

****FACT SHEETS INCLUDED****
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CONTACT: Laura Capps/Melissa Wagoner
(202) 224-2633

KENNEDY ON PRESIDENT BUSH'S BUDGET

WASHINGTON, D.C. –Today, Senator Edward M. Kennedy released the following statement on President Bush's budget:

“When the President addressed the nation on Tuesday, we heard a lot of nice rhetoric, but the real test of the President's commitment to progress is the budget he released today. The gap between the President's words and deeds has grown by leaps and bounds each year as he fails to live up to his promises, instead leaving ordinary Americans behind. Budgets are moral documents, and sadly this one shows an agenda that puts special interests above the interests of America's families. It shortchanges our opportunities, it shortchanges our future, and it shortchanges our global competitiveness.”

Below are fact sheets on cuts to education, working families, life sciences, research and development, and energy.

BUSH EDUCATION BUDGET JEOPARDIZES AMERICA'S FUTURE *Proposes Largest Cut to Education in the History of the Department of Education* **Senator Edward Kennedy**

“Our ability to compete in the global economy hinges on providing a strong education from birth through adulthood. We must provide a top-notch teacher in every elementary and secondary school classroom. We must provide incentives to bring high quality math and science teachers into high-poverty schools, and make significant investments in state-of-the-art classroom technology. To ensure our workforce is prepared to compete in the global economy, we must ensure our high school graduates can afford a college education or have access to high quality job training programs. Instead of meeting these goals with new investments in education, the budget released by President Bush today shortchanges our competitiveness, shortchanges our opportunity, and shortchanges our future.”
–Senator Kennedy

Less than a week after touting his State of the Union commitment to improving education to meet the challenge of global competition, President Bush's Fiscal Year 2007 budget proposes the largest cut to federal education funding in the 26-year history of the Education Department – a \$2.1 billion reduction, and a 3.8% cut below last year. His budget proposal:

- □□□□□ Underfunds the No Child Left Behind Act by \$15.4 billion.
 - Leaves behind 3.7 million children by freezing Title I grants to school districts at \$12.7 billion. As a result, 29 states, including Massachusetts, are projected to lose funding. In Massachusetts, 54,478 children would be left behind.
 - Leaves behind 2 million students who are eligible to receive after-school services, by flat-funding the program at \$981 million.
 - Flat funds the Math and Science Partnership teacher training program.
- □□□□□ Provides \$100 million for a new voucher program for students in schools identified for

restructuring under NCLB. After 5 years of being starved of the \$2.5 billion in school improvement grants they were promised, public schools would receive \$200 million in grants to help them meet the goals of NCLB and avoid the need for restructuring.

- □□□□ Retreats on the government's commitment to students with disabilities, by providing a smaller share of States' total costs for special education for the second year in a row.
 - IDEA funding would increase by only \$100 million, for a total of \$10.7 billion
 - This would provide 17% of the average per pupil cost, less than half of the federal government's commitment, and down from 18% last year and 19% in FY 2005.
- □□□□ Eliminates the Perkins Loan program, and freezes the Pell grant at \$4,050 for the fifth year in a row, despite the fact that tuition has increased 46% since 2001. In 1975, the Pell Grant covered 80% of the cost of a four-year public education, today it covers only 40%.

President Bush's modest proposed increases in funding for the No Child Left Behind Act, IDEA, math and science instruction, and new funding for another run at his high school initiative are paid for by eliminating 42 programs (\$3.5 billion), many of which the President proposed eliminating last year, including vocational and technical education, education technology state grants, safe and drug free schools state grants, and programs to improve college access and retention including GEAR UP, TRIO Talent Search and Upward Bound. Once again robbing Peter to pay Paul.

The President's FY 2007 Education Budget Continues his Track Record of Broken Promises:

- □□□□ In 2001, President Bush said he would leave no child behind. But since the No Child Left Behind Act passed, the President and the Republican Congress have shortchanged funding for the law to the tune of \$55.7 billion. The Republican budget bill passed in December cuts funding to \$1 billion below last year's level. This is the second year in a row that President Bush called to end federal funding for key programs that support family literacy, classroom technology, dropout prevention, and smaller learning communities.
- □□□□ For the fifth year in a row, the maximum Pell grant remains a thousand dollars lower than the President promised in 2000. This is the second year in a row that the President called to end the Perkins Loan program and eliminate federal funding for vocational education and programs that support college access and retention.
- □□□□ In December the Senate passed a bill that would have leveled the playing field for needy college students, by adding an additional \$6 billion to help all Pell grant recipients, but the program was rejected in the final Republican budget. The President's budget includes no increase in the maximum Pell grant.

If President Bush were truly committed to helping America meet the challenge of global competition he would:

- □□□□ Fully fund the No Child Left Behind Act at \$39.4 billion, as promised. His proposed \$529 million increase is one-fifth the \$2.6 billion increase promised in the law.
 - Fully fund Title I at \$25 billion, as promised.
 - Fully fund after-school programs at \$2.5 billion, as promised.
 - Fully fund the math and science teacher training programs at the Department of Education at \$450 million, as promised.
 - Fully fund education technology grants at \$1 billion, as promised.
 - Fully fund school improvement grants at \$500 million, as promised.

- □□□□□ Stay on track to meeting the federal government's commitment to fully fund its share of special education services by 2011, by providing \$6.3 billion to meet the FY07 funding level promised in the law.
- □□□□□ Provide \$1.3 billion for key NSF programs to improve K-12 and postsecondary math and science education, including \$400 million for the Math and Science Partnership program that trains teachers in cutting-edge instruction.
- □□□□□ Raise the maximum Pell grant to \$5,100 as he promised in his 2000 election, and increase funding for vocational education and programs that improve college access and retention.

MASSACHUSETTS FACT SHEET

Title I

President Bush's FY 07 budget leaves Massachusetts with \$180 million less than promised in NCLB. 54,478 children will be denied the Title I services promised in NCLB.

IDEA

President Bush's FY07 budget provides Massachusetts with \$151 million less than the amount authorized in the recently enacted IDEA reauthorization.

Afterschool Funding

President Bush's FY07 budget provides Massachusetts \$27.8 million less for after-school programs than promised in NCLB. 37,641 children will be denied the after-school services promised.

Education Technology Grants

President Bush's FY07 budget eliminates all federal funding for the education technology grant program under NCLB. Last year, Massachusetts received \$4 million through this program to put state-of-the-art technology in classrooms across the state.

Safe and Drug Free Schools

President Bush's FY07 budget eliminates funding for safe and drug-free state grants. If his budget is enacted, Massachusetts will lose \$6.4 million for this program.

Head Start

President Bush's FY07 budget provides no increase in Head Start funding. At the current funding level, over 15,000 eligible Massachusetts preschoolers are not being served. Because the President does not even provide an increase for inflation, if his budget is enacted, many Massachusetts children currently enrolled in Head Start classrooms will be dropped.

Even Start

President Bush eliminates all funding for Even Start. There are 24 Even Start programs in Massachusetts that will lose their funding. Communities affected are: Attleboro, Boston, Cambridge, Clinton, Fall River, Greenfield, Haverhill, Holyoke, Lawrence, Lowell, Lynn, Malden, Methuen, New Bedford, Northampton, Orange, Pittsfield, Newburyport, Springfield, Waltham, and Watertown. In FY 05, Massachusetts received \$3.5 million for the Even Start program. Due to budget cuts last year, the state will see its FY 06 funding cut by more than half to \$1.3 million. If President Bush's budget passes, these programs will receive no federal funding at all.

Vocational Education

President Bush calls for an end to all federal funding for vocational education and tech-prep programs.

If enacted, Massachusetts will lose \$20.2 million in funding for these programs.

Pell Grants

President Bush includes no funding to increase the maximum Pell grant, leaving it frozen at \$4,050 for the fifth year in a row. His new aid program helps less than 10% of Pell grant recipients. Under the President's plan, over 72,000 Pell grant recipients in Massachusetts will receive no increase in need-based aid.

THE BUSH BUDGET SHOULD PRIORITIZE WORKING FAMILIES **Senator Edward Kennedy**

“Working families are increasingly anxious about their future in the global economy. Americans once believed that if they worked hard and played by the rules they could live the American dream. They could earn more each year, provide safety and security for their families, and save for retirement. But today Americans are losing faith in that dream. Globalization is creating a “race to the bottom” where good jobs are being shipped overseas, and the wages and working conditions of hardworking Americans are suffering. Despite working harder and longer than ever before, working families just can’t make ends meet. Since President Bush took office, his shortsighted economic policies and bad budgeting decisions have accelerated the race to the bottom, protecting profits while ignoring the plight of working families.” -Senator Kennedy

This year, the President must do more than pay lip service to the serious challenges our economy is facing – he must prioritize the issues that matter to working families in preparing the federal budget. A responsible budget would:

- Strengthen existing job training programs by increasing funding.
 - Expand Trade Adjustment Assistance to cover all countries and workers in all sectors of the economy, including service sector workers that are increasingly the victims of outsourcing.
 - Modernize our Unemployment Insurance System by covering part-time and low-wage workers and extending benefits for the long-term unemployed.
 - Recognize that enforcement of Americans’ basic labor rights – including the right to organize and the right to be free from discrimination – is key to preventing a “race to the bottom” by fully funding the National Labor Relations Board and the Equal Employment Opportunity Commission.
 - Increase funds to help the International Labor Affairs Bureau investigate and eliminate the use of forced labor, child labor, and other practices that undermine basic human rights around the world.
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- □□□□ Significantly increase funds to protect worker safety and give the Occupational Safety and Health Administration, the Mine Safety and Health Administration, and the National Institute of Occupational Safety and Health needed resources to improve safety standards, increase enforcement personnel, and develop and implement new safety technology. Target funds to address the immediate crisis in mine safety, by requiring mines to have up-to-date communications, rescue, and safety equipment, similar to that required in other developed countries.
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- Help low and middle-income workers to save by expanding the Savers’ Credit and encouraging the growth of employer-based retirement plans.
 - Invest in programs that create good American jobs for the future, in high-paying industries like high-tech manufacturing.

The President's track record ignores the needs of American workers:

Job training. Our workforce needs greater skills and better education to be competitive in the global economy. This starts with helping the workers that are losing their jobs today, including the more than 165,000 workers currently unemployed in Massachusetts. But the President's budget cuts funds for job training by more than \$819 million, or almost 9 percent, including:

- Slashing funds for Job Corps by \$55 million.
- Requiring 75% of all federal job training funds to be used for "Career Advancement Accounts" that drastically reduce the availability of free federal job training.
- Combining adult and dislocated worker funding under the Workforce Investment Act (WIA) and Employment Service (ES) programs into a single block grant, eliminating discrete programs that provide vital services to groups with special needs, like Native Americans and unemployed youth.

Investing in High Quality Jobs of the Future. More and more U.S. jobs are being shipped overseas in the global economy, particularly good jobs in the manufacturing sector. Since President Bush took office, more than 96,000 Massachusetts manufacturing jobs have been shipped overseas. Yet the President's policies have undermined the competitiveness of American companies in manufacturing industries that create good-quality jobs for American workers. The Bush budget cuts funding for the Manufacturing Extension Partnership – which helps small manufacturing businesses adopt the latest procedures and technology – by \$67 million, or 59%, and eliminating entirely the Advanced Technology Program – which provides seed money for high-risk, high-reward research and development in technology.

Retirement Security. Instead of increasing retirement security for working Americans, the Administration has again proposed the creation of Lifetime Savings Accounts and Retirement Savings Accounts to allow more tax-free savings for the wealthy. This approach to retirement security does nothing to ease the retirement crisis for most middle and low-income families, who would not be able to benefit from such a plan. The Administration's plan also jeopardizes the small business pension plan system by eliminating incentives employers have to offer a pension. Employees of small businesses thus risk losing their pensions completely.

Preserving Workplace Rights. America remains competitive when we protect our most valuable asset – our workers. Yet, the Bush administration is ready to surrender workers' basic rights and join the race to the bottom. The President's budget cuts funding for the already under-funded Equal Employment Opportunity Commission (that protects workers from discrimination), and inadequately funds the National Labor Relations Board (that protects the right of workers to organize and have a voice in the workplace). The budget also cuts funds for the Office of Disability Policy by \$7 million, or 27%.

Worker Safety and Health. The safety of American workers cannot be sacrificed in our quest to remain competitive. Recent tragedies have shown us all too clearly the dangers of racing to the bottom by sacrificing safety.

- The Administration has failed once again to keep with increases for inflation in key worker safety areas: spending for OSHA's budget has been cut by 3% in real dollars since 2001 and MSHA's budget for coal enforcement has been cut by 9%, adjusting for inflation increases.
- Since President Bush took office, he has repeatedly tried to slash money to train workers in safety practices and equipment. This budget again seeks to eliminate OSHA funds for worker safety and health training—over \$10 million.
- This budget also slashes \$4 million from the National Institutes of Occupational Safety Health—money that is needed to develop and test new safety equipment and technology, including mine safety equipment.

- The Administration's funding cuts in the last five years have resulted in in drastic personnel reductions—over 160 staff positions have been cut from OSHA and 170 staff cut from MSHA. Despite the demonstrated need, this budget does not increase personnel.

Ending Abusive International Labor Practices. If American workers are going to compete on a level playing field in the global economy, we must work to raise labor standards around the world. The vital first step is to end abusive labor practices like child labor. Yet the President's Budget cuts funding for the International Labor Affairs Bureau's global efforts to combat child labor by more than \$60 million, or 83%.

Disabled Federal Workers. The Administration is also seeking to reduce benefits for disabled federal workers. These proposed cuts will harm federal workers with dependents and long-term disabled workers. The Congressional Budget Office scored these changes as having minimal savings, but they would mean real harm to tens of thousands of federal workers and their families.

**THE BUSH BUDGET
IGNORES THE NEEDS OF LOW-INCOME FAMILIES
Senator Edward Kennedy**

The number of poor and hungry Americans has risen consistently since President Bush took office in 2000. The increase in poverty under President Bush can be contrasted with the Clinton years.

Between 1993 and 2000, more than 8 million families, including four million children moved out of poverty, and the total poverty rate fell 25 percent, from 15.1 percent to 11.3 percent, the lowest level since 1974. America's children are more likely to live in poverty than Americans in any other age group. In fact, the poverty rate for children in the United States is substantially higher than that of most other major Western industrialized nations. Denmark and Finland have a child poverty rate of less than 3 percent compared to 17.8 percent in the United States.

Poverty and Hunger in the United States

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- Today, 37 million Americans are in poverty--an increase of 5.4 million people since 2000.
- Poverty rates are highest for African-Americans (24.7 percent) and Hispanics (21.9 percent).
- 38 million Americans are hungry or on the verge of hunger—an increase of 5 million since 2000.
- One in five low-income households with members who are elderly are hungry or on the verge of hunger.

- Households with incomes below the official poverty line have a higher rate of food insecurity (36.8 percent), as do single female headed households with children (33 percent), African-American non-Hispanic households (23.7 percent), single male-headed households with children (22.2 percent), and Hispanic households (21.7 percent)
- Over 47 percent of all hungry households have incomes above 130 percent of poverty, which in most cases would make these houses ineligible for food stamps.
- 13 million children live in poverty—an increase of 1.4 million since 2000.
- African-American children, and Hispanic children are much more likely to live in poverty than white children. One third of African-American children are low-income, as are nearly a third of Hispanic children.
- 7 out of 10 poor children live in a working family, and 1 poor child in 3 lives with a full-time year-round worker.
- Over 8 million children under 18 in the U.S. lack health insurance. With a 2004 uninsured rate of almost 19 percent, poor children are more likely to be uninsured than children generally.
- 14 million children are hungry or on the verge of hunger—an increase of almost a million since 2000.
- Households with children have double the rate of food insecurity when compared to households without children (17.6 percent v. 8.9 percent).

Hunger and poverty are prevalent in every state, including Massachusetts.

- 570,000 people (9.2 percent) live below the poverty line in Massachusetts.

- 182,000 children (12.5 percent) live in poverty.
- 93,000 children (6 percent) live in extreme poverty—they live below 50 percent of the poverty line.
- Over 7 percent of households (179,000 households) are hungry or on the verge of hunger.
- Among families with children in low-income communities the prevalence of hunger is four times greater than it is statewide.

The President's Budget

The President has once again ignored the needs of low-income families by cutting successful programs. Instead of helping our most vulnerable citizens, this budget makes it more difficult for them to overcome poverty and reach a level of self-sufficiency.

- **Community Service Block Grant (CSBG):** The state agencies and the community action agencies funded by the Community Service Block Grant program fight poverty and encourage self-sufficiency in low-income communities everyday. Their services include literacy, child health care, after-school activities, low-income housing development, food stamps, low income home energy assistance, and emergency shelter assistance. CSBG currently serves over 15 million individuals nationwide. CSBG enables the 24 Community Action Agencies in Massachusetts to serve over 472,000 individuals, including more than 161,000 children and youth, and a total of nearly 240,000 families. After the hurricanes, Community Action Agencies were some of the first organizations to respond, and provide necessary assistance to the poor and displaced. To date the CSBG Network has assisted over 355,664 Katrina and Rita evacuees. Unfortunately, the President proposes to eliminate this program.
- **The Low Income Home Energy Assistance Program (LIHEAP):** LIHEAP is a highly successful federal program available to prevent the poorest of poor from making impossible tradeoffs. LIHEAP grants money to low-income families who can't afford the steep cost of energy. Unfortunately, this program continues to be severely underfunded. The President provides only \$1.782 billion for the program—far less than the authorized level of \$5.1 billion. Total funding for FY07 will equal \$2.782 when combined with the \$1 billion provided in the Budget Reconciliation bill. Massachusetts will receive \$82,764,000 in regular funding, only slightly above last years allocation and far less than what is needed.

- **Social Services Block Grant (SSBG):** SSBG funds programs for domestic violence, meals on wheels, child welfare services, services for disabled children and adults, child care, long term care, and many other services. The President cut this essential funding by \$500 million. This means a cut of over \$10.5 million for Massachusetts, plus an additional cut of almost \$215,000 for Massachusetts Blind Services.
- **Commodity Supplemental Food Program (CSFP):** CSFP provides monthly nutritious food packages primarily to low-income seniors aged 60 and older in parts of 32 states, the District of Columbia, and two Indian reservations. The President eliminates this program, cutting food assistance to over 400,000 low-income seniors in an average month.
- **Food Stamp Program:** The President’s budget cuts food stamps by almost \$2 billion and includes a significant policy proposal. The budget restricts categorical eligibility for individuals receiving TANF-funded benefits. According to CBO, this change would eliminate food stamp eligibility for approximately 250,000 individuals.
- The President cut funds for elderly housing by \$197 million, and cut funds for disabled housing almost in half, by \$118 million. This means that new housing for the elderly will be severely reduced, and all new construction for the disabled will be eliminated. The President cut Public Housing by \$458 million (7.5 percent), and reduced fund for the Community Development Block Grant.

**REAL REFORM IS NEEDED TO FULFILL THE PROMISE OF THE
CENTURY OF THE LIFE SCIENCES**

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We are in the century of the life sciences – a time of extraordinary promise for new medical miracles. But for too many Americans, quality affordable health care is a distant dream. It should be a right, not a privilege. America faces a health care crisis. Too many Americans are uninsured, and the number of the uninsured is increasing at an accelerating rate. No American family is more than one pink slip or one employer decision to drop coverage away from being uninsured. Health care costs are too high and are rising at double-digit rates. America can do better, but the budget makes the health care crisis worse.

A Track Record of Failure

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The Bush Administration has fanned the flames of America’s health care crisis, by failing to offer real solutions and pandering to special interests. The Medicare drug “plan” was turned over to the insurance industry, denying seniors the choice of remaining with the Medicare program they know

and trust. The results were so disastrous that the President did not even mention the program in the State of the Union address. 46 million Americans have no health insurance. Since 2000, nearly six million more Americans have become uninsured – that’s an increase of 4,000 people every day. The large and growing number of the uninsured is only part of the health care crisis. Costs are rising out of control, making health care coverage less affordable, and undercutting American industry in the global marketplace. Insurance premiums have increased a whopping 73% in the last five years. That rate is more than five times higher than the growth in earnings – putting quality health care out of reach of millions of Americans. The Administration has put ideology over progress in medical research, by imposing the worst budget cuts in 35 years on NIH, and blocking lifesaving stem cell research.

The President’s Budget

The President has said that he wants to achieve bipartisan progress in health care. The budget is the true test of whether that desire is real, or simply election-year rhetoric. Here are the questions to ask to see if the budget that the President will propose has adopted the path of cooperation or confrontation:

- **Medicare.** The path of cooperation would be to fix the disastrous Medicare drug benefit. The path of cooperation would be to reduce Medicare spending only by cutting overpayments to HMOs and drug companies. This partisan budget chooses confrontation by cutting more than \$105 billion over the next ten years from Medicare payments to hospitals and nursing homes that will erode the quality of care that seniors receive. The budget proposes the unprecedented step of proposing massive across-the-board cuts on Medicare, regardless of Congressional action.

The budget cuts funding for Massachusetts hospitals by \$14 million in 2007 – over \$11 million for inpatient care and almost \$3 million for outpatient care. These cuts come as hospitals are being asked to improve quality, invest in health IT, prepare for public disasters and provide care for increasing numbers of uninsured and underinsured patients. The budget cuts funding for Massachusetts home health agencies by an additional \$10 million in 2007. Massachusetts home health agencies already were cut \$10 million per year in the recent budget reconciliation bill.

- **Health care coverage & costs.** A bipartisan approach to reducing costs and improving coverage would improve health care coverage through measures with broad support, such as expanding CHIP or restoring the cuts in Medicaid, and would address the soaring cost of drugs by allowing importation of safe medicines from Canada and other industrialized nations. Instead, this partisan budget proposes only gimmicks, like HSAs, that will worsen the health care crisis. In fact, the budget proposes increasing the amount of the tax giveaway to make these tax shelters more attractive to wealthy investors. The budget also proposes taking the first step to privatizing Medicare and replacing it with chancy private accounts that give no guarantee of quality health care.

On the heels of major cuts in Medicaid, the budget proposes further cuts of over \$17 billion in the next ten years. These measures mean reduced care and worse health for millions of poor and disabled Americans.

- **Public Health Priorities.** A bipartisan budget would respect the nation’s commitment to medical research by providing a meaningful increase in the NIH budget and restoring funds to

essential health programs slashed in prior years. This partisan budget imposes draconian cuts on NIH. Of the 19 NIH institutes, 18 will lose funding. That means less research into cancer, diabetes, stroke, spinal injuries, and many other serious illnesses. As a result of these cuts, NIH will cut the number of grants it funds by over 600, resulting in a loss of over 60 new grants to Massachusetts alone. The budget also decimates funding for critical health programs, such as preventive health, training medical professionals, emergency medical services for children, and hearing screening for newborns. The budget slashes funds for children's hospitals to train pediatricians, pediatric specialists and pediatric researchers by more than 66%. Boston Children's Hospital would be cut by \$14 million in 2007.

Although the President's budget adds an additional \$188 million for HIV/AIDS drugs and testing, the budget continues to level fund the health programs in Ryan White that actually provide the care and treatment people need once they are identified as having HIV/AIDS. A program for aggressive testing is only as good as the services an individual receives once they have been identified.

Medicare for All

The real solution to the health care crisis is to make Medicare available to every American who wants to enroll in it. Administrative costs are low, patient satisfaction is high, and patients have the right to choose any doctor and hospital they think is best. Senator Kennedy has introduced legislation (S. 2229, the "Medicare for All Act") to extend Medicare to all Americans. Those who prefer private insurance can choose any plan offered to members of Congress and the President. To ease the transition, Medicare for All will be phased in by age group, starting with those 55-65 years old and children up to age 20. Our budget priorities should also respect America's commitment to finding new cures for serious illnesses, and to aiding those affected by the challenge of disease by supporting health programs.

THE BUSH BUDGET SHOULD MAKE A REAL AND SERIOUS COMMITMENT TO RESEARCH AND DEVELOPMENT AS A KEY TO MEETING THE CHALLENGE OF GLOBAL COMPETITION Senator Edward Kennedy

"Research and development is the cornerstone of innovation and the key to strength and prosperity in the global economy. We have long been a global leader in research and development. But increasingly fast-growing countries like China, Ireland and South Korea are recognizing the immense potential R&D has for stimulating economic growing and are ramping up their investment in it. To maintain our position as global leader in research and development, we must charge ahead and redouble our efforts to fund and encourage research and development both in the private sector and at federal agencies. Innovation is important for its own sake, but it also creates jobs and is what drives our economy forward." –Senator Kennedy

Overall the President's budget includes respectable increases in research and development. But the devil is in the details and there are glaring omissions that are consistent with last year's proposal.

- The NSF budget increased \$328 million almost all of it went to increase nanotechnology research investment. The NSF is the third largest source of R&D funding in Massachusetts – 5% of federal R&D funding goes to Massachusetts.

- The President's budget cut Biological and Environmental Research funding at the Department of Energy by nearly \$70 million, or a reduction of 12% from its 2006 appropriated level. BER includes a broad range of research activities that can impact energy, homeland security, human health, the environment, and agriculture. For Massachusetts, the 2007 budget proposal would result in a 66% cut from the \$15.4 million for 2006 to \$5 million in 2007.
- The budget includes a \$16 million cut to the NIH's total budget, including \$7 million in cuts to research and development contracts.
- DOD research decreased 5% by over \$700 M. The Department of Defense is the largest source of R&D funding for Massachusetts – 50% of total federal R&D funding to Massachusetts.
- Although the President's budget for NASA's Science, Aeronautics and Exploration increases funding by 8.8% or \$860 M, it also includes the elimination of funding for space science, earth sciences, biological and physical research and decreases aeronautics research by almost 30%.
- Bush's budget increases the National Standards and Technology Institute's funding by \$61 million or 15% but virtually eliminates the Advanced Technology and Manufacturing Extension partnership programs under the Department of Commerce.

The President's Track Record on Research and Development is One Broken Promise after the Next:

- 2006 Federal research and development spending, outside of defense weapons and human space exploration technologies, fell nearly 2 percent after adjusting for inflation. And the President's 2006 budget request included \$2.5 billion more in cuts than what was approved by Congress.
- On the President's watch, federal research investment is shrinking as a share of the U.S. economy – federal R&D investment has plateaued at 1.1 percent of U.S. GDP.

- NIH, NSF, DOE, and USDA all have less basic research funding in real terms in 2006 than they had in 2003. The National Institutes of Health's 2006 budget fell for the first time in 36 years.
- Although NASA's R&D funding increased it only increased for human space vehicle development. Aeronautics research is down 3.4%; Earth sciences research funding is down 8.3%; and Biological and physical sciences research funding is down 14.4% from last year.
- Since 2001 the Bush Administration and the Republican Congress decreased funding and sought to eliminate critical programs at the Department of Commerce. Manufacturing Extension Partnership funding from \$145M in 2001 to \$106M in 2006.
- In 2006, the Advanced Technology Program has less than half the amount of funding it did in 2001. The President's budget sought to eliminate the program entirely.

If President Bush is true to his promises to keep America competitive and move the economy forward, he should

- Make the Research and Development Tax Credit permanent.
 - R&D leads to greater employment growth as compared to overall private sector employment. From 1994 to 2000, research and development employment grew 5.4% annually, compared with 2.7% in total employment.
- Across the board increases of at least 10% per year in the R&D budgets of every Federal agency particularly at the National Institutes of Health which invest in critical life science research that leads to life-saving treatments and cures.
- Increase investment in the earth and physical sciences and computer technologies engineering at the National Science Foundation, Department of Energy, the Department of Commerce and other major federal research agencies.
- Increase investment in the Department of Commerce R&D and other critical programs that facilitate the transfer or application of new technologies from the lab into the marketplace. Special attention should be given to application of manufacturing technologies in energy and the promising field of nanotechnology.

BUSH BUDGET SHOULD PRIORITIZE MAKING AMERICA MORE ENERGY EFFICIENT AND INDEPENDENT

Senator Edward Kennedy

“Discovering, developing and deploying new and clean energy sources and improving energy efficiency will be major challenges of the 21st century. We can no longer ignore the real world consequences of America’s reliance on fossil fuels, particularly foreign oil imports. Fossil fuel imports are devastating our environment, threatening public health and putting our national security at risk”

President Bush acknowledged that the nation’s “addition to oil” in his State of the Union Address. But, instead of prioritizing new energy efficiency and renewable energy technologies, his budget proposal would:

- □□□□□ Provide an anemic 0.2% budget increase at the Department of Energy’s Office Energy Efficiency and Renewable Energy, the office which is charged with supporting the development and deployment of clean power technology. EERE’s budget fails to keep up with inflation even if the White House projections of 2.4% inflation for the next five years holds true. For Massachusetts, the 2007 EERE budget would result in a cut of more than 60% --- from the \$15.3 million provided in 2006 to a proposed \$5.7 million for 2007.
- □□□□□ Cut 30% from the Weatherization Assistance Program which reduces household energy expenditures by aiding low-income households to become more energy efficient. The Energy Policy Act the President signed into law last year authorized the program up to \$600 million in 2007. Instead, the fiscal year 2007 budget would reduce funding for the program from the \$242 million level provided for 2006 to \$164 million. For Massachusetts, this could mean a loss of more than \$2.2 million in federal weatherization assistance.
- □□□□□ Cut 9% from the Vehicle Technologies Program which funds the development of more energy-efficient technologies for cars and trucks. The 2006 appropriation for VTP provided \$182 million, but the 2007 budget request would cut that funding level to \$166 million.
- □□□□□ Cut 10% from the Federal Energy Management Program which works to reduce energy consumption in federal buildings by expanding the use of renewable energy technologies. The current year’s appropriation of \$18.9 million would be cut to \$16.9 million under the White House budget proposal for 2007.

The President’s Track Record on Energy has been to hand out lavish tax breaks on the fossil fuel industry and under-fund alternative energy programs:

- □□□□□ In early 2001, Vice President Richard Cheney began holding top secret meetings with executives from big energy companies to unveil a national energy strategy. Energy conservation and public interest groups were shut out of the conversation. And the product of those top secret meetings was a bill that the GOP-controlled House and Senate leadership and their party’s financiers could support.
- □□□□□ In April 2005, President Bush said, “I will tell you with \$55 oil we don’t need incentives to oil and gas companies to explore. There are plenty of incentives. Yet, the following August, he signed into law an energy bill that provides hundreds of millions of dollars in incentives to the fossil fuel industry.

- His budget request for fiscal year 2006 sought to cut energy efficiency and renewable energy programs by \$50 million.