

The INDEPENDENT

Published on the first and third Thursdays of each month by The Independent, LLC, 725 Bridge St., Vernonia, OR 97064. Phone/Fax: 503-429-9410. Publisher Clark McGaugh, clark@the-independent.net • Managing Editor Rebecca McGaugh, rebecca@the-independent.net • Editor Noni Andersen, noni@the-independent.net

Opinion

Be thankful if you are able to help other people

America's favorite holidays – Thanksgiving Day and Christmas – are near, and many organizations are seeking donations to help people whose income can't provide the basics, much less the extras associated with those holidays.

Some of us gripe about the continuous pleas for donations. But how would we feel if we were being targeted as a way to balance the federal budget?

The House of Representatives is considering legislation that includes reductions in a number of programs that would hit low-income people hard. The following information is from the Congressional Budget Office.

- CBO estimates that requiring low-income Medicaid beneficiaries to pay more out-of-pocket while reducing covered health care services would reduce spending by \$30 billion over ten years. CBO estimates that about 80 percent of the savings are expected to come from decreases in the use of services such as doctors' visits and prescribed medications, and that ultimately, more than 100,000 people would lose coverage because they would have trouble paying premiums. In addition, states would no longer need to cover all low-income children enrolled in Medicaid for all medical services and treatments they are found to need in medical screenings. Substantial numbers of near-poor children could lose coverage for such services as eyeglasses, hearing aids, speech therapy, and crutches.

- CBO estimates that cuts in funding for child support enforcement would result in \$24 billion in child support going unpaid by non-custodial parents.

- CBO estimates that 295,000 individuals a month would lose food stamps; the majority of them in low-income *working* families with children that now receive food stamps because work and housing expenses drop their net incomes below the poverty line.

- CBO estimates that 40,000 fewer low-income children would receive free school meals each day. Children who would be cut off food stamps generally would lose free school lunches as well. These children would have to begin paying for school meals in order to receive them. (They would be charged less than middle-income children; they generally would qualify for what are known as "reduced-price" school meals.)

- Child care subsidies would be eliminated for



330,000* children in low-income *working* families. The House bill requires states to place more parents receiving cash assistance into work programs. The states will have to provide child care for these parents, yet the bill fails to keep current child care funding up with inflation. (* This figure is an estimate from the Center on Budget & Policy Priorities; no CBO estimate is available.)

The House bill's priorities are appalling considering that official government data show that poverty, income inequality, food insecurity, and health coverage all have worsened in the past few years. The House approach would exacerbate these trends.

The House proposals will be revised in one way or another, particularly since the Senate bill is substantially different in some areas. They could produce the same amount of savings without sharp cuts in assistance for low-income families, *if they wish to do so*.

To save \$50 billion over the next five years – the approximate effect of the House bill – the House could reduce excessive payments to managed care plans (as recommended by MedPAC), lower the cost of prescription drugs un-

der the Medicaid program (as the Senate did), and cancel two tax cuts exclusively for high-income people that are scheduled to start taking effect on January 1.

The savings just from canceling the two new tax cuts, which will provide no benefit to middle-class households but, when the new tax cuts are phased in fully, will provide an additional \$19,000 a year to people making over \$1 million a year, would be more than enough to replace all of the House bill's cuts in assistance programs for low-income families and individuals.

Because the House and Senate are far apart on this matter, cuts in low-income mandatory programs will be a key issue as congressional negotiators try to agree on a final budget plan, which would set spending limits for different parts of the budget this year.

It's good to know that the House and Senate budget plans are much closer on the issue of tax cuts: *both include more than \$100 billion in tax cuts, mostly for upper-income households*.

If you are in a position to help others, be thankful. If you will be getting another tax break, complaints are shameful.