



## Democratic Rural Working Group: GOP Budget Neglects Rural America

New Report Details Shortfalls in Rural Health Care, Jobs, Education, Veterans, Social Security

**Washington, D.C.** – As the U.S. House considers the budget this week, the Democratic Rural Working Group today released a new report outlining the ways in which the Republican budget neglects rural America. Reps. John Spratt, Ranking Member on the Budget Committee and Stephanie Herseth, Co-Chair of the House Democratic Rural Working Group were joined by other members of the Rural Working Group to release the report.

“The House Republican budget resolution shares all of the flaws of the President’s budget: damaging spending cuts, continued large deficits, and spiraling debt,” stated Congressman Spratt (D-SC). “Because the budget resolution contains no details about which programs it assumes that Congress will cut, the President’s matching budget provides a guide for Republican priorities for 2006. The picture that emerges is clear: the Republican budget continues to take the country in the wrong direction.”

Congresswoman Herseth (D-SD) added, “Far too often, rural America gets left out of the important policy debates in Washington – and it’s happening right now with the budget we’re considering this week. Rural America deserves a budget that recognizes its unique contributions and needs. In our part of the country, supporting agriculture means creating jobs. Fair treatment from the federal government on health care in rural America can mean the difference between life and death. And we don’t think it unreasonable to ask that kids in rural areas be given the same opportunities as their peers in the suburbs. When we look at how families and communities in rural America are treated in this budget we know that we can do better.”

The full report is available online at <http://democraticleader.house.gov/Burns/RuralReportFinal.pdf>

### **Speaking at Today’s Press Conference**

Congresswoman Stephanie Herseth (D-SD) (Democratic Rural Working Group Co-Chair)  
Congressman John Spratt (D-SC) (Ranking Democrat on the Budget)  
Congressman Ike Skelton (D-MO) (Ranking Democrat on Armed Services)  
Congressman Collin Peterson (D-MN) (Ranking Democrat on Agriculture)  
Congressman Mike Ross (D-AR)  
Congressman Bob Etheridge (D-NC)

### **Fails to Stand for Common Sense Spending**

The Republican budget is fiscally irresponsible, creating trillions of dollars in new deficits. All told, the Republican budget creates more than \$4 trillion in new deficits over the next 10 years; imposing a debt tax on families that climbs to more than \$10,000 per family of four in 10 years just to pay the interest on the debt, while mortgaging the future of our children and grandchildren.

### **Fails to Live Up to the Promise of the Farm Bill**

Agriculture funding takes one of the biggest hits, including a net cut of \$5.7 billion over 10 years from farm programs through restrictions on marketing loans, a 5 percent reduction in farm program payments, assessments on sugar, and modifications to the dairy program.

### **Fails to Create Jobs for a Thriving Economy in Rural America**

The President's budget consolidates and cuts funding for 17 different community and economic development programs that provide housing, employment counseling, water and sewer improvements, and small business loans. The Bush budget completely eliminates the \$1.3 billion vocational education program and cuts job training services by about \$280 million.

### **Shortchanges Building Roads, Airports, Information and Infrastructure**

The budget cuts water and sewer assistance grants by \$77 million, and cuts \$52 million in funding for the Essential Air Service Program – a 50 percent cut. Broadband assistance is cut by more than 33 percent.

### **Fails to Strengthen Education Health Care and Housing for our Families and Communities**

Even though rural areas face tremendous challenges in health care, the budget slashes rural health activities by \$114 million below this year's enacted level – or by 64 percent. The Bush budget includes a net cut in Medicaid of \$45 billion, which will result in a shift in costs to states and beneficiaries, a cut in payments to providers, and an increase in the number of the uninsured. The President's budget proposes to freeze funding for rural education, even though one-third of children attend public schools in towns or cities with less than 25,000 people. And this budget slashes funding for Section 515 multi-family housing the core affordable housing program by 73 percent, and cuts rural housing direct loans loan volume by \$141 million.

### **Makes Cuts in Defending America and Honoring Veterans**

The Bush budget includes a net cut in first responder funding within the Department of Homeland Security of \$302 million, or 7 percent. This net cut is the result of slashing first responder formula-based grants by \$480 million, or 32 percent, and slashing the separate Firefighter Grant program by \$215 million, or 30 percent. The budget imposes a \$2 billion 'health care tax' on 2.2 million veterans through increased co-payments on prescription drugs and new enrollment fees, while providing \$3.5 billion less than veterans service organizations note is needed for veterans' health care.

The report also notes that while the Bush Administration has made a number of promises to rural communities, time and again their actions have undercut their words. This year's budget proposal goes even further as it disproportionately hurts rural communities and the families living in those communities. According to the Center for Rural Affairs, "the President's budget would doom many rural Americans and many rural communities at permanent status as members of America's underclass." [press release, 2/7/05] The National Farmers Union said regarding the President's budget, "it is wrong to try and balance the budget on the backs of rural Americans."

[press release, 2/7/05] A coalition of the American Farm Bureau Federation and more than 100 organizations noted that “reductions to farm programs would come at precisely the time that these supports are most needed in rural America.”

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