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# COMMITTEE ON THE BUDGET

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## Top Ten Reasons to Oppose Bush Budget

**More of the Biggest Deficits in History** – The Administration’s new budget includes the second and third largest deficits for 2008 (\$410 billion) and 2009 (\$407 billion) – both just slightly smaller than the all-time record of \$413 billion for 2004. In all, the five biggest deficits in history have all been recorded during this Administration.

**No Realistic Plan to Bring the Budget to Balance** – Though the Administration claims that its budget eventually reaches balance, it once again understates the fiscal impact of its policies, omitting the full cost of its Iraq policy and the cost of reforming the Alternative Minimum Tax (AMT). When realistic costs of these policies are included in the estimate, the Administration’s budget never reaches balance.

**Growing Legacy of Debt** – The total federal debt now stands at over \$9 trillion. The debt is expected to rise by a total of nearly \$4 trillion during this Administration, from \$5.7 trillion in January 2001 to \$9.7 trillion at the end of 2008. This Administration has accumulated more debt than all of the Administrations from George Washington through Ronald Reagan *combined*.

**More Increases in Foreign-Held Debt** – Since January 2001, U.S. government debt held by foreign investors has more than doubled, from \$1.0 trillion in January 2001 to \$2.3 trillion in November 2007. This skyrocketing indebtedness to foreign investors, including foreign governments, increases our economy’s exposure to potential instability from abroad.

**Rosy Scenarios** – The Administration includes optimistic economic assumptions that likely make its bottom line look better than it is. The Administration’s budget assumes 2.7 percent real GDP growth for 2008, far higher than the 1.5 percent growth assumed by the nonpartisan Congressional Budget Office. OMB calculations show that as a result of the difference in the economic forecasts alone, the five-year revenue total is \$337 billion above that of CBO.

**Cuts Medicare and Medicaid** – At a time of growing concern about health care cost and access, the President’s budget cuts Medicare and Medicaid by over half a trillion dollars over the next ten years.

**Cuts First Responders** – At a time when Americans are concerned about public safety, the President’s budget eliminates the Community Oriented Policing Services (COPS) program, cuts Assistance to Firefighters (Fire Grants) by \$465 million below current services, and eliminates formula funding for Byrne Memorial Justice Assistance Grants (JAG). The budget also cuts State Homeland Security grants and Urban Area Security Initiative grants by \$720 million below current services.

**Cuts LIHEAP** – The President’s budget cuts total funding for the Low-Income Home Energy Assistance Program (LIHEAP) by \$570 million for 2009 despite the fact that home heating costs are soaring and the program is only able to serve 16 percent of eligible families at its current funding level.

**Veterans and Military Retirees Fees** – The President’s budget sends the wrong message to our nation’s veterans and military retirees by imposing new health care fees totaling \$18.3 billion over the next five years.

**\$3 Trillion Tax Agenda** – Despite the unsatisfactory economic record compiled under Bush Administration policies, the President’s budget proposes more of the same – a tax agenda costing \$3 trillion paid for by more borrowing and cuts to critical services.