

OPINION

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We're Losing Our Social Safety Net

Oregon must restore vital medical, human services

Senate Democratic members of the Joint Ways and Means Subcommittee on Human Services, including Sen. Margaret Carter, Sen. Avel Gordly and Sen. Frank Shields are warning of a potential \$600-800 million shortfall in funds needed to restore a minimum social safety net.

The senators discovered that in the next two years, current budget proposals would spend over \$500 million less than was spent last biennium on programs most vital to the most vulnerable Oregonians.

"The education community has always been able to put out a number and rally public opinion around its needs. But the poorest of the poor, the hungry, the disabled, the mentally ill, and those in search of jobs cannot mobilize themselves in the same way," Shields said.

Under current budget plans, the state would remove approximately 50,000 people from mental health services, 100,000 people



Sen. Avel Gordly at a rally last week demanding the restoration of Oregon's social safety net.

from the Oregon Health Plan and potentially as many as 30,000 seniors from an array of residential and medical services.

"It is critical that we put faces to these numbers, and recognize the drastic damage that will be done if the level of human services is not at least restored to where we were two years ago," Shields said.

Specific examples of the extreme inadequacy of current budget proposals include a \$13 million cut to the state's JOBS program, even as the number of people the program serves expands by 2,800 people.

The Governor's proposed funding for the Temporary Assistance for Needy Families program is \$21 million less than current levels on top of repeated budget cuts

from special sessions and the failure of the statewide Ballot Measure 28. Funding for community mental health services is slated to decline by over \$24 million from where it was two years ago. That represents the elimination of services for over 30,000 adults and over 18,000 children. A budget cut of nearly \$8 million from current service levels will result in 1,784 Oregonians in adult foster care facilities losing their homes and care.

Funding for community mental health services is slated to decline by over \$24 million.

Unequal Taxation by Administration

BY MAUDE HURD

President Bush and the Republican Congress just passed another round of massive tax cuts aimed at the extremely wealthy. Now the administration is quietly proposing to use a back door to raise taxes on many working poor families.

The IRS wants to put in place new requirements for many families who earn the Earned Income Tax Credit, requirements that many honest taxpayers will be unable to meet. Such requirements could never be imposed on middle class or wealthy tax payers without causing the biggest political uproar since the Boston Tea Party.

Aside from the minimum wage (which Congress allows to lose value every year) and the 40 hour week (which is also under attack from the White House), the EITC is probably our country's most effective program to lift working families out of poverty. It was enacted in 1975 to offset Social Security taxes paid by low-income workers and provide an incentive to work. It has done just that. Few programs have more successfully met their goals.

The tax credit puts about \$2,000, on average, into the hands of working poor families with children. This constitutes a significant boost in income for a family earning, say, \$15,000 or \$20,000. In 1999 the tax credit lifted 4.7 million people, including 2.6 million children, out of poverty.

The hurdles the IRS wants to put up include low-income working grandparents, aunts, and uncles raising their grandchildren, nieces and nephews. These families are about to be deemed a more serious threat to the tax system than Enron.

The IRS has indicated it will ask filers



Maude Hurd speaks out against taxation inequality.

to prove they are related to the children they are raising by submitting marriage certificates that in many cases are for marriages that occurred many years ago, took place in other countries or are between two people other than the taxpayer.

For many families, there will be no way to do this: many states will only provide marriage certificates to the married couple itself, do not provide certificates for marriages that occurred before a certain year, require that someone seeking a copy of a marriage certificate provide information that the tax filer may not possess or take longer to provide a certificate than IRS' deadlines allow.

Similarly, people subject to these procedures will have to prove that the children they are raising live with them. Manageable ways that other programs like

food stamps use to verify such information won't be allowed here. The likely result will be that many honest hardworking families with children will lose the Earned Income tax Credits.

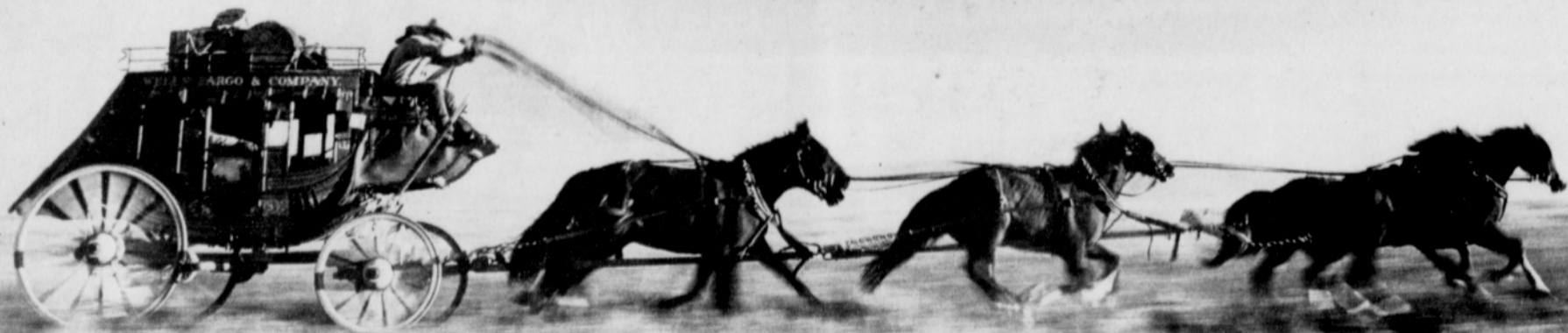
Imagine if millions of homeowners were required to produce this sort of documentation before obtaining their mortgage interest deduction. A proposal like that would end political careers. So should this one. It's time to raise our voices and make sure these burdensome new rules for families working and raising children on modest wages are not allowed to go beyond the planning stages.

Maude Hurd is the National President of ACORN, the Association of Community Organizations for Reform Now, the nation's largest community organization of low- and moderate-income families.

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