

PROTECTING PEOPLE FROM CUTS IN VITAL SERVICES: BACKGROUND

The budget resolution passed by Congress earlier this year required that legislation be prepared this fall that will result in cuts totaling \$35 billion over 5 years, including from Medicaid and Agriculture Department programs (likely including Food Stamps). The legislation is called a *reconciliation bill*, and congressional committees must prepare it by September 16. In addition, the budget requires a second reconciliation bill, due September 23, with tax cuts worth \$70 billion over 5 years. These reconciliation bills have special rules in the Senate. They cannot be filibustered, so they need only a simple majority (51 votes) to pass.

The budget resolution did not call for cuts in low-income programs like the Earned Income Tax Credit, Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), child support collections or child welfare services. However, House Ways and Means Committee Chairman Thomas has suggested that he might cut these programs as part of the reconciliation bill.

(The budget reconciliation process does *not* affect “discretionary” programs, which will move on a separate track through the annual appropriations bills. These include Head Start, WIC, housing assistance, juvenile justice, and a variety of other programs.)

It is also very likely that new tax cuts that will add to our already mounting deficits will be proposed beyond the \$70 billion in the reconciliation bill. Another \$36 billion in tax cuts was included in the budget resolution. While these can be filibustered in the Senate and so would need 60 votes to pass in that chamber, some of the tax cuts are popular and may well be able to attract the necessary votes.

A lot is at stake in the reconciliation bills. How can advocates affect the outcome?

Advocates who wish to prevent the loss of benefits that children, the elderly, and other vulnerable people need must persuade members of Congress to oppose such harmful cuts. Even though committees must rewrite the laws to achieve specified dollar cuts, ***how they do it is up to them.***

- \$10 billion in cuts in Finance Committee programs with all or most of the cuts assumed to come from Medicaid – but there is no requirement that the \$10 Billion come from Medicaid. At least portions of these savings should come from programs not targeted for low-income Americans, such as Medicare. Cost efficiencies in Medicaid, such as prescription drug cost-containment, should be identified that will not harm the vulnerable populations that Medicaid serves.

- \$3 billion in cuts in Agriculture Committee programs are required – but they do not have to come from reducing or eliminating Food Stamp benefits. The Committee can pare back farm supports and other programs rather than nutrition aid for vulnerable people.
- No cuts are required in other vital low-income programs (EITC, SSI, TANF, etc.) Congress can choose not to add cuts in these areas.

Advocates must use the summer months to tell members of Congress to reject cuts that will force vulnerable people to go without medical care, food, and other necessities. Members of Congress must also get the message not to allow essential federal eligibility and benefits protections in Medicaid and Food Stamps to be weakened or eliminated by transferring authority to states, and to oppose block grants or federal funding caps, either as multi-state demonstrations or nationwide.

Timing is critical. The reconciliation bills are due in mid-September, but negotiations around them have already begun and will be taking place in July, before the August Congressional recess. The more members of Congress understand that opposition to harmful cuts is widespread, the more likely they will be to look for answers elsewhere.

Advocates must also tell Congress to oppose unaffordable and unfair tax cuts. **We must always show that we get it: *that unnecessary tax cuts deprive the nation of resources for needed services.***

Once information is released about the specifics of the reconciliation bills, advocates can decide whether to oppose them outright. If spending cuts are made in ways likely to hurt vulnerable people, it is a safe prediction that advocates across the nation will work vigorously to defeat the bill. (Environmental advocates, who already know that the reconciliation bill will include language leading to drilling for oil in the Arctic National Wildlife Refuge, are expected to urge a no vote right from the start.)

Can we prevail on a simple majority reconciliation bill vote? We can't know yet. Here is what we do know:

- Our work starting ***now*** to show widespread opposition to harmful and shortsighted cuts will help both to improve the bill and/or to lay the groundwork for opposition to it.
- Our work to build opposition to tax cuts can prevent at least some of them from passing this year, and increase our chances of protecting needed revenue in the years to come.

Silence won't help.