



HOUSE BUDGET COMMITTEE

Democratic Caucus

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President Bush Wants to Slash Key Public Services, But He Won't Tell the Public

Dear Democratic Colleague:

I commend to your attention the attached column, "Budget Writers Have Carte Blanche," by Al Kamen in this morning's *Washington Post*.

Since February, we on the Democratic side of the Budget Committee have been reporting to you about the President's proposed large cuts to important federal services in the coming fiscal year 2006 budget. (See "Administration Confirms Its Plan to Cut Many Services Deeply in 2006," at http://www.house.gov/budget_democrats/budget_facts/analyses/looming_cuts.pdf.) These cuts were not reported in the February Budget, but instead were hidden in thousands of pages of computer printouts. When a key Administration 2006 budget planning document, the OMB "spring guidance," confirmed these plans, the White House promptly denied that its instructions to the all federal agencies actually meant anything. However, the President's intent was there in black and white: a \$1.5 billion cut for education, a \$910 million cut for veterans, and large cuts for the environment and other priorities of the American people.

These cuts were not surprising. The President has promised to cut his record deficit in half in five years. But he insists on his massive tax cuts, and funding increases to transform the military during a time of war, with costs of operations in Iraq and Afghanistan mounting. The OMB spring guidance and the computer printouts of the February budget clearly show how the Administration plans to reach his deficit target: by cutting virtually everything else in the federal budget. Republicans are loathe to be identified with these cuts in federal services just before the election.

The Administration's solution to this dilemma is evasion. It sent its agency heads the usual budget-season instructions, which said, "...you must prepare your budget requests to OMB within the budget planning guidance levels provided to you..." However, contrary to past practice, the instructions never say exactly what those "budget planning guidance levels" are. Reportedly, the agency budget officers were told orally that their targets were in fact the same sharply reduced numbers that Democrats have cited since February. However, the budget

officers were also told that this instruction would not be set out on paper, because of the fear that the news would leak to the press, and the President would be held to account for his plans to cut the basic services that the American people need, want, and expect from the federal government.

Republicans do not want the American people to see these planned budget cuts before the coming election. But the people have a right to know that maintaining the President's unfair and unbalanced tax cuts requires that today's veterans, as well as all of our children and grandchildren, ultimately pick up the tab. Today's column shows the lengths to which this Administration will go to conceal its true intentions, and its fiscal failure.

Sincerely,

/s

John M. Spratt, Jr.

Ranking Democratic Member

Attachment

IN THE LOOP

By Al Kamen

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Budget Writers Have Carte Blanche

Summertime is budget time for federal agencies, time to beginning planning for their fiscal 2006 budget submissions. Every summer, the famous "Circular No. A-11" goes out from the Office of Management and Budget with guidance for "preparing, submitting and executing" the budget, which goes to Congress in February.

These agency proposals, due the end of September, are to reflect administration policies and priorities. Even so, there's a chronic problem, especially in election years, when agencies' proposals are a bit too specific, contradict rosy political forecasts and -- horrors! -- are leaked to the media, which naturally have a field day with them.

Cover letters in 2002 from former OMB chief Mitchell E. Daniels Jr. and in 2003 from current director Joshua B. Bolten contained the usual boilerplate language to agencies that "Your proposals should also be consistent with guidance provided by OMB, including that contained in OMB spring guidance memoranda."

But this year, Bolten's July 16 cover letter to Cabinet officers and other agency heads makes clear that "this guidance and your submissions do not represent the Administration's policy or proposed budget for a particular program for FY 2006." Not at all.

"As you know, the development of the budget is a fluid process and those issues will ultimately be decided" later, when everything is all done and ready to go to Congress, he explained. That would, of course, be after the election.

An OMB official is said to have briefed agency budget officers in mid-July on how to handle their submissions, but told them not to expect lots of information on paper. The reason, apparently, would be to prevent leaks to the media that could be used against President Bush.

An OMB spokesman said yesterday that Bolten's new version was "just a useful reminder" and that prior administrations had had similar language. "And, if our strategy was to prevent anything from getting out, we obviously failed."

There are rumblings that, in keeping with OMB's spirit of vaguery, some agencies are mulling whether to even send a budget request to OMB. However, some of the grouching may be a reflection of the oddity of working on a budget when there's at least a possibility of substantial rework if the White House changes hands.

We urge agency officials to submit on time. After all, whatever they say will "not represent the administration's policy."