

(February 2, 2006) Lipinski Opposes Irresponsible Budget Bill Spending Plan

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Spending Plan Shortchanges Education, Children and Seniors

WASHINGTON, DC - Congressman Dan Lipinski this week voted for the third time against a Republican budget proposal that slashes vital services for working families in order to cut taxes for the wealthiest Americans.

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

The legislation, which passed the House on Wednesday by a vote of 216-214, slashes Medicaid, raises the costs of student loans, cuts health care for our poorest children and will reduce child support collections.

This was the third time the House voted to pass the 2006 budget reconciliation bill. One version of the bill was originally passed by the House in November. After negotiations with the Senate, the conference report on a compromise version of the bill passed by a vote of 212-206. However, because the Senate made further changes to the bill, the House voted again this week.

The legislation cuts spending by \$39 billion over five years. Unfortunately, these spending cuts are not being used to reduce the deficit - instead they will help pay for a second budget bill containing \$56 billion in tax cuts targeted to the wealthy. The net result will be an increase in the deficit of \$17 billion over the next five years.

The budget package cuts key services, including the following:

Medicaid slashed by \$6.9 billion over 5 years and \$28.3 billion over 10 years. States will be allowed to charge Medicaid enrollees more to get the health care that they need - allowing substantial increases in co-payments and premiums for many low-income enrollees.

Student aid changes fall directly on students and parents. 70 percent of the gross savings in higher education are achieved by increasing college loan costs for parent borrowers and by continuing the practice of forcing student and parent borrowers in many cases to pay excessive interest rates on their loans.

\$8.4 billion in reduced child support collections. CBO has estimated that the conference report will lead to \$8.4 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' 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 many of these men and women are left burdened with these costs because of the budget cuts and are forced to forego needed medical care."