

Legislative Update-February 17, 2001

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President Bush's FY2002 Budget - President Bush is preparing a FY2002 budget that would require cuts affecting virtually every agency except for the Departments of Defense and Education. The President stated that he is seeking an end to the rapid growth in government spending. It is speculated that the Departments of Justice, Interior, and Health and Human Services, and the Environmental Protection Agency will be some of the likely casualties. Under Bush's \$1.9 trillion FY2002 budget blueprint, overall spending on domestic programs other than Social Security, Medicare and other entitlements would grow by 3 percent to 4 percent in contrast to the 12 percent increase approved last year.

The Justice Department has been asked to identify \$1 billion in cuts in its budget, which had grown the fastest of any agency under Clinton. Bush administration officials have said that the planned "net reduction" in the \$21 billion Justice budget could be closer to \$500 million if offsetting funds from other sources become available.

The Interior Department and the Environmental Protection Agency would face modest spending reductions in Bush's budget, after benefitting from steady increases in recent years. Last year, Congress approved a \$1.7 billion increase in Interior spending, for Clinton's land acquisition initiative and for the Bureau of Reclamation. President Bush has made a number of costly campaign promises affecting the Interior, including a nearly \$1 billion pledge to fix crumbling tribal schools.

The Department of Health and Human Services has been instructed to keep its spending request to no more than 6 percent above its current budget, significantly less than the 9 percent increase proposed by Clinton last year.

The Education Department could be the big winner since Bush has stressed that education will be a priority. The Department of Education is expected to receive a significant budget increase, with much of the money to be used to implement Bush's pledge to reshape the federal role in education. Bush's plan calls for states to receive more funding to conduct annual reading and math tests for students in grades three through eight.

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