

Emergency Campaign for America's Priorities

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U.S. Rep. Shelly Capito Voted to Slash Healthcare, Education and Childcare by \$40 Billion Right before Christmas – But What Else was in the Bill?

HOW THE BUDGET IS EVEN WORSE THAN Rep. Capito Thought and Why She Should Reject it on Final Passage February 1st

Dateline – Right before the Christmas Holidays U.S. Rep. Shelly Capito voted to slash healthcare, education and childcare by \$40 billion for the poor and middle class – proceeds which President Bush and Republican leaders plan to use to finance nearly \$70 billion in tax breaks for the rich. The House budget bill – which was changed by the Senate and must be voted on once more in the House on February 1st – was brought to the House floor at 2:30 A.M. on December 19th and was voted on at 6:15 A.M. even though no member had the opportunity to read the bill before the final vote.

The nearly 800 page bill includes significant departures from the version previously passed by the House of Representatives and includes a number of new provisions Rep. Shelly Capito could not have known about before casting her unfortunate and misguided vote in favor of this immoral attack on the poor. With the light of day shining on the bill this time around, Rep. Shelly Capito has a second chance to do the right thing and vote NO on a budget that robs from the poor to fund tax breaks for the rich.

“It was inexcusable that Tom DeLay and House Republican Leaders forced members to vote on an 800 page budget bill which devastates millions of less fortunate Americans without any time to review the contents of the legislation or consider its impact on families,” said Ted Boettner, Federal issues researcher for WV Citizen Action. *“Rep. Shelly Capito has every reason to now consider the overall impact of these immoral cuts on services which millions of Americans and thousands of residents of this state rely on – and the provisions which were slipped into the bill in the dead of night - and to change his/her vote to NO on February 1st when the House takes up the bill again. This bill is now worse than the one that passed the House in November – and given what has been learned about it over the past several weeks it would be inexcusable for Rep. Shelly Capito to vote in favor of this immoral assault on the nation’s poor and middle class this time around. We will be watching.”*

Below are some of the most egregious provisions that were slipped into the conference report and that Rep. Shelly Capito could not have known about the last time she voted.

- 1) **The bill would permit states to cut back on benefits for nearly all of the 28 million children now enrolled in Medicaid.** The bill would go beyond even the harmful benefits restrictions of the House reconciliation bill, allowing states to restrict benefits for nearly all children in Medicaid, including those with little or no income. (The original House bill would have affected six million near-poor children.) Although the agreement now includes a provision to provide “wrap around” Early and Periodic Screening Diagnostic and Testing (EPSDT) coverage to children, this wrap around would in practice provide little assurance that children would actually obtain the care they need, to which they are currently guaranteed. (Center on Budget & Policy Priorities)
- 2) **The bill would make it harder for low-income seniors to obtain needed long-term care.** The conference report not only adopts most of the punitive provisions in the House-passed bill to restrict eligibility for Medicaid long-term care services, but includes many of the provisions in the Senate bill as well. Under the bill, the cuts in this area would be 11 percent *larger* than under the House bill, and seven times larger than under the Senate bill. (As under the original House bill, the largest single source of the savings in the conference report come from a provision that would penalize many non-affluent individuals who make modest gifts to relatives or contributions

to charity, and then experience an unexpected decline in their health *several years later* that causes them to need long-term care.) (Center on Budget & Policy Priorities)

- 3) **The new TANF work requirements are even more expensive for states.** CBO has estimated that it will cost states \$8.4 billion over the next five years to meet the new welfare-to-work requirements, which is even more than was estimated for the House-passed bill. Moreover, this understates the total cost because it does not include the cost of a new provision in the conference report requiring states to meet very high work rates for two-parent families (see #5, below). As a result, states will have to shift resources away from child care to fund the new work costs, which will lead to an estimated 255,000 children in working families losing child care assistance in 2010 as compared to 2004. (Center on Budget & Policy Priorities)
- 4) **For the first time since Medicaid began, the bill allows states to deny contraception to poor women.** Family planning services are a mandatory under current Medicaid law. These services are vital to the overall health of Medicaid beneficiaries and also serve an important public function by limiting the number of unintended pregnancies. Family planning services also save money; for every dollar spent on family planning, three dollars are saved. Under the bill, states would no longer be required to cover such services, leaving poor women without viable contraceptive options and inevitably increasing the number of unintended pregnancies. (National Women's Law Center)
- 5) **The conference report imposes particularly unrealistic work requirements on two-parent families.** Under the bill, 90 percent of all two-parent families receiving federal or state assistance would have to participate in work activities each month for at least 35 hours each week. Researchers and state officials have long recognized that such a participation requirement is not attainable because some parents may be unable to fulfill the 35-hour a week requirement in any given month – for example, because they must stay home for several days because they are ill or need to care for an ill child, or because they are waiting for a new welfare-to-work program to begin. As a result, states will face a strong disincentive to help two-parent families, which is particularly ironic, since other parts of the bill provide new funding for initiatives designed to encourage marriage. (Center on Budget & Policy Priorities)
- 6) **The bill eliminates states' flexibility to design their own state-funded welfare programs.** This represents a fundamental rewriting of the basic compact between states and the federal government, and was not contained in the original House-passed bill. States currently use these separately-funded programs to help families for whom the federal work requirements (which are very prescriptive and inflexible) are inappropriate – such as families in which a parent has a disability, is caring for a child with a disability, or faces other serious barriers to employment. Other states have used separate state programs to enable some welfare recipients to participate in postsecondary education – a strategy which has been shown to be effective in helping them leave welfare and secure jobs that can support a family. The conference report would eliminate this flexibility. (Center on Budget & Policy Priorities)
- 7) **The conference report limits access to federal courts by significantly increasing filing fees.** The bill raises half a billion dollars over five years by increasing the fees to file a civil case in a federal district court from \$250 to \$350, and to file either civil or criminal appeals in a federal appeals court from \$250 to \$450. In addition, filing fees for bankruptcy proceedings are also increasing, in one instance almost tripling, from \$1,000 to \$2,750. These significant increases will make it more difficult to for individuals with limited resources to access federal courts unless their filing fees are waived. (National Women's Law Center)
- 8) **The conference report grants vast new regulatory authority to HHS and instructs them to develop new paperwork requirements for states to track work participation.** These new requirements likely will be expensive for states to comply with, force states to abandon their own state-developed tracking systems, and likely will divert states' attention away from helping families get jobs to ensuring that paperwork is submitted. These provisions were not in the original House-passed bill. (Center on Budget & Policy Priorities)

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