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**STATEMENT OF SENATOR EDWARD M. KENNEDY IN ADVANCE OF THE
PRESIDENT'S BUDGET**

WILL THE GAP BETWEEN HIS WORDS AND DEEDS GROW EVEN BIGGER?

Washington, D.C.: Senator Kennedy issued the following statement in anticipation of the President's Budget, expected on Monday:

"Americans want to raise healthy families in safe neighborhoods, and give their children full lives. But today, they're facing a perfect storm of soaring costs for health care, for home heating oil, for gasoline prices, and for college tuition, a prescription drug fiasco for their parents' generation, and the shadow of globalization hanging over the workplace.

What they see in Washington is a spreading culture of corruption that puts special interests first and people's interests last. They see pharmaceutical companies' and insurance companies' dictation health policy, and 4,000 more Americans becoming uninsured every day. They see Big Oil dictating energy policy, and global warming relegated to the back burner. They endured a botched response to Hurricane Katrina when families in the Gulf Coast needed help the most. They see an endless war in Iraq that America never should have fought.

We heard a lot of nice rhetoric on Tuesday, but the real test of the President's commitment to progress is the budget he'll release Monday. 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.

America's failure to guarantee the basic right to health care for all our citizens has been one of the great public policy failures in our history, and we must not allow that failure to continue in this new century. Our goal should be an America where no citizen of any age fears the cost of health care, and no employer stops creating jobs because of the high cost of providing health insurance.

Sadly, it appears that the President's budget will offer gimmicks, rather than solutions on this issue. To make this country more competitive, I agree with the President that we must increase our focus on math and science education, and I welcome his interest. But it takes more than State of the Union rhetoric to meet this challenge, and that's where he falls short time and again. In his past two budgets, he called for absurd reductions in funding for math and science programs at the National Science Foundation. Last year he eliminated funding to support technology in the classroom. Unfortunately, his Administration continues to be the Administration of broken promises and nowhere is that truer than in education, where his No Child Left Behind Act has been starved for funds since he signed it into law in 2002. I hope the budget on Monday takes a different tact, but this seems unlikely.

We must also ensure that globalization does not mean a "race to the bottom" for American workers.

Since President Bush has been in office, his shortsighted economic policies and bad budgeting decisions have accelerated a race to the bottom, protecting profits, while ignoring the plight of working families."

Below are fact sheets on Global Competition, Jobs, and Healthcare.

**THE BUSH BUDGET SHOULD RECOGNIZE EDUCATION
AS A KEY TO MEETING THE CHALLENGE OF GLOBAL
COMPETITION**

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 technology for the classroom. To ensure our workforce is prepared to compete in the global economy, we must ensure our high school graduates are academically prepared and have the financial support they need to enter college or workforce training programs. Anything less than this will shortchange our competitiveness, shortchange our opportunity, and shortchange our future.”

If President Bush is truly committed to ensuring that America continues to “lead the world in human talent and creativity,” as he promised in the State of the Union, the budget he releases on Monday must:

- □□□□ Fully fund the No Child Left Behind Act at the level he promised when the law passed so that:
 - 3.2 million more children can get the Title I services they need to succeed;
 - 1.6 million more children can enroll in high quality after-school programs;
 - States can provide high quality training for math and science teachers;
 - Children have access to state-of-the art technology in the classroom;
 - Schools can stay safe and drug-free; and
 - English language learners have the support they need to succeed.
- □□□□ 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.

The President’s Track Record on Education is One Broken Promise after the Next:

- □□□□ 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 \$40 billion. The Republican budget bill passed in December cuts funding to \$1 billion below last year’s level. Last year, President Bush called to end federal funding for key programs that support family literacy, classroom technology, dropout prevention, and smaller learning communities.
- □□□□ Since FY 2004, President Bush’s budgets have cut funding for NSF’s math and science education programs by 22%; his FY 2005 budget called to end funding for a program that trains math and science teachers in cutting-edge practices.
- □□□□ Today, the maximum Pell grant remains at \$4,050 – a thousand dollars lower than the President promised in 2000 – and it’s been frozen there for four years. Last year, the President called to end 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 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.”

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:

- Increase funds for job training to improve existing job training programs.
 - 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 expanding its coverage to part-time and low-wage workers and extending benefits for the long-term unemployed.
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- □□□□ Significantly increase funds to OSHA and MSHA, above and beyond the amount needed to keep up with inflation. This money should go to setting safety standards, increasing enforcement personnel, and requiring 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.

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 the workers that are losing their jobs today. But last year, the President’s budget:

- Slashed federal funding of the Workforce Investment Programs –the single largest federal source for job training funds – by over \$30 million.
- Cut funds for adult education by more 66%.
- Eliminated the \$1.3 billion Vocational Education Program.
- Cut funding for the Trade Adjustment Assistance program that provides training and income support to workers who lose their jobs because of trade.

Unemployment Insurance. Workers that have lost their jobs are finding it harder than ever to find new employment. One in every six unemployed workers – 1.2 million Americans – has been jobless for more than half a year. Yet our under-funded unemployment offices don't have the resources they need to help these workers find new jobs. Last year, the President's budget:

- Cut funding for Unemployment Insurance offices by \$141 million.
- Cut State Employment Service grants – used for programs that help workers find jobs – by more than \$110 million.

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. Yet, the President's last budget:

- Cut \$6.7 million from OSHA, \$4.9 million from MSHA, and \$5.1 from the National Institute for Occupational Safety and Health, adjusting for inflation.
- Totally eliminated all grant funds for worker safety and health training.

Retirement Security. The Bush Budget has repeatedly 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-income families, who would not be able to benefit from such a plan.

**REAL REFORM, NOT GIMMICKS ARE NEEDED IN THE BUSH
BUDGET
TO FULFILL THE PROMISE OF THE CENTURY OF THE LIFE
SCIENCES
Senator Edward Kennedy**

“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. 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. This Administration's proposals on health care have been driven by ideology and pandering to special interests -- not by common sense. 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. Medicare was even blocked from negotiating discounts on drugs. The result has been a disaster as patients across the country have been denied the medicines they need or forced to pay exorbitant fees.”

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.

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 bring Democrats and Republicans together 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. The path of confrontation would be to propose Medicare cuts that worsen health care for seniors.
- **Health care coverage & costs.** A bipartisan approach would improve health care coverage through measures with broad support, such as expanding the Children's Health Insurance Program 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. A partisan budget would propose only gimmicks, like HSAs, that worsen the crisis.
- **Public Health Priorities.** A bipartisan budget will respect the nation's commitment to medical research by providing a meaningful increase in the NIH budget and restoring funds to essential health programs, like training of medical professionals, slashed in prior years. A partisan budget will continue to erode the nation's commitment to improving the public's health by decimating funding for critical health programs.

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