

The Congressional Progressive Caucus Fiscal Year 2008-17 “Peace & Security” Budget Alternative

Mission Statement:

The federal budget goes far beyond numbers. The way a nation chooses to collect and distribute its resources defines that nation in the eyes of its citizens and the rest of the world. For too long, the United States federal budget has distributed a disproportionate amount of funding into the military industrial complex, while domestic priorities have gone under-funded. This misappropriation of resources, with military funding accounting for more than half of all discretionary spending, creates the opposite of the desired effect. Instead of providing for our security, it actually makes us less safe and weaker as a civil society. Funding needs to be redistributed to priorities, both domestic and international, that help our nation to become more secure and promote non-violent problem-solving and peace worldwide.

Benchmarks:

- ✍️ ~~The~~ The Peace and Security Budget has a non-defense, domestic discretionary spending number of just over \$483 billion. This is roughly \$68 billion over the FY08 Resolution approved by the House Budget Committee and \$88 billion over President Bush’s FY08 Budget submitted to Congress last month. Leading social justice and economic fairness groups like the Coalition on Human Needs and the Emergency Campaign for America’s Priorities have been advocating for at least \$450 billion.

- ✍️ ~~The~~ The Peace and Security Budget balances by FY 2010, two years ahead of the budget approved by the House Budget Committee and the Republican Substitute. The President’s Budget comes close in FY 2012, but **doesn’t reach surplus** in the next ten years.

- ✍️ ~~The~~ The Peace and Security Budget spends \$395 billion on defense, which is \$86 billion under both the President and the FY08 Budget Resolution as reported from the House Budget Committee, while not compromising our national security.

Highlights:

- ?? **Iraq**– projects complete U.S. military redeployment out of Iraq during 2007– savings of at least \$ 202 billion in the next two years;
- ?? **Target waste, fraud, and abuse, starting with Pentagon savings** – projects enactment of the Common Sense Budget Act, which would save at least \$60 billion/year on largely obsolete Cold War weapons systems *plus* tens of billions more in waste, fraud, and abuse in DOD spending identified by the nonpartisan Government Accounting Office (GAO)- savings of at least \$600 billion over ten years;
- ?? **Repeal of Bush tax cuts for the top 1% of taxpayers** -- due to expire in 2010 regardless and beyond – savings of at least \$348 billion;
- ?? **Crackdown on corporate welfare** – increased revenue of at least \$17.1 billion/year from the elimination of some of the many corporate tax loopholes throughout the tax code as well as special tax breaks for the oil and gas industry and other extraction industries ;
- ?? **SMART Security Alternative to Preemption Doctrine** – shifts some spending and increases other non-military spending to enhance homeland security and fight the root causes of terrorism – 21st century diplomacy and meeting basic human needs (e.g. HIV/AIDS/TB, universal basic education for all);
- ?? **Global Warming and Energy Independence**– funding for immediate, cost-effective steps to redress global warming and the rapid acceleration of renewable energy development ;
- ?? **Education for All** – fully fund NCLB and IDEA and improve Teacher Corps and job training;
- ?? **Medicare for All** – affordable, accessible, quality health care for all Americans, starting with fully funding of the S-CHIP program to ensure that every American child eligible is covered for basic health insurance;
- ?? **Guaranteed Veterans’ Health Care** – ensure whatever federal funding is needed to provide health care (including mental health care) for All America’s veterans (including but not limited to veterans of the Iraq and Afghanistan military operations);
- ?? **Fair Shake for Middle-Class** – increase funding to protect fundamental worker rights, enforce fair credit and lending practices, and promote livable wages and safe workplaces;
- ?? **Renew the Social Contract and 21st Century Safety Net** – substantially increase funding for decent affordable housing, anti-hunger programs, and more quality child care for low-income and impoverished Americans (including Hurricane Katrina victims); and
- ?? **Rebuild America’s Communities** –increase funding for Community Development Block Grants, Hurricane Katrina relief and reconstruction, community policing, and priority clean-up of leaking underground storage tanks that threaten the drinking water of nearly half of all Americans – a down payment on the implementation of other urgently needed environmental justice programs.

(Detailed EXCEL Spreadsheet is attached.)

National defense (050)

The Progressive Caucus Budget will be the only budget alternative offered in this debate that will actually cut even one penny from the Pentagon budget below the full amount that President Bush requested for Fiscal Year 2008 -- an 11% boost over last year.

Unified Security Budget

If Congress fully funds President Bush's military budget request of \$623 billion (including Iraq and Afghanistan operations) for next fiscal year, our nation will spend more on our armed forces next year than at any time since World War II.¹ As Bush Administration officials defend their latest defense spending request before congressional committees, they and their supporters are also arguing for a substantial increase above this amount in future years, even as they disingenuously project spending on the current operations in Iraq and Afghanistan to go down. A consistent theme of these presentations is that military spending currently represents a relatively low percentage of our national Gross Domestic Product. We should spend more, according to this argument, because we can.

This (arguable) idea that we *can* begs the question of whether we *should*. As our country seeks to extricate itself from a disastrous attempt to remake the Middle East by means of military force, this is the time for a serious and overdue debate on the long-term direction of our foreign policy. The Bush Administration's national security doctrine of preemptive warfare, drawn up before the current wars were launched, prescribes an expansive, global role for the U.S. military, one that even current levels of spending and manpower don't come close to covering. After five years of failed tests, it's time to ask: do the Bush doctrine of preemptive warfare and its costs make sense? Does it make us safer and more secure?

According to current polling, majorities of Americans beyond the Washington, D.C. Beltway believe that our current aggressive, unilateral foreign policy has eroded our standing around the world and made terrorist attacks more likely. They support a different course—a less militarized, less unilateral approach.² The Iraq Study Group

¹ This figure includes the amounts requested for the wars in Iraq and Afghanistan. The historical comparison is adjusted for inflation. See Steven M. Kosiak, "Both DOD Base and War Budgets Receive Big Boosts, Total Funding at Highest Level Since The End of the World War II," Center for Strategic and Budgetary Assessments, February 5, 2007, www.csbaonline.org.

² See "Seven in Ten Americans Favor Congressional Candidates Who Will Pursue a Major Change in Foreign Policy: US Public Wants Less Emphasis on Military force, More on Working Through United Nations," <http://www.worldpublicopinion.org/pipa>.

pointed in this direction by recommending a path out of the current Iraqi quagmire that shifts the emphasis of our national security strategy from military forces to diplomacy. Meanwhile, the armed service chiefs and civilian Pentagon leadership of the Bush Administration are laying the groundwork to fund the expansive, global military role with a permanently expanded Pentagon budget. This is an urgently-needed policy debate, to put it mildly, worth having. This is one of the principal reasons why we are offering this Progressive Caucus Budget Alternative. We are not serving the American people and American taxpayers well by glossing over this new 21st century budget challenge.

One useful, currently missing tool to ground and better inform the federal budget debate, we argue, would be a Unified Security Budget (USB). It would pull together in one place U.S. spending on all of its security tools: *tools of offense (military forces), defense (homeland security) and prevention (non-military international engagement.)* A unified Security Budget would make it much easier for Congress to consider overall security spending priorities and the best allocation of them.

It would, for example, enable consideration of security trade-offs like the following: the F-22 fighter jet, one of the most troubled and strategically questionable programs in the arsenal, is set to receive an increase in FY 2008 of \$600 million.

?? **Finding:** Foregoing this increase could allow the U.S. to triple the amount it plans to spend on canceling the debt that is crippling development in the poorest countries in the world. Or it could increase by 50 percent U.S. contributions to international peacekeeping operations. Or it could more than triple the amount allocated in FY 2007 for domestic rail and transit security programs.

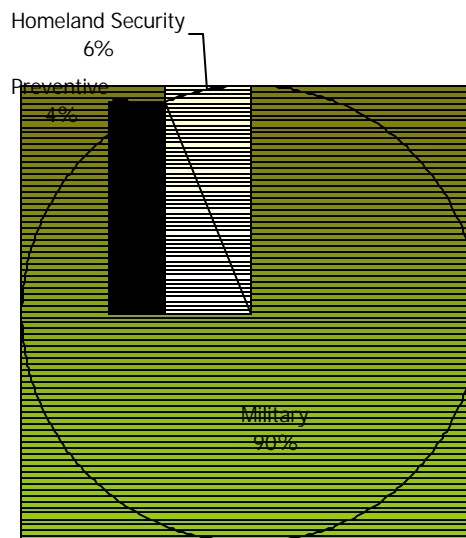
?? **Or consider:** The cost of one *day's* military operations in Iraq—approximately \$350 million—would cover the entire requested budget for the State Department's Office of Reconstruction and Stabilization for a *year*. This corps of civilian experts in post-conflict rebuilding, envisioned for Iraq and other locations such as Haiti and Sudan, has been an unfunded political football since it was proposed in 2003. The Pentagon supports it. "If you don't fund this, put more money in the defense budget for ammunition—because I'm going to need it," one Marine general recently said.³

Since 2004, a Unified Security Budget Task Force made up of some of our nation's leading national security and military strategists has produced an annual report sketching the outlines of a Unified Security Budget. Their expertise spans all three security domains—offense, defense and prevention. We recommend reading their report to all of our colleagues. It lays out the spending levels and relative proportions allocated by President Bush's FY 2008 budget request to each of them. Let me highlight a few key findings:

³ Rajiv Chandrasekaran, "Iraq Rebuilding Short on Qualified Civilians," Washington Post, February 24, 2007, p. A1.

?? **Finding:** While cutting most of the rest of the discretionary budget, the Bush request increases real spending in all three security categories. The defense and prevention categories actually get larger increases, as a proportion of their total budgets, than does offense. But in absolute terms, of course, military spending increases the most. And comparatively, defense and prevention remain vastly overshadowed by spending on offense. Foreign policy by military force is underwritten at 21 times the level allocated to all non-military forms of engagement with the world; it receives 14 times the amount devoted to protecting the homeland; it will outspend both defense and prevention put together -- that is, all forms of non-military security spending -- by a factor of 9 to 1. In other words, **President Bush wants to devote 90 percent of our foreign and security policy resources to engaging the world through military force.**

National Security, Proposed FY2008
(Budget Authority)



Based on OMB, *Budget of the U.S. Government, FY2008.*

One of the drivers of this gaping Bush disparity between military and non-military security spending is the federal commitment to a set of dazzlingly complex weapons systems whose capabilities have more to do with pork barrel inertia than strategic sense, and whose future costs are set to grow even larger as many of them move from development to production phases. In making its case for a rebalanced security portfolio, our Progressive Caucus budget identifies cuts in these programs and explains why they can be made with no sacrifice to U.S. national security. And it identifies a nearly equivalent amount for increased investment in activities and programs that engage the

world by non-military means—including diplomacy, non-proliferation, and economic development—and that strengthen our homeland defenses.

?? **Finding:** The shift recommended in the Progressive Caucus budget away from spending on offense and additional spending on defense and prevention—would roughly convert a highly militarized security ratio of 9 to 1 into a better balance of 5 to 1.

The hard part will be getting this done on Capitol Hill. A congressional budget process working through “stove piped” committees that rarely talk to each other makes this difficult.

But rebalancing security spending to reflect post 9/11 realities and needs is not a task that can wait. The latest BBC World Service poll shows that U.S. standing in the world has deteriorated substantially in the last year alone.⁴ And valuable time is being wasted on key security priorities, such as the one that President Bush has identified as Number One --- preventing nuclear terrorism.

?? **Finding:** Among other cuts in spending on nonproliferation, President Bush’s FY2008 budget request would again reduce spending for Cooperative Threat Reduction, one of the key programs securing and dismantling international stockpiles of nuclear material to keep them away from terrorists. At the same time, the Bush budget would triple spending on new designs for nuclear weapons, in violation of our commitment to the Nuclear Nonproliferation Treaty (giving other countries tacit permission to follow suit.) Meanwhile, the State Department has been reduced to accepting private donations to make up the shortfall on what it views as urgent nonproliferation priorities. Five million dollars of private money recently paid for the removal of two bombs-worth of highly enriched uranium from Serbia. A former State Department official involved in this project said, “It was embarrassing [but] we needed the money.”⁵

As this Congress struggles to find a solution to the crisis in Iraq, it must simultaneously work to strengthen a different kind of overall US presence in the world—one that emphasizes working with international partners to resolve conflicts and tackle looming human security problems like climate change, one that prevents the spread of nuclear materials by means other than regime change, and one that addresses the root causes of terrorism, while protecting the homeland against it. And the rhetoric of these intentions must be underwritten by the resources to make them real. The overall priorities set in a Unified Security Budget must be symbol as well as substance of a new, better balanced U.S. foreign policy and national security strategy.

⁴ “World View of US Role Goes From Bad to Worse,”
http://www.worldpublicopinion.org/incl/printable_version.php?pnt=306.

⁵ “The Search for a Magic Fuel,” Chicago Tribune, January 29, 2007, quoting Alan Krass.

Fully-funded, safe, orderly U.S. military disengagement from Iraq by the end of 2007.

Let's start with what is clearly the single largest waste of U.S. taxpayers' money and the biggest current drain on the U.S. Treasury today – sustaining more than 150,000 brave U.S. soldiers in the middle of the civil war in Iraq. Truth be told, neither President Bush's budget request or even the budget resolution reported by the House Budget Committee comes anywhere near a complete and accurate accounting of how much of our national treasure we are squandering in the Iraq quagmire. According to the Congressional Research Service, \$350 billion has already been spent in Iraq and that total is certain to top half a trillion dollars by the end of FY08, if Congress approves all of the supplemental and regular war-time appropriations President Bush has requested, including for his troop surge. It boggles the mind to contemplate how much more effectively and wisely those funds could have been invested.

No Member of this Congress can claim credibly to be fiscally responsible and not tackle head-on the soaring, unsustainable financial costs of the Iraq debacle. Accordingly, I hope our Republican and Blue Dog Democrats colleagues are listening. *The Progressive Caucus budget is the most transparent and accurate when it comes to scoring the fiscal impact of on-going U.S. military operations in Iraq. We can save at least \$202.3 billion in just the remainder of FY07 and all of FY08, if we end the U.S. military occupation of Iraq by this coming December 31st. Our budget will save between \$420.75 billion and \$623.05 billion over the next nine fiscal years based upon and extrapolating from the only CBO estimates currently available about the costs of U.S. military operations in Iraq.*

Cutting outdated and unneeded weapons systems (\$60 billion/year).

The Defense Department is wrought with waste, fraud, and abuse as it continues to spend in excess of \$60 billion a year on holdover Cold War era weapons systems. It's time that we bring some common sense back to the budget process and see to it that the basic human needs of all Americans come before the needs of the military industrial complex. The Progressive Caucus budget targets weapons programs that are either outdated or poorly conceived from the very beginning for elimination. Despite what a handful of giant defense contractors would have us believe, this inexcusable waste actually makes us less safe. Below is a list of weapons systems that have been identified by military experts, including Dr. Lawrence Korb, former Deputy Secretary of Defense in the Reagan Administration; Admiral Stansfield Turner- Former CIA Director; Vice Admiral John. J. Shanahan; and Brigadier General Dallas Brown, Jr.

Ballistic Missile Defense:

?? It has not been realistically tested.

?? Moreover, to fulfill then candidate George W. Bush's campaign promise, the Pentagon took a number of shortcuts that put schedule ahead of performance.

- ?? The shortcuts included insufficient ground tests of key components, a lack of specifications and standards, and a tendency to postpone the resolution of difficult issues.
- ?? Finally, there is increasing evidence that no matter how much money is spent and no matter how long we continue to test it, the system can never work effectively.

Nuclear Arsenal:

- ?? Reduce the number of nuclear warheads that we stockpile from 10,000 to 1,000.
- ?? This would save us \$13 billion a year and we would still allow the U.S. to maintain nuclear superiority over the rest of the world.

F/A-22 Raptor:

- ?? The U.S. already maintains air superiority around the world with the current generation of Air Force fighters.
- ?? Few countries have the capability of air to air fighting, which this plane is designed for.
- ?? Originally developed to outpace Soviet MIG technology by anticipating the next generation of MIG, which were never built.
- ?? Canceling the program now would leave the Air Force with 100 of these planes, which is more than enough to combat the any future air-to-air threat that may emerge.

DDG 1000 Zumwalt Class Destroyer:

- ?? Navy already has ships that are focused on the same type of missions, but are more effective.

SSN-774 Virginia Class Submarines:

- ?? Like the F/A-22, these vessels were built to outpace the next generation of Soviet submarine.
- ?? These new vessels fail to go beyond the capabilities of submarines already in service.

V-22 Osprey

- ?? This aircraft that takes off like a helicopter and flies like a jet, has been plagued with technical problems since its inception.
- ?? In the past 25 years development of the V-22 has resulted in 30 deaths, and despite the expenditure of more than \$20 billion, it is nearly 15 years behind schedule.

C-130J

- ?? Of the 62 C-130J transport aircraft that have been purchased by the Pentagon, none have met commercial contract specifications. Because of this, the C-130J cannot perform its intended mission of transporting troops and equipment into combat zones and can be used only for training.

F-35 Joint Strike Fighter

- ?? There are immense technological challenges of trying to build three fairly different planes (one for each branch of the military) from one design; the program should not be rushed. This country's overwhelming numerical and qualitative advantage in tactical aircraft will not soon be challenged.
- ?? As such, this program can be slowed down and done right and in the process save billions of dollars.

Space-Based Offensive Weapons

- ?? Space-based weapons would not significantly expand U.S. military superiority.
- ?? Our conventional and nuclear weapons are already capable of destroying any of the ground targets that space-based weapons would and they can do it at a fraction of the cost.

Future Combat System (FCS)

- ?? While many military experts agree that these systems are useful, the funding for the research is far too aggressive at this point. \$3 billion can be saved per year by scaling back this program to a more reasonable pace.

Research, Development, Test and Evaluation (R,D,T&E)

- ?? President Bush has increased this program by more than 50% since coming into office and we are now spending more on R, D, T, &E then during the height of the Reagan build-up. Fighting terrorism hardly warrants such investment in space-based technology.
- ?? As such, this program will be reduced by a less than 7% and save \$5 billion a year.

Force Structure

- ?? The Air Force, Navy, and Marine Corps have more than 5,000 tactical combat planes and 1,800 armed helicopters, which is an impractical number for the threat that we currently face. We would reduce the number of two active Air Force wings and one carrier battle group, which would not compromise our security, but would save \$5 billion a year.

Implement GAO Reduce Waste, Fraud, and Abuse at the DOD (at least \$8.7 billion a year)

Between 2001 and 2006, GAO provided the Department of Defense with 2544 recommendations for improving waste fraud and abuse in their rank. Many of these recommendations are related to improving their business practices. The Department is required to respond to each recommendation and GAO follows up on each recommendation to determine whether the Department has instituted sufficient corrective actions. To date, the Department of Defense has implemented 1014 recommendations and closed 152 recommendations without implementation. The GAO estimates that the

1014 implemented recommendations have yielded the Department of Defense a savings of \$52.7 billion between fiscal years 2001 and 2006. The savings realized from the implementation of these recommendations has been extraordinary. With this in mind, the DOD should take immediate action to implement as soon as possible the remaining 1,378 recommendations to achieve further substantial savings.

International affairs (150)

SMART Security

Weapons of mass destruction, far-flung terrorism, grinding poverty, and corrupt, oppressive nationalistic governments represent urgent threats to peace and security in the 21st Century. It is more important now than ever to address the root causes of terrorism and violent conflict to prevent future acts of terrorism from occurring. The Progressive Caucus 'Peace and Security' budget would rely upon what we call a Sensible, Multilateral American Response to Terrorism (SMART) Security Platform for the 21st Century. It will operationalize a more effective national security strategy than the Bush doctrine of preemptive warfare and focus more of our limited resources upon nonproliferation, conflict prevention, international diplomacy, and multilateralism. SMART security in action means:

- ?? Working with the UN, NATO and other multilateral organizations to root out terrorist networks and cut off their funding and bases of support;
- ?? Strengthening intelligence and law enforcement, *while* respecting human rights and protecting civil liberties;
- ?? Pursuing diplomacy, enhanced inspection regimes, and regional security arrangements to reduce the proliferation of nuclear weapons;
- ?? Ceasing the sale and transfer of weapons to regimes involved in human rights abuses and to regions of conflict;
- ?? Increasing development aid and debt relief for the world's poorest countries;
- ?? Reducing dependence on foreign oil by promoting long-term energy security through greater investment in sustainable and renewable alternatives; and
- ?? Supporting civil society programs as a critical component in the prevention and resolution of violent conflict.

The terrorist attacks of September 11th understandably have left many Americans feeling less secure and more fearful of attack at home and abroad. We have no greater responsibility in Congress than to ensure the security of the American people, but we meet that solemn duty in a smarter, more cost-effective way. The Progressive Caucus budget will enable us to do just that. While it may often be frustrating and time-consuming to engage in hard-nosed negotiations with our potential adversaries, doing so will prove far less costly and will make the world more peaceful than aggressive unilateralism.

Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria (+\$1 billion):

It is also in our national security interests for America to do more to meet the world's growing humanitarian crises. Let me cite just one example from our Progressive Caucus budget.

The Global Fund has achieved significant success in the last five years since it became operational. As of December 2006, 770,000 people are now on lifesaving AIDS treatment, 2 million people have been treated for TB and 18 million bed nets have been distributed to protect families against malaria. As a result, since its creation 1.5 million lives have been saved worldwide. Historically, the U.S. has provided nearly one-third of all funding to the Global Fund and it is critically important to maintain our strong support as we work to turn the tide against these pandemics. This increase in funding is necessary to help pay for a new round of grant funding, Phase II of existing grants, and to support the longer term renewal of grants that have completed their initial five year funding period.

Energy (270)

Investing in clean, renewable energy sources

If we want a more peaceful, secure world, then America must act with a sense of urgency to end our growing dependency upon imported oil and bring on line the full range of renewable energy technologies. We need a national commitment to accelerate the development and commercialization of renewable energy sources on the scale of the Manhattan Project during World War II or the moon shot of the 1960s. That is what we provide in the Progressive Caucus budget.

It calls for spending \$30 billion/year for the next decade to create 3 million new, clean energy jobs to free America from foreign oil dependence. We want to reinvest in the competitiveness of American industry, rebuild our cities, create good jobs for working families, and ensure good stewardship of both our national economy and the environment we share with the rest of the world.

Community and regional development (450)

Community Development Block Grants (CDBG)

These grants are given to local governments to promote community and economic development. Community development block grants are also vital to helping our local communities (including those devastated by Hurricane Katrina) meet their needs for affordable housing including homeownership assistance, construction of housing, rehabilitation of existing housing, and energy efficiency improvements. While the President has repeatedly targeted this program for cuts, the Progressive Caucus Budget increases funding for this program to \$4.1 billion in FY08.

Education, training, employment, and social services (500)

Fully Fund Title I of No Child Left Behind.

?? No Child Left Behind has been under-funded by \$70 billion since it was enacted. It is time that we make a serious commitment to the children of this nation and fully fund the most comprehensive educational policy. The CPC Budget Alternative fully funds Title I which allows an additional 4.5 million children to receive needed services. These services are essential to closing achievement gaps. In the 2005-06 school year, almost 11,000 public schools had already failed to make Adequate Yearly Progress (AYP) for two or more years under NCLB provisions, and thus faced federal sanctions. These schools and the students they serve will face even greater challenges in the coming year as testing requirements go into full effect. If a school doesn't meet AYP, we need to help them, not deliver punitive measures. Schools need to be given flexibility and encouragement if they don't meet AYP. In addition, we need to put more money into designing the best possible quality tests. If we are going to put all of our faith in the tests to be indicators of achievement, those tests need to be the best they can be.

Meeting the Federal Governments promise to fund IDEA

?? Over six million children with disabilities between the ages of 3 and 21 receive special education services. Recognizing the importance of federal assistance in helping states and schools fund special education services, the federal government has pledged to fund 40 percent of the average nationwide per pupil expenditure to help meet the costs of educating students with disabilities. Yet, despite significant progress in the last few years, actual federal expenditures provide only 18 percent, far short of this goal. That's why the CPC Budget fully funds our commitment to helping disabled children.

?? The lack of sufficient funding to meet the needs of students with disabilities also places considerable strain on the entire school budget, as local officials are forced to increase tax revenue or cut other critical programs to provide mandated IDEA services. Inadequate special education funding impacts services to all students. Efforts to improve student achievement through implementation of higher standards, and other discretionary educational reforms, often must take a back seat to the provision of mandatory IDEA services. This is particularly true as states face mounting budget pressures and financial shortfalls, necessitating cuts in discretionary services. Meeting the federal commitment to fully fund IDEA would relieve this pressure on school districts and free up local funds for other vital education services.

Restoring cuts to job training programs

The Progressive Caucus Budget increases funding for job training to the FY02 approved level (an increase of \$1.6 billion per year), which is the last year of effective funding

before massive cuts began. Returning funding to the FY02 level is a down-payment on increasing our commitment to having the best trained, strongest, and most competitive workforce in the world. Increased globalization has cost many Americans the good paying jobs of their fathers. We need the ability to retrain these workers to accommodate a changing economic base and ensure that working Americans are able to adjust.

Health (550)

SCHIP

As a down payment on bringing healthcare to all Americans, the Progressive Caucus budget moves to cover all children who are eligible under the SCHIP program. Currently, the program is grossly under funded and leaving needy children with health care. This is no way for the wealthiest nation in the world to treat its neediest and most vulnerable citizens. That is why the Progressive Caucus budget invests \$75 billion over the next five years and \$230 billion in the next ten years in SCHIP.

Funding for HIV/AIDS Prevention and Treatment in America:

According to the Centers for Disease Control and Prevention, racial and ethnic minorities represent 71% of new AIDS cases and 64% of Americans living with AIDS. African Americans account for 50% of new AIDS cases, although only 12% of the population is black. Hispanics account for 19% of new AIDS cases, although only 14% of the population is Hispanic. Despite these trends, funding for the Minority AIDS Initiative has remained relatively flat funded over the last seven years at approximately \$400 million. Additional funding will allow for increased technical assistance, capacity building, and targeted outreach in minority communities.

The Ryan White Comprehensive AIDS Resources Emergency (CARE) Act makes federal funds available to metropolitan areas and states to provide a number of health care services for AIDS patients including medical care, drug treatments, dental care, home health care, and outpatient mental health and substance abuse treatment, and also directly funds capacity building and outreach activities for community based organizations. Each year the CDC estimates that another 40,000 people become infected with HIV/AIDS. With the re-authorization of the CARE Act at the end of last year, increased funding is necessary to help provide prevention/treatment/care services in localities with emerging HIV epidemics that have been added to the CARE Act, while maintaining ongoing support for areas with mature HIV epidemics. This funding will also support increased drug treatment through the AIDS Drug Assistance Program (Title II of the CARE Act), by providing anti-retroviral therapy to an additional 17,663 clients who will be able to access services through ADAP.

The CDC funds critical surveillance and prevention programs for a range of infectious diseases. Increased funding is necessary to support prevention efforts around HIV/AIDS, Tuberculosis, Hepatitis, and other Sexually Transmitted Diseases (STD's). HIV prevention funding at the CDC has faced budget cuts totaling almost \$50 million over the

past four years. In those same four years 160,000 people have become infected with HIV as the number of annual new infections in the United States has steadily remained at 40,000. Funding is also necessary to combat the rise of a new extremely-drug-resistant strain of tuberculosis (XDR-TB) which has appeared as a result of HIV-TB coinfection and poor adherence to TB treatments. XDR-TB has just recently been identified by the World Health Organization in over 28 countries worldwide including the United States. Because of the lack of an effective treatment regimen and the high mortality rate of individuals diagnosed with XDR-TB, it is critical that we scale up funding for surveillance and prevention to stop this disease from spreading.

Income security (600)

Sec. 8 Housing

Decent and affordable housing should be a basic right. The ability to feel safe, sheltered from the elements, and enjoy your own privacy is of immense importance. Because of this, the CPC budget invests an additional \$1.6 billion dollars a year in the Section 8 program to provide housing for those who need it (including Hurricane Katrina victims.) This amount would allow for the cost of renewing all vouchers in use this year, plus funding for 100,000 new "incremental" vouchers to address unmet need & long waiting lists.

Food Stamps and Hunger Prevention

More than ten years after enactment of the 1996 law, the resulting cuts in food stamp benefits contained in that law continue to deepen with each passing year and to affect most food stamp households, including most of the working poor and the elderly poor. Each year, food stamp households are able to purchase less food than the year before. The Progressive Caucus budget will enable the standard deduction to rise to \$188 in 2008 and adjust it annually thereafter for inflation, thus restoring the standard deduction fully to its pre-1996 level for all household sizes (including Hurricane Katrina victims.) A typical household of three or fewer members will see its benefits increase by about \$24 a month.

Veterans' benefits and services (700)

Keeping our promises

The Progressive Caucus budget makes veterans' health care a new federal entitlement. It will require the U.S. Secretary of the Treasury to make mandatory appropriations for VA health care based upon the following formula: the amount of funds available for VA medical care in FY2008 would equal 130% of the total obligations made by the VA for medical care programs in FY2005. The amounts in succeeding years would be adjusted for medical inflation and growth in the number of veterans enrolled in VA's health care system and other non-veterans eligible for care from the VA. For the first time in our nation's history, every one of our veterans returning from service in Iraq, Afghanistan, or elsewhere and every other U.S. veteran of other conflicts will have the peace of mind of

knowing that guaranteed funding for his/her health care (including mental health benefits) will be available.

General Government (800)

Election reform, including but not limited to HAVA improvements

The Progressive Caucus budget would provide an additional \$522 million yearly for FY2008-2012 for the Election Assistance Commission (EAC) to assist each state in paying for implementation of voter verification systems, improvement of security measures, related security consultation services, and improved election services/administration. \$20 million will be provided yearly for FY20013-2017 for additional improvements to election administration and procedures.

Revenue

Restoring fairness to the Tax Code

The Progressive Caucus budget will restore substantial progressivity to the federal tax code. It will rescind all of the Bush 2001 and 2003 tax cuts for the top 1 % of households earning an average of more than \$1 million/year. Tax breaks for the top 1% that would be rolled back include:

- ?? Restoring top income tax bracket to 39.6%, raising at least \$96 billion;
- ?? Repealing capital gains and dividend tax breaks, raising at least \$74.4 billion;
- ?? Rolling back the estate tax break, raising at least \$74.2 billion; and
- ?? Repealing all additional tax breaks for the top 1%, raising at least \$177 billion.

It will also close the tax gap by at least \$9.5 billion/year. A recent analysis by the IRS estimates that the federal government collects approximately \$345 billion less than is owed to it annually. Most of this tax gap results from underreporting of income and failure to collect reported tax obligations. This amounts to a 16% noncompliance rate. In addition IRS enforcement apparatus is seriously under funded, which makes it hard to collect even known tax debts, not even taking into account tax cheats. The National Treasury Employees Union estimates that \$31 in lost tax revenue can be collected for every additional dollar invested in the IRA enforcement and collections apparatus. Finally, the Progressive Caucus budget will increase federal revenue by at least \$17.1 billion/year for the next year by cracking down on corporate welfare. It will close some of the copious tax loopholes and special interest tax breaks every year for the next decade. Examples include:

- ?? Elimination of corporate tax incentives for off-shoring jobs. The tax code has a number of preferences that directly or indirectly encourage U.S. companies to relocate operations and jobs overseas;
- ?? Revaluation of LIFO inventories of large, integrated oil companies. Under current law, these companies are generally permitted to use a last-in, first-out (LIFO) method to account for their inventories, provided they use the same accounting method for other reporting purposes. Consequently, when prices are

rising (as with oil prices in recent months), the LIFO Method generally reduces the business' income and its tax liability;

- ?? Elimination of tax deferral for American-owned foreign corporations. "Deferral" of taxes on profits that American-owned corporations claim to earn offshore is really more like an exemption for income that is styled as "foreign." The Joint Committee on Taxation projects the cost to be \$6 billion/year; and
- ?? Elimination of percentage depletion for property from which oil and gas are derived. Percentage depletion for oil and gas properties is a particularly glaring feature of our energy tax policy. Most businesses must write off the actual costs of the property over its useful life (until it wears out.) If oil companies had to do the same, they would write off the cost of oil fields until the oil was depleted. Instead, some oil companies get to simply deduct a flat percentage of gross revenue. The percentage depletion deductions can actually exceed costs and can zero out all federal taxes for oil and gas companies. The Joint Tax Committee projects the cost to be \$4.7 billion/year