

Subj: **Fwd: Bush budget and job training**  
Date: 1/8/2003 4:51:30 PM Eastern Standard Time  
From:  
To:  
*Sent from the Internet*

*cat Island*

*the hassee*

*jan 08 03*

*alex. thanks. sharing this with the posse, you are always on time with good thoughts and positive insights, I look forward to hearing duke mingus roach again reminding me of the lovely evening spent with you and steph.*

*romy*

>From: Alex Gault  
>Reply-To: alexg@well.com  
>To: "Romerio D. Perkins"  
>Subject: Bush budget and job training  
>Date: Tue, 07 Jan 2003 16:37:06 -0800  
>  
>Romerio,  
>  
>Thanks for keeping me in the loop on the correspondence between you and your  
>client network. I've been meaning to reply with constructive ideas and  
>proposals, but have been swamped. I've been working on a couple of proposals  
>that are due this week. I'm also busy preparing for a couple of workshops  
>I'll be leading for elearning companies in Alberta at the end of the month,  
>jointly sponsored by the Canadian government departments of industry and  
>trade.  
>  
>When I have some time next week I hope to catch up with you.  
>  
>I'm sure you've been following coverage of Bush's proposed 2004 budget. I've  
>been predicting for 6 months or so that the budget would include a provision  
>promising substantial support for job training. Well, it's now in ink. What's  
>going to be different this time around – I bet – is most of that money  
>will be up for grabs. That is, much will be distributed by means of  
>contracts with NGOs and private companies to deliver the services to the  
>unemployed. This all interests me of course because I expect that a portion  
>of that money will be spent on elearning.  
>  
>If you come accross any information or leads that pertain to Federal or  
>state government elearning spending decisions, specifically for job  
>training, please give me a shout. I know the vendors in this industry well.  
>  
>Below I've excerpted a key passage from a news story today on the \$3.6  
>billion provision for job training.  
>  
>The Duke Money Jungle CD will ship at the end of the week – I promise.  
>  
>Cheers,  
>  
>Alex

Thursday, January 09, 2003 America Online: AArtFletch

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>"The only part of the plan that distributes money to states is a provision  
>for "personal re-employment accounts" that would provide \$3.6 billion over  
>the next two years to aid the jobless in finding new work. States would  
>receive money from Washington and distribute it to eligible unemployed  
>workers — up to \$3,000 apiece — to help defray the costs of job training  
>and counseling, child care and transportation. The White House estimates  
>that 1.2 million people would be eligible for the benefits."  
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>  
>Bush Proposes Stimulus Plan  
>  
>By Ken Fireman  
>Washington Bureau  
>January 7, 2003, 6:16 PM EST  
><http://www.newsday.com/news/nationworld/nation/ny-usbush0108,0,1053437.story>  
>  
>  
>Chicago — Saying it would provide a much-needed boost to a lagging economy,  
>President George W. Bush Tuesday asked Congress to eliminate taxes on  
>corporate dividends, give immediate effect to income tax rate cuts scheduled  
>over the next six years and make the rate cuts retroactive to Jan. 1.  
>  
>Bush also proposed new aid to the unemployed and modest tax breaks to small  
>businesses — but no direct aid to fiscally strapped state governments, some  
>of which are considering tax increases that could partially offset federal  
>rate reductions.  
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>The size of the plan — \$674 billion over the next decade — is more than  
>twice as large as once anticipated, reflecting a calculation that the  
>proposal needed to be ambitious in order to demonstrate Bush's commitment to  
>economic recovery. "What the president decided was that he wanted to think  
>big and do the most good," said White House spokesman Ari Fleischer.  
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>  
>But more than half the money in the plan is devoted to a single provision,  
>the dividend tax elimination, which is already under attack by Democrats and  
>some economists as tilted toward the wealthy and of dubious value as an  
>economic stimulus. The administration disputes both contentions.  
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>  
>Some economists also have questioned how much the accelerated rate  
>reductions would boost the economy, which continues to show signs of  
>weakness. The Commerce Department reported that factory orders fell by 0.8  
>percent in November, the third such drop in the past four months, and Bush  
>warned that the unemployment rate, currently at 6 percent, is likely to rise  
>even further in the short run.  
>  
>  
>Critics have also complained that the plan would further swell the federal  
>budget deficit, already projected to be at least \$110 billion for the  
>current fiscal year. The White House estimated the current-year cost of the  
>plan to the Treasury at \$102 million.  
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>  
>"Bush's ... plan will dig us deeper into debt at a rapid rate," said Sen.  
>Joseph Lieberman, (D-Conn.) "And worst of all, it does this without taking  
>smart steps to revive business investment or spur economic growth. I have  
>yet to hear a convincing argument that eliminating taxes on dividends will  
>create one new job."  
>  
>  
>Nevertheless, Bush defended his proposal in a speech to the Economic Club of  
>Chicago as a "bold plan" that would provide both immediate stimulus and  
>long-term growth. "The time to deliver the tax rate reductions is now, when

- >they can do the most good," he said. "By speeding up the tax cuts we will
- >speed economic recovery and the pace of job creation."
- >
- >The big winners from the plan would be shareholders of companies that pay
- >dividends, who would see their collective tax bill drop by \$364 billion over
- >the next decade, according to White House estimates.
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- >"With no taxation on the dividends that individuals earn, equities become
- >more attractive to investors," said Securities Industry Association
- >President Marc E. Lackritz. "The increased demand for equities lowers the
- >costs that companies incur in raising capital. The resulting growth
- >strengthens our country's prosperity, which benefits all Americans."
- >
- >Married couples and those with children also would benefit, as cuts targeted
- >to them that were scheduled to phase in over the course of the decade would
- >take effect immediately. The cuts were enacted last year as part of Bush's
- >\$1.35 trillion tax cut plan.
- >
- >Some 34 million eligible parents, according to the White House, would
- >receive a \$400-per-child check this year to reflect acceleration of an
- >increase in the child tax credit from \$600 to \$1,000 currently scheduled to
- >take effect in 2010.
- >
- >Married couples with two incomes would benefit from early implementation of
- >a provision eliminating the so-called "marriage penalty" that taxes such
- >couples at a higher rate than if they were single and filed separately. The
- >provision is currently scheduled to take effect in 2009; the White House
- >estimates 46 million couples are affected.
- >
- >And nearly all taxpayers – 92 million by White House estimates – would see
- >rate reductions scheduled for 2004 and 2006 kick in immediately, retroactive
- >to Jan. 1.
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- >The biggest losers seem to be state governments, who receive no direct aid
- >from Bush's plans despite considerable speculation that the president would
- >include some assistance to help them cope with burgeoning budget deficits.
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- >The only part of the plan that distributes money to states is a provision
- >for "personal re-employment accounts" that would provide \$3.6 billion over
- >the next two years to aid the jobless in finding new work. States would
- >receive money from Washington and distribute it to eligible unemployed
- >workers – up to \$3,000 apiece – to help defray the costs of job training
- >and counseling, child care and transportation. The White House estimates
- >that 1.2 million people would be eligible for the benefits.
- >
- >The president's plan is also likely to disappoint some in the business
- >community because it provides only modest tax relief to some companies in
- >the form of a larger write-off – \$75,000 instead of the current \$25,000 –
- >for new equipment purchases. The provision would only apply to small
- >businesses and to purchases up to \$325,000, according to a White House fact
- >sheet.
- >
- >Chief Economic Correspondent James Toedtman and staff writer Deborah
- >Barfield Berry contributed to this story.
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