

United States Senate
WASHINGTON, DC 20510-4504

COMMITTEES:
BUDGET
ENERGY AND NATURAL RESOURCES
ENVIRONMENT AND PUBLIC WORKS
HEALTH, EDUCATION, LABOR,
AND PENSIONS
VETERANS' AFFAIRS

CHANGING OUR NATIONAL PRIORITIES
SUPPORT THE SANDERS AMENDMENT TO THE BUDGET RESOLUTION

March 10, 2008

Dear Colleague:

There are three major trends in American society that we must address in the budget process. First, the United States has the most unequal distribution of wealth and income of any major nation in the industrialized world and the gap between the very rich and everyone else is growing wider. Second, it is a national disgrace that we have, by far, the highest rate of childhood poverty than any major country on earth with over 18 percent of our kids in poverty. Third, year after year, we have had record breaking deficits and our national debt is approaching \$10 trillion -- a grossly unfair burden to leave to our kids and grandchildren, as well as being economically unsustainable.

Therefore, I hope you will support an amendment that I will be offering to the Budget Resolution which addresses all of these issues, begins changing our national priorities, and moves this country in a very different direction than where we have been going in the last seven years.

According to the latest available statistics from the IRS, the top one percent earned significantly more income in 2005 than the bottom 50 percent. In addition, the Congressional Budget Office (CBO) has recently reported that the wealthiest 1 percent saw its total income rise by \$180,000 in 2005 or more than what the average middle-class family makes in three years. The CBO also found that the total share of after-tax income going to the top one percent hit the highest level on record, while the middle class and working families received the smallest share of after-tax income on record.

Meanwhile, while the rich have become much richer, nearly five million Americans have slipped out of the middle class and into poverty over the past seven years, including over one million of our children. At a time when the United States of America has the highest childhood poverty rate of any major nation we have a moral responsibility to put children ahead of millionaires and billionaires.

That is why during the consideration of the Fiscal Year 2009 Budget Resolution I will be offering an amendment to restore the top income tax bracket to 39.6 percent for households earning more than \$1 million per year, and use that revenue to begin to address the most urgent unmet needs of our children; job creation; and deficit reduction.

According to the Joint Tax Committee, restoring the top income tax bracket for people making more than \$1 million to what it was in 2000 would increase revenue by \$32.5 billion over the next three years, including \$10.8 billion in Fiscal Year 2009 alone.

Instead of giving \$32.5 billion in tax breaks to millionaires and billionaires, my amendment would invest this money in the following areas over the next three years:

- \$10 billion for the Individuals with Disabilities Education Act (IDEA) to help about seven million children with disabilities and allow states to reduce property taxes.
- \$5 billion for Head Start -- a program which has been cut by over 11% compared to FY 2002. Today, less than half of all eligible children are enrolled in Head Start and only about 3 percent of all eligible children are enrolled in Early Head Start. This amendment would begin to correct this situation.
- \$4 billion for the Child Care Development Block Grant. Today, only about one in seven eligible children are able to receive federal child care assistance due to a lack of funding. Already, 250,000 fewer children receive child care assistance today than they did in 2000. This amendment would begin to address this inequity.
- \$3 billion for school construction. According to the most recent estimates, schools across the country have a \$100 billion backlog in needed school repairs. \$3 billion is a small, but important step to help school districts across this country to repair our crumbling schools and create tens of thousands of jobs for painters, carpenters, electricians, and construction workers.
- \$4 billion for the Low Income Home Energy Assistance Program (LIHEAP) so that low-income families with children, seniors on fixed incomes, and persons with disabilities will be able to stay warm in the winter. After adjusting for energy prices and inflation, LIHEAP has been cut by 34.5 percent or \$1.3 billion compared to FY '02. This amendment would begin to reverse this trend.
- \$3.5 billion for Food Stamps so that we can begin to reduce the growing number of children and adults that are living with food insecurity; and
- \$3 billion to reduce the deficit.

This amendment is a fiscally responsible way to start to reduce childhood poverty and lower our deficit. I hope you will support this amendment. If you would like to co-sponsor this amendment, please let me know or have your staff contact Warren Gunnels in my office at 8-6358.

Sincerely,



Bernard Sanders
United States Senator