



FEDERAL BUDGET BASICS



Because the federal budget is a statement of our nation's values and priorities,
Because the federal budget should reflect the needs of the people,
Because this is our money...

... it is our responsibility to know basic budget facts and work together for change.

The Pentagon budget for the current Fiscal Year (FY04) is roughly \$400 billion. Here's what you need to know about that money:

- 1** \$400 billion is too much. It is more than we need for national defense.
- 2** \$400 billion is over half (51%) of the federal discretionary budget.
- 3** At \$400 billion, the U.S. military budget is in a league of its own. The U.S. spends almost as much on its military as the rest of the world combined.
- 4** While programs for people (such as education and housing) are being cut, Pentagon spending is growing at an alarming rate. The \$400 billion FY04 Pentagon budget is \$132 billion more than the Pentagon budget for FY 2000.
- 5** The Pentagon's \$400 billion FY04 budget does not include funding for the war in Iraq. That money comes from supplemental appropriations. In April of this year, Congress approved a \$79 billion supplemental bill to pay for the war. In November, Congress passed another supplemental spending bill (\$87.5 billion) for the war in Iraq and Afghanistan.
- 6** The Pentagon's \$400 billion FY04 budget includes very little money for homeland security. Homeland security is primarily a function of state and local governments and federal agencies, including those in the newly formed Department of Homeland Security.
- 7** The Pentagon's \$400 billion FY04 budget does include about \$136 billion for research, development, and procurement - i.e., creating and buying weapons. WAND refers to many of these new weapons as "Budget Bandits" because they are outrageously expensive, unnecessary, and do not make us secure.
- 8** The states are facing their worst fiscal crisis since WWII, with an anticipated \$82 billion budget gap in the current fiscal year. States are being forced to cut services and raise taxes. Governors have urged the federal government to pay more of the cost of federal mandates in education, Medicaid and domestic security, but the President has offered no real help. Gov. Gary Locke (WA) said the governors "received nothing but great smiles and rhetoric" from the administration. (NYT, 2/26/03)

The Children's Defense Fund Action Council offers a booklet called *What You Need to Know and Do To Truly Leave No Child Behind* which offers additional information about the federal budget. It clearly explains the budget policies and priorities of the Bush administration with regard to tax cuts, Head Start, Medicaid, Section 8 housing, foster care, child care, military spending and more.

The booklet is an inspirational action guide as well as information source, augmenting the basic budget facts presented here. It is available as part of WAND's budget trainings or through the CDF web site: www.childrendefense.org.



Women's Action for
New Directions
Education Fund

The mission of the WAND Education Fund is to educate the public and opinion leaders about the need to reduce violence and militarism in society, and redirect excessive military spending to unmet human and environmental needs.

www.wand.org • info@wand.org
691 Massachusetts Avenue • Arlington, MA 02476
781-643-6740 • fax 781-643-6744