



THE PRESIDENT'S BUDGET

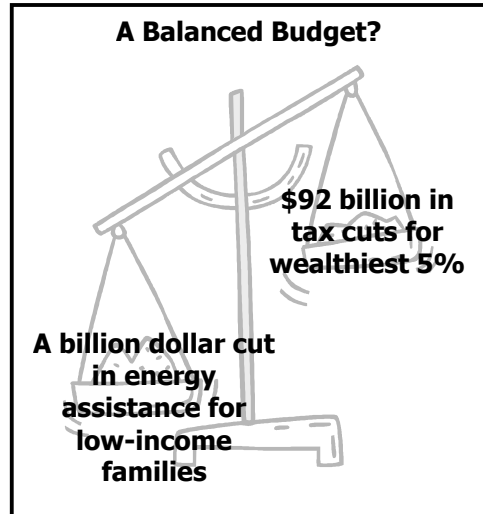
THE IMPACT ON MICHIGAN

February 2007

While President Bush requests nearly \$100 billion in additional war spending for fiscal year 2007, his proposed budget for fiscal year 2008 would cut billions from programs that serve American families.

The budget proposes cutting \$13 billion in non-security discretionary spending.* Billions more would be cut by restricting eligibility in mandatory programs such as Medicare and Medicaid. At the same time, the budget also proposes to make the tax cuts permanent, costing trillions of dollars over the next decade. In fiscal year 2008, the wealthiest five percent will receive \$92 billion in tax cuts.**

Proposed cuts in programs would impact Michigan across a range of issues.



Selected Budget Cuts to Michigan[‡]

Low-income Energy Assistance Program	\$33.6 million
Head Start	\$12.7 million
Child Care and Development Block Grant	\$3.9 million
Community Development Block Grant	\$47.0 million
Special Education	\$23.5 million
Community Oriented Policing Services	\$282,000
Clean Water State Revolving Fund	\$8.1 million

And for Michigan taxpayers...

Cost of the Iraq War	\$12.1 billion
----------------------	----------------

[‡]The FY2007 budget was not completed at the time of publication. The above cuts and other information in this publication compare the proposed budget for FY2008 with FY2006.

► Energy assistance:

Included in the administration's budget request is a more than \$1 billion cut in the Low-income Energy Assistance Program compared to 2006, or 40 percent after controlling for inflation.

► Child development:

The budget request proposes a six percent cut in Head Start funding. The Child Care and Development Block Grant would be cut by five percent.

Notes: *Since the FY2007 budget was not completed at the time of publication, the cut is based on FY2006 actual levels. Cuts based on *Budget of the U.S. Government, FY2008, Budget, and Analytical Perspectives*, with FY2006 adjusted by the CPI-U in the *Budget*; Community Oriented Policing Services program state cuts were based on Dept. of Justice allocations in FY2006; Clean Water State Revolving Fund state shares were based on state allocations from the Environmental Protection Agency for FY2006. **Tax Policy Center, Table 06-0281. See also Center on Budget & Policy Priorities for more on the cost of extending the tax cuts.

- ▶ **Community services:** The administration proposes a 35 percent cut to the Community Development Block Grant program. The Community Oriented Policing Services would be completely eliminated.
- ▶ **Environmental protection:** The Clean Water State Revolving Fund would be cut by more than 20 percent.
- ▶ **Education for the disabled:** While education spending has gone up recently, this budget request would cut Special Education funding to the states by six percent, compared to 2006 after taking inflation into account.

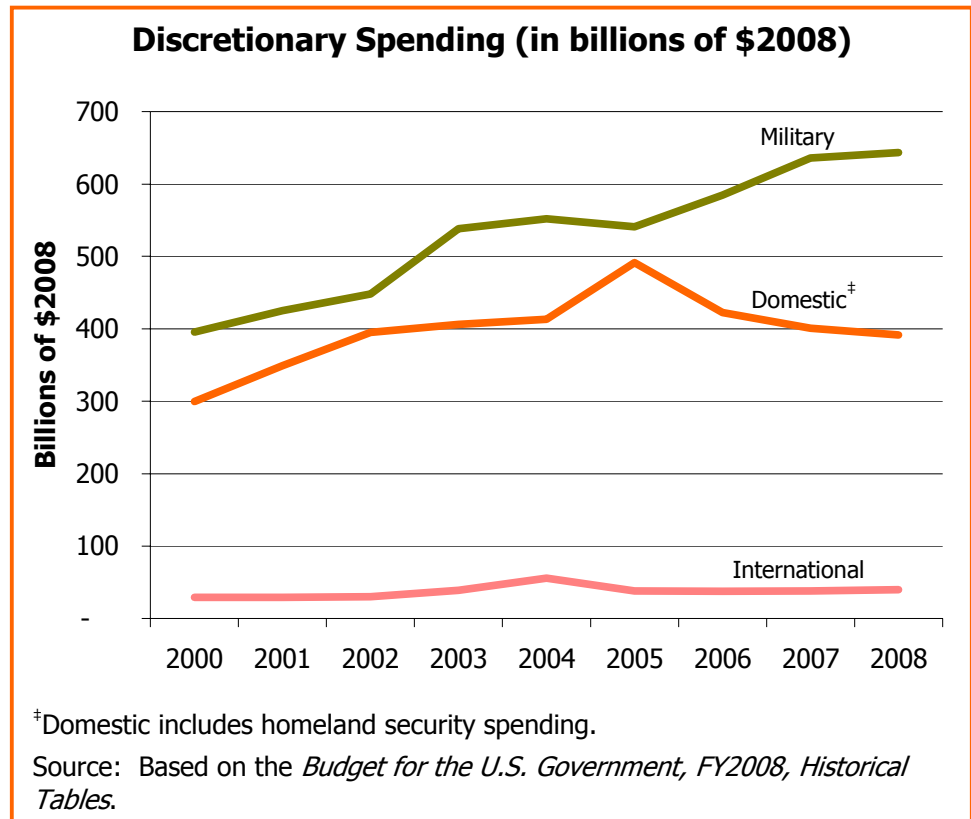
More for war

The administration is requesting an additional \$100 billion in war-related spending for *this* fiscal year (2007). Of that money, about \$78 billion would be for the Iraq War alone, bringing that war's total cost through FY2007 to \$456 billion.

If Congress passes this request, the cost to Michigan taxpayers for the Iraq War will rise to \$12.1 billion.

And, the budget proposes another \$145 billion in war-related spending for FY2008.

Total military spending (which includes war spending) for this fiscal year (2007) would amount to \$620 billion rising to nearly \$650 billion next year. Military spending would be higher than it was during the Vietnam War or the Korean War, after taking inflation into account.



Notes: *NPP's analysis of supplementary materials, 'Additional 2007 and 2008 proposals' included in the *Budget of the U.S. Government, FY2008, Appendix*, attributed \$78.1 billion of the additional money requested for 2007 to the Iraq War. The total is only through FY07 and does not include any of the requested \$145 billion for FY08. IRS data is used to determine state shares.