



**Rural Update**  
**Tuesday, February 08, 2005**

## **California to Arkansas to South Dakota Rural Democrats Speak Out on Administration's Proposed Budget**

### **CONGRESSMAN DENNIS CARDOZA (D-CA):**

Rep. Dennis Cardoza, D-Merced, responded with disappointment to President Bush's budget for fiscal year 2005, expressing continuing concern over fiscally irresponsible policies and a lack of support for rural America.

"The president has offered Congress a budget that shortchanges rural America, allows the national debt to grow year after year, and is intellectually dishonest by hiding the costs of the president's major initiatives," said Cardoza, co-chair of the fiscally conservative Blue Dog Coalition. "If we continue to ignore the long term consequences of our budgetary actions, we will be forcing our children and grandchildren to pay a steep price for the deficits we create today."

The actual deficit outlook over the next several years could be considerably worse than the administration's 2006 budget estimate. If Congress enacts the president's priorities outlined last week in the State of the Union such as Social Security reform and extension of the tax cuts, and additional supplemental spending requests for Iraq and Afghanistan, the actual deficit situation in the coming years will grow considerably worse.

Making matters worse, to pay for the president's hidden initiatives, funding is being cut in areas that are critical to the Central Valley. Of particular concern to Cardoza is the poor treatment of agriculture in the budget.

"The president continues to target agriculture for the biggest cuts," Cardoza added. "This budget is unfair to farmers across the country and hits us particularly hard in California. Farmers in our state depend on research, protections against invasive species, grants for water and land conservation, and dependable access to markets, but this budget works against them in all of these areas. We need to send a message to this administration to stop taking advantage of American farmers."

**CONGRESSMAN MIKE ROSS (D-AR):**

“I have strong concerns regarding President Bush’s proposed budget for the upcoming fiscal year. His budget calls for the elimination of 150 government programs, many of which are vital to Arkansas’s hardworking families.

“Under his plan, federal payments to crop and dairy producers would be slashed by \$587 million next year and \$5.7 billion over the next decade! And despite the fact that there are 45 million Americans today who lack access to affordable health care, the President wants to cut a whopping \$60 billion from Medicaid, which millions of elderly and disabled Americans depend on to provide critical health care services.

“As our nation welcomes more veterans home from Iraq and Afghanistan, the President’s budget raises veterans’ health care costs by slashing \$2 billion less than veterans’ service organizations estimate they need. His budget also imposes new co-payments on prescription drugs and enrollment fees that will cost veterans hundreds of millions of dollars. This is no way to thank our brave men and women in uniform for all the sacrifices they have made.

“As a Member of the Blue Dog Coalition that promotes fiscal discipline within our nation’s government, I am glad the President has set a goal of cutting the deficit in half by 2009. However, I have to wonder how he plans to accomplish this. While he tightens the belt of domestic spending by making massive cuts to numerous programs, his budget fails to factor in the cost of his Social Security plan, as well as his expected funding requests for Iraq and Afghanistan. In fact, the President is expected to ask Congress for an additional \$80 billion in funding for Iraq and Afghanistan next week, but his budget fails to recognize this.

“Finally, the President’s budget calls for making his tax cuts permanent. I have supported tax cuts in the past, when our country was not deficit spending and we were not at war. In fact, if the President were to repeal the tax cuts he gives to the top one percent of income earners, the savings generated by repealing those tax cuts would essentially pay to fix Social Security!

“But for the President to recommend making his tax cuts permanent on the backs of our hardworking families, many of whom heavily depend on programs President Bush’s budget eliminates, is fiscally and morally wrong.”

**CONGRESSWOMAN STEPHANIE HERSETH (D-S.D.):**

Rep. Stephanie Herseth commented on February 7<sup>th</sup> on the release of the President's budget:

"Unfortunately, priorities for South Dakota and rural America are not represented in this budget. Rural America takes a multi-front hit, including cuts to farm programs, economic development, essential infrastructure and rural health care. These dramatic cuts will have

a substantial impact on families and communities throughout South Dakota. At a time when spending is tight, this budget places rural America at the bottom of the list."

Herseth acknowledged the administration made difficult decisions to constrain spending - including cuts to certain defense programs - and increased funding in a couple of notable areas for South Dakota, namely, EROS and community health centers. But, Herseth continued, "I am concerned about the overall impact of this budget on the federal deficit. The proposed budget increases our debt, yet does not account for supplemental funding for the war in Iraq or specific costs for the private accounts the President has proposed within Social Security. Both of these initiatives would add significant spending and without their inclusion, we are not getting an accurate picture of our budget. If we're going to make tough budget choices, we need to be fair and comprehensive about our nation's accounting."

Herseth noted her disappointment that the President's budget focuses cuts on programs that support farmers and ranchers, including a 5 percent across the board cut to crop and dairy payments. Herseth said, "As a member of the House Agriculture Committee, I will work with farm state members from both parties to protect the investment in farm programs as a way to ensure a safe and abundant food supply for our country. We all recognize the need for sacrifice, but the administration is asking family farmers and ranchers to shoulder far more than their share of the burden."

The proposed budget also included reduced funding levels for South Dakota water projects. Herseth said, "It is unfortunate that this budget zeroes out funding for Mid Dakota and Perkins water projects before their completion, while funding Lewis and Clark and Mni Wiconi at reduced levels. These projects are crucial to economic development across South Dakota, and I'll work with the other members of our delegation to restore this critical funding as the budget process goes forward."

The president's budget also cuts key rural health programs, including Medicaid and the Hospital Flexibility (Flex) Grant Program. Herseth said, "Rural America faces unique health care challenges, and we shouldn't be gutting programs that make health care available and affordable in rural areas." Herseth also noted proposed cuts of \$60 billion dollars to the Medicaid program, which is a key provider of long term care for seniors in South Dakota.

In addition, proposed cuts to the Community Development Block Grant (CDBG) program, and other important economic development programs, will have a significant negative effect on economic development in South Dakota. The program has been particularly popular in South Dakota because of the flexibility enjoyed by CDBG recipients. "Rural American faces real challenges in creating jobs, and now is not the time to be cutting economic development programs that have proved successful in rural areas."

Finally, Herseth noted the impact of the budget on South Dakota veterans. "I am deeply concerned that the President's budget will leave the VA without adequate resources to

deal with the new veterans returning from Iraq and Afghanistan. All of America's veterans served their country, and the proposals to make health care more expensive for veterans is extremely disappointing. I'll keep working on the Veterans Affairs committee for full funding of the health care for veterans." Herseth specifically noted her opposition to the President's proposal to assess an annual enrollment fee and a 100% increase on co-payments for veterans' prescription drugs.