

NEWS RELEASE

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The President's Budget Cuts Programs Vital to Arkansas

*AACF opposes five-year reductions in funding for education, childcare,
environmental protection, veterans and community development*

New report shows Arkansas would lose \$664 million in federal spending

EDITOR'S ADVISORY: The Center on Budget and Policy Priorities will hold conference call briefings on a new budget analysis Tuesday, Feb. 22nd Tuesday at 12:30 p.m. and 2:30 p.m. (EST) Reporters may participate by signing up at <http://www.cbpp.org/confcall2.htm>; sending an e-mail to bazie@cbpp.org, or calling the Center's media team at (202) 408-1080.

Little Rock, AR (February 22, 2005) – Arkansas Advocates for Children and Families (AACF) called on Congress today to resist the sweeping cuts in crucial domestic programs proposed by President Bush in next year's budget.

The President's budget calls for \$214 billion in reductions in domestic "discretionary" programs between 2006 and 2010. An array of programs could be subject to large cuts, including education, childcare, and a number of programs that provide low-income families with much-needed assistance.

Arkansas alone stands to lose an estimated \$664 million in federal spending from selected programs, according to an analysis released today by the Center on Budget and Policy Priorities, a nonprofit organization in Washington, D.C.

The budget would hurt the most vulnerable children and families and shift costs to state and local governments, even as it extends and expands large tax cuts primarily for the wealthiest Americans.

"We have faith that Senators Lincoln and Pryor will stand up for a fair and balanced budget – not one that cuts so many programs that are important to the people of Arkansas," said Rich Huddleston, executive director for AACF. "Arkansans will be watching closely as Congress goes to work on the budget."

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AACF urges the state's congressional delegation in Washington to oppose these sweeping cuts and pass a budget that meets the needs of all people.

While the President's budget calls for large cuts in discretionary spending each year from 2006 through 2010, it doesn't show how the cuts after 2006 would affect specific programs. The Center, using the President's funding priorities for 2006 and unpublished documents the Administration gave Congress, has estimated the effects of the 2007-2010 cuts on individual programs – and individual states.

The Center's analysis shows that Arkansas would be hit hard by the proposed cuts:

- K-12 education funding to Arkansas would be cut by 44 percent or \$110 million, leaving the state less able to cover expenses like meeting the needs of special education students, improving teacher quality, and providing after-school programs.
- Arkansas would have to deny child care assistance to about 1,700 otherwise eligible families because of the cuts.
- The state would lose \$7.5 million in funding for the Women, Infants and Children (WIC) program, meaning 7,500 fewer Arkansas families would receive the healthy foods and the nutrition counseling provided by the program.
- The state would lose \$1.4 million in energy assistance, meaning 3,800 fewer Arkansas residents would receive help paying their heating bills if the state addressed the shortfall by cutting the number of people on the program.
- Arkansas would lose about \$73 million in assistance from various community development grant programs, a decrease of 36 percent.

The proposed budget cuts would also be detrimental to a state that has one of the highest poverty rates in the nation. The U.S. Census Bureau released figures (August 2004) that showed Arkansas' poverty rate at 18.8 percent, well above the national rate of 12.3 percent.

“So many low-and middle-income families are working but are still struggling to meet basic needs. We all want to use our money wisely, but this budget makes the wrong choices,” said Kathryn Hazelett, research and fiscal policy director at AACF.

The budget makes room for more tax breaks for the rich by cutting programs that benefit everybody else.

“We should be making sure we are adequately investing in children and helping struggling families make ends meet, not rolling back taxes for a few,” said Hazelett . “Any working parent can tell you how hard it is to find dependable and affordable child care. We should be supporting parents trying to hold down jobs, not making their lives more difficult.”

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Arkansas took a major step last year by investing \$40 million more in a quality pre-k program for at risk 3- and 4- year old children. Also, with the creation of ARKids First, Arkansas' uninsured rate fell from 19.4 percent in 1996 to 11 percent in 2002, which is less than the national rate.

“Our state lawmakers deserve a lot of credit for funding quality pre-k and creating ARKids First,” said Hazelett. “At a time when the Arkansas Legislature is facing many funding challenges such as school facilities, we are in no position to pick up programs that should be funded out of our federal tax dollars.”

Huddleston also points out that the estimated lost from the budget cuts don't include the possible funding cuts to Arkansas' Medicaid program which will only increase the amount Arkansas will lose.

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Arkansas Advocates for Children & Families is a statewide, child advocacy organization whose mission is to promote the well-being of children through research, education, and advocacy.

The new analysis by the Center on Budget and Policy Priorities, “Large Cuts to a Wide Range of Programs are Obscured in the Administration's Budget,” is available at the Center's website: www.cbpp.org. For more information on that study or other CBPP budget analyses, contact the Center's media team at (202) 408-1080.