

MAY 27, 2004

**SCHAKOWSKY: BUSH ADMINISTRATION MISSTATEMENT OF THE DAY -
BUDGET PRIORITIES**

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) issued "The Bush Administration Misstatement of the Day" on budget priorities.

The Washington Post reported today that "*The White House put government agencies on notice this month that if President Bush is reelected, his budget for 2006 may include spending cuts for virtually all agencies in charge of domestic programs, including education, homeland security and others that the president backed in this campaign year.*" □ □

Homeland Security:

Reality: □ Homeland security funding "would slip in 2006 by \$1 billion, to \$29.6 billion." (*Washington Post* , 2006 Cuts In Domestic Spending On Table, May 27, 2004)

Misstatement: □ ".one of our primary responsibilities at Homeland Security is to ensure that our first responders have the right equipment, the right training and the right amount of support to continue to do their jobs well." (Secretary of Homeland Security Tom Ridge, Address to American Red Cross, May 21, 2004)

Veterans

Reality: The Department of Veterans Affairs is scheduled for \$910 million cut in 2006 "that would bring its budget below the 2004 level." (*Washington Post*, 2006 Cuts In Domestic Spending On Table, May 27, 2004)

Misstatement: "They [World War II veterans] kept this country free; we are still in their debt." (President Bush, Commencement address at Louisiana State University, May 21, 2004)

WIC Nutrition Program

Reality: "The Women, Infants and Children [WIC] nutrition program was funded at \$4.7 billion for the fiscal year beginning in October, enough to serve the 7.9 million people expected to be eligible. But in 2006, the program would be cut by \$122 million." (*Washington Post*, 2006 Cuts In Domestic Spending On Table, May 27, 2004)

Misstatement: "WIC is a proven program with real results. President Bush is strongly committed to providing a healthy start for women and children through the WIC program..The President recognizes the success of WIC and his budgets reflects that commitment." (Secretary of Agriculture Ann Veneman, Speech before the National WIC Association Conference WIC 30th Anniversary, March 15, 2004)

Head Start:

Reality: "Head Start, the early-childhood education program for the poor, would lose \$177 million, or 2.5 percent of its budget, in fiscal 2006." (*Washington Post*, 2006 Cuts In Domestic Spending On Table, May 27, 2004)

Misstatement: "President Bush and I are committed to improving educational results for all students. Research tells us that a child's early years are critical to ensuring academic and social success in school and beyond. Head Start children will continue to receive the comprehensive services already provided within the program's existing framework." (Secretary of Education Rod Paige, News Release, May 22, 2003)

Homeownership:

Reality: "The \$78 million funding increase that Bush has touted for a homeownership program in 2005 would be nearly reversed in 2006 with a \$53 million cut." (*Washington Post*, 2006 Cuts In Domestic Spending On Table, May 27, 2004)

Misstatement: We need to make sure that there's affordable houses around the country. we want people owning their own home. Ownership is an important part of the American experience. (President Bush, Remarks during visit to Phoenix Carpenters Training Center, 3/26/04)

2006 Cuts In Domestic Spending On Table

By Jonathan Weisman

Washington Post

Thursday, May 27, 2004; Page A01 The White House put government agencies on notice this month that if President Bush is reelected, his budget for 2006 may include spending

cuts for virtually all agencies in charge of domestic programs, including education, homeland security and others that the president backed in this campaign year. Administration officials had dismissed the significance of the proposed cuts when they surfaced in February as part of an internal White House budget office computer printout. At the time, officials said the cuts were based on a formula and did not accurately reflect administration policy. But a May 19 White House budget memorandum obtained by The Washington Post said that agencies should assume the spending levels in that printout when they prepare their fiscal 2006 budgets this summer.

"Assume accounts are funded at the 2006 level specified in the 2005 Budget database," the memo informs federal program associate directors and their deputies. "If you propose to increase funding above that level for any account, it must be offset within your agency by proposing to decrease funding below that level in other accounts."

J.T. Young, a spokesman for the White House Office of Management and Budget, said the memo, titled "Planning Guidance for the FY 2006 Budget," is a routine "process document" to help agency officials begin establishing budget procedures for 2006. In no way should it be interpreted as a final policy decision, or even a planning document, he said.

"Agencies have asked for this sort of direction," Young said. "Budgeting is basically a year-long process, and you have to start somewhere. They'll get more guidance as the year goes along."

The funding levels referred to in the memo would be a tiny slice out of the federal budget -- \$2.3 billion, or 0.56 percent, out of the \$412.7 billion requested for fiscal 2005 for domestic programs and homeland security that is subject to Congress's annual discretion.□

But the cuts are politically sensitive, targeting popular programs that Bush has been touting on the campaign trail. The Education Department; a nutrition program for women, infants and children; Head Start; and homeownership, job-training, medical research and science programs all face cuts in 2006.

"Despite [administration] denials, this memorandum confirms what we suspected all along," said Thomas S. Kahn, Democratic staff director on the House Budget Committee. "Next February, the administration plans to propose spending cuts in key government services to pay for oversized tax cuts."

But with the budget deficit exceeding \$400 billion this year, tough and painful cuts are unavoidable, said Brian M. Riedl, a budget analyst at the conservative Heritage Foundation.□

Federal agencies' discretionary spending has risen 39 percent in the past three years. "I think the public is ready for spending cuts," Riedl said. "Not only does the public understand there's a lot of waste in the federal budget, but the public is ready to make sacrifices during the war on terror."

The administration has widely touted a \$1.7 billion increase in discretionary funding for the Education Department in its 2005 budget, but the 2006 guidance would pare that back by \$1.5 billion. The Department of Veterans Affairs is scheduled to get a \$519 million spending increase in 2005, to \$29.7 billion, and a \$910 million cut in 2006 that would bring its budget below the 2004 level.

Also slated for cuts are the Environmental Protection Agency, the National Science Foundation, the Small Business Administration, the Transportation Department, the

Social Security Administration, the Interior Department and the Army Corps of Engineers.

Agencies would have the option of preserving current funding levels for programs under their control if they find money from other parts of their budget. But the computer printout contains specific program cuts.

The Women, Infants and Children nutrition program was funded at \$4.7 billion for the fiscal year beginning in October, enough to serve the 7.9 million people expected to be eligible. But in 2006, the program would be cut by \$122 million. Head Start, the early-childhood education program for the poor, would lose \$177 million, or 2.5 percent of its budget, in fiscal 2006.

The \$78 million funding increase that Bush has touted for a homeownership program in 2005 would be nearly reversed in 2006 with a \$53 million cut. National Institutes of Health spending would be cut 2.1 percent in 2006, to \$28 billion, after a \$764 million increase for 2005 that brought the NIH budget to \$28.6 billion.

Even homeland security -- a centerpiece of the Bush reelection campaign -- would be affected. Funding would slip in 2006 by \$1 billion, to \$29.6 billion, although that would still be considerably higher than the \$26.6 billion devoted to that field in 2004, according to an analysis of the computer printout by House Budget Committee Democrats.

Publicly, the administration has been dismissive of such figures. In February, Young said spending levels beyond 2005 were generated by a computer after administration policymakers set a growth limit of 3 percent for all programs, including defense, but set out multiyear decisions for only a handful of major initiatives.

Education Secretary Roderick R. Paige told House members in February: "It is my understanding that long-term estimates are calculated by formula. OMB has advised us that the numbers beyond 2005 do not reflect detailed policy decisions by this administration. They are roughly held estimates, and so we will have to await the policy decisions to draw conclusions about what the funding level will be in years outside or years in front of 2005."

The May 19 memo contains no such caveats.

"Continuing the strategy of last year's Budget, the 2006 Budget will constrain discretionary and mandatory spending while supporting national priorities: winning the war on terror, protecting the homeland, and strengthening the economy," the memo states.