

WASHINGTON, D.C. - Today, Congressman Steny Hoyer and members of the Maryland Congressional Delegation denounced President Bush's proposed fiscal year 2005 budget, which contains harmful cuts to federal investments in Maryland that the state would be forced to absorb. The House of Representatives is scheduled to consider the fiscal year 2005 federal budget next week, which is expected to be approved today by the Republican-controlled House Budget Committee.

The House Republican budget makes even deeper cuts to the federal budget than that of the President, slashing funding for Medicaid, cutting funds for Homeland Security, eliminating important education programs, increasing fees for veterans' health care, and reducing environmental protections to pay for trillions in tax cuts that disproportionately benefit the wealthiest Americans which will burden future generations - without requiring that these tax cuts be paid for so they don't contribute to the ballooning deficit.

Democrats will offer an alternative 2005 Budget, which will reflect America's priorities and mainstream values.

"The deficit is expected to reach \$521 billion this year, and over the next 10 years, President Bush's policies would add \$8 trillion dollars to the nation's debt," said Congressman Hoyer. "If the budget were to be balanced this year, the average taxpayer in Maryland would have to pay an additional \$3,002 - a deficit tax - to cover this gap."

"Additionally, much of our nation's record national debt is due to tax cuts which largely benefited the wealthy. Under the Bush Administration's 2003 tax break, over 1.7 million Maryland taxpayers, 67% of all taxpayers in the state, get a tax cut of less than \$100 this year. Democrats support tax cuts for the middle class, but believe we should not sacrifice Social Security and Medicare to pay for tax cuts for the wealthiest Americans."

Congressman Hoyer also pointed out that the additional program cuts recommended by the President will be damaging to Maryland's future, especially when it comes to ensuring that Marylanders have access to affordable health care and that our first responders have the resources and training they need to protect our communities.

"The President's budget does not include a jumpstart to the economy, and he has made cuts to

job training programs that are critical in an economy that has lost over 2 million jobs. On top of a weak economy, the cost of health insurance is rapidly increasing,” added Hoyer. “According to Families USA, the cost of family policies increased from \$6,300 in 2000 to \$9,100 in 2003. Fewer people are being covered by employer-based health insurance, and the price of prescription drugs continues to rise well above the rate of inflation. In Maryland, over 1.1 million people in 2001 did not have health insurance for six months or more - roughly one in every five Marylanders.

“The Bush Administration also proposes reducing the Assistance to Firefighters Grant program by one-third, for a cut of \$250 million dollars. As a leading member of the House Congressional Fire Services Caucus, I sent a letter to President Bush which stated, ‘considering that nearly \$3 billion in applications were submitted for the current program year, and also taking into account the recent Council on Foreign Relations report which highlighted the under-funding of our fire departments, a \$250 million reduction in funding is unacceptable,’” added Hoyer.

The Maryland Delegation also noted that the President’s FY05 budget fails to provide \$9.4 billion in promised funding for education - meaning that 30,780 children in Maryland will not get the help with reading and math that the Bush Administration promised. It also eliminates Federal funding for dropout prevention programs nationwide, and fails to provide promised funds for after-school programs.

The Bush budget also freezes and cuts college assistance - for example it freezes the maximum Pell Grant at \$4,050 and freezes the Impact Aid program (which helps schools near military bases), after-school programs and Teacher Quality State Grants at last year’s levels, which essentially results in a cut by failing to account for inflation.

The President’s budget also slaps veterans with new fees, proposing a \$250 annual enrollment fee and increased co-payments for outpatient pharmacy services, as well as reductions to pension and housing programs.

Finally, the President’s budget proposes cuts to environmental protection programs by eliminating the small watershed program and drastically cutting the Clean Water State Revolving Program by \$500 million, which could translate into a loss of \$30 million for the Chesapeake Bay.

“The spending levels put forth by President Bush and being considered in this Republican Budget Resolution would fail to meet the priorities of the American people and Marylander families on wide range of issues such as defense, homeland security, veterans' health and education.

“Democrats are absolutely committed to real action on reining in the record deficits and exploding debt that President Bush and Republicans have created,” concluded Hoyer.

Representatives Steny Hoyer, Benjamin Cardin, Elijah Cummings, Dutch Ruppersberger, and Albert Wynn participated in a press conference call with reporters from around the state of Maryland this afternoon.

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