

President Bush's Budget Would Harm Minnesotans

President Bush's budget calls for a \$45 billion cut in Medicaid over the next 10 years. Such a reduction will likely force Minnesota to further roll back health services and remove thousands of people from the program, including elderly, the disabled and low-wage working parents. Currently, 343,000 Minnesota children receive health coverage through Minnesota's Medicaid program (called Medical Assistance), which also provides essential health care to over 163,000 Minnesota seniors and people with severe disabilities. Recent state budget decisions have already resulted in thousands of Minnesotans losing health care coverage.

Food stamp benefits would be cut by \$1.1 billion over 10 years by terminating approximately 300,000 people nationally from the program. The food stamp program and other nutrition programs that serve low-income families are critical tools for reducing hunger and improving food security in Minnesota. Currently, over 253,000 Minnesotans in more than 120,000 households are aided by the food stamp program.

On top of these cuts, the Bush Administration has proposed cutting \$214 billion in spending on domestic discretionary programs nationally. Minnesota would lose an estimated **\$996.1 million** in federal grants over five years, encompassing a broad array of public services such as education, environmental protection, transportation, veterans' health care, medical research, law enforcement, and food and drug safety inspection. It's hard to see how Minnesota's communities could sustain the loss of nearly \$1 billion in federal dollars, considering the cutbacks that have already occurred as a result of state budget deficits. The President's budget also proposes that caps be established for each of the next five years on both funding levels and expenditure levels for these discretionary programs. The cuts would grow deeper with each passing year.

While these cuts would be wide-ranging, below are just some examples of how Minnesota would be hit hard by these proposed cuts over the next five years:¹

- **Education:** K-12 education funding to Minnesota would be cut by \$176.2 million.
- **Community Development Block Grants (CDBG):** Minnesota would lose \$145.5 million in CDBG funding. (The Administration proposes to consolidate 18 community development funding streams into a new block grant).
- **Child Care:** 5,000 children would no longer receive child care assistance.
- **Head Start:** 1,300 Minnesota children would lose access to Head Start, which helps prepare at-risk children for school.
- **WIC:** Minnesota would lose \$8.8 million in funding for the Women, Infants and Children (WIC) program, meaning 9,900 fewer Minnesota low-income families would receive the healthy foods and the nutrition counseling provided by the program.
- **HIV/AIDS:** Minnesota would lose \$2.4 million in Ryan White HIV/AIDS funding, resulting in hundreds of Minnesotans losing access to life-saving medication and health care.

¹ Center on Budget and Policy Priorities, *Where Would the Cuts Be Made Under the President's Budget?*, www.cbpp.org/2-22-05bud.htm.