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PRESIDENT'S PROPOSED BUDGET WOULD CUT FEDERAL FUNDING FOR CALIFORNIA BY MORE THAN \$3.9 BILLION OVER FIVE YEARS

SACRAMENTO -- A new analysis of President Bush's proposed budget shows that California would experience large and growing cuts in federal funding of more than \$3.9 billion over the next five years. A new California Budget Project *Budget Brief*, "What Would the President's Proposed Budget Mean for California?" examines the scope of these cuts, and finds that, if enacted, the President's budget would reduce funding for education in California, weaken critical services for children and families, and place new burdens on the state's budget.

At the same time, the Administration's budget increases the deficit, and the President proposes to make temporary tax cuts, enacted since 2001, permanent. These tax cuts largely benefit the wealthy.

"California may be experiencing an increase in state revenues, but that will be offset by large and sobering cuts in federal support," said Jean Ross, executive director of the CBP. "The President's budget also doesn't reflect the values of most Californians. The President wants to shift federal dollars away from children and working families to provide tax cuts for the very wealthy."

Drawing on an analysis from the Washington DC-based Center on Budget and Policy Priorities, the CBP analysis reveals that the President's proposed budget would:

- Cut federal funding for K-12 education in California by \$729.6 million from 2007 to 2011, and by \$355.2 million in 2011 alone. Special education would see the largest share of these cuts, and be reduced by \$574.5 million between 2007 and 2011 and by \$178.9 million in 2011.
- Totally eliminate federal funding for vocational education.
- Reduce funding for the Head Start Program and programs for abused and neglected children by \$446.1 million between 2007 and 2011, leading to a loss of at least 10,100 Head Start slots.
- Cut the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) by \$415.4 million between 2007 and 2011 and by \$129.5 million in 2011, resulting in WIC serving an estimated 77,300 fewer California children and pregnant and breastfeeding women in 2011.

- Cut California's Child Care and Development Block Grant funding by \$114.3 million over five years, and by \$35.0 million in 2011.
- Sharply pare back California's funding for the Community Development Block Grant program, which funds numerous economic development activities in low-income areas.
- Reduce the Social Services Block Grant by \$60.7 million in 2007. California uses SSBG funds to support services for children and adults with disabilities and community care licensing.

(All cuts are compared to 2006 funding levels, adjusted for inflation.)

This CBP *Budget Brief* is available at www.cbp.org.

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The California Budget Project (CBP) was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. General operating support for the CBP is provided by foundation grants, individual donations, and subscriptions. Please visit the CBP's web site at www.cbp.org.

The Center on Budget and Policy Priorities (CBPP) is a nonprofit, nonpartisan research organization and policy institute that conducts research and analysis on range of government policies and programs. The full CBPP analysis is available at www.cbpp.org.