Bush Budget Proposal Would Benefit Wealthy at the Expense of the Poor

The Children’s Defense Fund has analyzed the Bush Administration’s fiscal year 2005 budget proposal and its implications for children. Among the key points made in the summary:

- The budget proposes making tax cuts that were passed in 2003 permanent. These tax cuts provided $93,500 for very high income individuals while providing just $217 to the average income worker. For low-income individuals, including a large number of active-duty service members, no tax relief is provided. Making the tax cuts permanent would add $4.2 trillion to the federal budget deficit.

- For less than one-third of what it would cost to make tax cuts permanent, all 9 million uninsured children in the U.S. could be covered by health insurance, every eligible child could be offered Head Start programming and 100,000 teachers could be added to U.S. public schools, reducing class size nationally.

- With more than 550,000 children already on waiting lists for child care assistance and only one out of seven eligible children currently receiving child care subsidies, the budget provides no increase in funding for child care assistance.

- Section 8 housing assistance is cut by $789 million in the budget despite the fact that it is the main source of housing assistance for poor families and only about one out of four eligible households receive vouchers under current funding levels.

- The budget does nothing to provide basic health insurance coverage to the growing number of Americans who are working but uninsured. Almost 44 million Americans were uninsured in 2002, almost 90% of whom are in working families.

- After-school funding is only half of the $2 billion promised in Bush’s education reform law. The unchanged funding means that 1.32 million children will be unsupervised during after-school hours.

- The budget would reduce funding for juvenile justice programs by 41%, or $127.4 million. Severe cuts to the Office of Juvenile Justice and Delinquency Prevention will result in a shift from prevention and intervention strategies toward prosecution of juveniles.

The budget summary provides an analysis of numerous other programs affected by the proposal, including child welfare, mental health services, child nutrition, TANF, and education programs. The report, *Robin Hood in Reverse: Bush Administration Budget Choices Take From Poor Children to Give to the Rich*, is available at www.childrensdefense.org.

In another budget analysis, the Workforce Alliance reports that the budget would cut Labor
Department programs by 7%, and by 14% compared to 2002 levels. The proposed cuts contradict the President's State of the Union address in which he pledged to help American workers gain the skills to find good jobs, according to Workforce Alliance Executive Director Andy Van Kleunen. See [www.workforcealliance.org](http://www.workforcealliance.org).


**Rhode Island Considering Repeal Of $50 Child Support Pass-Through**

Rhode Island Governor Donald Carcieri is proposing the elimination of the state's current policy that passes through $50 of child support paid by a noncustodial parent to the custodial parent who receives welfare benefits. Two reasons cited by the state Department of Human Services Director Jane Hayward are:

- The pass-through was originally intended as an incentive for the custodial parent to help identify and locate noncustodial parents, whose child support payments beyond the $50 pass-through would reimburse the state for welfare costs. The federal government shared the cost of the pass-through until welfare reform passed in 1996. Welfare reform made cooperation mandatory and gave states the option to retain all child support or pass through any amount, but with no assistance from the federal government. The pass-through has thus become a state expense that is no longer necessary as a tool to encourage cooperation since custodial parents are required to cooperate with child support in order to receive benefits, whether or not they receive any of the child support that is paid.

- Rhode Island is facing a $40 million budget shortfall this year and more than $190 million next year. The elimination of the pass-through is projected to save the state $400,000 this year and $1.7 million next year.

The Center of Budget and Policy Priorities reviewed the fiscal health of state budgets and found that 30 states are projecting deficits for next year of between $39 billion to $41 billion. State budget shortfalls could lead other states to follow Rhode Island's lead with regard to eliminating the child support pass-through. Currently 15 states pass through $50 per month and 29 retain all child support collections. The remaining states have a variety of policies that range from Wisconsin (with a pass-through of all paid child support) to states with policies that effectively provide less than $50. See [www.clasp.org](http://www.clasp.org) for an updated chart of current state pass-through policies.

**Joblessness and Expiration of Unemployment Benefits Affect Growing Number of Workers**

In recent months, it has become clear that job growth predictions made by the Bush administration have been far too optimistic. At the same time, a growing number of jobless individuals are exhausting their unemployment benefits with no federal action to fund an extension of benefits.

- On February 4, the U.S. House of Representatives approved an extension of unemployment benefits that would re-activate benefits for those whose benefits expired due to Congressional inaction last December (see December 2003 Policy Briefing). In a bi-partisan vote, the Community Services Block Grant (H.R. 3030) was amended to
authorize the extension. Passage does not provide for the appropriation of funds, however. The Senate is expected to vote on an extension very soon. President Bush and Republican Congressional leaders have not voiced support for an extension of funding despite record levels of long term unemployment. If Congress takes up the issue of funding, the President, Senate and House would have to agree to support appropriating funds for the extension.

- According to the Center on Budget and Policy Priorities, almost 2 million unemployed workers are expected to exhaust their regular unemployment benefits without qualifying for any further assistance during the first six months of 2004. This represents the only six-month period on record in which so many unemployed workers would have no form of benefits after exhausting their regular unemployment benefits. More than 750,000 workers have lost their benefits since the extension expired at the end of December 2003. See www.cbpp.org.

- The Economic Policy Institute (EPI) has several useful web features for analyzing employment and economic issues. One is a weekly Economic Snapshot with a short analysis of a particular economic issue. Examples of information provided through the snapshot are:
  
  o Industries that have gained jobs since the recession ended in November 2001 pay 21% less than industries that have lost jobs. In other words, job growth has shifted to lower-paying industries from higher-paying sectors. This holds true in 48 of the 50 states nationally. (January 21, 2004 Snapshot)

  o Since the end of the recession in November 2001, total wage and salary income is up only 0.4%, representing the slowest wage and salary growth of any recession since 1959. Wage and salary income after the previous five recessions was an average of 9.4% higher by this point in the recovery. (February 4, 2004 Snapshot)

- A second website created by EPI is www.jobwatch.org. This website tracks trends in the labor market and compares actual job growth to predictions made by the Bush administration when tax cuts were put into effect. The site has state-by-state data and can be obtained regularly as e-mail bulletins. The initial JobWatch installment notes that the Bush administration projected a total of 2,142,000 jobs would be created in the first seven months following the 2003 tax cuts, but that in fact only 296,000 jobs were created over that period for a cumulative shortfall of 1,846,000 jobs.

**Prisoner Reentry Issues Explored in Several Recent Reports**

The following new resources provide a broad range of useful information regarding imprisonment, reentry and families.

- The Urban Institute has created a national resource guide and documentary library as part of its Reentry National Media Outreach Campaign. The resource guide, *Outside the Walls: A National Snapshot of Community-Based Prisoner Reentry Programs*, results from a national survey of reentry programs that address the needs and risks facing returning prisoners, their families, and communities. The list of programs are classified according to their primary service focus. In addition, the campaign utilizes film and video, capturing some programs on video and producing television documentaries on the subject of reentry. The campaign's website, www.reentrymediaoutreach.org, provides access to all of these materials.
On a local level, a new documentary made in Madison, Wisconsin profiles recently released prisoners who discuss post-release issues related to housing, substance abuse, employment, education and family. The videotape, produced by Re-entry Productions, Inc. is available by visiting their website at www.reentryproductions.com.

Prisoners Once Removed: The Impact of Incarceration and Reentry on Children, Families, and Communities, edited by Jeremy Travis and Michelle Waul, documents the consequences of incarceration on prisoners, their families and the communities to which they return. It is available in paperback from the Urban Institute Press at www.uiypress.org.

New Resources and References

The U.S. Census Bureau has released its 2003 Statistical Abstract. The Abstract is a useful resource for virtually any demographic information that the Census Bureau tracks. Data are easily accessed nationally or by state on such topics as: health and nutrition; education; law enforcement, courts and prisons; geography and environment; federal, state and local government finances and employment; human services; employment and earnings; income, expenditures and wealth; arts, entertainment and recreation, among many others. See www.census.gov.

The U.S. Department of Health and Human Services has published the 2004 Poverty Guidelines. They are as follows:

<table>
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<th>Size of Family Unit</th>
<th>48 Contiguous States and D.C.</th>
<th>Alaska</th>
<th>Hawaii</th>
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<tr>
<td>1</td>
<td>$9,310</td>
<td>$11,630</td>
<td>$10,700</td>
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<tr>
<td>2</td>
<td>12,490</td>
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<tr>
<td>8</td>
<td>31,570</td>
<td>39,490</td>
<td>36,320</td>
</tr>
</tbody>
</table>

For each additional person, add: 3,180


The guidelines are used to determine financial eligibility for many federal programs.

Stop Family Violence has compiled a list of stories submitted by victims of domestic violence that demonstrate the risk of marriage promotion for those in relationships that may become violent or that have already experienced violence. The "Wedding Album" is available at www.stopfamilyviolence.org, where personal narratives can be read or submitted. A particularly compelling case for government support of education over marriage promotion as a means to escape violent relationships is made in an Op-Ed piece that appeared recently in the Christian Science Monitor. To view the piece, which was written by Diana Spatz, Executive Director of LIFETIME: Low-Income Families Empowerment Through Education, click on this link: http://www.csmonitor.com/2004/0224/p09s02-coop.html.
The Center for Impact Research interviewed 45 homeless Chicago women living in emergency shelters, as well as shelter supervisors and staff, in May, June and July of 2003 with the goal of learning what factors contribute to homelessness. While the number of women interviewed is relatively small, the interviews provide important insights into the status and experiences of a segment of the homeless population. Among the findings:

- The majority (56%) of the sample disclosed that they had been victims of domestic violence, twice the prevalence of domestic violence found in many national research samples. More than one-third (36%) reported that they had suffered physical or sexual abuse in their childhood home.
- More than one-third reported serious health problems.
- Sixty percent were not receiving child support or TANF benefits at the time of the interview, in spite of the fact that their homeless status and income should have qualified them for benefits. Forty-seven percent had actually lost TANF benefits, many having been sanctioned for missing appointments.
- Sixty-nine percent of the women had 3 or more children. Forty percent had 5 or more children. More than half (56%) did not have a high school diploma or a GED certificate.
- Eighty-nine percent reported that they did not have a criminal record.
- The most-often reported causes of homelessness were a breakdown in housing arrangements that involved living with others (48%); loss of employment (29%); domestic violence (22%); increased rents or buildings being sold, condemned or destroyed (13%), and illness, hospitalization or high-risk pregnancy that led to the loss of employment (13%).

The authors recommend that social services intervene at a point when families are struggling to maintain housing but on the edge of homelessness. This could be achieved through a concerted effort to make services available and known to families at risk.