | 15,841                    | -8,131                                                     |
| Maine         | 12,358,176    | -5,844,208                                                 | 10,892                    | -5,590                                                     |
| Maryland      | 15,449,318    | -7,306,015                                                 | 12,534                    | -6,433                                                     |
| Massachusetts | 73,771,981    | -34,886,925                                                | 57,718                    | -29,624                                                    |
| Michigan      | 34,405,248    | -16,270,314                                                | 29,500                    | -15,141                                                    |
| Minnesota     | 28,452,656    | -13,455,321                                                | 25,699                    | -13,190                                                    |
| Mississippi   | 13,826,245    | -6,538,460                                                 | 13,585                    | -6,973                                                     |
| Missouri      | 24,203,381    | -11,445,830                                                | 21,220                    | -10,891                                                    |
| Montana       | 4,974,243     | -2,352,330                                                 | 4,693                     | -2,409                                                     |
| Nebraska      | 7,488,392     | -3,541,276                                                 | 7,772                     | -3,989                                                     |
| Nevada        | 1,636,162     | -773,744                                                   | 938                       | -481                                                       |
| New Hampshire | 10,182,942    | -4,815,535                                                 | 11,470                    | -5,887                                                     |
| New Jersey    | 19,564,158    | -9,251,931                                                 | 18,914                    | -9,708                                                     |
| New Mexico    | 10,557,952    | -4,992,878                                                 | 6,507                     | -3,340                                                     |

|                |             |             |         |         |
|----------------|-------------|-------------|---------|---------|
| New York       | 110,858,953 | -52,425,431 | 101,330 | -52,008 |
| North Carolina | 22,367,459  | -10,577,618 | 24,977  | -12,819 |
| North Dakota   | 4,386,723   | -2,074,491  | 5,013   | -2,573  |
| Ohio           | 46,326,576  | -21,907,935 | 41,417  | -21,257 |
| Oklahoma       | 13,469,470  | -6,369,741  | 11,726  | -6,018  |
| Oregon         | 17,927,115  | -8,477,770  | 16,374  | -8,404  |
| Pennsylvania   | 66,576,244  | -31,484,045 | 68,213  | -35,010 |
| Rhode Island   | 10,127,798  | -4,789,457  | 9,310   | -4,778  |
| South Carolina | 13,375,095  | -6,325,111  | 13,927  | -7,148  |
| South Dakota   | 6,221,186   | -2,942,012  | 6,592   | -3,383  |
| Tennessee      | 17,752,022  | -8,394,969  | 16,921  | -8,684  |
| Texas          | 55,567,947  | -26,278,199 | 43,914  | -22,539 |
| Utah           | 5,886,251   | -2,783,620  | 3,667   | -1,882  |
| Vermont        | 9,589,438   | -4,534,865  | 9,119   | -4,680  |
| Virginia       | 22,811,355  | -10,787,538 | 20,937  | -10,746 |
| Washington     | 21,105,327  | -9,980,753  | 16,074  | -8,250  |
| West Virginia  | 9,119,713   | -4,312,731  | 9,545   | -4,899  |
| Wisconsin      | 24,780,168  | -11,718,594 | 26,537  | -13,620 |
| Wyoming        | 1,267,281   | -599,300    | 1,352   | -694    |
| DC             | 9,958,357   | -4,709,328  | 7,085   | -3,636  |
| Puerto Rico    | 19,725,533  | -9,328,246  | 30,636  | -15,724 |
| Territories    | 1,062,715   | -502,560    | 1,746   | -896    |