

More Budget Cuts, More Spending

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The Bush administration released a \$2.9 trillion budget request for fiscal year 2008 on Monday, February 5. Along with the budget request, it submitted supplementary materials for additional war spending.

Budget Cuts

The budget request released by the administration proposes cuts in non-security related discretionary spending. Compared to fiscal year 2006, \$13 billion would be cut from these programs, or 3 percent, once inflation is taken into account.

Table 1
FY2008 proposed cuts
in non-security related discretionary spending
(obligations in thousands)

Non-security related spending	FY 2008 Proposed	Cut (compared to FY06)	% Cut (compared to FY06)
Community Development Block Grant	4,032,091	1,413,511	35.1%
Head Start	6,788,571	436,902	6%
Low-Income Energy Assistance Program	1,500,000	1,115,349	42.6%
Special Education	10,491,941	669,834	6%
Child Care & Development Block Grant *	2,062,081	111,287	5.1%

War Spending

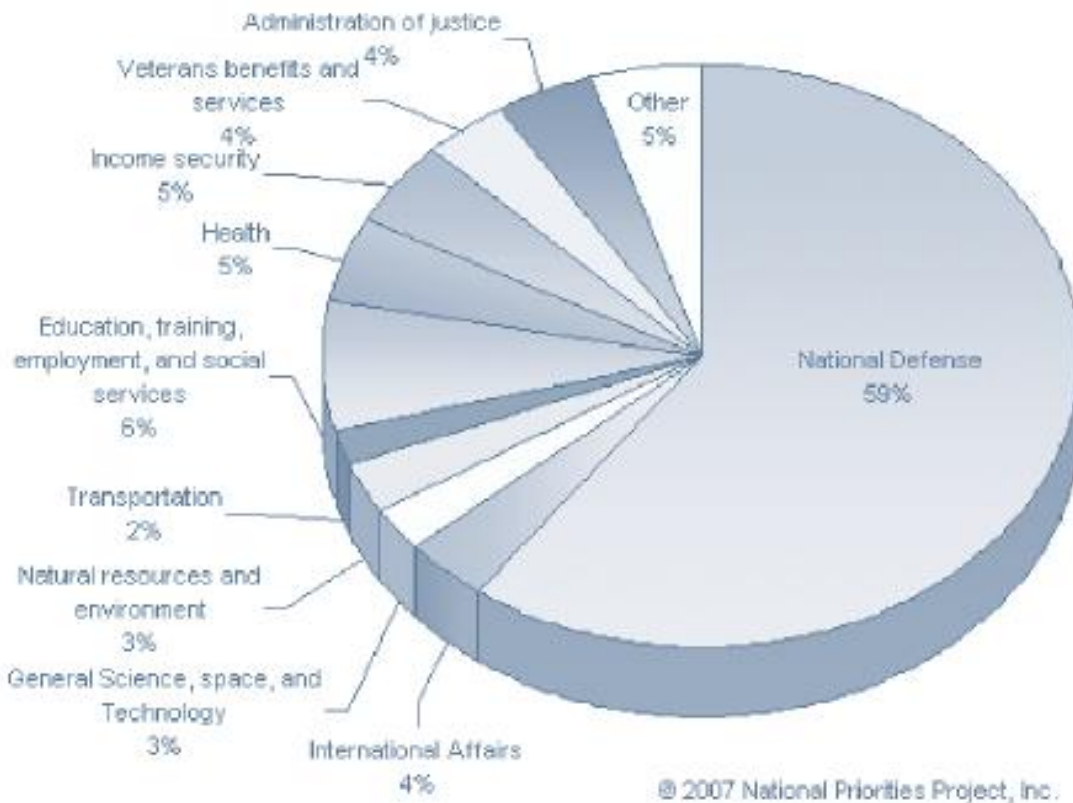
At the same time, the administration is requesting another \$100 billion in war related spending. If Congress passes the war spending request as proposed, another \$78 billion would be added to the total cost of the Iraq War. This would bring the Iraq War's cost in fiscal year 2007 to more than \$140 billion, and nearly a half trillion (\$456 billion) for the entire length of the war.

Total 'national defense' spending would reach \$647.2 billion in fiscal year 2008. In 2000, the national defense budget was less than half that amount (\$304 billion). National defense would comprise 59% of total discretionary spending. See pie chart of proposed discretionary spending below.

More tax cuts for the wealthy

Even while talking about balanced budgets, the administration proposes to make permanent the very costly tax cuts which primarily benefited the wealthy. In 2008, the richest 20 percent of Americans will receive two-thirds of the tax cuts, or \$143 billion. The top 5 percent will receive 44 percent of the tax cuts, or \$92 billion, according to the Tax Policy Center. In other words, seven times the amount of money slated for cuts to domestic services will go toward the wealthiest Americans.

Proposed Federal Discretionary Budget, FY2008



The chart above indicates the breakdown of the proposed federal discretionary budget for fiscal year 2008 by function area.

The discretionary budget refers to the part of the federal budget proposed by the President, and debated and decided by Congress each year. This part of the budget constitutes more than one-third of total federal spending. The remainder of the federal budget is called 'mandatory spending.' Fiscal year 2008 will run from October 1, 2007 to September 30, 2008.

Note that this chart includes the war-related spending requested by the administration as supplemental to the regular budget proposal.

Compared to the FY2007 proposed federal discretionary budget, national defense rises from 56% to 59%. Health decreases one percent; education, training, employment and social services decrease by two percent.

This information comes from the National Priorities Project and is used by permission. For more information and for State by State breakdown of the impact of the President's budget, visit nationalpriorities.org

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