

Center for American Progress



***Making the Wrong Choices:
An Analysis of the President's 2006 Budget***

Progressive Ideas for a Strong, Just, and Free America

Making the Wrong Choices: An Analysis of the President's 2006 Budget

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Introduction

President Bush's 2006 budget makes the wrong choices for our nation. As the embodiment of the president's policies, it reflects skewed priorities and runs counter to our deepest held beliefs. The budget embraces the administration's disastrous economic policies while at the same time failing to put forward a vision of what the United States should be. What America needs instead are responsible policies that reflect our values, help bring our nation together, and invest in the future by expanding opportunity.

In this budget, the Bush administration proposes to cut vital domestic investments and services for the middle class and poor, maintains unsustainable tax cuts for the wealthy, and continues to accumulate huge budget deficits. The budget accurately reflects the philosophy that has governed this administration from its first day in office, and is a collection of hard numbers that run counter to a progressive vision of shared prosperity, a just society, and expanding freedoms. The choices made in the budget about how we defend ourselves as a nation—both through military and non-military means—are all too often mired in the memories of a world long since past.

Americans need not accept the budget's gloomy, conservative assessment about what we can accomplish as a nation—an assessment forced upon us by this administration's early decision to reward the very wealthiest with unprecedented tax cuts and its decision to plunge us into a war of choice with a never-ending bill to taxpayers. We need not accept a federal budget that singles out hard-working middle-class families, those who have served our nation, and our society's most vulnerable citizens. Nor need we accept a document that is fundamentally dishonest—one that fails to account for ongoing commitments that our nation cannot afford to break and massive untested programs that our nation simply cannot afford.

There is a better way. Americans deserve an honest budget that reflects their priorities and that honors their hard work. All of us, citizens and lawmakers, have a choice about the direction in which we take our nation. Our budget reflects priorities and values, and now we have the chance to make the right choice. We must cast aside the cramped and conservative blueprint of this White House and instead set priorities that reflect a positive, progressive vision of our nation's future.

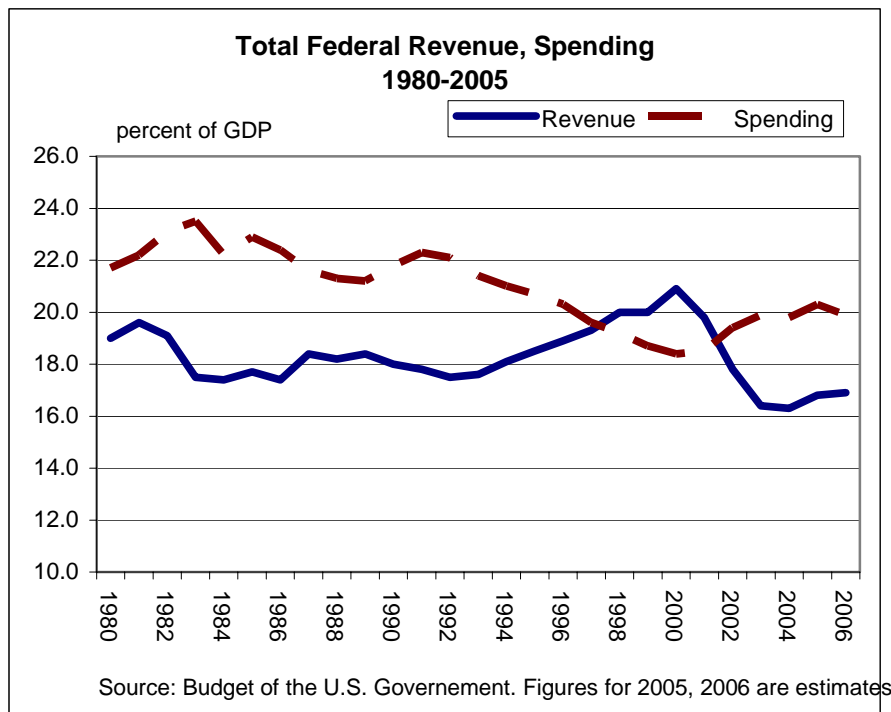
The Budget Situation: The Big Picture

The president's budget for 2006 proposes a wide array of cuts to domestic and international priorities. Over the next five years, the budget includes \$212 billion in cuts to domestic discretionary programs, and \$138 billion in mandatory programs.¹ Many of the specific cuts are outlined in the sections below.

In addition, the budget proposes a wide array of tax changes that would reduce revenue by \$1.3 trillion over the next 10 years (excluding interest payments). Extending the tax

cuts from 2001-2003, including those that overwhelmingly benefit people at the top of the income distribution, represents the majority of these changes. For example, the president proposes to fully eliminate the estate tax—a tax that impacts only millionaires—at a cost of \$256 billion.

The last four years have seen a sharp reduction in the federal government’s ability to raise adequate revenue. At less than 17 percent of GDP, federal revenue is lower than at any point in the ‘60s, ‘70s, ‘80s, or ‘90s. Our spending is not “out-of-control,” as many conservatives contend. In fact, the most recent increase in outlays has been primarily due to increased military and national security spending. The result of the imbalance between outlays and revenues has resulted in a massive deficit. (See “Deficits” below.)



In short, we are on an unsustainable path. We will eventually have to alter current policy to correct for the imbalance between outlays and revenues, and we will have to make choices about how best to change course. Unfortunately, the president’s budget avoids these choices and continues the trend of additional tax reductions that benefit the wealthy, while placing an unfair share of the deficit reduction on the middle class.

The President's Proposals

Economic Policy

The president's economic and fiscal policy has been a failure on many fronts. The president's budget continues the pattern of growing deficits, cuts to services and investments vital to long-run growth, and an increasingly unfair tax policy. Other proposed changes would lead to an unbalanced budget process and to fewer resources for states and localities.

Deficits

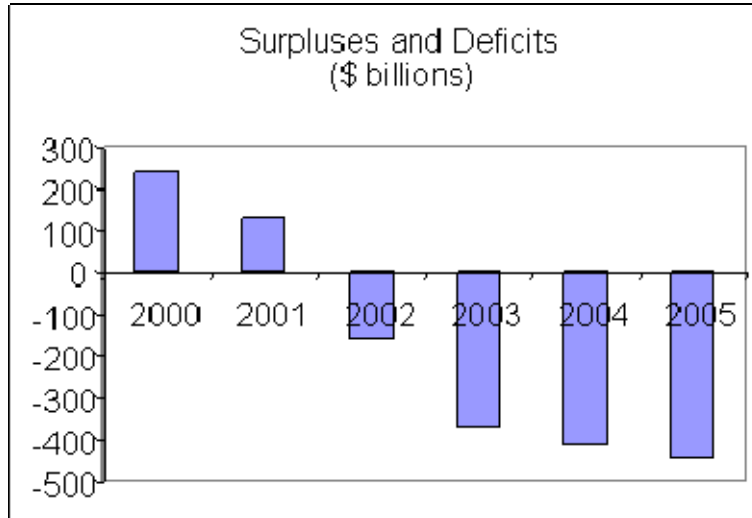
The Bush administration's deficits are a bill left waiting on the table for future generations to pay. The president's budget misleads today's taxpayers, and tomorrow's generations, about where we are going.

It is important to remember where we were when the Bush administration took office and where we stand today. In four short years, the administration has turned the largest surplus in our nation's history into a massive deficit. And the vast majority of that deficit can be pinned to two decisions this administration made: to reward the country's richest with tax cuts and to launch a war of choice in Iraq that has cost us \$220 billion and counting.

Economists worry about deficits because of the negative long-term impact large and persistent deficits pose to the economy. Deficits can lead to lower national savings and thus lower levels of future output. With the personal saving rate under 2 percent, it is even more troubling that the federal government is running up massive amounts of debt. In addition, with a large share of federal debt in the hands of foreign governments, large deficits raise potential concerns in the international finance and trade arena.²

In 2000, the federal government was running a surplus of 2.4 percent of GDP, or \$236 billion. In just a few short years, deficits have returned, and for 2005 deficits are estimated to be at least 3.5 percent of GDP, or about \$427 billion, according to the president's budget.³ This historic swing in the budgetary outlook represents fiscal mismanagement on a grand scale.

The Bush administration's claims that we are "on track" to cut the deficit in half over five years are not credible. First, despite similar claims in previous years, the deficit has only gotten worse.⁴ (See Figure "Surpluses and Deficits".) Second, the Bush administration's budget excludes a number of known costs including funds for the wars in Iraq and Afghanistan, the administration's Social Security privatization plan, the full cost of making tax cuts permanent, and fixing the Alternative Minimum Tax. When these omitted costs, and the increase in debt service they entail, are included, deficits over the next ten years total nearly \$5 trillion.⁵



Perhaps the most important concern with the deficit is that we are leaving a massive amount of debt to future generations and not responsibly addressing longer-term imbalances in the system. For example, the revenue lost from the 2001-2003 tax cuts is three times the amount that would have been needed to make the Social Security system solvent for the next 75 years.⁶

Investments in America

The health of our economy, both now and in the distant future, relies upon us making the right choices in our decisions about how to collectively invest in our future.

A growing, modern economy relies upon public investments in a wide range of services. We all rely on public support for our nation’s infrastructure—both physical and intellectual. Our roads carry goods across the country, and our schools help build our human capital. We rely on support for basic scientific research and for enforcement of regulations designed to protect our natural resources.

To take but two examples, the president’s budget proposes a 1 percent overall cut in the fiscal year 2006 Department of Education budget, and funding for science through the National Science Foundation (NSF) has fallen below the president’s goals, while other science programs have been slashed. If these and other investments are cut, as the president proposes, our economy will suffer and we will become weaker as a nation.

Tax Policy

The president’s tax policy can best be summed up by the phrase “more of the same.” Many of the 2001 and 2003 tax changes are set to expire in 2010, and the president wants to make them permanent at a cost of well over \$1 trillion. In addition, the president is proposing additional tax changes that would cost \$117 billion over the next ten years (not including interest).

The 2006 budget calls for the elimination of two obscure tax provisions known as “PEP” and “PEASE” that currently limit the size of the personal exemptions and itemized deductions that the wealthiest taxpayers can take. Eliminating these two provisions alone would cost \$115 billion over the next decade, and \$197 billion from 2010-2019—the first decade after the repeal is fully phased in. Ninety-seven percent of this would go to households making more than \$200,000 a year.⁷

The president’s new savings tax proposals also offer more tax windfalls for the most well-off. For the third year in a row, the budget calls for new Lifetime Savings Accounts and Retirement Savings Accounts that allow those families already saving the most new tax-free avenues to shelter their income, while doing next to nothing for the 95 percent of Americans who do not save the maximum amount in their IRAs and 401(k)s. These tax provisions overwhelmingly benefit the extremely well-off, and would explode our deficit in decades to come. The joint Urban-Brookings Tax Policy Center has estimated that the new accounts could drain \$300-\$500 billion in future decades, and over 75 years open up a new deficit hole one-third as large as the current Social Security shortfall.⁸ Meanwhile, one of the only tax provisions the president’s budget *does not* extend is the modest “Savers Credit” to help low-income families save.

The Tax Policy Center also estimates that extending the provisions of the 2001-2004 tax changes would provide a tax cut of more than \$150,000 for those making more than \$1 million per year, while yielding middle-income taxpayers significantly less.⁹ These tax changes will cost hundreds of billion of dollars in lost revenue and the benefits will flow primarily to those who need the cuts the least.

The president’s proposals continue to give preferential treatment for income generated from capital at the expense of work. Extending tax reductions for capital gains and dividends would cost \$162 billion over 10 years (not including additional interest costs). Eliminating the estate tax would cost \$256 billion over 10 years (not including additional interest costs).¹⁰

A more progressive and responsible tax approach would raise additional revenue to reduce the deficit, and would reduce the tax share for lower- and middle-income taxpayers, while promoting opportunity for all Americans. The tax system should not punish work and allow the very wealthy to avoid paying their fair share.¹¹

Budget Process

In addition to the spending and tax proposals contained in the budget documents, the president also makes several proposed changes to the budget process. The unbalanced and untested PayGo rules proposed by the president would force expansions in services—like an expansion of prescription drug benefits—to be paid for with offsets elsewhere in the budget; but would exempt tax cuts and other revenue reductions from the same requirement. In addition, the president’s budget proposes other changes, such as forcing certain programs to use 75-year accounting windows, which would effectively paralyze reform and modernization efforts for some important programs.

States and Localities

The fiscal year 2006 budget proposes to cut grants to state and local governments by \$10.7 billion after adjusting for inflation and excluding Medicaid payments.¹² This budget thus continues the trend of shifting budget responsibility to states in many areas, and then undermining their ability to meet those needs.

For example, the community development block grant program is currently providing \$4.7 billion to cities and towns this year. Under the president's budget, that program and 17 others would be cut and compacted into a single \$3.7 billion program.

In addition, although the president often cites state and local law enforcement as America's first line of defense against terrorism, his fiscal year 2006 Department of Justice budget cuts vital funding for these very agencies. The budget not only increases the burden on communities already suffering from crippled state budgets, but weakens our national security at a critically important time.

The budget slashes aid to state and local law enforcement by 46 percent, from \$2.8 billion to \$1.5 billion. Entire programs are eliminated or substantially scaled back. The Community Oriented Policing Services (COPS) program, which provides grants for state and local agencies to hire new officers, is cut from \$499 million to \$22 million, while the administration proposes to eliminate the State Criminal Alien Assistance Program, which provides critical assistance to states housing criminal aliens; the Edward Byrne Grants, which provide general assistance to state and local law enforcement agencies; and the Juvenile Accountability Block Grants (JABG), which assist communities in improving juvenile justice programs.

Domestic Policy

In the long run, the health of our nation's economy depends upon maintaining our commitment to investing in our nation and all Americans. On important issues such as health care, education, science and the environment, the president's budget falls short.

Health

Americans deserve a budget that protects their health, not one that threatens it. Several proposals in the president's budget vividly demonstrate how the administration would single out vulnerable populations to solve our nation's fiscal problems, while simultaneously under-funding crucial investments in the public's health.

For example, the budget calls for short-sighted Medicaid cuts that could lead to a dramatic increase in the number of uninsured and shift more costs onto states. Medicaid pays for health and long-term care services for over 50 million low-income and disabled individuals.¹³ The program expanded during the recent economic downturn, covering 6 million more vulnerable Americans and preventing an even sharper rise in the uninsured.¹⁴ The president's budget would reduce federal spending on Medicaid by at least \$45 billion over ten years. In the words of Governor Huckabee (R-AR), "People need to remember that to balance the federal budget off the backs of the poorest people in

the country is simply unacceptable. You don't pull feeding tubes from people. You don't pull the wheelchair out from under the child with muscular dystrophy.”¹⁵

By failing to invest in preventive health programs, the president's budget further advocates short-term savings that are likely to lead to long-term costs. Preventable diseases have a devastating impact on personal health and contribute to the nation's soaring health costs. Chronic diseases such as heart disease, cancer, and diabetes are among the most preventable health problems, yet they account for seven out of ten deaths each year.¹⁶ Care for people with chronic conditions accounted for 83 percent of all health spending in 2001.¹⁷ Disease prevention and health promotion efforts are a cost-effective means of directly addressing the root causes of health spending growth. Yet the administration proposes to cut \$555 million from the budget for the Centers for Disease Control and Prevention for fiscal year 2006, including elimination of \$131 million in state grants for preventive health and health services and a reduction of \$59 million in funds for chronic disease prevention and health promotion.¹⁸

The administration also continues to make the wrong choices when it comes to preventing unwanted pregnancy, reducing the number of abortions in this country, and safeguarding the reproductive health of the uninsured and underinsured. Despite continued evidence that abstinence-only education is ineffective, misleading, and puts our youth at risk for unwanted pregnancy and disease,¹⁹ the administration has proposed to increase spending on abstinence-only education by at least \$38 million, for a total of \$206 million in FY 2006. The budget plans to increase this figure to \$270 million by 2008. The additional funds are designated entirely for community-based programs, which use the narrowest definition of abstinence and are often faith-based.²⁰ At the same time, the proposed budget flat funds essential family planning programs that often provide the only resource for the uninsured to receive birth control, screening for sexually transmitted diseases, including HIV, and routine exams that help diagnose breast and cervical cancer, as well as other health problems. The administration's failure to increase such funding, coupled with proposed cuts to Medicaid, could lead to a drastic reduction in family planning services.²¹

Education

The president's budget proposes a 1 percent overall cut in the fiscal year 2006 Department of Education budget, which stands in stark contrast to his pronouncements that education is a key investment for our nation's future. The administration has proposed a number of cuts with regard to elementary and secondary school programs, as well as modest increases in the two biggest areas, Title I and IDEA.

The president also requested a major high school initiative with \$1.5 billion in “new” money to extend No Child Left Behind into the upper grades and provide new interventions to help at-risk youth complete high school successfully. However, the president proposes paying for the initiative with over \$2 billion in cuts to programs that primarily serve high school students. These cuts would affect such popular programs as the Perkins vocational education program, Smaller Learning Communities, and GEAR-UP.

With regard to higher education, although President Bush states in his budget that “college costs are rising significantly” and proclaims that “aid is increasingly important to ensure that students have an opportunity to go to college,” his proposed changes to federal funding for financial aid programs fall far short of what is necessary. His proposed \$100 increase in the Pell Grant maximum this year and the \$500 total increase over the next five years fails to even keep pace with the \$824 average growth in costs at four-year public universities for last year alone. In addition, the budget calls for an additional \$1,000 in Pell Grants for high school students who complete the State Scholars program, which currently operates in only 14 states. Unfortunately, the enhanced Pell Grants are projected to reach only 36,000 students, or less than 1 percent of the 5.5 million current recipients of Pell Grants.

The budget’s inadequate Pell Grant increases are coupled with the recommended elimination of the Leveraging Educational Assistance Partnership Grant program and the federal Perkins Loan program. In addition, there are no proposed increases in funding for the Federal Work-Study program or the Supplemental Educational Opportunity Grant program. Rather than providing sufficient grant assistance to keep pace with the soaring cost of a college education, the president proposed raising the limit on the amount students can borrow in federally guaranteed loans. Although increases to the loan limits, which had not been raised in more than a decade, were long overdue, it would have been more appropriate to pair the higher loan limits with commensurate increases in grants. Instead, the president’s budget is likely to result in a growing debt burden for college graduates.

Science

In December 2002, the president signed a bill authorizing the doubling of the National Science Foundation (NSF) budget in five years.²² If he were on track, the NSF budget would be funded at \$8.5 billion in fiscal year 2006. Instead, the president’s budget requests just \$5.6 billion, which is approximately what was appropriated in fiscal year 2004. For fiscal year 2005, the NSF budget was *cut* by \$105 million, or almost 2 percent.²³

The president’s economic program also cuts funding for a variety of science programs and agencies. For example, the president is proposing deep budget cuts in other agencies such as the National Ocean Service budget (\$360 million less than last year), the Office of Oceanic and Atmospheric Research (\$45 million cut) and the National Marine Fisheries Service (\$70 million cut).

Environment

The president's budget is particularly harsh on the environment. The Environmental Protection Agency (EPA)—long a favorite target of the Bush administration—faces a \$450 million proposed cut that would take the agency's overall budget down to \$7.57 billion.

The president's proposals hit clean water funding especially hard. The president is proposing \$700 million in funding cuts, including a \$360 million decrease from fiscal year 2005 levels in the Clean Water State Revolving Loan Fund. As one of the agency's biggest programs aimed at improving wastewater treatment plants, it would have its budget cut from just over \$1 billion to \$730 million under the president's proposed budget.²⁴

The budget includes \$353 million for the Department of Energy's Energy Efficiency and Renewable Energy (EERE) division, which is \$30 million less than Congress provided last year, and is also below fiscal 2004 levels. The administration requested \$4.06 billion for the Forest Service, down from \$4.28 billion in fiscal 2005. Among these cuts are a \$283 million decrease in wildland fire management funding, including state and volunteer fire assistance and forest health activities on federal, state, and private lands.

Finally, the budget makes clear that the federal government will spend almost no additional money on state and local parks, despite the success of these programs in the past. Open space and recreational opportunities of Americans would suffer under the president's budget plan. He proposes eliminating the stateside funding of the 40-year-old Land and Water Conservation Fund (LWCF)—a program that helps protect natural resources and develop parks on state and local levels—and cut the federal side of the fund to its lowest level in 10 years.

To top it all off, the administration once again proposes to open the Arctic National Wildlife Refuge to oil drilling through the back door of the budget process, by assuming ludicrously high revenues from a lease sale in a wildlife refuge that is illegal to drill in and that Congress has refused to open for the past four years.

National Security

One of our highest priorities as a nation is ensuring the safety and security of our citizens. Security, however, comes at a price, and maintaining adequate funding for vital national security goals is essential. In addition, making the right choices about how best to use our national resources within and across defense and security departments and agencies is also vitally important. Unfortunately, the president's budget contains a number of wrong choices in the areas of foreign assistance, homeland security, and national defense.

Foreign Assistance

The administration's fiscal year 2006 budget proposes increased foreign assistance spending—a bold move given the dramatic cuts in domestic spending. But even these gains are constrained by some of the administration's choices, and fall short of promises.

While proposed funding for the Millennium Challenge Account marks an increase from fiscal year 2005, the president's budget proposal for \$3 billion for fiscal year 2006 falls considerably short of his oft-repeated pledge to increase funding to \$5 billion.²⁵ Additional funding for U.S. efforts to combat global HIV/AIDS and other diseases significantly increases our bilateral programs, but the budget reduces funding for the Global Fund for AIDS, TB and Malaria.

These increases, however, come at a significant cost. Other development spending has been cut, including the Development Assistance and Child Survival and Health accounts—both of which are critical to our efforts to address basic human needs in the world's poorest countries and strengthen the weak and failing states that, according to the Bush administration's 2002 National Security Strategy, pose a critical threat to our long-term security.²⁶

Contrary to the president's Inaugural and State of the Union pronouncements in support of a robust effort to promote freedom and democracy around the world, the fiscal year 2006 budget underfunds those efforts.²⁷ The budget includes only \$80 million for the National Endowment for Democracy and the president has offered a paltry \$10 million for the Democracy Fund he announced at last year's U.N. General Assembly.

Meanwhile, the foreign assistance budget also includes some misleading accounting that, while not immediately obvious, further reduces our ability to promote positive political change. For example, the United States underfunded international peacekeeping activities last year, by allocating just \$483 million when real costs were closer to twice that amount. In the president's fiscal year 2006 budget proposal, the administration is requesting \$1.03 billion, or what initially appears to be a \$552 million increase. The catch is that by allocating only \$482 million last year, the United States ended up underfunding peacekeeping missions by about \$700 million—meaning that the budget request would actually just cover last year's shortfall and will not cover the entire cost for peacekeeping in 2006.

Homeland Security

The president's proposals do not reflect the fact that the nation remains at war and faces a heightened terrorism threat here at home. Instead, the budget reflects a "business as usual" attitude and makes no serious attempt to secure significant areas of our economy and society that are at serious risk.

The overall discretionary funding request for the Department of Homeland Security rises modestly from \$28.9 billion to \$29.3 billion, only a 1 percent increase, which does not keep up with inflation. While there are increases in some areas, such as Border and Transportation Security and the Coast Guard, the administration decreases funding for intelligence, infrastructure protection, and grants to cities and states.

Congress provided \$150 million for fiscal year 2005 in port security grants and \$189 million for rail and transit security, both well below what we spend for aviation security and well below what is required to improve security in these critical transportation sectors. The administration is proposing to consolidate all critical infrastructure within a new targeted infrastructure protection program and is proposing a total of just \$600 million in grants. While the concept of targeting more resources based on risk, vulnerability and need makes sense, this \$600 million will not improve security fast enough in light of the ongoing threat.

Homeland security is a national challenge that must include close coordination and cooperation with states, local communities and the private sector. But the Bush administration has acknowledged that it has little information on what the private sector—which controls 85 percent of the nation’s critical infrastructure—is spending to improve security. Yet this budget reflects a White House assumption that the private sector—which thus far has largely passed on calls to voluntarily improve safeguards at chemical plants, ports, railways and more—will pick up the slack. This is a budget based more on what the administration feels we can afford in homeland security, not what it thinks we need to spend to secure our economy and make our society safer in case others don’t do their part.

Defense

The budget proposes increasing defense spending by 4.8 percent to \$419 billion, a figure that does not include the ongoing costs of military operations in Iraq and Afghanistan. Those costs are estimated at about \$6 billion per month, in addition to the supplemental \$80 billion the administration will seek for the remainder of fiscal year 2005. At a time when there are reports that \$9 billion of U.S. taxpayer money invested in Iraq cannot be accounted for, the American people deserve a full and transparent accounting of these funds.²⁸

The \$419 billion defense budget fails to take the necessary steps to keep America safe or rein in unnecessary spending. The president proposes \$8.8 billion for missile defense in fiscal year 2006, virtually ensuring that the program will continue to receive more money than any other weapons system in the budget.

The budget also includes funding for F-22 procurement, even though many experts believe that the Cold War-era plane should be discontinued immediately.²⁹ It requests \$416 million for Cooperative Threat Reduction (also known as “Nunn-Lugar”)—up only slightly from the current \$408 million—that assists Russia and other former Soviet Republics in securing nuclear weapons. This is a program that gets right at the heart of what the president has called the biggest threat to our national security.

Incredibly, the president does not propose any funding to increase the size of the Army, Army Reserve, or Army National Guard—money that is critical to ensuring an all-volunteer Army.

Conclusion

The president's budget is a concrete example of how conservative policies are at odds with American values. The budget fails in almost every measure of how our country is fulfilling its promise to provide for the health, safety, security and opportunity of all our citizens. The consequences for our country are significant, and we must act immediately to reject it and instead embrace a positive, progressive vision that will secure our long-term economic future, restore our nation's well being, and reflect our nation's values.

Endnotes

¹ See James Horney, Robert Greenstein and Richard Kogan, “What the President’s Budget Shows about the Administration’s Priorities,” Center on Budget and Policy Priorities, February 7, 2005, available at <http://www.cbpp.org/2-7-05bud3.htm>.

² Large U.S. trade deficits and the falling dollar have raised many concerns among economists and policymakers. While the deficit is not the only determinant of these international imbalances, there is a larger question of the overall sustainability of current fiscal and trade policy.

³ The \$427 billion estimate from the *2006 Budget of the U.S. Government* does not include the full cost of a supplemental budget request expected to cover the cost of military operations in Iraq and Afghanistan.

⁴ George W. Bush, *State of the Union Speech*, February 2, 2005, available at <http://www.whitehouse.gov/stateoftheunion/2005>.

⁵ See *House Budget Committee Democratic Staff*, “Bush 2006 Budget: Wrong Choices, Record Deficits,” February 7, 2005, available at http://www.house.gov/budget_democrats/analyses/06_pres_bud_short.pdf.

⁶ See William Gale, Matthew Hall, and Peter Orszag, “Key Points on Making the Bush Tax Cut Permanent,” The Brookings Institution, January 21, 2004, available at <http://www.brookings.edu/views/op-ed/gale/20040121taxcuts.htm>.

⁷ See Robert Greenstein, Joel Friedman, and Isaac Shapiro, “Two Tax Cuts That Benefit Only High-Income Households—Primarily Millionaires—Slated to Start Taking Effect in 2006,” Center for Budget and Policy Priorities, February 4, 2005, available at <http://www.cbpp.org/2-4-05tax.htm>.

⁸ Leonard Burman, William G. Gale, and Peter R. Orszag, “Key Thoughts on RSAs and LSAs,” Urban Institute-Brookings Institution Tax Policy Center, February 4, 2004.

⁹ The estimates also include indexing the AMT to inflation. See <http://www.taxpolicycenter.org/TaxModel/tmdb/TMTemplate.cfm?Docid=769&DocTypeID=1>.

¹⁰ See the *2006 Budget of the U.S. Government*; table S-7, at p.354.

¹¹ For a fully-articulated tax plan that embodies these and other progressive ideas, see Center for American Progress, “A Fair and Simple Tax System for our Future,” January 31, 2005, available at <http://www.americanprogress.org/tax>.

¹² See Iris Lav, “Deep Cuts in Federal Grants in FY 2006 Budget Will Squeeze States and Localities,” Center on Budget and Policy Priorities, February 7, 2005, available at <http://www.cbpp.org/2-7-05sfp.htm>.

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¹⁵ Pam Belluck, “Governors Working Together to Preserve Medicaid Allotments,” *The New York Times*, December 26, 2004.

¹⁶ National Center for Chronic Disease Prevention and Health Promotion, Centers for Disease Control and Prevention, U.S. Department of Health and Human Services, “Chronic Disease Prevention,” <http://www.cdc.gov/nccdphp/index.htm> (February 8, 2005)

¹⁷ Partnership for Solutions, *Chronic Conditions: Making the Case for Ongoing Care*, September 2004, see <http://www.partnershipforsolutions.org/DMS/files/chronicbook2004.pdf> (February 8, 2005)

¹⁸ U.S. Department of Health and Human Services, “Budget in Brief: Fiscal Year 2006,” <http://www.hhs.gov/budget/06budget/FY2006BudgetinBrief.pdf>

¹⁹ “Study: Texas Abstinence Plan Not Working,” Associated Press, January 31, 2005; U.S. House of Representatives Committee on Government Reform – Minority Staff, Special Investigations Division, “Content of Federally Funded Abstinence Only Education Programs,” Prepared for Rep. Henry Waxman, December 2004. Available at: <http://www.democrats.reform.house.gov/Documents/20041201102153-50247.pdf>.

²⁰ National Family Planning and Reproductive Health Association (NFPRHA) Public Policy Department to NFPRHA Members and Family Planning Coalition Partners, “NFPRHA Alert,” February 7, 2005. Available at: <http://www.nfprha.org/uploads/FY06BudgetRequest.pdf>.

²¹ Ibid.

²² See National Council for Science and the Environment, “President Bush Signs NSF Doubling Act into Law,” December 19, 2002, available at <http://www.ncseonline.org/Updates/page.cfm?FID=2279>.

²³ See National Council for Science and the Environment, “NSF Budget Cut by 1.9 Percent in Omnibus Appropriations Bill,” January 13, 2005, available at <http://www.ncseonline.org/Updates/page.cfm?FID=4166>.

²⁴ For more information on the Clean Water State Revolving Loan Fund see <http://www.epa.gov/safewater/dwsrf.html>.

²⁵ See White House transcript, “President Proposes \$5 Billion Plan to Help Developing Nations,” March 14, 2002, available at <http://www.whitehouse.gov/news/releases/2002/03/20020314-7.html>.

²⁶ See *The National Security Strategy of the United States of America*, September 2002, available at <http://www.whitehouse.gov/nsc/nss.pdf>.

²⁷ See George W. Bush, *State of the Union Speech*, February 2, 2005, available at <http://www.whitehouse.gov/stateoftheunion/2005>; and George W. Bush, *Second Inaugural Speech*, January 20, 2005, available at <http://www.whitehouse.gov/news/releases/2005/01/20050120-1.html>.

²⁸ See Larry Margasak, “\$9 Billion Unaccounted for in Iraq,” *Associated Press*, January 30, 2005.

²⁹ See Lawrence Korb, “The Pentagon’s New Math,” *New York Times*, January 11, 2005.

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