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HOUSE BUDGET BILL UNDERMINES GOALS OF PROMOTING WORK AND RESPONSIBILITY

By Sharon Parrott

Over the past decade, conservatives, among others, have emphasized the importance of work and personal responsibility among low-income families. Many have argued that assistance programs should both reward *work* and require that parents assume personal responsibility for their families.

Yet, the House budget “reconciliation” bill that is slated for consideration on the House floor this week includes substantial cuts that will make it harder for low-income *working* families to make ends meet and reduce the likelihood that noncustodial parents will be required to pay the child support they owe their children:

- **According to the Congressional Budget Office, the food stamp cuts in the House bill will mean that 295,000 individuals, most of whom live in *low-income working families*, will be cut off the food stamp program.** The loss in food stamps comes from two provisions. First, the House bill would prohibit states from extending food stamp benefits to those whose savings are just above food stamp eligibility limits or whose income is just above the income limits before housing and work expenses are taken into account, but below the poverty line (and the food stamp eligibility limits) *after* those expenses are taken into account. Most of those affected are in working families that would be left with a hole in their grocery budget. The second provision would terminate food stamps to 70,000 *legal* immigrants, many of whom also are in working families, who have lived in the United States for more than five years but less than seven years.
- **The House bill would allow states to charge *low-income working families* substantial new premiums and co-payments in order for their children to participate in the Medicaid program, access health care services, or obtain prescription drugs.** While the House bill would permit states to impose costly new fees on nearly all Medicaid beneficiaries, those most likely to face significantly higher premiums and co-payment levels are the six million children who receive their health care through the Medicaid program and whose families have incomes just above the poverty line (or above 133 percent of the poverty line for children under six). Most families with income just above the poverty line are *working* families.
- **The House bill would allow states to cut back on the health care services covered by the Medicaid program for children in families with incomes just above the poverty line — the vast majority of which are *working* families.** For these children, states could drop many

critical health services, including coverage for eyeglasses, hearing aids, speech therapy, crutches, and other treatments that are medically necessary for children, and the costs of which are likely to be prohibitive for many low-income families.

- **CBO projects that the cuts in federal child support enforcement funding included in the House bill will mean that an additional \$24 billion in child support will go uncollected.**

Cutting child support funding undermines both the goal of supporting working families and the goal of ensuring that both parents assume responsibility for their children:

- CBO estimates show that nearly all of this lost support is support that would have been distributed directly to families that are *not* receiving cash assistance through a state's TANF program — that is, nearly all of this child support would have gone to working families.
- By reducing enforcement efforts, the number of non-custodial parents whose obligation to pay child support for their children will be enforced will fall, allowing more parents to shirk their financial responsibilities to their children.