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## 2006 Cuts In Domestic Spending On Table

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The White House put government agencies on notice this month that if President Bush is reelected, his budget for 2006 may include spending cuts for virtually all agencies in charge of domestic programs, including education, homeland security and others that the president backed in this campaign year.

Administration officials had dismissed the significance of the proposed cuts when they surfaced in February as part of an internal White House budget office computer printout. At the time, officials said the cuts were based on a formula and did not accurately reflect administration policy. But a May 19 White House budget memorandum obtained by The Washington Post said that agencies should assume the spending levels in that printout when they prepare their fiscal 2006 budgets this summer.

"Assume accounts are funded at the 2006 level specified in the 2005 Budget database," the memo informs federal program associate directors and their deputies. "If you propose to increase funding above that level for any account, it must be offset within your agency by proposing to decrease funding below that level in other accounts."

J.T. Young, a spokesman for the White House Office of Management and Budget, said the memo, titled "Planning Guidance for the FY 2006 Budget," is a routine "process document" to help agency officials begin establishing budget procedures for 2006. In no way should it be interpreted as a final policy decision, or even a planning document, he said.

"Agencies have asked for this sort of direction," Young said. "Budgeting is basically a year-long process, and you have to start somewhere. They'll get more guidance as the year goes along."

The funding levels referred to in the memo would be a tiny slice out of the federal budget -- \$2.3 billion, or 0.56 percent, out of the \$412.7 billion requested for fiscal 2005 for domestic programs and homeland security that is subject to Congress's annual discretion.

But the cuts are politically sensitive, targeting popular programs that Bush has been touting on the campaign trail. The Education Department; a nutrition program for women, infants and children; Head Start; and homeownership, job-training, medical research and science programs all face cuts in 2006.

"Despite [administration] denials, this memorandum confirms what we suspected all along," said Thomas S. Kahn, Democratic staff director on the House Budget Committee. "Next February, the administration plans to propose spending cuts in key government services to pay for oversized tax cuts."

But with the budget deficit exceeding \$400 billion this year, tough and painful cuts are unavoidable, said

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Brian M. Riedl, a budget analyst at the conservative Heritage Foundation.

Federal agencies' discretionary spending has risen 39 percent in the past three years. "I think the public is ready for spending cuts," Riedl said. "Not only does the public understand there's a lot of waste in the federal budget, but the public is ready to make sacrifices during the war on terror."

The administration has widely touted a \$1.7 billion increase in discretionary funding for the Education Department in its 2005 budget, but the 2006 guidance would pare that back by \$1.5 billion. The Department of Veterans Affairs is scheduled to get a \$519 million spending increase in 2005, to \$29.7 billion, and a \$910 million cut in 2006 that would bring its budget below the 2004 level.

Also slated for cuts are the Environmental Protection Agency, the National Science Foundation, the Small Business Administration, the Transportation Department, the Social Security Administration, the Interior Department and the Army Corps of Engineers.

Agencies would have the option of preserving current funding levels for programs under their control if they find money from other parts of their budget. But the computer printout contains specific program cuts.

The Women, Infants and Children nutrition program was funded at \$4.7 billion for the fiscal year beginning in October, enough to serve the 7.9 million people expected to be eligible. But in 2006, the program would be cut by \$122 million. Head Start, the early-childhood education program for the poor, would lose \$177 million, or 2.5 percent of its budget, in fiscal 2006.

The \$78 million funding increase that Bush has touted for a homeownership program in 2005 would be nearly reversed in 2006 with a \$53 million cut. National Institutes of Health spending would be cut 2.1 percent in 2006, to \$28 billion, after a \$764 million increase for 2005 that brought the NIH budget to \$28.6 billion.

Even homeland security -- a centerpiece of the Bush reelection campaign -- would be affected. Funding would slip in 2006 by \$1 billion, to \$29.6 billion, although that would still be considerably higher than the \$26.6 billion devoted to that field in 2004, according to an analysis of the computer printout by House Budget Committee Democrats.

Publicly, the administration has been dismissive of such figures. In February, Young said spending levels beyond 2005 were generated by a computer after administration policymakers set a growth limit of 3 percent for all programs, including defense, but set out multiyear decisions for only a handful of major initiatives.

Education Secretary Roderick R. Paige told House members in February: "It is my understanding that long-term estimates are calculated by formula. OMB has advised us that the numbers beyond 2005 do not reflect detailed policy decisions by this administration. They are roughly held estimates, and so we will have to await the policy decisions to draw conclusions about what the funding level will be in years outside or years in front of 2005."

The May 19 memo contains no such caveats.

"Continuing the strategy of last year's Budget, the 2006 Budget will constrain discretionary and mandatory spending while supporting national priorities: winning the war on terror, protecting the homeland, and strengthening the economy," the memo states.

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