

PRESS RELEASE

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Arkansans Urge Senators to Vote No on New Federal Budget Plan

Little Rock, Arkansas— A coalition of organizations representing vulnerable Arkansas residents called on the state’s congressional delegation to reject the irresponsible new budget plan prepared by House-Senate negotiators.

“This budget agreement is fiscally irresponsible and reflects the wrong priorities. This budget will hurt vulnerable Arkansans,” said Rich Huddleston, executive director of Arkansas Advocates for Children and Families (AACF). “In particular, it would require up to \$10 billion nationally in Medicaid cuts, which would jeopardize health care for thousands of Arkansans. These cuts also risk costs being shifted to our state, and impose heavier burdens on Arkansas’ low and middle income families with children. The first priority for Senators Lincoln and Pryor should be to vote it down.”

The House and Senate have been working out the differences between their two budget plans for the past several weeks. The Senate’s budget took a more balanced approach than the House’s and did not target Medicaid or most other low-income programs for cuts, but this afternoon, negotiators announced an agreement that moves significantly toward the harmful House approach. The new budget would require nearly \$35 billion in “mandatory” program cuts. Programs targeted for cuts under this budget include:

- **Medicaid**, which provides health care to thousands of elderly, children, and people with disabilities in Arkansas, and is slated for a cut of \$10 billion;
- **Food stamps and agriculture** programs, which are slated for a cut of \$3 billion; and
- **“Domestic discretionary”** programs – the part of the budget that includes K-12 education, housing, veterans health care, environmental protection, and other areas – which would be cut by \$23 billion in 2006. The cut would grow to \$59 billion in 2010.

As part of the proposed budget deal, Congress would reportedly create a Medicaid Commission to recommend specific cuts.

“We understand that the budget deal includes an agreement that the Administration will establish a Medicaid commission. We await more details so we can determine whether the commission is bipartisan, includes adequate consumer representation, and has a mission and timeframe that will allow it to thoughtfully consider the challenges Medicaid faces and the

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impact of any changes on vulnerable people. We hope that the Commission's primary focus will not simply be designing cuts for the Congressional committees who have to report legislation cutting Medicaid by the middle of September," said Rhonda Sanders, director of health policy at AACF.

Despite these large cuts, the proposed budget (which goes to the full House and Senate for a vote later tonight or tomorrow) would actually worsen the budget deficit because it includes costly tax cuts aimed at wealthier Americans but does not pay for them. Why should Arkansas' low and middle income families bear the burden of federal tax cuts for the wealthy that threaten the economic future of their children?" said Huddleston.

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