

BUSH ADMINISTRATION BUDGET: FISCALLY IRRESPONSIBLE, MORALLY IRRESPONSIBLE, FAILURE OF LEADERSHIP

Democrats believe that on every issue our nation faces, it is our responsibility to ensure that the policies we pursue are consistent with the values we cherish. The Bush Administration's 2006 budget fails in every respect. It is fiscally irresponsible, adding trillions to the deficit over the next 10 years and failing to include the cost of the war in Iraq. It is morally irresponsible, slashing funding for key homeland security, veterans benefits, health care, and education programs. And the Bush Administration's failure to include details on its top domestic priority – its plan to privatize Social Security – is a failure to lead. Democrats are fighting to restore fiscal responsibility and hold those in power responsible for their actions. We are committed to upholding the key values that are the foundation of a strong and secure middle class: national security, prosperity, community, fairness, accountability and opportunity.

The Republican budget is fiscally irresponsible, creating trillions of dollars in new deficits that threaten our economy. The Republicans' fiscal recklessness is a tax on our future, creating a deficit in 2006 that is likely to top \$400 billion. The Republican budget creates trillions in new deficits over the next 10 years, squandering \$1 trillion on tax breaks for the wealthy while failing to budget a single penny for the ongoing war in Iraq.

The Republican budget is morally irresponsible, slashing funding for critical domestic initiatives. The Republican budget slashes funding for key homeland security, veterans, health care, and education initiatives. It cuts \$60 billion in health care funding for children, the elderly, and people with disabilities. And it undermines programs that are critical to rural communities and small businesses.

- Homeland Security. The budget cuts funding for the COPS program by \$480 million, and slashes funding for local firefighters by \$215 million – cuts of 80 percent and 30 percent, respectively. It also breaks the promise of putting an additional 2,000 border patrol agents on the job in 2006, as promised in landmark intelligence reforms passed late last year and endorsed by the 9/11 Commission. The budget provides funding for only 210 agents.
- Jobs and Small Business. More than 1 million private sector jobs and 2.7 million manufacturing jobs have been lost over the past four years. Despite this, the budget cuts job training services designed to help our workforce stay competitive by \$500 million and slashes funding for the Manufacturing Extension Partnership (MEP), which helps small U.S. manufacturers with everything from plant modernization to employee training, by nearly 60 percent. It also eliminates the Advanced Technology Program, which sponsors research to solve manufacturing problems. Small businesses employ nearly half of all workers and create three out of four new jobs, but the budget cuts funding for the Small Business Administration by \$17 million or 3 percent
- Veterans. The budget raises health care costs for hundreds of thousands of veterans, imposing new co-payments on prescription drugs and enrollment fees that will cost veterans hundreds of millions of dollars. As America prepares to welcome a new generation of veterans home from Iraq and Afghanistan, it shortchanges veterans' health care programs, providing about \$2 billion less than veterans service organizations believe is needed. And the budget once again fails to repeal the Disabled Veterans Tax, which forces disabled military retirees to give up one dollar of their pension for every dollar of disability pay they receive.

- Military Benefits. The budget fails to include funding for the promised increase in death benefits for the families of the servicemen and women who are killed in action. It fails to provide targeted pay raises for senior enlisted personnel, junior officers, and warrant officers – the troops we most need to retain.
- Education. The President’s budget fails to provide billions in funding promised by the No Child Left Behind Act, leaving millions of children behind. The budget provides only half of the funding promised for after school programs, and cuts vocational education by \$1.2 billion. It also cuts \$440 million in Safe and Drug-Free School grants, \$500 million in education technology state grants, \$225 million for the Even Start literacy program, and \$280 million for the Upward Bound program for inner-city youths.
- Health Care. There are 45 million Americans without health insurance, but the President’s budget cuts \$60 billion from Medicaid, decimating health care funding for children, the elderly, and people with disabilities and making it even harder for families to afford nursing home care. The budget includes a proposal to expand enrollment in high-deductible health savings accounts would actually increase the number of Americans without insurance by 350,000. It also cuts \$94 million in grants for the Healthy Communities Access Program.
- Environment. The budget cuts funding for EPA by 6 percent, abandons the principle of “polluter pays” for Superfund toxic waste site cleanups, and assumes there will be drilling in the Arctic National Wildlife Refuge. It slashes Clean Water funds by 33 percent and freezes funding for safe drinking water. And it eliminates \$100 million in Land and Water Conservation grants.
- Rural Communities. The budget freezes funding for rural education, phases out rural health grants, and slashes rural development programs. It slashes billions in funding for farm subsidies over the next decade, cutting funding for farmers growing everything from cotton, rice, corn, soybeans, and wheat.
- Economic and Community Development. The President’s budget slashes funding for community and economic development programs that provide housing, employment counseling, and small business loans by one-third, particularly affecting seniors and people with disabilities.

The Republican budget demonstrates a failure to lead on Social Security. Despite the fact that the President has called his proposal to privatize Social Security his top domestic priority this year, his 2006 budget includes no details on his plan. His failure to provide a clear and honest accounting of the difficult trade-offs between increases in the debt, benefit cuts, and tax increases necessary to fund the White House's privatization proposal is a failure of leadership. Democrats stand ready to address the challenges facing Social Security, but the President must put forward a proposal that is fiscally responsible, fair, and does not slash benefits.

Democrats have a better way. Democrats insist upon fiscal discipline with budgets that pay as you go, and over the coming months, we will fight for a budget that reflects the values of America’s middle class: national security, prosperity, opportunity, fairness, community, and accountability.

