

Entitlement Cuts in House Budget Plan Could Have Serious Human Costs

A new analysis from the Center on Budget and Policy Priorities, *The Human Costs of Cuts in Major Low-Income Programs Contained in the House Budget Resolution*, illustrates the magnitude of the House's

The full report can be viewed at
<http://www.cbpp.org/3-27-03wel.htm>

proposed cuts in programs that assist low-income families, including working families with children, and elderly and disabled people. The House budget plan requires Congress to cut \$265 billion from entitlement programs over ten years, \$165 billion of which would come from entitlement programs for low-income households. Budget Committee Chairman Nussle has indicated that the budget plan generally assumes these cuts will be proportional. If all entitlement programs within each part of the budget were cut by approximately the same percentage, the Center's report finds that in the year in which the cuts would be deepest:

- The cut in the **Food Stamp Program**, if achieved by lowering the maximum benefit, would lead to a reduction in the average benefit from an already lean 91 cents per meal to 84 cents.
- The cut in the **Supplemental Security Income** program, if achieved by reducing the number of SSI recipients, would lead to the elimination of SSI benefits for 476,000 low-income elderly individuals and people with disabilities.
- The cut in **child care** funding, if achieved by reducing the number of children assisted, would lead to the elimination of child care assistance for 268,000 low-income children.
- The cut in **Medicaid**, if achieved entirely by reducing the number of children covered, would lead to the elimination of health coverage for 13.6 million children.
- The cut in **TANF**, if achieved by reducing the number of slots in welfare-to-work programs, would require the elimination of about 340,000 such slots.
- The cut in **child nutrition programs**, if achieved by reducing the number of children eligible for free school lunches, would eliminate lunches for 2.4 million low-income children.
- The cut in **foster care and adoption programs**, if achieved by reducing the number of children eligible for foster care assistance payments, would lead to the elimination of benefits for 65,000 abused and neglected children.

Unlike the House budget plan, the Senate budget plan contains *no* cuts in entitlement programs. The Senate plan also includes smaller tax cuts than the House plan (although the Senate's tax cuts are still quite large). Essentially, the House plan helps pay for its larger tax cuts — including the elimination of taxation on corporate dividends, which would predominately benefit higher-income families — with cuts in programs that serve large numbers of lower-income families, as well as with other cuts in domestic spending. As the House and Senate resolve the differences between their plans, they should carefully consider the effects that the cuts in the House plan would have on vulnerable families and individuals.