

FACT SHEET: **Irresponsible Bush Budget Reflects Distorted GOP Priorities**

Even as middle class Americans are struggling to achieve financial security, the Bush budget ignores the very real challenges they are facing. It fails to create jobs, and instead creates record deficits. It shortchanges education, health care, veterans' benefits, and small business. Instead of helping working families, it provides additional tax breaks for those who need them least and billions of dollars in new giveaways to HMOs and other wealthy corporate interests.

Reckless Republican policies create record deficits. The President's reckless disregard for fiscal responsibility has led to a \$521 billion deficit in FY 2004. The Republicans' massive tax cuts for the wealthy, their failure to require any cost controls in the prescription drug bill, and their handouts to wealthy corporate interests have created record deficits that threaten our economy.

No action on job creation. The Bush budget squanders an additional \$1 trillion over the next 10 years on additional tax cuts for the wealthy, but does not expand the child tax credit to cover millions of military and working families. Republicans continue to push tax breaks for companies that move American jobs overseas while President Bush's budget does nothing to create good-paying jobs here at home. And instead of helping small businesses grow, the Bush budget cuts funding for the Small Business Administration by 10 percent.

More for special interests, not seniors. The Bush budget now includes \$46 billion in special payments to HMOs – \$30 billion more than originally estimated – and does nothing to help seniors lower their prescription drug costs. Despite a new cost estimate for the Republican Medicare prescription drug bill of \$534 billion, Republicans are refusing to hold down drug costs, refusing to let the government negotiate discounts for seniors, and refusing to allow Americans to import less expensive drugs from Canada.

Breaks the promise of a better education. The President's budget fails to provide \$9.4 billion in promised funding for education – meaning that 2.4 million children will not get the help with reading and math they were promised. The Bush budget freezes funding for rural education and provides only half of the funding promised to after school programs, meaning that 1.3 million children who were promised after school programs will not get them. Despite nationwide increases in the cost of college, the Bush Administration has frozen funding for Pell Grants and cut funding for Perkins loans by nearly \$100 million.

Leaves veterans behind. The President's budget raises health care costs for over 500,000 veterans, imposing new co-payments and enrollment fees that will cost veterans over \$2 billion over five years. In fact, over five years, the budget for veterans health care programs is \$13.5 billion below the amount needed to maintain services at current levels. And it 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.

Fails to make healthcare affordable for middle class families. The Bush budget includes \$70 billion for a \$1,000 tax credit for individual coverage that covers only 5 percent of the 44 million uninsured and would undermine employer based insurance.

Democrats have different priorities. We want to help all Americans achieve financial security, invest in programs that create good paying jobs, improve education, lower health care costs, make college more affordable, help small businesses grow, support our veterans and military retirees, and do more to protect our ports and borders from terrorism.

