

WASHINGTON, D.C. – As the United States House of Representatives prepares to take up the Fiscal Year 2004 Budget Resolution (H.Con.Res. 95) later today, Representative Xavier Becerra (CA – 31), the only member from Southern California on the House Committee on Ways and Means, indicated that he would not vote for the resolution, and instead, would encourage his colleagues to support the Democratic alternative.

He expressed his reasons in the following statement:

“Forgive me if I sound like a fiscal conservative, but I was always taught that lowering taxes during a time of war was irresponsible economic policy. When tax cuts are combined with a faltering economy, one of the largest budget deficits in history, and a war whose cost still remains a mystery, a recipe for economic disaster emerges.

“The resolution, which is based on the budget proposal President Bush submitted to Congress back in February, compromises the long-term solvency of the American market by not only attempting to make the 2001 \$1.3 trillion tax cut permanent, but by also adding on \$725 billion in additional cuts. This budget, if passed, would pave the way toward a record \$1.178 trillion deficit over the next 10 years; would do very little to spur job creation; would make dramatic cuts in necessary government expenditures like Medicaid, the Temporary Assistance for Needy Families block grant program, federal highway funding and environmental protection programs; and would compromise the solvency of the Social Security trust fund – just as the Baby Boom generation, 77 million strong, begins to retire.

“With California representing nearly 12 percent of our nation’s population, it is no surprise that the president’s budget hits my home state the hardest. Since January 2001, California has lost nearly 100,000 jobs and could lose 150,000 more by 2013 if this budget plan is enacted. Included, the dividend tax cut, which is the centerpiece of the Administration’s budget, would eliminate \$1.4 billion in yearly revenue for California, which already has a FY04 budget shortfall of \$26.1 billion. Couple this with the fact that the budget resolution provides no direct aid to states and one should begin to see serious problems with the president’s proposals.

“Other ways the budget proves harmful for Californians include:

\$56.5 million in after school program cuts, affecting 80,687 children;

Twenty-eight percent of California tax payers would see not one dime in tax relief if the tax cuts are implemented – 47 percent would get a tax cut of less than \$100 per year;

and Pell Grants will be trimmed significantly, which will undoubtedly affect the 456,209 college students in California who currently receive them.

“The list goes on with devastating effect.

“Instead of this slash and burn approach to fiscal management, members of Congress should consider the alternative budget being submitted by House Democrats. Rather than dragging our government further into deficit, the Democratic alternative budget achieves balance by 2010 without unrealistic spending cuts; creates one million jobs in 2003; provides a sensible \$136 billion economic stimulus package to invigorate the economy immediately; fully funds “No Child Left Behind” education programs, which the Republican budget under-funds by \$9.7 billion; invests more money into homeland security programs including \$3.5 billion for first responders in FY04 alone; and still has room leftover to create a comprehensive prescription drug plan under Medicare.

“And it does this without squandering the Social Security surplus while also reigning in the budget deficit.