



ACTION ALERT

The President's FY2010 Federal Budget Proposal *Putting Families and Children First*

As part of the federal budget process, President Barack Obama sent his \$3.6 trillion federal budget proposal for fiscal year 2010 to Congress. According to the President's budget message, "from 2000 to 2007, the number of Americans living in poverty increased by nearly 5.7 million, and 1.7 more children lived in poverty in 2007 than 2000. In fact, 18 percent of children, about 13 million in total, lived in poverty in 2007." The President's budget proposal includes increased investments in education, health care, infrastructure and the environment to "act not only to save and create new jobs, but also to lay a new foundation of growth upon which we can renew the promise of America."

Earlier this year Congress passed and the President signed into law the American Recovery and Reinvestment Act of 2009, also known as the Recovery Act, which provided funding for different sectors in an effort to stabilize the economy and to create jobs. The President's proposed FY2010 budget would expand many of the efforts put forth in the Recovery Act. Key areas of the President's budget include:

Education: The President's budget would provide funding to modernize schools, upgrade the skills and effectiveness of principals and teachers and increases funding for students going to college. The proposal also doubles support for charter schools and increases funding for Pell Grants to a \$5,550 maximum award in the 2010-2011 school year. President Obama is requesting the creation of a new five year \$2.5 billion *Access and Completion Incentive Fund* to support state efforts to help low-income students succeed and complete their college education.

Health Care: According to statistics provided by the Administration, in 2007, 17 million insured Americans spent more than 10 percent of their salary on health care and there are currently 45.7 million uninsured Americans. The President proposes reserving \$630 billion over the next 10 years towards financing reforms to the health care system. To achieve these reforms President Obama focuses on protecting families' financial health, making health coverage affordable, providing universal coverage for all Americans, providing health care choice and investing in prevention and wellness. In addition, the plan proposes funding to computerize America's health records in five years to reduce medical errors, improve health care quality, to modernize the American health care system and to reduce costs. Using an operational rule, lawmakers agreed to allow the President's health care program to pass the Senate by a simple majority instead of the 60 votes that are needed for other bills.

Infrastructure: The proposal includes a \$1 billion-a-year increase in funding to the high-speed rail State grant program in addition to the \$8 billion provided by the Recovery Act. The budget proposal also includes \$800 million to improve and modernize the nation's air traffic control system.

Environment: Proposed increased investments in the clean energy sector would slow *climate change* and foster development of "a new industry sector and to create high-paying jobs here at home." This is part of the President's vision to fight climate change by "limiting greenhouse gas emissions, which produce global warming and increase the risk of severe storms and weather conditions that might ruin crops, devastate cities, and destabilize whole regions." The proposal doubles the \$5 billion provided by the Recovery Act for key science programs over the next 10 years. There is also a request for \$3.9 billion for the *Environmental Protection Agency's Clean Water State Revolving Fund* and the *Drinking Water State Revolving Fund*. This is in addition to the \$6 billion provided by the Recovery Act which will fund over



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1,000 clean water and about 700 drinking water projects. Funding proposals for other projects include funding to modernize federal buildings and decreasing the Federal Government's energy bill by 25 percent, weatherizing low-income homes and helping state and local governments become energy efficient.

Defense: The Budget proposal includes provisions, to improve pay for military personnel by 2.9 percent and to improve medical treatment for wounded soldiers. The President requests an increase of \$20.4 billion, or 4 percent, from the 2009 enacted level of \$513.3 billion excluding funding in the Recovery Act for the Department of Defense. In addition the President requests \$75.5 billion for the remainder of 2009 and \$130 billion for 2010 for military costs relating to Iraq and Afghanistan. The President also proposes increasing funding for the Department of Veterans Affairs by \$26 billion.

Foreign Assistance: In an effort to protect the U.S. and to support the new emphasis on “*smart diplomacy*” the President proposes a path to doubling U.S. foreign assistance to \$50 billion. The Budget also includes first year funding to significantly increase the size of the Department of State and U.S. Agency for International Development. Other programs slated for increased funding include, global health programs, programs on transnational crime, and increases in non-military assistance to Afghanistan and Pakistan, including support for programs benefiting women and girls.

To cut the deficit in half by the first half of the fiscal year the President wants to eliminate government programs that do not work: reducing direct payments to farmers with sales revenue of more than \$500,000 annually, eliminating and reforming small, ineffective housing and urban development programs, increasing efforts to collect delinquent tax from federal contractors and eliminating education programs with records of low performance.

Tax cuts passed by the Recovery Act for families with children through expansions in the child tax credit would become permanent. Taxes on individuals who earn more than \$200,000 a year and families who earn more than \$250,000 would increase to generate revenue and offset a portion of the projected 1.2 trillion deficit for next year. According to the President's report, “the Nation's top 400 taxpayers made more than \$263 million on average in 2006, but paid income taxes at the lowest rate.

Information compiled from the President's budget proposal report, “A New Era of Responsibility: Renewing America's Promise.” Office of Management and Budget, www.budget.gov



On April 29, 2009 the House of Representatives and Senate adopted a \$3.5 trillion budget outline which includes much of the President's proposal. The appropriations committees will now begin work on the specific amounts to be allocated and prepare appropriations bills that will be voted on by June 10. Congress is expected to vote on a full budget by June 30. The fiscal year for 2010 begins on October 1.

Contact your Congressional representatives and let them know you support approval of a family first FY2010 budget, consistent with the President's plan. Call the Capitol switchboard at (202) 224-3121.

Read the Women's Action for New Directions (WAND) letter to Congress, “*Redirect Excess Defense Spending to Human Environmental Needs,*” signed by the Women's Division Washington Office of Public Policy at <http://www.wand.org/news/wand%20letter%20fy10.htm>

Read *The Book of Resolutions 2008*, Enabling Financial Support for Domestic Programs (#4111, pg. 610), Negative Implications of U.S. Deficit Spending (#4115, pg. 617).

For further information on the appropriations process:

Senate Appropriations Committee

Chairman: Senator Daniel K. Inouye (HI)

Ranking Member: Senator Thad Cochran (MS)

Web Address: <http://appropriations.senate.gov>

House Appropriations Committee

Chairman: Representative David R. Obey (WI)

Ranking Member: Representative Jerry Lewis (CA)

Web Address: <http://appropriations.house.gov>