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Bush Seeks Deep Spending Cuts

\$2.57-Trillion Proposal Would Trim 150 Popular Programs

By Mike Allen and Peter Baker

President Bush today unveiled a \$2.57 trillion budget that eliminates dozens of politically sensitive domestic programs, including funding for education, environmental protection and business development, while proposing significant increases for the military and international spending.

"It's a budget that focuses on results," Bush said today before a cabinet meeting. "The taxpayers of America don't want us spending our money into something that's not achieving results," he said.

". . . I fully understand that sometimes it's hard to eliminate a program that sounds good. But by getting people to focus on results, I'm saying to members of Congress, show us the results as to whether or not this program is working."

Overall, discretionary spending other than defense and homeland security would fall by nearly 1 percent, the first time in many years that funding for the major part of the budget controlled by Congress would actually go down in real terms. The cuts are scattered across a wide swath of the government, affecting a cross-section of constituents, from migrant workers to train passengers to local police departments.

About 150 programs in all would be shuttered or radically cut back to help meet Bush's goal of shaving the budget deficit in half by 2009. One out of every three of the targeted programs concerns education. Medicaid funding would be reduced significantly and even major military weapons programs would be scrapped to make more resources available for the war in Iraq.

Bush budget predicts that revenues, bolstered by a healthy economy, will rise by 6.1 percent to \$2.18 trillion.

The spending blueprint for fiscal 2006 and beyond promises to touch off a wrenching debate about national priorities in the months ahead.

Some congressional officials pronounced many of the proposed cuts dead on arrival. One lawmaker involved in the negotiations said that House and Senate leaders have told the White House that no more than two dozen of the 150 proposals are likely to be accepted, although Congress might agree to reductions in some programs targeted for elimination.

"We are being tight," Vice President Cheney said yesterday. "This is the tightest budget that has been submitted since we got here." But Cheney defended the cuts as measured. "I think you'll find, once people sit down and have a chance to look at the budget, that it is a fair, reasonable, responsible, serious piece of effort," he said on "Fox News Sunday." "It's not something we've done with a meat ax, nor are we suddenly turning our back on the most needy people in our society."

Some administration officials, speaking on the condition of anonymity yesterday because the budget had not been released, acknowledged that they faced an uphill struggle on the proposed cuts, some of which were rejected in the past. One official said the White House plans an elaborate

marketing strategy to sell the cuts to voters and lawmakers as "centralizing government services and saving taxpayer money."

But nearly every program targeted for elimination has a patron on Capitol Hill, and the administration has assembled a list that may prove particularly dicey. "This is a long list of sensitive programs," said a congressional leadership aide. "A lot of these proposals we've been through before and the programs have survived. This is going to be a tough sell for the president."

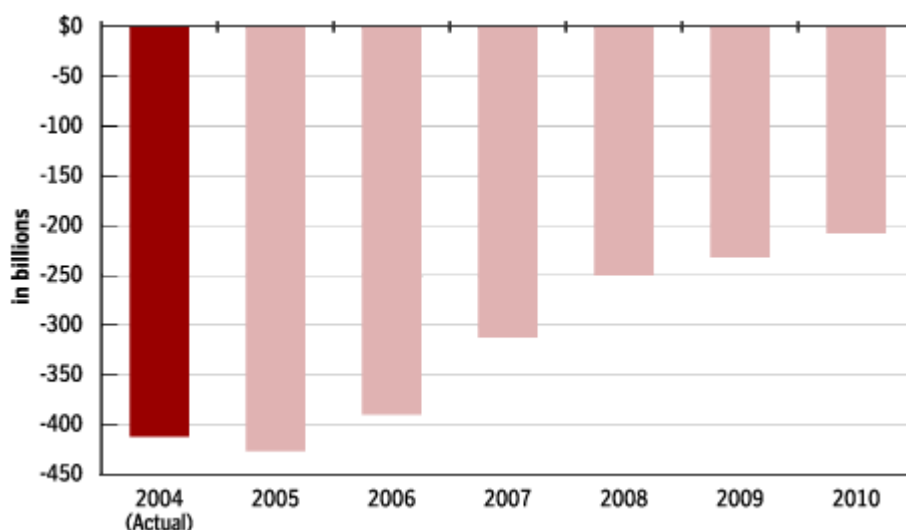
House Majority Whip Roy Blunt (R-Mo.) said in an interview that although many of the requests will be opposed, he believes that Congress will still cut "tens of millions of dollars and set the standard that the federal government can stop doing things that it shouldn't be doing, or is not doing well."

And some deficit hawks welcomed what they hoped would be a hard-nosed approach to spending at a time when the deficit is projected to reach a record \$427 billion this year. "With the deficits that we're now running, I'm glad the president is coming over with a very austere budget," Sen. John McCain (R-Ariz.) said on ABC's "This Week." "I hope we in Congress will have the courage to support it."

The spending plan does not include future expenses of the continuing wars in Afghanistan and Iraq, nor does it include upfront transition costs of restructuring Social Security as Bush has proposed. The administration will submit a separate supplemental request largely for Afghanistan and Iraq operations in the current fiscal year, which will be reflected in the budget charts, officials said, but war costs in 2006 and beyond will not be. Nor will be the cost of Bush's Social Security plan, which would begin in 2009 and result in \$754 billion in additional debt over its first five years.

Those omissions provide ammunition to Democrats who dispute Bush's math. "The Administration's claim that it will cut the deficit in half by 2009 lacks credibility," said a report released last week by House Budget Committee Democrats. When the omitted items are included, along with the impact of making Bush's first-term tax cuts permanent, the report estimated that the government would rack up \$6.1 trillion in deficit spending over the next decade.

OMB Deficit Projections



[More Data](#) Note: Numbers beyond 2004 are estimates. 2005 estimates include a portion of the \$80 billion supplemental war spending. Source: OMB

Administration officials said they would outline a five-year spending plan that would cut deeply enough that it could still accommodate future Iraq and Social Security costs without sacrificing the president's deficit-cutting pledge. "We have acknowledged that there may be additional spending," said Chad Kolton, spokesman for the Office of Management and Budget. "Our numbers will show that even with some additional spending from the war in Iraq, we'll still be half" of the deficit by 2009.

Another senior official said the deficit in the Bush plan would decrease from 3.5 percent of gross national product this year to 3 percent in fiscal 2006 and 1.5 percent by 2009, enough to meet Bush's pledge. In the budget for 2006, discretionary spending -- meaning other than entitlement programs such as Social Security, Medicaid and Medicare -- would rise just 2.1 percent, lower than the expected rate of inflation. Within that category, extra money would go to defense and homeland security, leaving most other discretionary programs frozen or falling.

Some top Bush priorities would still find more funding despite the belt-tightening. The president earmarked \$3.2 billion for fighting AIDS around the world and increased foreign operations and development aid by 17 percent. Bush hopes to spend \$304 million to build more community health centers, particularly in rural areas. And the Defense Department would receive an extra \$19 billion to reach \$419.3 billion, not including special appropriations for the war.

Still, the administration plans to cut costly weapons programs such as an Air Force advanced fighter plane, a stealthy Navy destroyer and the next generation of nuclear submarines. Bush's missile defense program would likewise lose billions of dollars in funding in coming years.

On the domestic side, the budget would consolidate 18 community development block grant programs into one Commerce Department program for a savings of \$1.8 billion. It would slice law enforcement grants to states from \$2.8 billion to \$1.5 billion. And it would cut 48 education programs totaling \$4.3 billion, including \$2.2 billion for high school programs, mostly state grants for vocational education.

The budget would cut \$440 million in Safe and Drug-Free School grants, \$500 million in education technology state grants, \$225 million for the Even Start literacy program, \$280 million for Upward Bound programs for inner-city youths and a \$150 million talent research program.

The budget includes no subsidy for Amtrak and would eliminate \$20 million for the next generation of high-speed rail and \$250 million for railroad rehabilitation. Several Energy Department programs would be eliminated, as would \$100 million in grants for land and water conservation. The budget proposal would cut \$94 mil