

The Federal Budget: What's at Stake for Nebraska

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&

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As we approach this season of giving, thousands of our neighbors cannot afford even the basic necessities of living — such as food, medical care, and child care. Here at Nebraska Appleseed and Voices for Children in Nebraska, we are working to improve the quality of life for Nebraskans through policy and social justice. We serve many hardworking families who are struggling to make ends meet on low wage jobs, no health insurance, and high heating costs.

The Safety Net Is Critically Important in Nebraska

A system of public benefits, sometimes called the “safety net,” helps people like those we serve make ends meet. This system includes income support programs, such as Social Security, Supplemental Security Income (SSI), unemployment insurance, food stamps, subsidized child care, the Earned Income Tax Credit, and Temporary Assistance for Needy Families (TANF), as well as other supports, such as child support enforcement assistance, Medicaid, the State Children’s Health Insurance Program (SCHIP), and Medicare. These programs play a crucial role in the lives of our clients and all of Nebraska’s low-income families.

Nationally, income support programs reduced the number of poor Americans by 27 million people in 2003, from 58 million to 31 million.¹ This included 14 million elderly people and nearly 5 million children. Income support programs raised nearly one of every three otherwise-poor children above the poverty line in 2003. They also reduced the number of elderly people living in poverty in 2003 by more than 80 percent, and lifted the disposable income of those remaining in poverty from an average of just 8 percent of the poverty line to 62 percent of the poverty line. In addition, Medicare and Medicaid combined to provide health insurance for millions of Americans, including virtually all of the 35 million Americans age 65 and older.

In 2003, 151,000 Nebraskans had after-tax income (including non-cash benefits) below the poverty line. The poverty line for a household of four in Nebraska is \$19,350 or \$1613.00 a month. The number of Nebraskans living in poverty would have been even higher were it not for our nation’s income support programs. Income support programs reduced poverty in Nebraska by an estimated 47 percent.² That includes the value of refundable tax credits, food assistance, housing subsidies, and energy assistance, as well as regular cash benefits such as Social Security and TANF.

Safety Net in Jeopardy

Unfortunately, the safety net and the families it serves are in jeopardy. On November 18, the House of Representatives passed a budget “reconciliation” bill (H.R. 4241) that cuts many of these vital programs, leaving low income people with less access to essentials, like health care and food. The House bill would:

- Allow states to require low-income Medicaid beneficiaries to pay more out-of-pocket for health care and to reduce health care services for which they are covered. The nonpartisan Congressional Budget Office (CBO) has said these cuts would cause many beneficiaries to forgo health care services, and ultimately would result in increased emergency room costs;

- Eliminate food stamp aid for more than 255,000 low-income people a month, including children, seniors, the disabled and low-income working families;
- Cut funding to states for child support enforcement. CBO estimates this would result in \$24 billion in child support payments that would be collected under current law going uncollected over the next ten years. This would likely push many children into (or deeper into) poverty; and
- Result in an estimated 330,000 children in low-income working families losing child care assistance as a result of the low child care funding levels and unfunded new work requirements in the bill.³

If enacted, the bill would increase hardships of the vulnerable people in Nebraska who utilize these programs to move toward self-sufficiency. For example:

- The Medicaid program provides health and long-term care coverage for 200,000 people in Nebraska, including children, their parents, the elderly, and people with disabilities.⁴
- 117,648 people in Nebraska put food on the table each day with the help of their food stamps. According to a recent report from the United States Department of Agriculture, an average of 73,000 households in Nebraska were food insecure in 2002 through 2004, which means that they sometimes had trouble buying sufficient food. Yet, only 62% of eligible Nebraska households participate in the Food Stamp Program.⁵
- The Supplemental Security Income (SSI) program provides basic income for 22,000 elderly people and people with severe disabilities in Nebraska.
- The Child Support Enforcement Program in Nebraska collected \$153,576,166 in child support on behalf of Nebraska children in FY2004. That amounts to \$3.63 in child support collected for every \$1 spent on child support enforcement programs in Nebraska.
- With an average annual cost of \$1,692 per child, approximately \$278 per month per child, \$47,488,619 federal and state dollars were used for child care subsidies in Nebraska in SFY2004.

This report presents information about each of these programs, how they serve our community, and what's at stake for Nebraska if the proposed cuts are enacted by Congress.

MEDICAID: PROVIDING HEALTH AND LONG-TERM CARE

The Medicaid program provides health and long-term care coverage for 200,000 people in Nebraska, including children, their parents, the elderly, and people with disabilities.⁶ Nebraska and the federal government share the costs of the program. In Nebraska about 67.4 percent of Medicaid spending goes toward care for low-income elderly people and

people with disabilities, filling gaps in coverage left by Medicare, such as the lack of long-term care coverage.⁷

The budget reconciliation bill passed by the House threatens to restrict Medicaid beneficiaries of access to necessary health care services by allowing states to charge higher copayments. CBO projects that in 2015, 17 million low-income Medicaid beneficiaries will face higher copayments for either health care services, prescription drugs, or both than they now face in the Medicaid program.⁸ CBO estimated that about 80 percent of the savings from the House bill's increases in Medicaid co-payments will come from decreases in the use of services, such as doctor's visits and prescribed medications.⁹ Stated another way, only 20 percent of the savings from this provision come from the increased fees that are collected, the remainder of the savings result when low-income Medicaid beneficiaries choose not to go to the doctor or hospital, not to get a test done, and not to fill a prescription because of the new copayments that they would need to pay if they accessed those health services. CBO also said that the reduced use of health care services would result in more emergency room visits and higher emergency care costs (as people's health worsens due to lack of timely care).¹⁰

The House bill also allows states to impose new premiums on millions of Medicaid beneficiaries. States could terminate Medicaid coverage for individuals who do not make their premium payments. CBO projects that in 2015, some 2 million Medicaid beneficiaries will be required to pay premiums to participate in the Medicaid program at all and that, as a result, 100,000 low-income individuals will go without Medicaid coverage altogether because they do not meet these premium payments.¹¹

In addition to allowing states to raise copayments and premiums, the House bill also would permit states to scale back the types of health care services that Medicaid covers for millions of beneficiaries. States would no longer be required to provide comprehensive preventive care and treatment for low-income children just above the poverty line. Low-income children could lose coverage for such basic services as eyeglasses, hearing aids, dental care, speech therapy, and crutches.¹² States also could reduce the services covered for adults and individuals with disabilities, including those with incomes well *below* the poverty line. These individuals could lose coverage for home health care, mental health services, and other critical health care services.

Medicaid is Both Efficient and Responsive

While proponents of cuts to Medicaid often point to the cost of the program as the reason that cuts must be made, Medicaid actually provides health care at a *lower* per-person cost than private health insurance, and Medicaid's costs per beneficiary have been rising more slowly in recent years than the per-beneficiary costs of private insurance.¹³ The State Children's Health Insurance Program (SCHIP), called Kids Connection in Nebraska, supplements Medicaid by providing health care to children with family incomes modestly above the Medicaid limits. The two programs together serve more than 55 million Americans, including 200,000 Nebraskans, substantially reducing the ranks of the uninsured.¹⁴

Medicaid also responds automatically to an increase in the need for insurance. If Medicaid enrollment had not risen to cushion the loss of employer-sponsored coverage between 2000 and 2003, more than one million additional adults would have become uninsured. The percentage of low-income children who are uninsured has actually fallen in recent years, despite the erosion of private health coverage, because of expanded enrollment in Medicaid and Kids Connection.

The Medicaid Program Improves Health

Medicaid is very successful in providing recipients better access to medical care, and this pays off in better health outcomes. For example:

- expansions of Medicaid eligibility for low-income children in the late 1980s and early 1990s led to a 5.1 percent reduction in childhood deaths;¹⁵
- expansions of Medicaid coverage for low-income pregnant women led to an 8.5 percent reduction in infant mortality and a 7.8 percent reduction in the incidence of low birth weight;¹⁶
- among adults who have chronic diseases — including heart disease, high blood pressure, diabetes, and asthma — those covered by Medicaid are more likely to obtain and use needed medications than are people who are uninsured;¹⁷
- the availability of Medicaid has increased the degree to which low-income women receive preventive screening for breast cancer and cervical cancer; and¹⁸
- a major federal study found that those who live in areas with broader Medicaid eligibility experienced lower average rates of preventable hospitalizations.¹⁹

When premiums are imposed or co-payments are raised significantly, low-income patients forgo needed health care or medications and many become sicker as a consequence.²⁰ Consistent with this research finding, CBO expects that the House bill— which has particularly large increases in these charges for those above the poverty line (\$19,350 a year for a family of four) as well as other increases for those with incomes below poverty — to lead to Medicaid patients going without important health care services and prescription medications or not enrolling in Medicaid at all. CBO noted that its estimate of nearly \$12 billion in savings in this area “reflect[s] CBO’s expectation of reduced utilization of services due to higher cost-sharing requirements and decreased participation in Medicaid by individuals who would be required to pay premiums.”²¹ CBO also said that the reduced use of health care services would result in more emergency room visits and higher emergency care costs.²²

The House bill would prevent hundreds of thousands of people from getting needed care, and cause many more to sacrifice other necessities, such as food and heat, in order to pay for unaffordable premiums and co-pays.

CHILD SUPPORT ENFORCEMENT: SUPPORTING FAMILIES AND PROMOTING FINANCIAL RESPONSIBILITY

The Child Support Enforcement Program ensures that parents who do not live with their children meet their obligations to provide financial support for those children. In addition to collecting and distributing child support, child support enforcement efforts also often obtain health coverage for children by ensuring that the noncustodial parent's health insurance policy covers the children.

Nationally, the child support enforcement system collected almost \$22 billion in support owed to children in 2004. In Nebraska, the child support enforcement program collected \$153,576,166 in child support on behalf of 61,619 Nebraska households in FY2004.²³ This amounts to \$3.63 in child support collected for every \$1 spent on child support enforcement programs in Nebraska.

The Child Support Enforcement Program has seen tremendous improvement since the mid-1990s, when new enforcement tools as well as an incentive payment structure were put into place. President Bush's own budget cited the child support enforcement program as "one of the highest rated block/formula grants of all reviewed programs government-wide. This high rating is due to its strong mission, effective management, and demonstration of measurable progress toward meeting annual and long term performance measures."²⁴

Despite this record of achievement, the House bill targets the child support program for significant cuts — reducing funding for child support enforcement efforts by \$5 billion over the next five years and \$14 billion over the next ten years. The cuts would reach *40 percent* in 2010 when they were fully in effect. CBO estimates that the proposed cuts would result in \$24 billion in child support that would otherwise have been collected going unpaid instead. The cuts to Nebraska would be significant. Over the next five years, Nebraska would lose \$42 million in federal funding for child support enforcement efforts resulting in a loss of \$134 million for Nebraska's children in child support over the next 10 years.²⁵

Cutting child support funding undermines the goals of supporting working families and requiring that both parents assume financial responsibility for their children. Most of the families assisted by the Child Support Enforcement program are low and moderate income working families that are not receiving cash assistance through TANF. Without the child support they are owed, these families will face real difficulties trying to provide the basics for their children, such as food, housing, health care, child care, and clothing.

There is a real risk that many of the lowest income families could be hurt the most. Collecting child support is often most difficult (and thus most expensive) in the cases of low-income children because their non-custodial parents are more likely to have unstable employment and low incomes. Thus, as states scale back enforcement efforts, there is a strong risk that states will devote less effort to difficult (and costly) cases. Therefore, low-income children could bear the brunt of the cutbacks and receive much less of the support they are owed from their parents.

In 2004, the Child Support Enforcement Program:

- collected \$21.9 billion in child support;
- distributed support to 17.3 million children;
- collected child support in nearly 70 percent of the cases in which legally binding orders to pay child support were in place;
- established legal paternity for more than 1.6 million children; and
- secured more than 1.2 million support orders directing non-custodial parents to pay specified amounts of child support for their children.

Child Support Enforcement Improves Child Well-Being

There is increasing evidence that children in single-parent families who regularly receive child support do better in a variety of ways than children who do not receive such support.

- Research shows that child support enforcement was an important contributing factor to reductions in the number of families receiving income assistance through TANF in the late 1990s.²⁶
- Since the child support program was given new enforcement tools in 1996, the overall level of child support collections has increased by 40 percent, and the percentage of child support cases in which some collections are made has doubled.²⁷
- Census data show that child support lifted more than one million Americans above the poverty line (\$19,350 for a family of four) in 2002.²⁸
- Research by the Urban Institute shows that in 1999 alone, child support saved \$5 billion in public assistance-related costs.²⁹
- Research indicates that the receipt of child support appears to have a positive effect on children's achievement in school, reduces divorce rates, deters non-marital births, and that fathers who pay child support are more involved with their children.³⁰

Despite these impressive results, the House bill targets this program for large cuts, which would reduce, by \$134 million, income collected for Nebraska's children who benefit from this important service.

| TANF AND CHILD CARE

The Temporary Assistance for Needy Families (TANF) block grant provides funding to states for basic income assistance to poor families with children, welfare-to-work and other job

training initiatives, child care for cash-assistance recipients and low-income working families, pregnancy prevention programs, initiatives to promote two-parent family formation, and other services for needy families. Nationally, about two million poor families receive cash assistance through TANF – including 11,817 in Nebraska -- and far more families receive other services and supports funded with TANF.³¹

The child care block grant also provides states with funds to provide child care subsidies to low-income working families as well as families in which a parent is participating in welfare-to-work programs or other training. The child care block grant, along with TANF funds used for child care, state resources, and some other funding sources, provided child care subsidies to about 2.3 million children last year, including 16,420 children in Nebraska.³² While this represents a substantial number of children, child care subsidy programs serve only a minority of children eligible for help paying for child care due to significant funding shortfalls.

The TANF block grant and the child care block grant were due to be reauthorized three years ago, but final reauthorization legislation has not yet been completed, due in part to significant disagreements about the level of child care resources that states need, how welfare-to-work requirements should be structured, and how the costs of those programs should be met.

The House budget reconciliation bill includes a controversial set of TANF and child care reauthorization proposals that were included in free-standing TANF reauthorization bills that passed the full House in 2002 and 2003 but failed to become law, in large part because they could not garner support in the Senate and among governors who would be charged with implementing the law.

The House bill would require states to place many more parents in welfare-to-work activities and to require longer hours of participation from those parents.³³ It would severely limit Nebraska's flexibility to design our welfare-to-work activities and ensure that recipients are assigned to activities that have the best chance of helping them move toward self-sufficiency. The House bill would limit states' ability to place TANF recipients in job-specific vocational training or specialized programs to help parents overcome barriers to employment such as mental health problems, domestic violence issues, substance abuse problems, and physical disabilities. Instead of these programs, the House bill would push states to develop large-scale "workfare" programs where recipients work in public sector and other settings in exchange for their welfare benefits, frequently in settings that offer little or no skill building. This runs counter to decades of welfare-to-work research that has found that programs that tailor activities to the circumstances of individuals — assigning some to immediate job search and work and others to training or services to help them overcome a barrier to employment — are the most effective at improving employment outcomes. Nebraska's welfare-to-work program has been more successful than programs in many other states because of our option allowing families to get the education and skills they need to move off welfare and into self-sufficiency. This success would be greatly jeopardized by the House's approach to TANF reauthorization.

Not only are the new requirements poorly-designed, they are expensive as well. CBO has projected that it would cost states \$8.3 billion over five years to meet the work requirements — including the child care costs associated with those new requirements — in the House bill.³⁴

Preliminary CBO estimates show that, overall, states need \$12.5 billion over five years to meet the new work requirement costs and ensure that their current child care funding keeps pace with inflation. The House bill includes just \$500 million in additional child care funding — just four percent of what is needed.

Because of the inadequate funding levels, states could divert existing child care funds for working families not receiving TANF income assistance to pay for the added child care costs associated with increased work requirements. As a result, an estimated 330,000 fewer children in low-income working families will receive child care subsidies in 2010 under this bill than received such assistance in 2004.³⁵

Child Care Plays a Critical Role in Helping Families Stay Employed

- Child care plays an important role in helping low-income working families make ends meet and stay employed. Families earning at or near the minimum wage can ill afford to pay for quality child care. A full-time, minimum wage worker earns just \$10,300 per year. But child care costs between \$4,000 and \$10,000 per year on average, with costs of care for infants and toddlers, children with special needs or care in underserved areas being even higher.

Research has demonstrated the strong connection between employment and child care. For example, research has shown that:

- Families that leave TANF cash assistance programs are more likely to remain employed and less likely to return to TANF if they receive child care subsidies,³⁶
- Low-income families with child care subsidies have more stable care arrangements and are more likely to be working and less likely to be very poor than families that are on a waiting list for child care assistance;³⁷
- Research in Rhode Island found that expanding access to child care subsidies increases employment rates among single mothers.³⁸

Safe and reliable child care is vital to success in the workplace. Low-income families with young children that do not receive child care assistance often face few options — they may be forced to leave their children in unstable, poor-quality care or leave their jobs altogether. With an average annual cost of \$1,692 per child, approximately \$278 per month per child, 47,488,619 federal and state dollars were used for child care subsidies in Nebraska in SFY2004.³⁹ Child care subsidies make it possible for parents to work at low wage jobs, knowing that their children are in a safe environment.

FOOD STAMPS: ENDING SEVERE HUNGER IN AMERICA

The Food Stamp Program is the nation's primary defense against hunger, helping more than 25 million low-income people each month afford an adequate diet. This includes the

117,648 people in Nebraska who put food on the table each day with the help of their food stamps.⁴⁰

The House budget bill would take food stamps away from an average of 255,000 low-income people each month by 2008, and would cut basic food aid by nearly \$700 million over five years, according to CBO estimates. The large majority of the people who would lose benefits are in low-income working families.

Among those who would lose food assistance under the House bill are an estimated 185,000 people, most of them in low-income working families with children, who now receive food stamps because they have particularly high work and housing expenses that drop their “net incomes” — that is, their income after deducting certain expenses — below the poverty line. The typical family of three would lose \$135 a month in food stamps, or more than \$1,600 on an annualized basis. In addition, 70,000 legal immigrants who have been in the United States between five and seven years, primarily working-poor parents and poor elderly individuals, would be cut off food stamps by 2008.

The House food stamp cuts limit Nebraska’s ability to help low-income working families who have gross incomes above the poverty line receive food stamps and keep working. Cutting “categorical eligibility” would prevent the State of Nebraska from extending food stamp eligibility to over 12,000 working families whose net income falls below food stamp eligibility, thereby restricting flexibility provided to states to align Food Stamp program rules with rules for TANF-funded benefits. In addition, the House food stamp cut is a significant cost-shift to Nebraska. Currently, Nebraska uses state funds to pay for food stamps for legal immigrants for the 5 years they are not eligible for federal funds. Legal, working immigrants are subject to the same requirements as all others receiving Food Stamps, including the work requirement. Currently, Nebraska spends \$192,012 each year in state funds to help 163 legal, working immigrants per month access food stamps.⁴¹ Increasing the ban on legal, working immigrants from receiving food stamps from 5 years to 7 years means Nebraska will be using state funds for an extra two years. This is estimated to cost Nebraska an *additional* \$621,696 per year.⁴²

Nationally, ninety percent of the households receiving food stamps have incomes below the poverty line.⁴³ More than a third of them have incomes below half the poverty line, about \$8,000 annually for a family of three. About 80 percent of the recipients live in households with children and almost one third of individuals receiving food stamps are elderly or have a disability.⁴⁴ Any reductions in food stamp funding will take food money away from people who need it, forcing them to choose between food and medicine, shelter, transportation, heating bills or other essentials. Cuts will also place additional burdens on already stressed local charities and churches to meet the increase in demand for emergency food.

Food Stamps Have Succeeded in Making Severe Hunger Rare in the United States

The Food Stamp Program not only improves the nutrition of participants, but also acts as an economic stabilizer, and supports the local economy. The Food Stamp Program has been streamlined and modernized and carries new protections against fraud. In May of 2005, the GAO released a report that found that efficiency in the Food Stamp Program nation wide reached

its best level in history.⁴⁵ In addition, the State of Nebraska received a 2005 federal bonus for “best negative error rate” in the Food Stamp Program.⁴⁶ For many families, food stamps are a work support that provides a bridge from welfare and poverty to work and self-sufficiency. Food stamps also are a vital part of America’s response to economic slowdowns.

- In the 1960s, before the Food Stamp Program was established nationwide, various studies found severe hunger to be a significant problem in the United States. In 1999, Rebecca Blank, of the Ford School of Public Policy at the University of Michigan, observed that “evidence of severe malnutrition-related health problems has almost disappeared in this country. The primary reason is Food Stamps.”⁴⁷
- The Food Stamp Program insures against economic risks. If a parent loses his or her job during an economic downturn or has a job that pays poorly, food stamps can protect the family from going without adequate food until things get better. Conversely, when the economy is robust — as happened during the late 1990s — the number of people who are poor falls, and food stamp enrollment declines.
- State and local economies benefit from the Food Stamp Program. Studies have found substantial increases in food purchases (and, correspondingly, in the nutrition available to low-income households nationwide) as a result of the Food Stamp Program⁴⁸ .
- The United States Department of Agriculture (USDA) estimates that each \$1 spent on food stamp benefits generates nearly twice that in economic activity.⁴⁹ Based on this study, local Nebraska economies received a total of \$199,991,778 from the Food Stamp Program in 2004, supporting revenues in farm production and the retail sector. .

Access to Food Stamps Should Be Expanded, Not Cut

Despite the success of the Food Stamp Program, hunger remains a problem in the United States. A recent report from USDA found that last year, 38 million Americans — including one in five children — lived in households that could not afford sufficient food at some point during the year.⁵⁰ This is the fifth straight year that the number of Americans unable to afford sufficient food has gone up.

In Nebraska, 73,000 households had trouble buying sufficient food. That amounts to 10.7 percent of all households in Nebraska⁵¹ Yet, only 62 percent of eligible Nebraska households participate in the Food Stamp Program.⁵² This may be due to confusion about eligibility or to difficulties navigating the application process.

At a time when food insecurity is a serious problem, Congress and Nebraska should be working to expand access to the Food Stamp Program to all households that need help buying food, not taking benefits away from people who are trying to become self-sufficient.

SUPPLEMENTAL SECURITY INCOME (SSI): BASIC INCOME FOR THE ELDERLY AND PEOPLE WITH DISABILITIES

The Supplemental Security Income (SSI) program provides basic income support to seven million people who are age 65 or over, blind, or who have a disability and who have very low incomes and very limited resources. SSI provides basic income for 22,000 elderly people and people with severe disabilities in Nebraska.⁵³

The House bill would require people who are owed back benefits from the SSI program to wait up to an additional year to receive all of the benefits they are owed. SSI recipients with disabilities often are owed back benefits that accrue while they wait for the Social Security Administration to determine whether they meet SSI's stringent disability standard. When an individual with disabilities applies for SSI benefits, she or he must submit extensive medical documentation to prove the extent of his or her disabilities. SSA must determine whether the disabilities meet the stringent SSI eligibility standards and that process can take many months or even a year or more in some cases. If SSA ultimately determines that an individual is indeed eligible for SSI benefits, that individual is owed back benefits for the time that she or he waited for the eligibility determination to be made.

The House bill would require SSI recipients who are owed more than three months of back benefits to receive them in installments that could be spread out over a year, rather than a single lump sum they can use to pay bills that accrued while they were waiting for SSA to process their application. Under current law, only recipients owed more than 12 months in back benefits must receive installment payments, and the first payment is for 12 months, not three. The change may even mean that some SSI recipients will die before receiving the full amount of benefits they are owed. (This provision would not affect elderly recipients because the eligibility determination for an elderly individual is not complicated or lengthy.)

SSI Reduces Poverty Among Elderly People and People with Disabilities

SSI reduces both the extent and depth of poverty among the elderly, those with disabilities, and their family members. While SSI benefits alone are not enough to lift individuals and couples above the poverty line, SSI benefits reduce both the extent and depth of poverty. Some families are lifted out of poverty when SSI is combined with other benefits such as food stamps and the earnings or income of other family members. When SSI recipients remain poor, SSI benefits significantly reduce the gap between a recipient's income and the poverty line (\$9,570 a year for a household of one).

- In 2003, more than 2.4 million people — both SSI recipients and other individuals in their families — had their disposable incomes lifted above the poverty line by SSI.⁵⁴
- In the 2004 SSI annual report, the Social Security Administration stated that, “By any measure, the SSI program has been extremely successful over its 30 years of operation.... For the low-income aged, blind, or disabled individuals, SSI is truly the program of last resort and is the safety net that protects them from impoverishment.”⁵⁵

- SSI also helps parents of children with disabilities to meet the increased costs related to the disabilities and reduces institutionalization of people with mental impairments.

AMERICANS DO NOT WANT CONGRESS TO CUT SUPPORTS FOR THE POOR

The American people strongly support safety net programs like Medicaid and food stamps. Polls have found that Americans consider these programs to be important and do not want to see them cut.

In a poll conducted by Hart Research Associates in October 2005, a full 67% of respondents said that the House budget reconciliation plan to cut programs such as Medicaid, food stamps, child support, and student loans while at the same time cutting taxes reflects the wrong priorities for America, while only 24% felt it reflected the right priorities.⁵⁶

A recent survey of 1201 adults by the Kaiser Family Foundation found that the public has a very positive view of Medicaid, and opposition to cuts is strong.⁵⁷ Among their findings are:

- A majority of adults think the federal government should maintain (44%) or increase (36%) federal spending on Medicaid; only 12% of the public prefer seeing federal funding of Medicaid cut.
- Nearly three-quarters (74%) say Medicaid is a “very important” government program, ranking it close to Social Security (88%) and Medicare (83%) in the public’s mind, equal to federal aid to public schools (74%), and above defense and military spending (57%).
- Although almost two-thirds of the public think that their state’s budget is either in crisis or has major problems, three quarters (74%) oppose cutting back on their state's Medicaid program to balance the budget.

Two recent polls show that the American people strongly support the Food Stamp Program and oppose cuts to the program. A survey in three farm states (Iowa, Minnesota, and Kansas), which was conducted for the W.K. Kellogg Foundation, found that large majorities in each state opposed cuts to the food stamp program.⁵⁸

Another poll, conducted by the polling firm McLaughlin and Associates for the Alliance to End Hunger found that:⁵⁹

- Even in a tight budget year, 75% of American voters say the Food Stamp Program should be protected from cuts by the Administration or Congress.
- Voters want our nation’s leaders to take action on hunger. 63% report that they feel the U.S. government is spending *much too little* on feeding hungry Americans.
- 92% of voters want to see Congress continue to fund anti-hunger programs like food stamps.
- 78% of voters want to see Congress pass new legislation that strengthens hunger-fighting efforts of community groups and commit to cutting domestic hunger in half by 2010.

As pollster Jim McLaughlin put it, “This is an important issue for American voters. Americans care greatly about hunger and poverty in the U.S. and around the world. National leaders working to do more for hungry people carry with them the support of a clear majority of Americans.”

CONCLUSION

Safety net programs are vital to the health and well-being of vulnerable families in Nebraska, and have been proven to work. We continue to have problems of poverty, hunger, and uninsurance in Nebraska. Low wage workers, children, the elderly, and people with disabilities struggle to make ends meet. The proposals contained in the House bill threaten the ability of low-income Nebraskans to meet their most basic needs.

Policies and programs across Nebraska are aimed at taking care of children, the disabled, and seniors who are in need of assistance to meet their basic needs. Our policies and programs are also aimed at helping working families support themselves and become truly self-sufficient. Nebraska’s Medicaid program, Kids Connection program, TANF program, child care subsidy program, and child support collections process, are all good examples of our efforts—yet each is threatened by the House approach to the federal budget. There is much more to be done to make sure that our children, the disabled, seniors and working families are able to live with dignity and respect. The federal government should work with Nebraska to strengthen our efforts, not undermine them.

The federal government should work with Nebraska to strengthen our efforts, not undermine them.

- ¹ [Arloc Sherman](#), Public Benefits: Easing Poverty and Ensuring Medical Coverage, Center on Budget and Policy Priorities, August 2005, <http://www.cbpp.org/7-19-05acc.htm>.
- ² Estimate from Center on Budget and Policy Priorities.
- ³ Estimate by the Center on Budget and Policy Priorities, CBO estimate not available.
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- ⁵ www.frac.org/html/federal_food_programs/FSP/Participation_Rates_03.html
- ⁶ Richard Nelson and Jeff Santema, "Nebraska Medicaid Reform Plan," <http://www.hhs.state.ne.us/med/reform/docs/FinalPlan.pdf>, released December 1, 2005.
- ⁷ *Id.*
- ⁸ Congressional Budget Office, "Additional Information on CBO's Estimate for the Medicaid provisions in H.R. 4221, the Deficit Reduction Act of 2005," November 9, 2005.
- ⁹ *Id.*
- ¹⁰ *Id.*
- ¹¹ *Id.*
- ¹² Robert Greenstein, Sharon Parrott, and Isaac Shapiro, "CBO information Shows House Budget Bill Passed Last Night Would Hit the Poor Hard," www.cbpp.org/11-7-05bud2.htm, November 18, 2005.
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