

Highlights of the Progressive Caucus Budget

Highlights of the Progressive Caucus 2009 - 2010 Budget

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. The CPC Budget for FY10 is a comprehensive, ten-year alternative that will continue to champion the priorities of past CPC Budgets, including cutting wasteful military spending, ending the occupation of Iraq no later than 2011, making the tax code more fair, and increasing funding for urgent domestic needs and longer-term investments to enhance American competitiveness. In addition, this year's CPC Budget redresses the current financial crisis by ensuring that taxpayers won't have to foot all of the bailouts for Wall Street's excesses and mistakes and provides for comprehensive health care and immigration reform. Furthermore, the CPC Budget ensures that the economic stimulus made by H.R. 1, the American Recovery and Reinvestment Act (ARRA), will not be a one-time investment, but rather a pivoting point to help Americans in need get through the worst economic downturn since the Great Depression, while also making longer-term investments to help all Americans secure a brighter and more prosperous future.

Benchmarks:

* The CPC Budget has a non-defense, domestic discretionary spending number of \$991 billion for FY10. Because it contains an additional \$300 billion in economic recovery funding, this is \$449 billion over the FY10 Resolution approved by the House Budget Committee.

* The CPC Budget reduces the deficit by 58% by FY12.

* The CPC Budget spends \$479 billion on defense, which is \$68.7 billion under both the President and the FY10 Budget Resolution as reported from the House Budget Committee, while not compromising our national security.

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* Target waste, fraud, and abuse in federal government, starting with Pentagon savingsplus billions more is waste, fraud, and abuse in DOD spending identified by the nonpartisan Government Accounting Office (GAO)- - projects enactment of the Common Sense Budget Act, which would save at least \$60 billion/year on largely obsolete Cold War weapons systems

* Iraq - Accelerates President Obama's policy pronouncements and timetable for U.S. military disengagement from Iraq. The CPC Budget projects fully-funded, total U.S. military redeployment out of Iraq and no residual U.S. troops and military contractors in that country beyond December 31, 2010, resulting in savings of at least \$90 billion;

* Repeal of Bush tax cuts for the top 1% of taxpayers;

* Health Care for All - affordable, accessible, quality health care for all Americans and including a public plan option as an essential component of any comprehensive health care reform bill;

* Additional Economic Stimulus (\$300 billion) -- provides more immediate help to overcome financial crisis through increased federal assistance for unemployment insurance, food stamps, infrastructure spending, housing assistance, and job creation;

* Global Warming and Energy Independence- sustained investments in renewable energy and energy independence, including needed extension of production and investment tax credits. This should also include full funding of authorized levels for green jobs and pathways out of poverty grants. In addition, climate policy should significantly reduce greenhouse gas emissions in a manner which supports economic security and health of low-income and moderate-income families and communities of color;

* Education for All - fully fund Elementary and Secondary Education Act and IDEA and improve Teacher Corps and job training;

* Crackdown on corporate welfare - projects elimination of various corporate tax loopholes such as deductibility of advertising for junk mail, imaging purposes, etc. and special tax breaks for oil and gas industry and other extraction industries;

* Cut Poverty in Half in Ten Years - renews federal commitment to fully redress on-going suffering of the victims of Hurricane Katrina and help cut the poverty rate in America by 50% during the next decade with increased funding for decent affordable housing, anti-hunger programs, and more quality child care. Restore 21st century social contract and safety net;

* Rebuild and reinvest in a more competitive, sustainable U.S. economy - increased, sustained federal investment during the next decade in infrastructure (e.g. school repairs, wastewater systems, and energy-efficient transportation, and creation of green jobs);

* SMART Security Alternative to Preemption Doctrine - shifts some spending and increases other non-military spending to fight root causes of terrorism - 21st century diplomacy, meeting basic human needs (e.g. HIV/AIDS/TB, universal basic education for all);

* Guaranteed Veterans' Health Care - ensure whatever federal funding is needed to provide health care (including mental health) for all America's veterans (including but not limited to veterans of the Iraq and Afghanistan military operations);

* Support for the Middle-Class - increase funding to protect fundamental worker rights, enforce fair credit and lending practices, and promote livable wages and safe workplaces; and

* Rebuild America's Communities - substantially increase funding for Community Development Block Grants, Social Services Block Grants, and community policing, provide funding for establishment of the National Infrastructure Development Corporation and the National Infrastructure Insurance Corporation to help finance overhauling our nation's physical infrastructure during the next decade, and authorize release of funds available through the gas tax to clean-up leaking underground storage tanks that threaten the drinking water of nearly half of all Americans.

Increased funding should also support the Office of Environmental Justice and environmental justice programs, including community grants and a review of the EPA and other agencies' policies to ensure they are protective of minority and low-income communities.

National defense (050)

The Progressive Caucus Budget is the only budget offered in this debate that will cut soaring military spending. Fully-funded, safe, orderly and complete U.S. military disengagement from Iraq no later than December 31, 2010.

The CPC Budget projects fully-funded, total U.S. military redeployment out of Iraq and no residual U.S. troops or military contractors in that country beyond December 31, 2010, resulting in a savings of at least \$90 billion. It also takes into account increased spending for Afghanistan operations recently announced.

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. 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 than 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)

In recent years, GAO has 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 Pentagon is required to respond to each recommendation and GAO follows up on each recommendation to determine whether DOD has instituted sufficient corrective actions. To date, DOD has implemented 1682 recommendations and closed 286 recommendations without implementation. The GAO estimates that the implemented recommendations have yielded the Department of Defense a savings of \$89 billion between fiscal years 2001 and 2009. With this in mind, DOD should take immediate action to implement as soon as possible the remaining 758 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 budget relies upon what we call a SMART Security Platform for the 21st Century. It will put in place a more effective, less costly national security strategy 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:

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 recent years since it became operational. As of December 2006, 770,000 people had received lifesaving AIDS treatment, 2 million people had been treated for TB and 18 million bed nets had 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. That's why the CPC Budget embraces the investments made by the President in H.R.1, the American Recovery and Reinvestment Act, and pushes to continuing to build on that down payment with an increased and sustained funding 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. The CPC Budget includes funding for:

- * Energy Efficiency & Conservation Grants
- * Department of Energy- Office of Science
- * Advanced Research Projects Agency-Energy
- * Energy Efficiency & Renewable Energy Research
- * Weatherization Assistance Program
- * Green Job Training

Community and regional development (450)

Community Development Block Grants (CDBG)

The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. 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 meet their needs for affordable housing including homeownership assistance, construction of housing, rehabilitation of existing housing, and energy efficiency improvements. Although the CDBG program received \$1 billion from ARRA, the CPC Budget includes an extra \$1 billion a year for the next 10 years to ensure that the most

vulnerable in are society are getting the help they deserve.

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 tens of billions of dollars 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 and expanding opportunities

The Progressive Caucus Budget increases funding for job training by \$1.6 billion per year. This is a crucial 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 and mothers. We need the ability to retrain these workers to accommodate a changing economic base and ensure that working Americans are able to adjust.

In addition, the current economic crisis has left millions of American without jobs, and in desperate need of re-training to become employable again. That's why the CPC invests not only in job training, but in funding for temporary and summer employment for youth. Including funding for:

* Job Corps - Job Corps is the nation's largest and most comprehensive residential education and job training program for at-risk youth, ages 16 through 24. Private companies, state agencies, federal agencies, and unions recruit young people to participate in Job Corps, where they can train for and be placed in jobs.

* Youth Discretionary Grants - Discretionary grants are aimed at specific populations of at-risk youth, such as young offenders, youth living in high-poverty areas, and foster youth.

* Youth Formula-Funded Grant Programs - These programs provide services to eligible youth, ages 14-21, in local communities. Funds are allocated to states based on the number of unemployed individuals in areas of substantial unemployment; the relative excess number of unemployed individuals in a state; and the relative number of disadvantaged youth in a state.

Health (550)

Health Care Coverage for All

Lack of affordable health care is the number one drain on our economy and must be dealt with immediately. While we applaud the President for establishing a reserve fund to pay for health care reform, we believe that more funding is going to be necessary. That's why the CPC Budget spends upwards of \$120 billion a year to ensure that every single American will have affordable, high quality health care coverage. While the exact matter of bringing this reform to the country is best left up to the committees of jurisdiction, there can be no mistake that comprehensive health care reform must be done now, that all Americans must have a choice of a public plan option, and the CPC Budget provides the wherewithal to finally make this happen.

SCHIP:

In conjunction with 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 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. Latino-Americans 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 eight 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. 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. As America continues to grapple with the mortgage foreclosure crisis, it is imperative that we help get as many people as possible in decent housing. Tent cities, reminiscent of "Hoover-villes" are springing up in communities all across the country. This a phenomenon that should bring great shame to the wealthiest nation on earth and the CPC budget works to correct that with this investment.

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 2010 and adjust it annually thereafter for inflation, thus restoring the standard deduction fully to its pre-1996 level for all household sizes. A typical household of three or fewer members will see its benefits increase by about \$24 a month. Not only must we be sure that all Americans have enough to eat, but supporting those who don't is one of the best forms of economic stimulus available. In fact, for every \$1 spent on food stamps, \$1.73 of economic activity is produced. While the efforts made in ARRA are notable, continued investment in the Food Stamp Program in the out years is essential to a strong nation, with a strong economy.

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 FY2010 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.

Administration of Justice (750)

The Progressive Caucus budget provides an additional \$2.225 billion in FY 2010 and every year thereafter for programs to combat and reduce juvenile crime and efforts to rehabilitate ex-offenders. For example, it would fully fund the Second Chance Act, which provides transitional assistance to assist ex-offenders in coping with the challenges of reentry. Removing barriers to reentry has proven to reduce recidivism, which in the long run reduces crime. In addition, it provides much needed increases in youth crime prevention programs. Research has shown that targeting funding towards intervention rather than incarceration is more effective at reducing crime and saving the taxpayer money in the long run.

Finally, progressives have long supported efforts to increase funding for the Justice Assistance Program, the Juvenile Justice Program, improved Civil Rights Enforcement, the Byrne Justice Grant Program, and State and Local Law Enforcement Assistance. This budget will sustain many of the overdue funding increases for these important programs that were included in the American Recovery and Reinvestment Act earlier this year.

General Government (800)

Election reform, including campaign finance reform and HAVA improvements The Progressive Caucus Budget project enactment of a federal voluntary public financing system modeled after the Clean Elections systems in successful operation in Maine and Arizona. Accordingly, it would provide for steadily increasing candidate participation rate in upcoming election cycles.

In addition, it would provide an additional \$522 million yearly for FY20010-2014 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 would also be provided yearly for FY20015-2019 for additional improvements to election administration and procedures.

Revenue

Restoring fairness to the Tax Code

The Progressive Caucus Budget restores progressivity to the federal tax code. It rescinds all of the Bush 2001 and 2003 tax cuts for the top 1 % of households earning an average of more than \$250,000/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

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 billion/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;

* 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

* Require Wall Street Pay for Wall Street's Bailout Tax: \$150 billion/yr.

The CPC Budget imposes a .25% tax on all stock and futures trading. This tax was implemented in the US during the Great Depression and was eliminated in the 1960's, but a similar tax is still used on the London Stock Exchange, although there it is slightly higher. It would pay for the Wall Street bailout in five years time and at such a low rate that it would barely be felt by most consumers. An example is that if a stockholder wanted to cash out their lifesavings of \$100,000, they would only pay \$250. Large traders and speculators make these kinds of transactions hundreds and thousands of times over, and would therefore pay the brunt of this tax.

* Elimination of Subsidies for Excessive CEO Pay: \$20 billion/yr

End taxpayer subsidy of CEO pay. As Americans, we subsidize excessive CEO pay through a host of tax loopholes, to the tune of \$20 billion a year. The CPC Budget closes these loopholes, by eliminating tax deductibility of any executive compensation that is over 25 times that of a company's lowest paid employee. An example of this would be if a company's lowest paid employee makes \$20,000 a year, the company could not deduct taxes for an executive making over \$500,000 a year. This provision does not restrict what companies can pay their employees, rather it simply eliminates the ability for companies to write off these excessive salaries on the backs of the American taxpayer.