



FACT SHEET

DISCRETIONARY SPENDING UNDER PRESIDENT BUSH'S FY 2006 BUDGET

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FY 2006 Budget Cuts Key Domestic Priorities

President Bush's FY 2006 Budget includes a discretionary funding level of \$840.3 billion for 2006 – representing an increase of 1.4 percent over the 2005 level (1.7 percent when advance funding for Bioshield is excluded) and a decrease of 0.9 percent when compared to CBO's baseline – the level needed to maintain current services. However, those totals obscure large cuts the President is proposing for non-security domestic programs. To make room for increases in defense, international affairs, and homeland security, the budget would cut non-security domestic programs by \$19 billion, or 5.4 percent, below CBO's baseline.

Table 1 – Bush FY 2006 Budget for Discretionary Programs							
Budget Authority; \$ billions	2005 Enacted	CBO Baseline	Bush Budget	<u>Budget vs 2005</u>		<u>Budget vs Baseline</u>	
				Dollars	Percent	Dollars	Percent
Defense	420.0	430.7	438.8	18.8	4.5%	8.2	1.9%
International Affairs	29.9	30.5	33.7	3.7	12.4%	3.2	10.4%
Homeland Security	27.6	28.2	28.8	1.3	4.5%	0.7	2.3%
Bioshield	2.5	0.0	0.0	-2.5	-100.0%	0.0	0.0%
Other Domestic	<u>348.5</u>	<u>358.3</u>	<u>339.0</u>	<u>-9.6</u>	<u>-2.8%</u>	<u>-19.3</u>	<u>-5.4%</u>
Total Discretionary	828.6	847.6	840.3	11.7	1.4%	-7.3	-0.9%
Excluding Bioshield	826.1	847.6	840.3	14.2	1.7%	-7.3	-0.9%

Note: Compares 2006 Bush budget request with 2005 enacted level, excluding supplemental funding, and CBO's January 2005 baseline, excluding supplemental funding.

Cuts in Domestic Programs Deepen Over Five Years

The President's budget proposes even deeper cuts in domestic programs after 2006. By 2010, non-security domestic programs would be cut 14.1 percent below CBO's baseline. In total, the

budget cuts non-security domestic funding by \$192 billion, or 10.2 percent, over the 2006-2010 period. As with 2006, the five-year cut to domestic programs is offset by an increase in regular funding for defense, international affairs, and homeland security. In total, the budget cuts regular discretionary funding by \$24 billion, or 0.5 percent, over the five years. (Despite recent comments by the Army that troops will remain at current levels through at least 2006, the budget omits any supplemental funding for on-going military operations in Iraq and Afghanistan after 2005.)

Table 2 – Bush FY 2006 Budget for Discretionary Programs vs. CBO Baseline, 2006-2010							2006-2010	
Budget Authority; \$ billions	2006	2007	2008	2009	2010	Dollars	Percent	
Defense	8.2	22.3	30.0	38.9	37.8	137.2	6.1%	
International Affairs	3.2	4.6	4.3	3.7	2.7	18.5	11.7%	
Homeland Security	0.7	1.5	2.6	3.4	4.3	12.4	8.5%	
Other Domestic	<u>-19.3</u>	<u>-29.8</u>	<u>-38.0</u>	<u>-49.2</u>	<u>-55.5</u>	<u>-191.8</u>	<u>-10.2%</u>	
Total Discretionary	-7.3	-1.4	-1.1	-3.1	-10.7	-23.6	-0.5%	

Note: Compares Bush budget request with CBO's January 2005 baseline, excluding supplemental funding.

No Account-Level Detail Provided After 2006

The budget fails to provide any account-level detail on discretionary spending after 2006. This allows the President to claim savings from reduced spending on domestic programs, without detailing where those cuts will come from. (The President even sets budgetary caps on discretionary spending through 2010 based on spending levels for which he refuses to provide any account-level detail or justification.) Despite the omission of account-level detail, it is still possible to ascertain what areas will be cut under the President's plan. Based on broad functional totals provided by the administration, the President is assuming multi-billion dollar cuts in key domestic areas, such as education and training, veterans' benefits, and the environment.

Table 3 – Bush FY 2006 Budget Cuts Key Domestic Priorities		
(Discretionary Budget Authority; \$ billions)	2006-2010	
	Dollars	Percent
Education, Training, Employment, and Social Services	-38.6	-9.2%
Natural Resources and Environment	-25.6	-15.5%
Health	-24.2	-8.7%
Transportation	-16.9	-13.2%
Income Security	-16.7	-6.7%
Veterans' Benefits and Services	-15.7	-9.3%
Community and Regional Development	-14.3	-18.1%
Administration of Justice	-7.2	-3.4%

Note: Compares 2006 Bush Budget request, by function total, for 2006-2010 with CBO's January 2005 baseline for 2006-2010, excluding supplemental funding.

Domestic Discretionary Programs Not Responsible for Increase in Deficits

By focusing his cuts primarily on domestic discretionary programs, President Bush is targeting the category of discretionary spending that has not experienced large growth since he took office. Since 2002, non-security discretionary funding has been almost flat in real (i.e., inflation-adjusted) terms. In fact, roughly 90 percent of the increase in discretionary budget authority since President Bush took office is the result of increases for defense, homeland security, and the response to the attacks of September 11. Since 2002, defense, international affairs, and homeland security have each increased in real terms by well over 20 percent.

Table 4 –Real Growth in Discretionary Funding, 2002-2005	
(Discretionary Budget Authority)	Percent
Defense	28%
International Affairs	34%
Homeland Security	24%
Other Domestic	<u>2%</u>
Total Discretionary	17%

Note: The table compares inflation-adjusted discretionary budget authority, including funding provided in supplementals, for 2005 and 2002. Adjustments for the effects of inflation were made using the CPI-U. The 2005 numbers include the President's \$82 billion supplemental request.

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