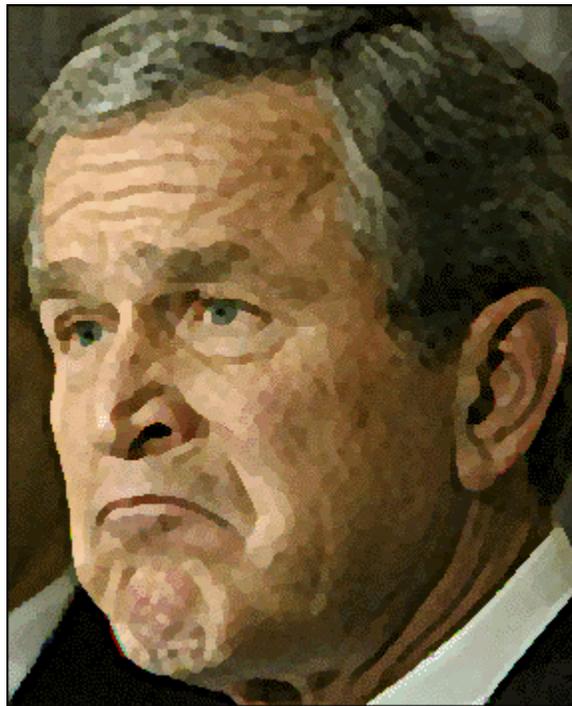


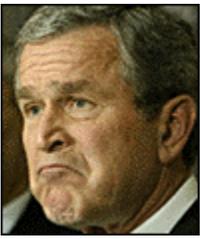
# **BUSH CREDIBILITY GAP**

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## **The 2004 Budget**



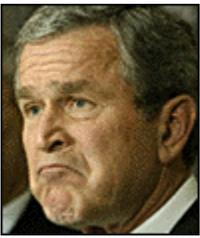
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# BUSH CREDIBILITY GAP: THE ECONOMY

*Rhetoric, Reality and the 43<sup>rd</sup> President of the United States*

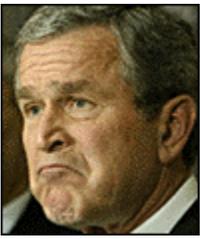
Priority	Bush Rhetoric	Bush Budget Reality
<p><b>Jobs</b></p>	<p>“Our first goal is clear: We must have an economy that grows fast enough to employ every man and woman who seeks a job. With unemployment rising, our nation needs more small businesses to open, more companies to invest and expand, more employers to put up the sign that says, ‘Help Wanted.’” – Bush, 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Adult Job Training:</b> The FY 2004 budget proposes to consolidate job training grants to states for adult services into a single grant program, totaling \$3.080 billion – a \$60 million cut from the grants it consolidates from a year ago.</li> <li>▪ <b>Youth Job Training:</b> Additionally, despite a 16% unemployment rate among those 18-24, Bush proposes to eliminate all remaining funding for the Youth Opportunity Grants. This program was funded at \$225.0 million in FY 2002; the Bush Administration requested FY 2003 funding of only \$45.0 million, a cut of \$180 million, proposing to continue existing grants, but funding no new grants.</li> </ul>
<p><b>“Compassionate” Conservatism</b></p>	<p>“Our fourth goal is to apply the compassion of America to the deepest problems of America. For so many in our country -- the homeless and the fatherless, the addicted -- the need is great. Yet there's power, wonder-working power, in the goodness and idealism and faith of the American people. Americans are doing the work of compassion every day -- visiting prisoners, providing shelter for battered women, bringing companionship to lonely seniors. These good works deserve our praise; they deserve our personal support; and when appropriate, they deserve the assistance of the federal government.” – Bush, 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Community Services Programs:</b> The Bush Budget would cut \$88 million out of HHS Community Service programs – most of which is a \$75 million cut (24%) cut to the Community Service Community Services Block Grant Program. Bush is also requesting a \$90 million (20%) cut to Americorps, which includes USA Freedom Corps, and an overall \$39 million cut to the Corporation for National and Community Service.</li> <li>▪ <b>The Elderly:</b> The Bush budget would freeze all funding in the Administration on Aging. This means very severe after-inflation cuts to Congregate Meals, Meals on Wheels, and Home and Community Based support programs.</li> <li>▪ <b>Bush’s Record:</b> The 2003 Bush budget still being negotiated by Congress once again attempts to gut the very “safety-net” programs he touts. Specifically, he proposes to eliminate various low-income housing programs, cut off 33,000 children from child care, slash 438,000 families from heating assistance, cut 36,000 seniors off of meals on wheels/congregate meals, and eliminate 50,000 children from participating in after school programs.</li> </ul>
<p><b>Economic Stimulus</b></p>	<p>“The tax relief is for everyone who pays income taxes -- and it will help our economy immediately: 92 million Americans will keep, this year, an average of almost \$1,000 more of their own money. A family of four with an income of \$40,000 would see their federal income taxes fall from \$1,178 to \$45 per year. (Applause.) Our plan will improve the bottom line for more than 23 million small businesses.” – Bush, 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Debunking the Fuzzy Math:</b> According to the non-partisan Center on Budget and Policy Priorities, Bush’s use of averages are “misleading because the average is skewed upward by the very large tax cuts that would go to a small number of high-income taxpayers. For an example of how averages can be deceptive, consider a group of five individuals — four of whom each receive \$100 tax cuts and one who receives a \$4,600 tax cut. The average tax cut for the group is \$1,000, but four of the five receive far less than this amount.” In practice, “almost a third of America’s couples and singles would receive absolutely no tax cut from President Bush’s stimulus proposal.” Specifically, “three-fifths of Bush’s proposed tax reductions for this year would go to the best-off 10 percent of all taxpayers” [Source: CTJ]. In practice, that means a person making more than \$378,000 would get an average tax cut of more than \$30,000 while a person making about \$36,000 would receive about \$289.</li> </ul>



# BUSH CREDIBILITY GAP: EDUCATION

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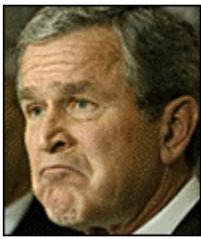
Priority	Bush Rhetoric	Bush Budget Reality
<p><b>Education</b></p>	<p>“To lift the standards of our public schools, we achieved historic education reform -- which must now be carried out in every school and in every classroom, so that every child in America can read and learn and succeed in life.” – Bush 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Overall Budget:</b> The 2004 Bush Budget includes \$53.2 billion for Department of Education discretionary programs - a \$5 billion reduction from the GOP Senate-passed FY 2003 education level.</li> <li>▪ <b>No Child Left Behind:</b> The Bush FY 2004 budget includes \$22.7 billion for the No Child Left Behind (NCLB) Act, an increase of only 1.9% since NCLB was signed. This amount is \$619 million below the amount needed to offset inflation. In total, the Bush request is \$9.7 billion below the amount authorized for FY 2004 in the NCLB Act.</li> <li>▪ <b>Eliminations:</b> The budget eliminates 45 education programs, which were funded at \$1.6 billion in 2002, and cuts another 18 education programs \$1.4 billion below 2002 – for total cuts of nearly \$3 billion.</li> <li>▪ <b>After-School Programs:</b> Bush proposes a 40% (\$400 million) cut in funding for the 21<sup>st</sup> century after school center program. This reduction would result in 485,000 children being slashed from federally-supported after school programs. Overall, this request falls \$1.2 billion short of the NCLB Act authorization for after school funding.</li> <li>▪ <b>Teacher Training:</b> The Bush budget proposes to freeze Teacher Quality State Grants at \$2.85 billion, or an after-inflation cut of \$133 million and a potential loss of opportunities for 30,000 teachers. This is the second straight Bush budget that has tried to freeze this program despite NCLB mandating every teacher be “highly qualified” by 2005.</li> <li>▪ <b>Vocational/Technical Education:</b> Bush proposed a new Secondary and Technical Education State Grant program, but funded it at only \$1 billion – a cut of \$307 million below his 2003 request for vocational/technical programs.</li> <li>▪ <b>Pell Grants:</b> For the second straight year, Bush proposes to freeze the maximum Pell Grant at \$4,000, despite record high tuitions.</li> </ul>
<p><b>Mentoring &amp; Community Service</b></p>	<p>“I propose a \$450-million initiative to bring mentors to more than a million disadvantaged junior high students and children of prisoners. Government will support the training and recruiting of mentors; yet it is the men and women of America who will fill the need. One mentor, one person can change a life forever. And I urge you to be that one person.” – Bush 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Overall Budget:</b> While Bush is proposing an increase of \$25 million for the prison mentoring program, and \$97 million for DoE’s mentoring programs, he is also proposing to eliminate all \$48 million for the Youth Opportunities Grants and all \$16 million for the DoJ’s Juvenile Justice mentoring programs.</li> <li>▪ <b>Community Service:</b> Bush is requesting 6% (\$39 million) less for Corporation for National and Community Service than he did in 2003.</li> <li>▪ <b>AmeriCorps:</b> Bush is requesting \$90 million (20%) less for AmeriCorps (which includes USA Freedom Corps) than he did in 2003. Additionally, “A Bush administration bookkeeping decision has left a funding shortfall for the AmeriCorps national service program that could force enrollment cuts of as much as 50 percent -- instead of the 50 percent increase President Bush had promised” [Washington Post, 2/27/03]</li> </ul>



# BUSH CREDIBILITY GAP: HEALTH CARE

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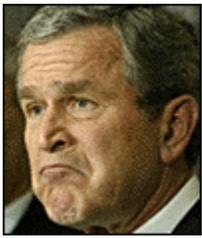
Priority	Bush Rhetoric	Bush Budget Reality
<p><b>Health Programs</b></p>	<p>“Our second goal is high quality, affordable health care for all Americans. The American system of medicine is a model of skill and innovation, with a pace of discovery that is adding good years to our lives. Yet for many people, medical care costs too much -- and many have no coverage at all...we must work toward a system in which all Americans have a good insurance policy, choose their own doctors, and seniors and low-income Americans receive the help they need.” – Bush, 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Overall Budget:</b> The 2004 Bush Budget proposes a 7% (\$399 million) cut to the Health Resources and Services Administration, which includes most of the government’s efforts to improve health care.</li> <li>▪ <b>Safety-Net:</b> Bush proposes eliminating all \$105 million for the Community Access Program, which makes grants to local health providers.</li> <li>▪ <b>Recruiting Doctors:</b> Bush proposes cutting 91% (\$105 million) and effectively eliminating scholarships for disadvantaged students studying medicine and other health professions.</li> <li>▪ <b>Children’s Hospitals:</b> Bush proposes a 30% (\$86 million) cut to grants to children’s hospitals to help cover graduate medical education costs</li> <li>▪ <b>Infant Screening:</b> Bush proposes to eliminate all \$10 million for universal hearing screening for newborn babies.</li> <li>▪ <b>Nursing:</b> Although Bush signed the Nurse Reinvestment Act, his 2004 budget provides no increase for nursing education.</li> <li>▪ <b>CDC:</b> Bush proposes just a 1% (\$61 million) increase in the budget for CDC – well below the rate of inflation.</li> </ul>
<p><b>Medicare</b></p>	<p>“My budget will commit an additional \$400 billion over the next decade to reform and strengthen Medicare.” – Bush, 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Overall Budget:</b> Under Bush’s proposal, there should be a roughly \$40 billion increase in Medicare each year for a decade. However, Bush’s 2004 budget proposes just \$6 billion – 85% less than what would be needed to meet his goal. Additionally, his budget would leave 67% of the total \$400 billion pledge to be spent after 2008. [Budget, pg. 318]</li> </ul>
<p><b>Domestic AIDS</b></p>	<p>The budget I've submitted will be a request for \$16 billion for domestic HIV prevention and care and treatment, a 7 percent increase over '03. – Bush, 1/31/03</p>	<ul style="list-style-type: none"> <li>▪ <b>Overall Budget:</b> According to Bush’s budget documents, the two largest AIDS programs in HHS do not appear to live up to this rhetoric. Specifically, the Ryan White AIDS treatment program would receive just a 5% increase (\$100 million), while the CDC AIDS Prevention program would be frozen at \$691 million, a real after-inflation cut.</li> </ul>
<p><b>International AIDS</b></p>	<p>“I ask the Congress to commit \$15 billion over the next five years, including nearly \$10 billion in new money, to turn the tide against AIDS in the most afflicted nations of Africa and the Caribbean.” – Bush 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Overall Budget:</b> Taking Bush at his word in the State of the Union, the government would have to provide \$3 billion a year in AIDS funding for five years. However, Bush’s budget only includes \$2 billion – a \$1 billion shortfall – with only \$1 billion actually being new money.</li> <li>▪ <b>Reductions:</b> Bush’s \$1 billion is partially offset by his proposal to cut \$400 million from his \$1.7 billion pledge to the Millenium Fund for developing countries, which includes AIDS prevention efforts.</li> <li>▪ <b>Bush’s Previous Record:</b> In August of 2002, Bush effectively vetoed all \$200 million for the Global AIDS fund provided in a bipartisan spending package.</li> </ul>



# **BUSH CREDIBILITY GAP: DEFICITS**

*Rhetoric, Reality and the 43<sup>rd</sup> President of the United States*

<b>Priority</b>	<b>Bush Rhetoric</b>	<b>Bush Budget Reality</b>
<b>Spending Levels</b>	<p>“I will send you a budget that increases discretionary spending by 4 percent next year - about as much as the average family's income is expected to grow...Federal spending should not rise any faster than the paychecks of American families.” – Bush 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Bush Budget Hypocrisy:</b> “While demanding that the federal government restrain its spending to a 4.1 percent increase in 2004, the Bush White House has assigned itself a more lenient standard: It has proposed a 9.3 percent increase in funding for the ongoing operations of the White House” [Washington Post, 2/7/03] Similarly, OMB, which writes the budget, actually is requesting a massive 8% increase for its own operations.</li> </ul>
<b>Fiscal Responsibility</b>	<p>“My Administration firmly believes in controlling the deficit and reducing it.” – Bush, 2004 Budget Message to Congress [2/3/03]</p>	<ul style="list-style-type: none"> <li>▪ <b>CBO:</b> According to CBO, “President Bush's proposed new round of tax cuts and the rest of his budget would produce unabated federal deficits over the coming decade totaling a massive \$1.82 trillion” [AP, 3/7/03].</li> <li>▪ <b>Bush's Budget:</b> Table S-3 of the Bush Budget shows that if government is flat funded at its current rate, the U.S. would begin increasing surpluses by 2006. The chart also shows that by enacting the Bush budget, deficits will increase indefinitely. As the Washington Post noted, “the president's policies would leave the government with \$2.7 trillion in debt through 2013, which the government would not realize if Bush's proposals were rejected” [3/8/03]</li> </ul>
<b>State Fiscal Crises</b>	<p>“One of the interesting things about the '04 budget I've submitted is that there's \$400 billion worth of grants to states. That's a 9 percent increase...We can discuss whether that, in your mind, is enough or not. I suspect I may know the answer. But, nevertheless, it put things in perspective. Of the 4 percent increase in discretionary spending, \$400 billion, or a 9 percent increase, goes directly to the states. That's a bigger increase than 4 percent, I guess is the point I'm trying to make to you.” – Bush to the National Governors Association [2/24/03]</p>	<ul style="list-style-type: none"> <li>▪ <b>Bush 2004 Budget:</b> According to the President's own 2004 budget, grants to states in 2003 were \$384.2B while the Bush 2004 Budget proposes \$406 billion. This is an increase of only 5.8% - not 9%.</li> <li>▪ <b>Non-Medicaid Grants Actually Slashed:</b> According to page 225 of the Bush Budget, the only grants that receive substantial increase is Medicaid (\$18.1 billion). Subtracting this Medicaid increase, that means that non-Medicaid grants to state and local governments are actually being slashed, after inflation. Specifically, non-Medicaid grants increase by only 1.1% - a cut after inflation.</li> <li>▪ <b>Medicaid Increase Caused By Recession:</b> Medicaid is only increasing because the Bush Recession is increasing poverty levels – not because of any proposal to increase funding. Medicaid is a mandatory program meaning the more people under the poverty line the more people automatically receive benefits. Thus, when Bush touts “increases,” he is actually bragging about the negative effects of the Bush Recession.</li> <li>▪ <b>Bush Tax Plan Destroys State Budgets:</b> According to CBPP, “there are 11 tax proposals in the President's budget that would affect state revenues, causing states to lose up to \$64 billion over the next 10 years” [2/4/03]. This is because many state taxes are “piggybacked” on federal taxes. AFSCME estimates that Bush's plan to eliminate dividends taxes alone would cost states \$4.3 billion [Release, 1/16/03].</li> </ul>



# BUSH CREDIBILITY GAP: OTHER PRIORITIES

*Rhetoric, Reality and the 43<sup>rd</sup> President of the United States*

Priority	Bush Rhetoric	Bush Budget Reality
<b>Environment</b>	<p>“Our third goal is to promote energy independence for our country, while dramatically improving the environment.” – Bush, 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Overall Budget:</b> The 2004 Bush budget would reduce funding for the EPA by \$500 million (from \$8.1 billion to \$7.6 billion). As the New York Times wrote, this reduction “seemed downright peculiar, coming as they did on the heels of Mr. Bush’s ringing pledges for a cleaner environment and reduced dependence on foreign oil” [2/7/03]</li> <li>▪ <b>Environmental Inspections:</b> The Bush Administration’s budget will result in about 5,000 fewer inspections than were conducted in 2000 to detect violations of the environmental laws protecting clean air, clean water, safe drinking water, storage and disposal of toxic waste, etc.</li> <li>▪ <b>Clean Water:</b> Bush reduces funding for the clean water state revolving fund by \$362M to a total \$850M despite EPA’s recent water gap study showing a clean water infrastructure shortfall of over \$300 billion.</li> <li>▪ <b>Superfund:</b> The 2004 Bush budget proposes to force taxpayers to pay 80% of the cost of toxic cleanups – effectively eliminating the polluter-pays principle. Because of this, there will only be \$36 million in the Superfund Trust Fund at the end of 2004.</li> </ul>
<b>Border Security</b>	<p>“We’ve intensified security at the borders.” – Bush 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Overall Budget:</b> Bush proposes to cut total “Border and Transportation Security” by \$284 million.</li> <li>▪ <b>Customs/Immigration:</b> The 2004 Bush budget provides “Customs and Border protection” with only a 2.8% increase while “Immigration and Customs Enforcement” receives just a 2.1% increase. Additionally, Bush proposes no new money to hire more INS or Customs staff.</li> </ul>
<b>Port Security</b>	<p>“We’ve intensified security at...ports of entry.” – Bush 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Overall Budget:</b> The 2004 Bush budget includes no money for port security grants despite the Coast Guard reporting in December that the first year cost of port security is at least \$963 million and that total costs over the next decade are \$4.4 billion.</li> <li>▪ <b>Bush’s Previous Record:</b> Before this year, Bush and the GOP have passed only \$250 million for port security, repeatedly rejecting Democratic efforts to increase this funding.</li> </ul>
<b>Energy</b>	<p>“Tonight I’m proposing \$1.2 billion in research funding so that America can lead the world in developing clean, hydrogen-powered automobiles...Join me in this important innovation to make our air significantly cleaner, and our country much less dependent on foreign sources of energy.” – Bush, 2003 State of the Union</p>	<ul style="list-style-type: none"> <li>▪ <b>Overall Budget:</b> Bush’s 2004 budget only includes an \$100 million more for hydrogen research, for a total of \$272 million.</li> <li>▪ <b>Priorities:</b> As the NY Times asked, “The numbers show that when the Freedom Car is removed from the equation, the money available for proven programs that could provide quick energy savings — and have an early impact on, say, urban smog and global warming — actually declines. No less perverse is a provision that would provide a \$75,000 deduction for small businesses that buy huge gas-guzzling S.U.V.’s like the Lincoln Navigator.” [2/7/03]</li> </ul>