

How the House and Senate Budget Resolutions Effect Washington

Recently the House and Senate passed budget resolutions that make steep cuts to services for vulnerable people. The House and Senate must negotiate the differences in their budget resolutions. The House and Senate are currently working on a compromise to resolve their differences and craft a budget resolution for fiscal year 2006. There are many difficult months ahead to finalize a federal budget by October 1, 2005.

At the beginning of April, The Coalition on Human Needs (CHN)ⁱ released *Washington: Effects of Federal Budget Cuts on Low-Income Families and Children in 2006-2010*, this report summarizes what the House and Senate budget resolutions mean to Washington State:

- Under the House budget resolution, Washington could **lose a total of \$655 million** over the five years from some of the most **basic mandatory programs** that serve low-income people.
- The House budget resolution made **steep cuts in Medicaid**. In the Senate, Medicaid cuts were removed by a successful floor amendment. If the final budget included the House numbers, Washington would **lose at least \$249 million in Medicaid funds 2006-2010**.
- Under the House budget resolution, Washington can expect to **lose \$75.8 million in Supplemental Security Income** benefits to poor elderly people and poor children and adults with disabilities, and about **\$61 million in Earned Income Tax Credit** benefits to working families.
- Washington could see a **cut of \$58.2 million from Temporary Assistance for Needy Families** and child care programs.
- Washington can also expect to lose a **\$12.8 million from foster care and adoption programs, \$10.9 million from child support enforcement programs** and **\$4.4 million from the Social Services Block Grant**.

President Bush's Proposed Budget

President Bush's proposed budget for the 2006-2010 was released early February this year. His budget makes cuts in funding for programs that affect children and families nation wide and in Washington. The Bush administration has proposed that services must be reduced to decrease the federal deficit.

The Center for Community Changeⁱⁱ states that "Since Washington will not be able to provide the same level of services with less federal funding, the budget cuts will force the state to either reduce funding for schools and leave more people hungry, homeless, cold and uninsured, or to raise state taxes." The following are examples of how Bush's budget would affect Washington State:

- **Elimination** of the **Parent Information Resource Centers (PIRCs)** in Washington;
- Children and Family services (including Head Start and programs for abused and neglected children) would lose more than \$51 million;
- Roughly 308 children in Washington would lose access to Head Start in 2006, and 1,400 will lose access to the program in 2010;
- 8,700 children would lose child care assistance in 2009;
- Washington could lose \$14 million in benefits from WIC in 2006-2010;
- Washington could lose about \$51.2 million for Children and Family Services, which includes Head Start and services for abused and neglected children;
- Washington could lose \$106.1 million from its vocational and adult education programs;
- 8,000 families in Washington would lose rental assistance vouchers;
- Medicaid funding for Washington would be cut by more than \$747 million; and

- Community Development programs would be cut by more than \$166 million.

In Seattle, Leah Huck was able to get training as a medical assistant because she received federal help to pay for her three-year old son's child care costs. Then she got a permanent job paying \$25,600 too much income to be eligible for any more child care help. Her monthly child care bill shot up to \$720-one-third of her gross pay. She thought she would have to cut back her work hours, a step backwards to remain eligible for the vital child care. Leah was lucky, and found a city of Seattle child care program that helped.

According to the President's budget documents, the number of children receiving federal child care help will drop by 300,000 by 2009. That will mean fewer mothers like Leah Huck will be able to afford quality care for their children. And the odds of getting help from a city program are likely to worsen. (provided by CHN)

More examples of Washington State Impacts from President Bush & Congressional Budget Proposalsⁱⁱⁱ:

- **Low-income families with children:**
 - 13,500 fewer eligible women, infants and children served by WIC
 - 8,700 fewer children served with child care subsidies
 - 1,400 fewer children in Head Start (by 2010)
 - Average of \$100 less in Earned Income Tax Credit -- \$61 million cut
 - Up to a \$335 million in Medicaid funding cut (In June 2003, there were 861,000 individuals in Washington receiving Medicaid services)
- **Seniors, adults with disabilities, families:**
 - 8,000 families lose rental assistance
 - 3,800 families lose energy assistance
 - Up to a \$98 million in food stamp funds for purchase at local groceries cu (In Washington, 453,000 people used food stamps each month in FY 2004.)
- **Schools:**
 - \$233 million in funding for elementary and secondary education cut
 - \$146 million in special education funding cut
 - \$106 million in vocational and adult education funds cut
- **Local communities:**
 - \$1.325 billion in state and local grants in aid cut
 - \$4.4 million in social services block grant funds cut

ⁱ The Coalition on Human Needs (CHN) is an alliance of national organizations working together to promote public policies which addresses the needs of low-income and other vulnerable populations. The Coalition's members include organizations such as Child Welfare League of America, Children's Defense Fund, United Way of America, and for a complete list of members go to <http://www.chn.org/pdf/chnmembers.pdf>.

ⁱⁱ The Center for Community Change is a progressive social justice organization whose central project is to support the emergence of one or more movements for social and economic justice in the U.S. For more information go to www.communitychange.org.

ⁱⁱⁱ In "President Bush & Congressional Budget Proposals Spell Hard Times for Vulnerable People, High Times for the Wealthy", The Moral Budget Coalition of Washington gives example of the state impact of President Bush and Congressional Budget Proposals. The Moral Budget Coalition of Washington works to forward a federal budget that strengthens our state and ensures the health and well-being of all our residents. For information on the coalition, contact Aiko Schaefer, Statewide Poverty Action Network at aiko@povertyaction.org or Linda Stone, Children's Alliance, at linda@childrensalliance.org.