

(November 18, 2005) Lipinski Opposes Irresponsible Budget Bill

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Spending Blueprint Shortchanges Education, Vets, Children and Seniors

WASHINGTON, DC - Congressman Dan Lipinski today voted against the Republican budget proposal that slashes Medicaid, drastically raises the costs of student loans, cuts health care for our poorest children and fails to provide enough money for veterans.

"This budget shortchanges those who need help the most. It is neither fair nor fiscally sound and it will be Illinois families, our veterans and seniors on Medicaid, our children and the working class in our communities who will feel the effects of this heartless budget," said Lipinski.

The 2006 budget reconciliation bill, which passed 217-215 in the early morning hours of today, cuts mandatory spending by \$50 billion. Unfortunately, all of the spending cuts, including such vital programs as student loans and health care, are not being used to reduce the deficit - instead they are being used to help pay for a second reconciliation bill containing \$70 billion in tax cuts. The net result of the \$50 billion in spending cuts and the \$70 billion in tax cuts will be an increase in the deficit of \$20 billion.

The budget package will pay for the \$70 billion in tax cuts targeted to the wealthy by cutting key services, including the following:

- About three-quarters of the \$11.4 billion cut in Medicaid falls directly on enrollees. The nonpartisan Congressional Budget Office (CBO) has estimated that most of the Medicaid cuts are achieved by requiring Medicaid enrollees to pay substantially more for the health care they need - allowing states to significantly increase cost-sharing and impose premiums on certain enrollees.
- Nearly \$8 billion of the \$14.3 billion student loan cut falls directly on students and parents. CBO has estimated that under this budget there are nearly \$8 billion in new charges to students and families that will raise the cost of student loans. The costs to the average student borrower will be increased by \$5,800.
- This Budget will result in \$24.1 billion in reduced child support collections. CBO has estimated that the bill will lead to \$24.1 billion in reduced child support collections upon which hundreds of thousands of struggling single parents rely, pushing more children into poverty and letting deadbeat dads off the hook.

"Illinois's hospitals, nursing homes, and community health centers depend on Medicaid funding that will be slashed under the current budget," said Lipinski. "In Illinois there are 1,100,574 children, 279,046 elderly, 300,341 people who are blind or disabled, and 396,185 low-income adults who rely on Medicaid for health coverage they otherwise would not have. I am fearful of what will happen when these men and women are left broadened with these costs because of the budget cuts and are forced to forego needed medical care."

