



BUSH'S BUDGET DISASTER

Bush's 2006 Budget Cuts Programs for North Carolina Families While Exploding the Deficit

Bush's 2006 budget eliminates or cuts funding to North Carolina for homeland security, education, health care, and business development. At the same time, Bush's budget does nothing to reduce the record \$412 billion deficit. In fact, the Enron-style accounting in Bush's budget plan makes the long-term deficit worse because Bush fails to include \$2 trillion in costs for his plan to privatize Social Security and leaves out billions for spending in Iraq.

BUSH'S BUDGET IS A DISASTER FOR NORTH CAROLINA

- **Bush Shortchanges 66,631 North Carolina Children by Underfunding No Child Left Behind by \$282.1 Million.** Bush breaks his promise to provide needed funding for North Carolina students. His 2006 budget underfunds the No Child Left Behind program in North Carolina by \$282.1 million. Under the Bush budget, 66,631 children in North Carolina will go without promised help in reading and math. [National Priorities Project, 2/14/05; Office of House Democratic Leader, 2/10/05; CRS, 2/05]
- **Despite the Fact That 169,000 Manufacturing Jobs Have Been Lost in North Carolina, Bush Cuts North Carolina's Job Training Programs by \$13.9 Million.** North Carolina has lost 169,000 manufacturing jobs under Bush. Despite this, Bush proposes to cut the Manufacturing Extension Partnership by 60 percent, and cuts \$13.9 million in job training and services funding for North Carolina. Bush also cuts \$34.4 million in vocational education for North Carolina residents. [BLS, 1/05; Federal Funds Information for States, 2/05]
- **Bush Cut "Significantly Alters" North Carolina's Community Block Grant Program.** The Bush Budget will "significantly alter" North Carolina's Community Development Block Grant program. The program is used to fund community strength projects such as fixing up poor neighborhoods, construction for public housing or low income housing rehabilitation. In the last few years cities such as Greensboro and High Point, North Carolina have used this money to make million dollar improvements to their cities. [Greensboro News & Reader, 2/13/05]
- **Low Income North Carolina Students Face Major Cut In Higher Education Grant.** Bush's budget cuts the Upward Bound and Education Talent Search program in North Carolina, a program that provided higher education opportunities to lower income students. The program will be cut by \$11 million. "National and local education authorities say the proposed cuts would hurt the low-income, first-generation college-bound students the programs aim for." [News and Observer, 2/13/05, The Post and Courier, 2/13/05]
- **Charlotte, North Carolina Police and Fire Departments Hurt By Bush's Budget Cuts.** According to the Charlotte Observer, A federal grant program that paid for a DNA lab in Charlotte-Mecklenburg, laptop computers in some Monroe police cars and Taser guns for officers in Rock Hill and Gaston County will die if President Bush's budget is approved." [Charlotte Observer, 2/11/05]

HOMELAND SECURITY:

Bush Cuts Key Homeland Security and Law Enforcement Programs in North Carolina

Bush's Budget Would Slash State and Local Homeland Security Funding by \$420 Million. Bush's budget would cut state and local coordination efforts by \$420 million, or 11 percent. Bush's budget also fails to provide for an additional 2,000 border patrol agents on the job in 2006—as was promised in landmark intelligence reforms passed late last year and endorsed by the 9/11 Commission. Bush provides funding for only 210 agents. [[Washington Post](#), 2/7/05; [Associated Press](#), 2/7/05; Office of Management and Budget, [Budget of the United States Government, Fiscal Year 2006](#), 2/7/05]

- **North Carolina Fact: Bush's Budget Slashes \$26.1 Million in Homeland Security Funding for North Carolina.** Bush's budget slashes \$26.1 million from homeland security formula grants to North Carolina. These grants provide police, firefighters, and emergency management teams with the training and equipment they need to keep communities safe from terrorism. [Federal Funds Information for States, 2/05]

Bush's Budget Cuts COPS Program by Nearly 96 Percent. Bush's 2006 budget would slice overall law enforcement grants to states from \$2.8 billion to \$1.5 billion. Bush's budget cuts funding for Community Oriented Policing Services—the COPS program, which provides grants for state and local agencies to hire police officers—by \$477 million, a cut of 95.6 percent. [[Washington Post](#), 2/7/05; [Associated Press](#), 2/7/05; House Budget Committee, Democratic Staff; Office of Management and Budget, [Budget of the United States Government, Fiscal Year 2006](#), 2/7/05]

- **North Carolina Fact: Bush's Budget Cuts Funding for North Carolina's COPS Program.** Bush's 2006 budget cuts funding for the Community Oriented Police program, which has put 2,934 police on the streets in North Carolina. [DOJ, 10/19/04; Budget of the US Government, 2/05]

Bush Slashes Funding for Firefighters by 30 Percent. Bush's budget also cuts funding for local firefighters by \$215 million—a cut of 30 percent. [[Washington Post](#), 2/7/05; [Associated Press](#), 2/7/05; House Budget Committee, Democratic Staff; Office of Management and Budget, [Budget of the United States Government, Fiscal Year 2006](#), 2/7/05]

ECONOMY:

Bush's Fiscally Irresponsible Budget Slashes Programs to Help Workers and Small Businesses in North Carolina

Bush's Budget Is Fiscally Irresponsible: It Would Add to the Deficit While Hardly Reducing Overall Spending. Although very damaging, Bush's budget cuts will reduce the record \$427 billion deficit by only about \$15 billion. Bush's plan also does not include future expenses of the continuing wars in Afghanistan and Iraq—expected to cost \$81.9 billion this year—nor does it include upfront transition costs of restructuring Social Security as Bush has proposed—which would total more than \$2 trillion. [[New York Times](#), 2/7/05; CBO, [The Budget And Economic Outlook: Fiscal Years 2006 to 2015](#), 1/05; [Washington Post](#), 2/7/05, 2/15/05; [Associated Press](#), 2/6/05]

- **North Carolina Fact: Bush Has Increased Every North Carolina Family's Share of the National Debt by \$38,172.** During Bush's first term, each family in the state of North Carolina

saw their share of the National Debt increase by \$38,172. [Citizens for Tax Justice, 9/04]

Bush's Budget Slashes Job Training Programs. Bush's budget cuts federal job training services designed to help our workforce by more than \$500 million. The plan also cuts the four Workforce Investment Act state grant programs by \$61.5 million. In addition, Bush is proposing a 60 percent cut in the Manufacturing Extension Partnership program, which provides services including plant modernization and employee training. [House Budget Committee, Democratic Staff; Office of Management and Budget, Budget of the United States Government, Fiscal Year 2006, 2/7/05; Washington Post, 2/8/05]

- **North Carolina Fact: Despite the Fact That 169,000 Manufacturing Jobs Have Been Lost in North Carolina, Bush Cuts North Carolina's Job Training Programs by \$13.9 Million.** North Carolina has lost 169,000 manufacturing jobs under Bush. Despite this, Bush proposes to cut the Manufacturing Extension Partnership by 60 percent, and cuts \$13.9 million in job training and services funding for North Carolina. Bush also cuts \$34.4 million in vocational education for North Carolina residents. [BLS, 1/05; Federal Funds Information for States, 2/05]

Bush Plans to Eliminate the Highly Effective Advanced Technology Program for Second Consecutive Year. For the second consecutive year, Bush is trying to eliminate the Advanced Technology Program—designed to fund high-risk technology research that the private sector will not tackle. A high-profile National Academy of Sciences study demonstrated the effectiveness of the program in 2001, and, according to David Peyton, director of technology policy for the National Association of Manufacturers, “After the academy report, nobody could say with a straight face that the program does not work as intended.” [Washington Post, 2/7/05, 2/6/05; Associated Press, 2/7/05; Office of Management and Budget, Budget of the United States Government, Fiscal Year 2006, 2/7/05]

Bush Plans to Cut the Small Business Administration by 25 Percent. Bush's proposed 2006 budget cuts funding for the Small Business Administration by more than \$1 billion—a cut of more than 25 percent. [Office of Management and Budget, Budget of the United States Government, Fiscal Year 2006, 2/7/05]

MILITARY VETERANS:

Bush Turns His Back on Veterans; Budget Imposes Fees and Cuts Hospital Services Businesses in North Carolina

North Carolina Fact: Bush Plans To Impose New \$250 User Fees and Double Prescription Drug Co-Payments For Veterans—Increasing Costs by \$2 Billion. Bush's proposed 2006 budget would more than double the co-payment charged to 792,646 North Carolina veterans for prescription drugs and would require some to pay a new user fee of \$250 a year for the privilege of using government health care. Bush would also increase the co-payment for a month's supply of a prescription drug to \$15, from the current \$7. Veterans' groups said that at least 200,000 veterans would be driven out of the system entirely, and would cost veterans remaining in the system more than \$2 billion over five years. [New York Times, 2/7/05; Office of Democratic Leader Pelosi; www.va.gov/vetdata; Budget of the US Government, 2/05]

Bush Underfunds the Veterans Health Care Budget. Veterans groups have said that Veterans Affairs health budget requires an increase of a \$3.5 billion—four times more than Bush actually requested. Bush's budget would force veterans hospitals and clinics to limit services. [New York Times, 2/7/05; www.va.gov/vetdata; Budget of the US Government, 2/05; Committee on Government Reform, 11/03]

Bush's Budget Ignores Promised Increase in Death Benefits for Family of Soldiers Killed in Action. Bush breaks his promise to include funding for an increase in death benefits for the families of the servicemen and women who are killed in action. Bush's budget also fails to provide targeted pay raises for senior enlisted personnel, junior officers, and warrant officers—the troops that the military most needs to retain. [House Budget Committee Democratic Staff]

EDUCATION:
Bush Cuts 48 Education Programs and Underfunds No Child Left Behind for North Carolina

Bush Underfunds his Own No Child Left Behind Program by \$13.1 Billion. Bush's budget provides \$13.1 billion less in funding for No Child Left Behind than the 2002 law authorized. This is the fourth year in a row that Bush has underfunded his own program. [National Priorities Project, 2/14/05]

- **North Carolina Fact: Bush Shortchanges 66,631 North Carolina Children by Underfunding No Child Left Behind by \$282.1 Million.** Bush breaks his promise to provide needed funding for North Carolina students. His 2006 budget underfunds the No Child Left Behind program in North Carolina by \$282.1 million. Under the Bush budget, 66,631 children in North Carolina will go without promised help in reading and math. [National Priorities Project, 2/14/05; Office of House Democratic Leader, 2/10/05; CRS, 2/05]

Bush Plans Cuts for 48 Different Education Programs, Totaling \$4.3 Billion. One out of every three programs slated for budget cuts by Bush concerns education. Bush's budget would cut 48 education programs—totaling \$4.3 billion. Bush's education budget includes: \$2.2 billion less for high school programs and state grants for vocational education, \$440 million less in Safe and Drug-Free School grants, \$500 million less in education technology state grants, \$280 million less for Upward Bound programs for inner-city youths, and \$150 million less for the talent research program. [[Washington Post](#), 2/7/05; [Associated Press](#), 2/6/05]

- **North Carolina Fact: Bush's Budget Will Cut Off After-School Programs for 40,045 North Carolina Children.** Because of Bush's proposed 2006 budget, 40,045 North Carolina children will no longer be able to enroll in the after-school programs that boost academic achievement and keep children safe. [National Priorities Project, 2/14/05; Office of House Democratic Leader, 2/10/05; CRS, 2/05]

Despite Bush's State of the Union Promise, His Budget Underfunds Pell Grants by \$6.6 Billion. In his 2005 State of the Union Address Bush promised to increase the maximum value of Pell Grants, but he continues to fall well short of his 2000 promise to increase value to \$5,100. And Bush continues to provide \$6.6 billion less than is authorized under the Higher Education Act. [Bush, State of the Union Address, 2/2/05; Bush Speech in Hampton, New Hampshire, 8/30/00; [Federal Pell Grant End of Year Report 2003-2004](#); National Education Association, 2/05; Office of Management and Budget, [Budget of the United States Government, Fiscal Year 2006](#), 2/7/05]

- **North Carolina Fact: The Bush Budget Shortchanges 127,863 North Carolina Students By Underfunding Pell Grants by \$181.7 Million.** Pell Grants serve 127,863 students in North Carolina. But Bush's budget underfunds the Pell Grant program by \$181.7 million and fails to provide the needed \$1,000 per-student increase in funding levels. [[Federal Pell Grant End of Year Report 2003-2004](#); Office of Management and Budget, [Budget of the United States Government, Fiscal Year 2006](#), 2/7/05]

Bush Plans to Eliminate Even Start. Bush's budget completely eliminates the \$225 million Even Start initiative, a literacy program designed to increase academic achievement of young children and their parents by helping them learn together. Bush tried to eliminate Even Start last year. [[Washington Post](#), 2/7/05, 2/6/05; [Associated Press](#), 2/6/05]

HEALTH CARE:

Bush Cuts Health Care Funding for Senior Citizens and Children in North Carolina

Bush Cuts \$45 Billion From Medicaid While Shifting Costs to States. In Bush's proposed 2006 budget, Medicaid funding for states would be reduced by \$45 billion over the next decade, shifting the costs to the states. Within five years, the amount that Bush cuts from Medicaid would have been enough to provide health coverage for 1.8 million children or 345,000 seniors. [[Washington Post](#), 2/7/05; [Associated Press](#), 2/6/05; Center on Budget and Policy Priorities, 2/7/05; Families USA, 2/7/05]

- **North Carolina Fact: Bush's Budget Cuts \$1399 Million in Medicaid Funding for North Carolina.** Over the next decade, Bush's budget would cut Medicaid funding for North Carolina by \$1399 million. The enormity of Bush's proposed cutback is evident from the number of seniors and children who could be covered with the money eliminated by the Bush proposal: the cuts in 2010 alone would be the equivalent of providing health coverage for over 12,400 North Carolina seniors or 59,400 North Carolina children. [Families USA, 2/7/05]

Bush Cuts Health and Human Services (HHS) Funding, Including Community and Rural Health Programs That He Touted During Campaign. A number of health programs under the HHS Department would be cut by 1.2 percent under Bush's 2006 budget. The budget proposal would cut \$94 million in grants for the Healthy Communities Access Program and phase out rural health grants. Bush touted his commitment to such programs during his reelection campaign. Bush's also proposes cutting the Centers for Disease Control and Prevention, Administration for Children and Families, and the Administration on Aging. [[Washington Post](#), 2/7/05; [Associated Press](#), 2/7/05; Office of Management and Budget, [Budget of the United States Government, Fiscal Year 2006](#), 2/7/05]

- **North Carolina Fact: Bush's Budget Cuts Health Programs, Despite Fact That 340,000 Residents in North Carolina Have Lost Their Health Insurance.** More than 340,000 North Carolina residents, and 5 million Americans nationally, have lost their health coverage during Bush's presidency. Yet, the Bush budget eliminates the \$94 million Healthy Community Access Program, and includes a proposal to expand high deductible insurance plans that would actually increase the number of people without health insurance nationally by 350,000. [CPS, 9/04; Center on Budget and Policy Priorities, 2/10/04]

Bush's Budget Cuts Child Care Assistance for 300,000 Low-Income Children. Bush's budget would end child care assistance for 300,000 low-income children nationally by 2009. [Center on Budget and Policy Priorities, 2/7/05]

Bush's Budget Slashes Food Stamp Aid for At Least 200,000 Poor People. Bush's cuts would terminate food stamp aid for 200,000 to 300,000 low income people nationally, most of whom are members of low-income working families with children. [Center on Budget and Policy Priorities, 2/7/05]

ENVIRONMENT AND ENERGY:

Bush's Budget Undermines Environmental Protections Like Clean Water and Hazardous Waste Cleanups in North Carolina

Bush's Budget Cuts Water Quality and Land Preservation Programs by \$285 Million, And Wastewater Treatment by \$500 Million. Under Bush's budget, water-quality protection programs would be cut by \$170 million, and land preservation and restoration programs would lose about \$115 million—a total cut of \$285 million. In addition, under Bush's budget, the EPA would cut its program to help poor communities build wastewater treatment plants and other water projects by \$500 million. [Washington Post, 2/7/05, 2/8/05; Associated Press, 2/6/05; New York Times, 2/8/05]

- **North Carolina Fact: Bush Cuts North Carolina's Clean Water Programs by \$7 Million.** Bush's budget cuts funding for North Carolina's Clean Water State Revolving Fund by \$7 million. [National Priorities Project, 2/14/05]

Bush Plans to Cut Funding for Cleanup of Hazardous Waste and Radioactive Cleanups by Nearly \$800 Million. Bush's 2006 budget would cut spending for Department of Energy programs to clean up large amounts of radioactive contamination and hazardous waste at 114 sites in 31 states and one U.S. territory by \$779 million, to \$6.5 billion. [Washington Post, 2/7/05; Associated Press, 2/7/05; Office of Management and Budget, Budget of the United States Government, Fiscal Year 2006, 2/7/05]

Bush Budget Cuts Program To Clean North Carolina Wastewater. "Don Reuter, a spokesman for the state Department of Environment and Natural Resources, said North Carolina has many wastewater-management needs, totaling nearly \$6 billion as of 2000. The loan program at risk has been giving the state about \$24 million a year to help with upgrading and repairing local wastewater treatment projects, but Bush's budget plan would take that down to \$13.3 million, he said." [News & Record, 2/9/05]

CITIES AND HOUSING:

Bush's Budget Cuts Key Housing and Urban Development Programs in North Carolina

Bush's Budget Slashes LIHEAP by \$234.4 Million. During the 2000 presidential debates, Bush said, "First and foremost, we got to make sure we fully fund LIHEAP, which is a way to help low-income folks, particularly here in the East, to pay for their high fuel bills." Yet, Bush's proposed 2006 budget would cut funding for low-income home energy assistance by \$234.4 million nationally. [Presidential Debate in Boston, MA, 10/3/00; National Priorities Project, 2/14/05]

- **North Carolina Fact: Bush Slashes North Carolina's LIHEAP Funding by \$4.3 Million.** Bush's proposed 2006 budget cuts the Low-Income Home Energy Assistance Program by \$4.3 million for North Carolina residents. [National Priorities Project, 2/14/05]

Bush Would Cut Community Development Block Grants by \$1.8 Billion. Bush's budget would consolidate 18 community development block grant programs—which pay for everything from day care to neighborhood business development—into one Commerce Department program for a cut of \$1.8 billion. Programs with combined budgets totaling nearly \$5.7 billion would be forced into a \$3.7 billion

package. The largest component, the \$4.1 billion Community Development Block Grant, could be cut as much as 40 percent. [[Washington Post](#), 2/7/05, 2/6/05]

- **North Carolina Fact: Bush's Budget Cuts North Carolina's Community and Economic Development Grants by \$62.8 Million.** As part of Bush's plan to cut North Carolina's overall federal grants by \$198.8 million, Bush would cut community and economic development funding to North Carolina by \$62.8 million. [National Priorities Project, 2/14/05]

Bush Proposes to Eliminate the HOPE VI Program, Which Improves Public Housing. Bush's 2005 budget proposes to eliminate the HOPE VI program, and requests that Congress rescind the \$143 million it had already approved in the 2005 budget. Congress has rebuffed similar requests in the past to eliminate HOPE VI, which helps housing agencies replace dilapidated public housing units with mostly larger townhouses and detached homes to create mixed-income communities. [[Washington Post](#), 2/7/05; [Associated Press](#), 2/7/05; Office of Management and Budget, [Budget of the United States Government, Fiscal Year 2006](#), 2/7/05]

AGRICULTURE:

Bush's Budget Hurts America's Farmers by Cutting Aid in North Carolina

Bush's Budget Cuts USDA by 9.6 Percent. Bush's 2006 budget proposal calls for cuts in the U.S. Department of Agriculture by 9.6 percent. [[Washington Post](#), 2/8/05]

Bush Plans to Cut Aid to Farmers by \$5.7 Billion. The Bush Administration planned to cut agricultural subsidies and payments to American farmers by \$5.7 billion over the next 10 years. U.S. farm spending would be reduced by 5 percent—\$587 million—in 2006 alone. The plan would limit government payments to farmers to \$250,000 a year. And Bush probably won't stop there: According to the [Minneapolis Star Tribune](#), "A new industry report [by Informa Economics Inc.] suggests the White House will try to wring \$15 billion in annual savings out of programs designed to protect farmers from falling commodity prices." [[Washington Post](#), 2/6/05; [Associated Press](#), 2/6/05; [Minneapolis Star Tribune](#), 2/7/05]

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