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President's Budget Reflects Wrong Priorities for Minnesota
Would Make Tax Cuts for Wealthy Permanent
While Cutting Health Care for Struggling Families

St. Paul, MN – The Minnesota Budget Project today expressed disappointment with the President's proposed budget for fiscal year 2009, saying it would harm Minnesotans struggling with higher energy costs and an economic slowdown.

"The President's final budget is fiscally irresponsible and unfair. It would increase deficits by \$547 billion over the next five years. It would make tax cuts that primarily benefit the wealthiest Americans permanent at a cost of more than \$2.4 trillion over the next decade. At the same time, this budget would harm seniors, people with disabilities and low-income families by cutting health care by \$196 billion over the next five years," said Steve Francisco, federal policy director for the Minnesota Council of Nonprofits.

The federal government's contribution to Medicaid would be cut by \$18.2 billion over five years, largely by shifting costs onto Minnesota and the other states. "At the same time that Minnesota and other states are facing budget shortfalls because of the slowing economy, the President's cuts to Medicaid would shift significant health care costs onto Minnesota. Health coverage for struggling Minnesotans is at risk," said Francisco.

Other harmful cuts in the President's budget include:

- The **Low-Income Home Energy Assistance Program** (LIHEAP) would be cut by \$570 million or 22 percent. The President would fund energy assistance at 2001 levels, even though home energy prices have risen 65 percent.
- Funding for **child care assistance** for low-income families would be flat for the seventh year in a row. Child care funding has fallen by almost 17 percent since 2002.
- The **Center for Disease Control and Prevention** (CDC) would be cut by \$433 million, even before adjusting for inflation. Funding for the detection and control of infectious diseases and preventive health services would be cut deeply.
- The **Environmental Protection Agency** (EPA) would be cut by \$330 million before adjusting for inflation, or more than \$1 billion below 2004 levels.
- **Discretionary grants to state and local governments** would be cut by \$15.1 billion, or 9 percent.

"We urge our Minnesota congressional delegation to reject the President's budget priorities. They should instead craft a fiscally responsible budget that funds vital services that make a real

difference to Minnesotans' health and well-being. They should not make tax decisions that make it more difficult to fund the nation's priorities and shift the responsibility for funding these priorities onto low- and moderate-income households," said Francisco.

The Minnesota Budget Project, an initiative of the Minnesota Council of Nonprofits, provides independent research, analysis and advocacy on budget and tax issues emphasizing their impact on low- and moderate-income Minnesotans. The Minnesota Council of Nonprofits (MCN) is the statewide association of 1,900 nonprofit organizations. Through its Web site, resource publications, workshops and events, cost-saving programs and advocacy, MCN continually works to inform, promote, connect and strengthen individual nonprofits and the nonprofit sector. (www.mncn.org)

The Minnesota Budget Project is an initiative of the Minnesota Council of Nonprofits.
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