

A NEW ERA OF RESPONSIBILITY: RENEWING AMERICA'S PROMISE

President Obama's Fiscal 2010 Budget Overview

EXPANDING OPPORTUNITIES FOR AFRICAN-AMERICAN FAMILIES

Since an era of irresponsibility has left us with record deficits and an economy in recession, we need to make the hard choices to bring the deficit down and to act boldly and wisely to lay the foundation for long-term economic growth -- ending our dependence on foreign oil and creating millions of clean energy jobs, bringing down the high cost of health care, and giving all our kids a world-class education so they can compete in the 21st century economy.

This budget is up-front and honest about the challenges we face -- and makes the tough choices necessary to get our country back on track by asking every American to step up in the shared sacrifices we'll need to make.

The chronic problems which have held back our nation's progress are holding back African-Americans' progress. The President believes that we as a country need to take a hard look at where we're falling short, who we're leaving out, and what that means for the prosperity and vitality of our nation. His budget works to give African-American families the tools that they need to succeed in this new century. The budget will:

Cut taxes for 95 percent of working families. The President's budget provides tax cuts for 95 percent of working families across the country. By making the Making Work Pay tax credit permanent, the budget helps middle class families, who are being squeezed by rising costs and stagnating wages, make ends meet. The budget expands the Child Tax Credit, increasing tax refunds for millions of working families, as well as the Earned Income Tax Credit. And the President's proposal also makes permanent the American Opportunity Tax Credit, providing financial assistance for individuals seeking a college education of up to \$2,500.

Reinvigorate federal civil rights enforcement. The budget includes \$145 million for the Justice department's Civil Rights Division to strengthen enforcement against racial, ethnic, sexual orientation, religious, and gender discrimination.

Expand coverage, reduce the cost and boost the quality of health care. High health care costs are a burden on families, businesses, and the entire country. For the future fiscal and economic health of our nation, we must bring down costs, boost quality, and expand coverage. That's why in this budget, the Administration establishes a reserve fund of \$634 billion to finance fundamental reform. This is a significant down payment on health care reform, and the President will work with Congress to craft a plan that pays for itself, brings down costs, guarantees choice and portability, invests in prevention and wellness, and improves patient safety and quality care.

Save for the future. Today, 75 million working Americans -- roughly half the workforce -- lack access to employer-based retirement plans. In addition, the existing tax incentives to save for retirement are weak or non-existent for the majority of middle and low-income households. The President's budget lays the groundwork for automatic workplace pensions, on top of and clearly outside Social Security, that will dramatically increase both the number of Americans who save for retirement and the amounts that they save. In addition, the budget expands the Saver's Credit,

matching 50 percent of qualified retirement savings contributions up to \$500 for an individual and \$1,000 for a couple. The match would be deposited directly into a worker's retirement account.

Expand access to college and boost college completion. The budget expands the maximum Pell Grant award to \$5,500 for the next school year, and ensures that future financial aid is reliable and constant. The budget guarantees student access to education loans, protecting students from turmoil in the financial markets and ensuring high-quality services by competitive, private providers. The President's proposal overhauls the inefficient and inequitable Perkins Loan program. Finally, the budget provides \$2.5 billion for a new five-year Access and Completion Incentive Fund to support innovative state efforts to help low-income students complete their college education.

Support innovative and effective strategies to improve student achievement. The budget invests in school systems and non-profit organizations with demonstrated track records of success in raising student achievement to expand their work or implement new innovative approaches through the Innovation Fund. The President's plan supports "Promise Neighborhoods," a new effort to test innovative strategies to improve academic achievement and life outcomes in high-poverty areas modeled after the Harlem Children's Zone.

Provide funding for an affordable housing trust fund for the first time and increase funding for rental assistance. While given the green light by Congress in 2008, the Affordable Housing Trust Fund has fallen short because it hasn't been provided resources to help families. This budget restores funding for the Trust Fund, requesting \$1 billion to finance the development, rehabilitation, and preservation of affordable housing for very low income residents. The budget preserves approximately 1.3 million affordable rental units through increased funding for contracts with owners of multifamily properties. In addition, a robust Housing Choice Voucher program will help more than two million extremely low- to low-income families with rental assistance to live in decent housing in neighborhoods of their choice.

Combat mortgage fraud and predatory practices. The budget provides funds for HUD to combat mortgage fraud and predatory practices and includes increased funding for fair housing enforcement. These resources will allow HUD to increase enforcement of mortgage and home purchase settlement requirements. This involves proper disclosure of mortgage terms and permissible business practices and charges. Enhanced enforcement will create an environment in which home-buyers will be served with mortgage terms that are more easily understood and reliably honored by lenders.

Expand lending in disadvantaged communities. The budget expands lending in underserved neighborhoods by doubling funding for the Community Development Financial Institutions Fund (CDFI). Through merit-based grant programs, the CDFI Fund helps locally-based financial institutions to offer small business, consumer, and home loans in communities and populations that lack access to affordable credit.

Help small businesses and entrepreneurs. The budget helps to strengthen small businesses with improved marketing, technical, and contracting assistance. The President's proposal enhances initiatives such as Small Business Development Centers, Women's Business Centers, SCORE, and microloan technical assistance, as well as incorporating new strategies. The budget also supports small business access to federal prime and subcontracting opportunities and improvements to procurement data.