

Representative Tom Petri Reports to The Sixth District

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Our Budget Challenges

BY REPRESENTATIVE TOM PETRI

The federal government spent close to \$2.5 trillion last year, including \$318 billion in deficit spending. With the coming retirement of the Baby Boom generation, we simply must get our financial house in order to meet escalating demands on the budget.

Finding the right answers, however, is complicated by the fact that the so-called “mandatory spending” portion of the budget has grown from 49 percent in 1995 to 54 percent in 2005, and without changes could grow to an estimated 62 percent in 2015.

In 2005 the federal government spent 20.1 percent of the U.S. Gross Domestic Product (GDP), which comprises the total value of goods and services produced in our economy over the course of the year. That's less than the 22.9 percent of GDP paid out by the federal government in 1985, but it's still more than the government collects.

Last year, government revenues were 17.5 percent of our economy, and the gap between these revenues and spending levels is the deficit which produces congressional headaches and taxpayer anger.

Deficits have been a persistent problem. Since 1960, the federal government has repeatedly spent more (an average of 19.2 percent of GDP) than it has raised in taxes (18.2 percent of GDP).

Since 2000, federal spending has increased by 38 percent. Economic growth during this same period has lagged behind the growth in spending, totaling 26.5 percent. Because federal spending has risen more quickly than our economy has expanded, we must look to the spending side for a solution to our

budget problems.

The federal budget is typically divided into three parts:

- ▲ “Mandatory” spending such as Social Security, Medicare and Medicaid, which grows automatically each year unless Congress steps in to adjust benefits;
- ▲ “Discretionary” spending, which Congress reconsiders each year; and,
- ▲ Interest payments on the national debt.

relief and much more.

With the exception of spending for defense, homeland security and emergency disaster aid, Congress has largely halted the growth in discretionary spending. This spending was 39 percent of the budget last year, but is already on a track to be reduced to 29 percent in 2015.

At the same time discretionary spending is being reduced, we must find additional savings by reconsidering mandatory spending programs.

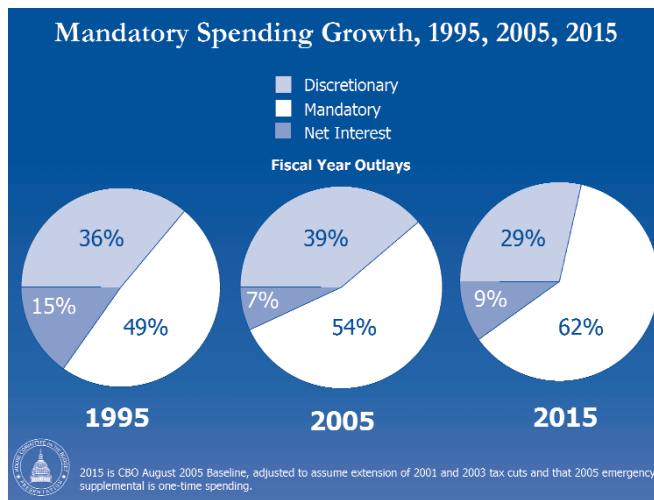
Medicaid provides a good example of the challenge. Medicaid spending grew 97.8 percent between 1995 and 2004, an average of 7.9 percent each year. It was estimated to continue growing by 7.7 percent each year over the next 10 years.

Congressional leaders sought savings in the program, and in the end succeeded in slowing the rate of growth from 7.7 percent to 7.5 percent. This slowing of the rate of growth was widely condemned as cruel “budget cuts.” Even with these widely criticized program changes, we will spend nearly \$10

billion more on Medicaid in 2006 than we did in the preceding year.

What about tax increases? Many credit our recent economic growth to our use of tax cuts to energize the economy. Those who advocate tax increases must be mindful of the potential costs in terms of reduced economic incentives and decreased international competitiveness.

There are no easy answers. Still, we must find sensible ways to bring the budget into balance, and the sooner we do so, the less painful it will be over the long run.



Interest payments on the national debt are contractual obligations and offer no opportunities for budget relief in the short term so many point to the discretionary spending budget as an obvious target for spending restraint.

But, how far can we cut? Discretionary spending programs include the military, homeland security, the federal courts, most federal agencies, Congress, the White House, federal transportation funding, much federal aid to the poor and to support elementary and secondary education, medical research, disaster

Citizen Hours With Representative Tom Petri - April 2006

Citizen Hours provide an opportunity for Rep. Petri to meet one-on-one with individuals who need help with Social Security or veterans benefits, who want to ask for help getting into the U.S. Military Academies, who want privately to discuss problems with farm programs, with the Internal Revenue Service and the like, or who simply want to express opinions about issues of national concern. Please come to share your concerns.

Monday, April 10th

9:30 - 10:45 a.m.
SHEBOYGAN FALLS

Memorial Library
330 Buffalo Street
Meeting Room

4:00 - 5:15 p.m.
NORTH FOND DU LAC

North Fond du Lac
Community Center
280 Garfield Street
Combined Hall

Tuesday, April 11th

10:30 - 11:45 a.m.
DARBOY

Town of Buchanan Town Hall
N178 County Road N

1:30 - 2:45 p.m.
OSHKOSH

City Hall
215 Church Avenue
Room 406

Wednesday, April 12th

11:00 - 12:00 Noon
WAUTOMA

CAPsell Center
205 East Main Street
Conference Rooms A & B

Monday, April 17th

9:00 - 10:00 a.m.
ADAMS

Municipal Building
101 North Main Street
Council Chambers

2:30 - 3:30 p.m.
MONTELLO

Marquette County Courthouse
77 West Park Street
County Board Room

4:30 - 5:30 p.m.
GREEN LAKE

Caestecker Public Library
518 Hill Street
Conference Room

Tuesday, April 18th

2:00 - 3:00 p.m.
MAYVILLE

City Hall
15 South School Street
City Council Chambers

4:00 - 5:00 p.m.
WATERTOWN

Municipal Building
106 Jones Street
City Council Chambers

Wednesday, April 19th

1:00 - 2:15 p.m.
TWO RIVERS

City Hall
1717 East Park Street
City Council Chambers

3:30 - 4:30 p.m.
CHILTON

City Hall
42 School Street
Community Room



Photo: Stephen Groessel of the Tri-County News)

***New Holstein resident
Don Schwobe discusses
a matter with Rep. Tom
Petri during a Citizen
Hour in Chilton.***

Questionnaire

What Are Your Views?

1. On balance, do you think the country is on the right track or the wrong track? A. *Right Track* B. *Wrong Track*

2. Now that Iraq has adopted a national constitution and elected its first parliament, what role should our military play in Iraq?

A. *Stay the course until we are certain that Iraq's new government is stable and its military and police forces can provide adequate protection from insurgents.*

B. *Set a quick deadline for withdrawal of U.S. troops and let Iraq handle its problems as best it can.*

3. After some years of large federal surpluses, deficits have returned and Congress faces pressure to erase the red ink. Which of the following choices best describe your preferred solution to this problem?

A. *Spending cuts* B. *Higher Taxes* C. *Both* D. *Deficits not a problem*

3a. Answer only if you favor spending cuts: Spending on so-called "mandatory programs," which include Medicare and Medicaid, has been growing at a rate faster than the growth in the general economy and are seen as a primary reason for continued increases in federal spending. Which of the following do you favor?

A. *Cut mandatory spending* B. *Slow growth in mandatory spending*

C. *Cut discretionary spending only – protect mandatory spending*

4. If you are a Medicare recipient, what is your impression of the Medicare Part D prescription drug program?

A. *A good program that will meet my prescription drug needs and save me money.*

B. *A good idea, but the program has problems that need to be fixed*

C. *A bad program.*

5. If you have enrolled or will be enrolling in the Medicare Part D prescription drug program, how have you found the enrollment process?

A. *Easy and straightforward* B. *Time consuming but doable*

C. *Too confusing to even understand*

6. The Farm Bill will be reauthorized next year, and some have advocated broad cuts in agriculture support programs. In view of

the federal deficit, would you support such cuts even if it would mean cuts for Wisconsin farmers?

A. *Yes* B. *No*

7. To stabilize oil prices and reduce our reliance on foreign oil, some support increased drilling in environmentally sensitive areas such as off-shore of America's coasts. Others believe off-shore drilling is a recipe for environmental disaster while oil and gas producers contend that new technology makes drilling much safer and cleaner. Which more closely matches your view?

A. *We need to increase domestic production of oil even if it means drilling in environmentally sensitive areas.*

B. *We need to avoid drilling in environmentally sensitive areas, even if it might mean continued reliance on foreign oil and/or higher prices at the pump while alternative energy sources are developed.*

8. This past December, the House passed legislation to secure the borders and improve the enforcement of existing immigration laws as the first step in a more comprehensive review of our entire immigration process. The legislation did not include a temporary guest worker program for jobs most Americans are unwilling to perform. Would you support a temporary guest worker program if it was closed to illegal immigrants and was a part of a crackdown on illegal immigration?

A. *Support* B. *Would not support*

9. Do you favor or oppose amending the U.S. Constitution to define marriage as a union between one man and one woman?

A. *Favor* B. *Oppose*

10. The world has become increasingly competitive. Some observers have suggested that the U.S. is at risk because students in other nations have outperformed U.S. students in math and science while at the same time our spending on basic research has been dropping. Do you think that government initiatives to improve the quality of math and science education and increase federal support for research and development will help to keep the U.S. competitive in the 21st Century global economy?

A. *Yes* B. *No*



Respondent #1

- 1.** A B
- 2.** A B
- 3.** A B C D
- 3a.** A B C
- 4.** A B C
- 5.** A B C
- 6.** A B
- 7.** A B
- 8.** A B
- 9.** A B
- 10.** A B

Please indicate your age range 18-34 35-50 50+

Respondent #2

- 1.** A B
- 2.** A B
- 3.** A B C D
- 3a.** A B C
- 4.** A B C
- 5.** A B C
- 6.** A B
- 7.** A B
- 8.** A B
- 9.** A B
- 10.** A B

Please indicate your age range 18-34 35-50 50+

Questionnaire, Citizen Hour Schedule Inside

Tom Petri

Representative

Official Business

U.S. House of Representatives
Congress of the United States
Washington, D.C. 20515

Postal Customer
Sixth Congressional District
Wisconsin

M.C.
EGRWSS
PRSRT STD



What Are Your Views?

Dear Constituent:

No duty is more important to me as your U.S. Representative than to listen to you and other citizens in our district. Your views, opinions and feelings are of vital concern to me.

Please take a few minutes to answer the important questions on page 3. Clearly, answering questions with a "yes" or "no," or a "favor" or "oppose" is much too simple when dealing with complicated subjects, but that's the kind of choice I'm forced to make every day on the floor of the House when voting on legislation.

Your time and thoughts are deeply appreciated. Further, if you have any questions or comments, please feel free to write. In addition to the "old fashioned" addresses and numbers on page 1, you can contact me by e-mail through a link on the front page of my Web site found at www.house.gov/petri/

If you would like to receive a periodic e-newsletter from me, please go to the following Web page: www.house.gov/petri/subscribe.htm



Internships for College Students

Would you like to learn more about our federal government - especially how Congress really works? If so, you might consider an internship in my Washington office. Interns in my office are unpaid, but I cooperate with schools that are willing to offer credit for the experience.

The work required is not complicated, but it is important and provides a chance to get a first-hand look at Congress and government service.

For further information, check my Web site at: www.house.gov/petri/intern.htm



Please print

NAME

ADDRESS

CITY/STATE/ZIP

Please
Place
39¢
Stamp
Here

Congressman Tom Petri

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Questionnaire Responses