

Medicaid, Food Stamps on Federal Chopping Block

Pennsylvania Partnerships for Children (PPC) and other family and children's advocates issued a joint news release April 29 as a response to Congressional approval of the federal budget blueprint (H.Con. Res. 95) last week. The conference agreement calls for significant cuts in domestic programs - both entitlement and discretionary programs - over the next five years. Additionally, the budget resolution would increase deficits over the next five years by \$168 billion.

The budget agreement includes tax cuts totaling \$106 billion over five years. The Congressional budget includes significant tax cuts for wealthy investors while taking aim at important domestic programs - many of which serve vulnerable, low-income people. Ironically, the adopted budget blueprint also grows the nation's deficit.

Senator Specter and Senator Santorum voted "Yes" to the conference agreement.

The approved federal budget requires nearly \$35 billion in "mandatory" entitlement program cuts, including Medicaid and Food Stamps.

Medicaid, which provides health care to thousands of elderly, children, and people with disabilities in Pennsylvania, is slated for a potential cut of \$10 billion in federal fiscal year 2007.

In 2005, Pennsylvania will spend nearly \$16.1 billion on Medicaid. Of this, the federal government will contribute nearly \$8.6 billion. The \$16.1 billion dollar investment will give Pennsylvania's economy a boost - stimulating state business activity and creating new jobs. Because Medicaid spending has an economic multiplier effect, each \$1 million that Pennsylvania invests in Medicaid results in more than \$2.7 million in new business activity and nearly 25 newly created jobs. (Source: US Department of Health and Human Services Summary Table of Medicaid and SCHIP; Families USA - "Medicaid: Good Medicine for State Economies.")

But with the cuts in Medicaid in the conference agreement, Pennsylvania could lose a minimum of \$752 million in federal funding over the next five years.

Food stamps and agriculture programs also are slated for a cut of \$3 billion.

continued on page 2

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continued from page 1

The U.S. Department of Agriculture estimates that implementation of the \$600 million cut in Food Stamps contained in the President's budget would cause 300,000 people - mostly low-income working families with children - to lose food stamps.

The cuts in funding for annually appropriated ("discretionary") domestic programs - the part of the budget that includes education, veteran's health care, environmental protection, housing, and many other program areas - total \$212 billion over five years. Domestic discretionary programs would be cut by \$23 billion in 2006. The cut would grow to \$59 billion in 2010.

While deeply concerned about the budget's impact on Medicaid, Food Stamps and overall domestic discretionary spending, advocates were heartened to learn that Congress refused to sanction billions of cuts to other key non-health low-income mandatory programs like the Earned Income Tax Credit (EITC), SSI, foster care, Temporary Assistance for Needy Families (TANF), etc.

A bad news budget includes some silver lining. One week ago Congressional leaders vowed to make budget choices that would have denied thousands of Pennsylvania's working poor access to safe and affordable child care as well as refuse tax relief to hard working low-income families through the EITC. But the voices of advocates and strong moderating voices in the Senate and House Republican caucuses turned back such attempts.

Congress now turns its attention to crafting the various pieces of legislation that will out-

line the specific details about how cuts in various programs will be realized. Beyond the budget reconciliation bills expected to be completed by the end of September, Congress must also finally complete work on the overdue reauthorization of the Temporary Assistance for Needy Families (TANF) program and the related anti-poverty agenda most notably advancing the strong bipartisan will to send more child care resources to America's working families.

Advocates will now work with the entire Pennsylvania Congressional delegation to minimize as best as possible the harm to the state's children and families. Toward that goal, Pennsylvania boasts a number of the strategic legislative architects of the budget and TANF plans.

Of particular importance will be the work of Senator Rick Santorum on the Senate Agriculture and Finance Committees. Congressman Phil English and Congresswoman Melissa Hart play pivotal roles on the House Ways and Means Committee. Congressmen Joe Pitts and Tim Murphy will shape the decisions reached on Medicaid through the House Energy and Commerce Committee. Meanwhile, Democrat Congressman Tim Holden is well placed on the House Agriculture Committee.

continued on page 3

PA Gets “F” Grade for Poor Parental Leave Policies

Failing Grade Comes from National Partnership for Women & Families

As moms across the country celebrated Mother’s Day on Sunday, a recent national report on parental leave policies cast a dark cloud on states’ commitment to supporting parents and families.

A report released May 3 by the National Partnership for Women & Families (formerly Women’s Legal Defense Fund) says states have failed to adopt policies to support families experiencing pregnancy and childbirth.

The report, “Expecting Better: A State-by-State Analysis of Parental Leave Policies,” scored states on several areas including, but not limited to, paid parental leave for new moms; paid parental leave for new parents; flexible sick days to care for newborn; and additional job protection beyond the Family & Medical Leave Act (FMLA).

California received the highest grade, an A-; Hawaii and District of Columbia received the next highest scores with a B+ and 19 states, including Pennsylvania, received “F” grades for failing to provide a single benefit or pro-

gram to help support families before and after the birth of a child.

According to the National Partnership for Women & Families, the only federal laws that help new and expectant parents are the Pregnancy Discrimination Act (1978) and the Family & Medical Leave Act of 1993. FMLA protects private and public sector employees (in companies of 50 employees or more) who need time off from work after the birth or adoption of a child, for pregnancy disability or to recover from childbirth.

“Most Americans have no paid leave for prenatal care, no paid leave when a baby is born, and no paid leave to bond with and care for a precious new life,” said National Partnership President Debra L. Ness in a May 3rd press release.

Pennsylvania Partnerships for Children will continue to stay connected to this issue and will provide you with further information and action steps as the need arises.

Legislative Notes

Act 72 Action

Commonwealth Court President Judge James Gardner Collins denied the request from the Pennsylvania School Boards Association (PSBA) to delay by one year the deadline by which school districts must enroll in the state’s property tax rollback program, known as Act 72. The May 30 deadline remains in effect. The Act 72 program would give a district tax revenue from the state’s slot machine gambling proceeds, as long as the district agrees to reduce the local property tax rate and increase the earned income tax rate.

An Ounce of Prevention

House Bill 200 – the Ounce of Prevention bill (Mundy) – passed the House May 3. The Ounce of Prevention Act is designed to provide in-home support visits to at-risk families with newborn children. This legislation will establish an intensive home visitation grant program for at-risk expectant mothers and their newborn children. The bill would require that services be integrated with other services such as Head Start and Early Head Start and other home visiting and family support delivery systems.

Oversight of the program would be provided by The Children’s Trust Fund Board that would develop measurable outcomes and establish assessment and credentialing stan-

Legislative Notes, cont.

Continued from page 3

dards for home visitation programs. The Board would also review grant applications and award grants to home visitation programs. HB 200 will move to the Senate and be referred to Senate Aging & Youth Committee.

2005 House Spring Session Schedule

May 9-11

June 6-8, 13-14, 15 & 20 (non-voting);
21-24 and 27-30

2005 Senate Spring Schedule Session

May 9-11

June 6-8, 13-15, 20-23, 27-30

The House and Senate are in session the week of May 9 and then out until June 6, at which point legislators will work to complete the 2005-06 state budget.

Revenue Watch

Pennsylvania collected \$230 million (8.1%) above estimate for the month of April. This helped increase the year-to-date revenue surplus to \$374 million or 1.9% above estimate.

Tax collections account for the majority of the monthly and year-to-date revenue surpluses. Personal income tax collections were \$119 million above estimate for April and are \$212 million above estimate for the year. Like personal income tax collections, both corporation and sales tax collections were ahead of estimate for April and the year as well. Corporation and sales tax collections exceeded estimates by a combined \$61 million and, on a year-to-date basis, exceeded estimates by a combined \$68 million.

Non-tax revenue collections exceeded April estimates by \$49 million and account for \$113 million of the year-to-date surplus.

While this is certainly positive news, viewing it in the larger context of the state budget adds a bit of reality to the picture. The \$374 million year-to-date revenue surplus is, in fact, only \$84 million higher than the ending balance projected by the governor in his February budget. Should the surplus remain at this level through June, it does not significantly change next year's budget picture which currently assumes either significant spending cuts or very limited spending increases.

Most budget watchers are hoping that June revenue collections - which are driven by both corporation and individual estimated tax payments - will be strong enough to significantly increase the final year-end revenue surplus. Keep in mind that April's collections do not reflect the recent softening of the national economy and, thus, may not be a good predictor of actual revenue collections for the coming fiscal year. The administration will try to restrain spending growth - regardless of revenue collections - as it prepares to develop the election year 2006-07 budget.

Committee Hearings

May 12: Independent Regulatory Review Commission
11:00 a.m., 333 Market Street, Harrisburg, 14th Floor
Public meeting to consider Department of Public Welfare's Subsidized Child Care Eligibility Regulations

May 24: House Children & Youth
1:00 p.m., Room 140, Main Capitol
Public hearing on child safety

May 25: House Children & Youth
9:30 a.m., Room 140, Main Capitol
Public hearing on Child Protective Services Law

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<http://www.capwiz.com/papartnerships/mlm/>

