



ACTIONS SPEAK LOUDER: PRIORITIES IN THE PRESIDENT'S BUDGET

"It's not something we've done with a meat ax, nor are we suddenly turning our backs on the most needy people in our society." – Vice President Cheney, February 6, 2005

To reduce the deficit, this Administration claims that they have no other option than to make "tough choices" to eliminate or reduce funding for a number of programs that serve ordinary families across the country.

However, it seems clear that this budget is not actually about reducing the deficit, but about furthering the President's skewed priorities. Let's look at the facts:

- The President's budget calls for a 2005 deficit of \$427 billion – the third year in a row that the Administration will set a new deficit record.
- The President's budget omits the full cost of the ongoing war in Iraq, the trillions of dollars it will cost to implement his plan to privatize social security, and his tax cut agenda – all of which will add significantly to the overall deficit.
- The president's budget proposal includes \$1.9 TRILLION in tax cuts, the bulk of which will again benefit the very richest among us.

In counterpoint to these skewed priorities, the President's budget for "domestic non-homeland security discretionary funding" (basically, the programs that serve people here at home) is \$18.3 billion below the amount needed to maintain current services. As a consequence, numerous government programs that we all depend on every day face massive funding cuts under this President. For example:

- 300,000 children will lose child care assistance under the President's budget.
- 200,000 to 300,000 people will lose food stamp benefits, as \$1.1 billion is cut from the program under the President's budget.
- 25,000 children will lose access to Head Start and Early Head Start under the President's budget.

- The President's budget will eliminate funding for Even Start, a \$225 million program that targets low-income children at risk of illiteracy and their illiterate or semi-literate parents.
- Nearly 230,000 children will lose Medicaid coverage under the President's budget.
- The President's budget will cut nearly \$2 billion in funding and eliminate the GEAR UP, Upward Bound and Talent Search programs that help low-income students prepare for college.
- The President's budget will eliminate the Perkins student loan program, which helped 673,000 students in 2004.
- The President's budget will cut funding for the Low Income Heating and Energy Assistance Program (LIHEAP) by almost \$200 million, even though two-thirds of all families receiving LIHEAP assistance have incomes of less than \$8,000 a year.
- The President's budget will eliminate the HOPE VI housing program that helps local communities improve the lives of residents of severely distressed public housing properties, and take back nearly \$150 million already committed to the program.
- The President's budget will cut Medicaid funding by \$60 billion. The dollar amount lost in the fifth year of the proposal alone would provide health coverage for over 345,000 seniors or almost 1.8 million children.
- Part of the Medicaid proposal included in the President's budget would limit the ability of working families to get Medicaid coverage for nursing home costs (which average more than \$55,000/year).
- Funding for local fire departments will be cut by \$215 million, about 30 percent, under the President's budget.
- The President's budget will eliminate the Community Food and Nutrition program.
- The President's budget will eliminate \$441 million in grants to states to promote drug free schools.
- The President's budget will eliminate a \$33 million program to reduce alcohol abuse among students.
- The President's budget will cut nearly \$370 million from a fund that supports efforts to improve water quality.

- Funding for One-Stop Career Centers is reduced from its current \$963 million to only \$84 million under the President's budget – a cut of \$879 million.
- The President's budget will eliminate the Community Services Block Grant (CSBG), a \$637 million program that helps provide a wide range of housing, nutrition, education and employment services to low-income people.
- The President's budget will more than double the co-payment charged to many veterans for prescription drugs and would require some to pay a new fee of \$250 a year to use government health care.
- The CDC public health emergency fund will be cut by 12.6 percent under the President's budget.
- Under the President's budget, a block grant that provides \$131 million for preventative health services will be eliminated.
- Funding for a program that trains nurses, dentists and other health professionals will be cut by 64 percent, and a program that trains doctors at children's hospitals will be cut by 33 percent (\$100 million) under the President's budget.
- The President's budget will eliminate the Community Development Block Grant (CDBG) programs, which provides critical economic support to low-income urban communities, funded at \$4.7 billion in 2005.
- The President's budget will eliminate \$260 million in economic development programs earmarked by members of Congress this year.
- The President's budget will eliminate the \$24 million rural housing and economic development program.

These are just *some* of the cuts proposed by the President in his budget. This Administration has purposely written the budget document to make it hard to figure out what they're trying to do, so it may take several weeks to understand the full impact of this budget proposal. What is clear, though, is that this is a fundamentally dishonest budget; one in which the President is intentionally trying to hide from all of us the true cost of a number of his highest priorities – the war in Iraq, Social Security privatization, and expanded tax cuts for the wealthy – while also masking the fact that the burden of paying for these choices will be carried by ordinary people across the country.

Once again, it is clear that this President's actions speak louder than his words.