

**FOR IMMEDIATE RELEASE**  
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**KENNEDY: AMERICA CAN DO BETTER THAN LEAVING CHILDREN AND FAMILIES  
BEHIND AND OUT IN THE COLD THIS CHRISTMAS**  
*(As prepared for delivery)*

As Congress meets for a final session before we adjourn for the holidays, we should be focused on the true meaning of Christmas and the special thoughts that Americans of many faiths have at this time of year regarding their families, their friends and neighbors, and the rest of humanity.

Christmas is a season of great hope – a time of goodwill and special caring for others. That’s what we should remember as we celebrate the birth of Christ, and the glad tidings of great joy that came to us that day.

There are those in America who urge the return of the word “Christmas” to this holiday season. I believe that while it is an important one, Christmas is more than a word. It is a belief in a power far greater than ourselves. It is a belief in the possibility of lives full of hope and fulfillment. It is a belief that each of us has a sacred obligation to care for one another and to help those in need – to lend a hand to the least of those in our midst. As the Bible teaches us, we should “Love thy neighbor as thy self.”

But I’m sad to report, that’s not what we’re seeing in Congress with this week, and especially with this bill.

This bill affects the lives of every single American. It fails our commitments to the education of our children, to our health care, to the poor, and to our jobs. This bill makes life harder for millions and millions of Americans, and that’s wrong. Here is just a sample of the intended cuts.

**EDUCATION**

Education cuts will put American students even farther behind. Our promise to leave no child left behind should not be a political slogan – it should be a solemn promise.

This bill does nothing to ensure that young children in need begin school ready to succeed:

Head Start will increase only \$11 million, leaving over 750,000 eligible preschool children without services. In Massachusetts, 15,000 eligible children will not be served.

Even Start funding is slashed by more than half, 30,250 children will be left behind.

This bill also fails millions of elementary and secondary school students struggling to succeed.

As requirements under the No Child Left Behind Act are more demanding than ever on our states, the Republican proposed bill cuts \$780 million in funds for these programs.

Title I funding for disadvantaged students, the law's key program, is \$9.9 billion lower than the amount President Bush promised, leaving 3.1 million children left behind.

Pell Grants are frozen for the fourth year in a row, despite tuition rising 45% at four-year public colleges since 2001.

So it is not surprising that 170,000 students each year are denied the opportunity to go to college because of cost.

## **LABOR**

It cuts job training, even as many jobs go unfilled. In my state, over 70,000 jobs are vacant, yet Massachusetts will receive millions less for training programs to help fill these jobs and put America back to work.

At a time when hundreds of thousands of workers continue to struggle to find work in the wake of Hurricanes Katrina and Rita, and almost 8 million Americans are unemployed, the bill cuts funding for Unemployment Insurance and Employment Services offices that help jobless workers.

## **HEALTH**

Perhaps most important, the bill fails to protect America from the serious threat of avian flu. At a time when the lethal flu virus is spreading from country to country and coming ever closer to our shores, it's inconceivable to cut programs to strengthen public health agencies, and help hospitals treat patients with deadly infections – but that's just what this bill does.

Worse yet, the Republican leadership rejected the \$8 billion amendment that Senator Harkin offered and the Senate approved to enhance vaccine production, stockpile flu medicine, accelerate research, and take other measures needed to prepare for the growing threat.

Because the Bush Administration was asleep at the switch, America lags dangerously behind other nations in preparing for flu. This bill compounds those failures, just when action is needed most.

Page after page of this Budget tells a different sorry story of distorted priorities of a party that has lost touch with the needs of American families. Congress should reject this proposal and go back to the drawing board to come up with a budget that does not fail to meet our basic responsibilities.

The tragic irony is that these cuts come at a time when the Republicans are scrambling to complete a Reconciliation process that would double the deficit and cut programs for the poor in order to secure additional tax breaks for the wealthiest Americans.

These actions are unconscionable.

America deserves better. We can do better.

### **House Reconciliation Bill Cuts Important Low-Income Programs**

**Food Stamps:** The House bill cuts food stamps by \$700 million, and cuts 255,000 people from the program.

- **At least 150,000 people will be cut from the Food Stamp Program as a result of the House provision to limit categorical eligibility.** Under current law, households who receive any type of benefit under the welfare (TANF) program are categorically eligible for the Food Stamp Program and aren't subject to the same income and asset. The House bill limits categorical eligibility and essentially punishes states that have created new and innovative methods of increasing food stamp eligibility.
- **50,000-70,000 legal immigrants will be cut from the Food Stamp Program.** The House bill extends the waiting period for eligibility of adult legal immigrants from 5 to 7 years. Massachusetts

currently serves 190,000 households through the Food Stamp program. This provision will force 2,060 people out of the program.

- **These cuts are coming just as the USDA release new hunger numbers that indicate 38 million Americans are food insecure—an increase of 5 million since President Bush took office.**

**Child Support:** The House bill cuts funding for child support enforcement activities by a total of about \$5 billion over the next five years. CBO projects the cuts will reduce child support collections by \$24.1 billion over the next 10 years.

- **The House bill will harm children in Massachusetts.** The cuts will result in a \$140 million reduction in the amount of child support collected over the next five years, and a \$428 million loss over the next ten years. In addition, CSE has played a vital role in the success of welfare reform in Massachusetts.
- **Child support makes up more than one-third of the income of poor families who are not on welfare—their second largest source of income.** Families who receive child support are three times less likely to return to welfare than families who do not receive child support.

**Child Care:** This House bill increases work requirements on states and families receiving welfare benefits but fails to provide the adequate resources to meet those requirements.

- **The House bill provides only \$500 million for child care assistance.** This is just half of the amount included in prior House welfare reauthorization bills. This funding is far less than what is needed to keep pace with inflation (\$4.2 billion) and the new work requirements on families (\$8.3 billion).
- **The number of child care subsidies to low-income working families could fall by 330,000 over the next 5 years.**

The Senate Reconciliation bill does not include these cuts. However, it is like that many of the cuts will be maintained during conference.

**Medicaid:** The House bill cuts Medicaid by \$12 billion over the next five years and \$48 billion over 10 years. Massachusetts would be cut by about \$336 million and \$1.35 billion over 10 years.

- 17 million people would face higher Medicaid cost-sharing. The House bill lets states require co-payments and deductibles on many Medicaid beneficiaries who do not pay cost-sharing under current law, and increase cost-sharing for beneficiaries who currently pay some cost-sharing. Seven million beneficiaries who currently have no cost-sharing would be impacted in the first 5 years, rising to 11 million by 2015. Six million beneficiaries who currently pay some cost-sharing would see their costs increase.
- Most of the \$10 billion in savings from higher cost-sharing would result because enrollees wouldn't access needed health care. CBO estimates that 80% of the projected savings results from decreased use of services. Health providers would be allowed to deny services if the enrollee doesn't pay the required cost-sharing – resulting in higher spending in other areas like emergency room visits.
- 2 million people would have to pay Medicaid premiums. The House bill would allow states to impose premiums on Medicaid enrollees. One million people would face premiums by 2010 and 2 million would face premiums by 2015.
- 110,000 enrollees would lose Medicaid coverage because they can't afford their premiums. 70,000 current Medicaid enrollees would lose coverage by 2010 and 110,000 by 2015 because they couldn't afford newly imposed Medicaid premiums allowed under the House bill.
- 5 million Medicaid enrollees – including 2.5 million children -- would have their benefits cut. The House bill allows states to cut benefits packages for their enrollees. Benefit cuts would impact

2.5 million enrollees in 2010 and 5 million enrollees by 2015. About half of those impacted would be children.

- 130,000 nursing home residents would be cut from Medicaid. The House bill puts new restrictions on nursing home residents' ability to qualify for Medicaid. This would delay Medicaid eligibility for 120,000 nursing home residents in 2010, and 130,000 residents by 2015.
- All of these numbers are CBO's conservative estimates. Many believe many more will be impacted. CBO estimates that many states will not increase cost-sharing or cut benefits as allowed under the House bill. If all states do cut benefits and increase cost-sharing as allowed under the House bill, as many as 30 million Medicaid beneficiaries would face higher costs due to increased cost-sharing. Thirty million Medicaid beneficiaries would face new or higher premiums. Two million Medicaid beneficiaries would lose health coverage because they can't afford their premiums. And 26 million Medicaid beneficiaries would have their Medicaid benefits cut.

### **Education:**

- The House proposed Reconciliation bill would also impose new fees on students and fails to provide any increase for student aid at a time when tuition costs are increasing and need-based student aid is stagnant.
- The Senate proposal authored by Senators Enzi and Kennedy included \$8.25 billion in new need-based student aid funding through the Pell grant formula.
- Nearly 80,000 students at Massachusetts colleges and universities received over \$180 million in Pell grants last year.
- The Senate proposal would mean an estimated \$120 million in additional aid for Pell eligible students in Massachusetts over the next five years.

## **LABOR HHS APPROPRIATIONS BILL: AMERICANS DESERVE BETTER**

### **Education**

- Smallest increase in Head Start funding since 1986.
  - Head Start will increase only \$11 million, leaving over 750,000 eligible preschool children without services.
  - In Massachusetts, 15,000 eligible children will not be served.
- Even Start funding is slashed by more than half, from \$225 million to \$99 million.
  - Over 30,250 children will be dropped from the program.
- As requirements under the No Child Left Behind Act are more demanding than ever, the

Republican proposed bill cuts \$780 million in funds for these programs.

- Title I funding for disadvantaged students, the law's key program, is \$9.9 billion lower than the amount promised in the law.
  - Nationally, 3.1 million children would be left behind.
  - Over 52,000 Massachusetts children would be left behind.
  - If enacted, Massachusetts schools would see cuts of over \$4 million in Title I funding.
  
- Includes no new funding for after-school programs.
  - Funding in the bill, \$991 million, is less than half the amount promised under NCLB.
  - At this funding level, 1.65 million children would be left out of afterschool programs.
  
- Cuts funding to keep our schools safe and drug-free.
  - Funding for Massachusetts schools will be cut from \$6.1 million to \$4.9 million.
  
- Minimal increases in math and science funding while our students fall farther and farther behind.
  - The bill increases funding for Math and Science Partnerships by only \$5 million.
  
- Pell Grants are frozen for the fourth year in a row.
  - The maximum Pell grant remains at \$4,050 despite tuition rising 45% at four-year public colleges since 2001.

### **Labor**

- Job training programs cut.
  - The bill cuts funding for adult and youth training programs by more than \$60 million. This would mean a cut of \$3 million in Massachusetts.
  
- Funding cuts for Unemployment Insurance and Employment Services, even in the wake of Hurricane Katrina and with 8 million Americans unemployed.
  
- This bill prohibits OSHA from enforcing respiratory safety standards to protect health care workers from deadly infectious diseases.
  
- Workplace safety programs failed to receive adequate funding as workplace deaths rise.

### **Health**

- NIH received the lowest funding in 35 years.
  
- \$8 billion dollars needed to prepare the U.S. for an avian flu outbreak was cut, leaving Americans unprepared.

### **TAX CUTS FOR THE WEALTHIEST**

- Ironically – and sadly – these cuts to the budget come as Republicans will try this week to secure over \$90 billion in new tax breaks for the wealthiest.

- Bush and House Republicans want a \$90 billion package that will extend the president's dividend-and-capital-gains tax cuts for investors. (The Senate Republicans approved a \$58 billion alternative, without Bush's priority of extending capital gains and dividend cuts past their 2008 expiration date.)
- According to the Tax Policy Center, the capital gains and dividend tax cuts in the House Republican bill alone will save the average millionaire over \$32,000 per year — above and beyond the enormous cuts they've gotten already from this Administration.
- Most of the benefits of this extension would flow to taxpayers who make more than \$1 million per year, which the New York Times calls "morally reprehensible" at a time when so much is being cut from domestic programs.
- Estimates based on data from the Urban Institute – Brookings Institution Tax Policy Center show that if all of the Bush tax cuts are made permanent, the richest 1% of taxpayers will receive an average tax benefit of \$58,200 each year. This represents a 7.3% change in their after-tax income. By contrast, middle income taxpayers will receive an average annual tax cut of just \$655. This would represent only a 2.5% change in their after-tax income.
- The Bush tax cuts already enacted cost nearly two trillion dollars, plus additional interest on the higher national debt.
- On top of those tax cuts already in place, the President is proposing another \$1.5 trillion dollars of extended tax cuts between FY 2006 and 2015, with another \$300 billion in additional interest.  
(Even this understates the real cost of making the tax cuts permanent, because nearly all the cost occurs in the five years after 2010. Thus, the real ten year cost (FY 2011 – 2020) would be nearly \$3.0 trillion dollars.)
- In January 2002, Senator Kennedy was the first major Democratic official to call for a rollback of those Bush tax cuts that benefited only wealthy taxpayers, specifically:
  - 1) restoring the rates of the top three brackets – 39.6%, 36%, and 31% to their 2001 levels;
  - 2) maintaining the partial phase-out of exemptions and deductions for high income taxpayers contained in the 2001 tax code;
  - 3) maintaining the estate tax on estates over \$3.5 million.