



Senator Feinstein on President Bush Signing Budget
Reconciliation Bill: Bad News for California
February 8, 2006

Washington, DC – U.S. Senator Dianne Feinstein (D-Calif.) today released the following statement reiterating her opposition to the irresponsible and unfair budget reconciliation bill, which President Bush today signed into law:

“The budget reconciliation bill is bad news for the hard-working people of California. The spending cut measure will slash \$39 billion in federal funding for programs vital to the welfare of America’s neediest families, programs such as Medicare, Medicaid, and student loans.

Claims by the Republicans that these cuts are necessary to pay down the deficit are simply false. I strongly believe in fiscal responsibility, but this bill is projected to reduce less than one percent of federal spending over five years—making only the smallest dent in the spiraling federal budget deficit which has grown to record levels because of extending tax cuts for the wealthy at the expense of working families. Unfortunately, the Administration’s irresponsible fiscal policies will only truly be felt by our children and our grandchildren.

This is not how government should work. And this is the wrong choice for America’s families.

In California alone, the spending cuts will cost as much as \$1.7 billion in federal assistance. The bill will cut \$1.5 billion of child support enforcement aid over the next five years, placing the burden on single-parent families who are already struggling to make ends meet.

The more than \$11 billion in cuts to Medicare and Medicaid programs will result in \$1.9 billion in increased co-pays and premiums for poor families and children in Medicaid over five years. This will send many of the neediest families to the ranks of the 46 million Americans without health insurance and place further strain on already over-taxed emergency rooms.

Cuts to federal student loan programs--\$12.7 billion over the next five years--will push college out of reach for many middle and low income families. In California, the bill will cost the University of California system more than \$10 million over the next three years, and make college less affordable for thousands of California’s college students. And graduates will face student loan payments with rates over 7% as they try to get on their feet.

The bottom line is that this irresponsible spending-cut bill represents relief for the wealthy in exchange for greater burdens on our nation’s poorest and most vulnerable citizens.”

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