



HOW THE BUDGET RECONCILIATION CONFERENCE REPORT IS EVEN WORSE THAN YOU THOUGHT THE LAST TIME THE HOUSE VOTED

The House of Representatives passed the conference agreement in December, cutting vital initiatives for poor and middle class families right before Christmas. The conference report is nearly 800 pages and includes significant departures from the version previously passed by the House of Representatives. Lawmakers received the report just hours before the vote and admittedly did not have enough time to read the legislation before voting on it. When the Senate voted on the conference report they made a few changes to the bill. The house is expected to vote on this updated version February 1, 2006.

With the light of day shining on the conference report this time around, the House has a second chance to defeat this budget. Here are some of the most egregious provisions that were slipped into the conference report and that Members of the House of Representatives may not have known about the last time they voted.

- 1) **The conference agreement would permit states to cut back on benefits for *nearly all* of the 28 million children now enrolled in Medicaid.** The conference agreement would go beyond even the harmful benefits restrictions of the House reconciliation bill, allowing states to restrict benefits for nearly all children in Medicaid, including those with little or no income. (The original House bill would have affected six million near-poor children.) Although the agreement now includes a provision to provide "wrap around" Early and Periodic Screening Diagnostic and Testing (EPSDT) coverage to children, this wrap around would in practice provide little assurance that children would actually obtain the care they need, to which they are currently guaranteed. (Center on Budget & Policy Priorities)
- 2) **The conference agreement would make it harder for low-income seniors to obtain needed long-term care.** The conference report not only adopts most of the punitive provisions in the House-passed bill to restrict eligibility for Medicaid long-term care services, but includes many of the provisions in the Senate bill as well. Under the conference agreement, the savings in this area would be 11 percent *larger* than under the House bill, and seven times larger than under the Senate bill. (As under the original House bill, the largest single source of the savings in the conference report come from a provision that would penalize many non-affluent individuals who make modest gifts to relatives or contributions to charity, and then experience an unexpected decline in their health *several years later* that causes them to need long-term care.) (Center on Budget & Policy Priorities)
- 3) **The new TANF work requirements are even more expensive for states.** CBO has estimated that it will cost states \$8.4 billion over the next five years to meet the new welfare-to-work requirements, which is even more than was estimated for the House-passed bill. Moreover, this understates the total cost because it does not include the cost of a new provision in the conference report requiring states to meet very high work rates for two-parent families (see #5, below). As a result, states will have to shift resources away from child care to fund the new work costs, which will lead to an estimated 255,000 children in working families losing child care assistance in 2010 as compared to 2004. (Center on Budget & Policy Priorities)

- 4) **For the first time since Medicaid began, the conference agreement allows states to deny contraception to poor women.** Family planning services are a mandatory under current Medicaid law. These services are vital to the overall health of Medicaid beneficiaries and also serve an important public function by limiting the number of unintended pregnancies. Family planning services also save money; for every dollar spent on family planning, three dollars are saved. Under the conference agreement, states would no longer be required to cover such services, leaving poor women without viable contraceptive options and inevitably increasing the number of unintended pregnancies. (National Women's Law Center)
- 5) **The conference report imposes particularly unrealistic work requirements on two-parent families.** Under the conference agreement, 90 percent of all two-parent families receiving federal or state assistance would have to participate in work activities each month for at least 35 hours each week. Researchers and state officials have long recognized that such a participation requirement is not attainable because some parents may be unable to fulfill the 35-hour a week requirement in any given month – for example, because they must stay home for several days because they are ill or need to care for an ill child, or because they are waiting for a new welfare-to-work program to begin. As a result, states will face a strong disincentive to help two-parent families, which is particularly ironic, since other parts of the bill provide new funding for initiatives designed to encourage marriage. (Center on Budget & Policy Priorities)
- 6) **The bill eliminates states' flexibility to design their own state-funded welfare programs.** This represents a fundamental rewriting of the basic compact between states and the federal government, and was not contained in the original House-passed bill. States currently use these separately-funded programs to help families for whom the federal work requirements (which are very prescriptive and inflexible) are inappropriate – such as families in which a parent has a disability, is caring for a child with a disability, or faces other serious barriers to employment. Other states have used separate state programs to enable some welfare recipients to participate in postsecondary education – a strategy which has been shown to be effective in helping them leave welfare and secure jobs that can support a family. The conference report would eliminate this flexibility. (Center on Budget & Policy Priorities)
- 7) **The conference report limits access to federal courts by significantly increasing filing fees.** The bill raises half a billion dollars over five years by increasing the fees to file a civil case in a federal district court from \$250 to \$350, and to file either civil or criminal appeals in a federal appeals court from \$250 to \$450. In addition, filing fees for bankruptcy proceedings are also increasing, in one instance almost tripling, from \$1,000 to \$2,750. These significant increases will make it more difficult to for individuals with limited resources to access federal courts unless their filing fees are waived. (National Women's Law Center)
- 8) **The conference report grants vast new regulatory authority to HHS and instructs them to develop new paperwork requirements for states to track work participation.** These new requirements likely will be expensive for states to comply with, force states to abandon their own state-developed tracking systems, and likely will divert states' attention away from helping families get jobs to ensuring that paperwork is submitted. These provisions were not in the original House-passed bill. (Center on Budget & Policy Priorities)