



New Mexico Fiscal Policy Project

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New Mexico Would Lose \$550 Million for Domestic Programs, \$450 Million from Medicaid under President Bush's Proposed Budget

New Mexico would lose an estimated \$550.1 million in federal spending from domestic social programs between 2006 and 2010, according to a study released recently but the Center on Budget and Policy Priorities (CBPP), a Washington DC-based nonprofit research organization. The study covered federal spending on education support, human services, environmental improvement and community development programs, but excluded entitlement programs such as Medicaid. The CBPP estimated the cuts for all states and the nation as a whole.

The Center on Budget's analysis shows that, between 2006 and 2010:

- K – 12 Education funding to New Mexico would be cut by about \$140.4 million, damaging local schools ability to meet the needs of special education students and provide after school programs;
- As part of the education cutbacks, special education programs would lose \$60 million. School improvement programs would lose \$36 million under the Bush plan;
- Also included in the education cuts, Vocational and Adult Education would be cut by \$43.6 million, damaging New Mexico workforce development efforts;
- 2,400 families would stop receiving rental assistance vouchers by 2010;
- 2,900 New Mexico children would lose child care assistance;
- 5,100 pregnant women, new mothers, and their children would lose food and nutrition support as a result of a \$5.4 million cut in funding for the Women, Infants and Children (WIC) program;
- \$50.4 million would reduce community Development and economic development grants and programs, which support Main Street revitalization, neighborhood rehabilitation, and job training programs for low-income workers.
- There are additional program cuts proposed for Medicaid and other entitlement programs. The cuts in the Medicaid program in New Mexico will total \$450 million over the next ten years.

In addition, the proposed budget makes permanent the tax cuts from 2001 and 2003. Those tax cuts have already cost the U.S. \$819 billion in revenue. When fully phased in in 2015, they will cost \$5.1 **trillion** dollars including interest. And, the President's proposed budget contains new tax cuts that equal more than \$1.4 **trillion** additional dollars.

Far from reducing the deficit, the proposed budget will in fact make the deficit worse. And, by drastically reducing or even eliminating programs, the elderly, poor, children, veterans and even the environment will be harmed.