



## **The Republican Budget: Leaving Millions of Children and Students Behind**

**Prepared by the Democratic Staff of the Committee on Education and  
Workforce and the Committee on Energy and Commerce**

**March 26, 2003**

Americans expect the federal budget to be a statement of their values, and a blueprint for economic growth and a brighter future. For generations, the federal budget has helped families and their children to obtain health care, higher education, housing assistance and training for new jobs. Americans have benefited from that support. But now, instead of investing in our children, the budget proposal making its way through Congress will indebt them -- with long-term deficits as far as the eye can see.

In every respect, the Republican budget fails to invest in our children's futures and our country's economic well-being. It cuts billions from Medicaid, which is often the only source of healthcare for low-income children. It puts at risk the bipartisan SCHIP program, which provides health insurance for children whose parents earn too much to be eligible for Medicaid, but too little to afford private insurance. And it fails to invest in many important education programs - even those for which the Bush Administration directly promised federal aid. This report documents the significant cuts the Republican budget makes to key services that benefit children and youth.

### **Tax Cuts for the Wealthiest on the Backs of Children's Health**

The House Republican Budget Resolution cuts \$94 billion from Medicaid and the State Children's Health Insurance Program (SCHIP) which provide health insurance coverage to almost 30 million children, in order to pay for tax cuts for the wealthiest one percent of Americans. The cuts to these programs will actually be much deeper as a result of the lost state matching revenue. For example, a \$92 billion cut to federal Medicaid funding equates to a \$162 billion cut in total program spending once the loss in state matching funds is taken into account.

**Health Coverage for America's Children Decimated.** Children represent over half of all Medicaid enrollees. A \$92 billion cut will jeopardize coverage for:

- one in five children under age 18;
- one in four children under age six; and
- one in three newborns in America.

A cut of \$94 billion (when taking into account lost state matching funds as well) could cause 10 million children to lose coverage *each year*, more than doubling the number of uninsured children in the U.S. The SCHIP program accounts for only \$50 billion of spending over the next ten years; eliminating SCHIP entirely would only achieve about half of the needed cuts.

If Congress eliminated *all coverage* for prescription drugs and dental care for children each year, another \$500 million per year in benefit cuts would be needed to achieve the level of savings required in the Budget Resolution.

**Health Coverage for Disabled Children Slashed.** The Medicaid program also provides coverage for about half of all children in fair or poor health. Coverage for these children, including those with severe disabilities, such as:

- spina bifida;
- cerebral palsy;
- downs syndrome;
- serious and persistent mental illnesses;
- kidney or liver failure; and
- quadriplegia, who otherwise would not be able to get coverage in the private insurance market would be in jeopardy if the Republican Medicaid cuts are enacted.

Some children would be forced out of their homes, away from their parents, and into institutions if key services that allow them to remain with their families are slashed as a result of a \$92 billion cut.

**Health Coverage for Rural, Hispanic, and African American Children Gutted.** A \$92 billion cut will disproportionately affect children in rural areas as well as Hispanic and African American children.

- Medicaid and other public programs like SCHIP insure 16% of people in the most remote counties. Almost half (49%) of rural children come from families whose annual income is only \$24,000.
- Medicaid is particularly important for Hispanic and African American children, as it covers almost one in three Hispanic children (31.9%) and slightly more than one in three African American children (34.6%).

**Access to Care for All Children Threatened.** When federal funding is slashed under the Republican Budget Resolution, providers that serve children, like children's hospitals, pediatricians, pediatric dentists, and community health centers, are likely to see significant reductions in their reimbursement rates. This jeopardizes their continued viability in communities and threatens access for *all children*, not just those covered under Medicaid and SCHIP.

## Financing Tax Cuts for the Wealthiest on the Backs of Children and Students

The House Republican Budget Resolution, supported by 93.4% of all Republicans in the House of Representatives, imposes deep cuts on child nutrition and student loans to help pay for the Bush Administration's \$1.6 trillion tax cut for the wealthiest Americans.

The Republican Budget Resolution requires \$9.7 billion in cuts for two widely supported programs: child nutrition and college financial aid. The resolution cuts funding to child nutrition for disadvantaged children with breakfast, lunch and snacks at school, during the school year and summer months. It also slashes funding to the Women, Infants and Children's program; which helps pregnant women avoid severe birth complications associated with poor nutrition. And the Republicans resolution cuts student aid for higher education -- Pell Grants and student loans -- which enable millions of Americans to realize their college dreams.

## Breaking Promises to Parents, Students and Teachers

The Republican Budget Resolution –

**Cuts Funding for Disadvantaged Children by \$6.2 billion** - The House Republican Budget resolution cuts \$6.2 billion in Title I funding promised last year in the No Child Left Behind Act. These cuts couldn't come at a worse time, as deficit-ridden school districts and States are working to implement education reforms required by the new law.

**Slashes \$150 million to Teacher Quality initiatives-** The Republican Budget resolution cuts \$150 million in grants needed to put a highly qualified teacher in every classroom in merica, as promised by No Child Left Behind.

**Violates the promise to fully fund special education** - The Republican Budget Resolution rejects full funding of the Individuals with Disabilities Education Act (IDEA). The budget *even* fails to provide the inadequate level of funding included in the Republicans' own special education bill, breaking a promise made in 1975 by Congress to fully fund special education.

### Comparison of Republican IDEA bill and the House Republican Budget Resolution

Republicans' IDEA bill	Republican House Budget Resolution FY 2004	Full Funding level for IDEA FY 2004 <sup>1</sup>	Budget Shortfall from IDEA Full Funding FY 2004
\$10.3 billion	\$9.5 billion	\$11.4 billion	\$1.9 billion

<sup>1</sup> A funding level of \$11.4 billion in FY 2004 would amount to the first installment of a six-year ramp up to full funding by FY 2009.

## **Making College *Less Affordable***

As many as 8 million students in the 2004 school year, and more than 80 million students over ten years, could lose essential college financial assistance under the House Republican Resolution.

The House Republican Budget Resolution calls for \$4.7 billion in cuts to college student assistance, which could either:

- force students to pay an additional \$340 in upfront fees on their student loans just at the time when the student is struggling to pay for tuition, books, and living costs; or
- require a competition among key education programs including Pell Grants, aid to minority serving institutions, work-study funds, and grants to exceptionally needy students. The real losers in this fight would be the millions of American students and families.

## **Slashing Child Nutrition Funds**

Ensuring that every eligible child has access to nutritious meals has long been the cornerstone of our child nutrition programs, in Democratic and Republican Administrations. Every school day nearly 28 million children receive healthy and nutritious meals through these programs. For many low-income children, access to a school breakfast or school lunch may be the one source of nutrition they are assured each day.

But the House Republican Budget Resolution cuts billions of dollars to child nutrition programs, undermining significant health and education initiatives and removing a critical safety net for poor children and their families.

Here are the choices the House Republicans' Budget Resolution demands:

- cut 2 billion meals to low-income children over the next ten years.
- deny school lunches and meals to almost a half-million poor children in the 2004 school year;
- zero-fund the Summer Food Service Program and *still* require an additional \$2 billion in cuts from other child nutrition programs;
- cut nutrition and health education services to children in child care by almost twenty-five percent over five years;
- slash billions of dollars in funds to farmers who provide commodities such as fruits and vegetables to schools.

## **Cutting Early Education and Child Care Programs**

“We must make sure that every child enters school ready to learn - every child - not just one, not just a few, but every, single child.” (President George W. Bush, 4/2/2002 speech announcing *Early Childhood Initiative*)

Despite President Bush’s stated commitment to helping all children, the House Republican budget resolution denies Head Start -- America’s premiere early education program serving preschoolers from America’s neediest families -- to 24,000 children next year, and more children each ensuing year. In a decade, 150,000 children will be denied the ability to participate in Head Start.

The Republican Budget Resolution will cut child care for 200,000 children under the Child Care Development Grant which helps low-income families afford the child care they need in order to work or attend school or training. The program is already so under-funded that it serves *only* 14 percent of all eligible children and families.

Cutting these important child care services during a serious recession severely compounds the crisis facing many low-income and jobless Americans. Once again, the Republicans cut support for broadly based efforts precisely at the time when millions of Americans are counting on the President and Congress to help them get back on their feet and succeed.

## **Conclusion**

By any measure, the budget making its way through Congress under the leadership of President Bush and the Republican majority fails to invest in children and young people. Their budget makes a clear statement of values, that these leaders believe that tax cuts for America’s wealthiest investors is more important to investing in the future of our children and protecting our economy. It makes all the wrong choices, for all the wrong reasons, and will leave generations of Americans to come in debt.