



The High Stakes for Maine in Fights about the Ryan Budget

Luisa S. Deprez, University of Southern Maine

Amy Fried, University of Maine

The Preble Street shelter in Portland is helping military veterans with a \$750,000 federal grant. Battered women in Kennebec and Somerset counties are served by \$1 million from the U.S. Justice Department. And in one of Maine's poorest counties, Piscataquis, people have been put to work cleaning up hazardous sites because of \$1 million in grants from the federal Environmental Protection Agency. These and other nonprofit efforts in Maine communities will soon be chopped if Republicans get their fondest wish – to push through a federal budget overhaul championed by Representative Paul Ryan of Wisconsin.

Overall, the Ryan plan calls for increases in defense spending and big new tax cuts for the rich – millionaires would get an average tax cut of \$265,000 on top of the Bush tax cuts. And it would slash investments in our nation's economy and people by rolling back most federal domestic spending to 1950 levels – back to a time before Medicare, Medicaid, and the national highway system, and before the federal government contributed significantly to education and protecting the environment. Despite such severe domestic cuts, federal budget deficits would persist at least until the year 2040 – because the Ryan tax giveaways to the rich would be so expensive.

Almost all House Republicans voted for the Ryan plan, while Democrats are opposed. The fight continues, with big stakes for all Americans. Here in Maine, local nonprofits would not be the only losers. So would all elderly Mainers, low-income families, people without jobs, and many children and young people. We draw on nonpartisan studies to lay out the facts.

Maine's Senior Citizens Would Pay a High Price

To make room to slash taxes, the Ryan budget shifts costs onto senior citizens – with big implications for Maine, because we are home to a disproportionate number of older people.

- Medicare as we know it is slated to disappear. People would have to wait until age 67 to sign up, and starting ten years from now they would have to use vouchers to shop for private insurance (unless they remained in public programs starved for funds). Over time, the vouchers are designed to cover less of the cost of medical care. Analysts say a typical senior would have to pay about \$6000 more per year to make up the difference.
- The Ryan budget would repeal the Affordable Care Act – eliminating free health screenings for all seniors and forcing many to pay more for prescription drugs.

- Other programs helping hundreds of thousands of Maine’s elderly would also be cut – such as the Meals on Wheels program that has used federal funds for the last forty years. The Southern Maine Area Agency on Aging delivers meals that cost \$6.50, with \$2 of that coming from federal grants. The program means more than meals to frail elders living at home. As one meal deliverer explained to Maine Public Broadcasting, he once “knocked on the door of a client and heard...‘I can’t get up.’” The woman had fallen, and it was a good thing the deliverer could quickly arrange a 911 call.

Less Health Care and Food Assistance for Mainers of All Ages

Spending less on health care and food help is another way the Ryan budget would squeeze ordinary people and communities to fund more tax breaks for the super-rich:

- Starting in 2012, Maine families with annual incomes of \$40,000 are slated under the recently passed health reform to get a \$10,000 subsidy to buy private health insurance, but the Ryan budget would repeal such help and also eliminate subsidies to help Maine small businesses afford health coverage for their employees.
- The Ryan budget would greatly reduce Maine’s Medicaid funding and let the legislature and governor reduce benefits and throw anyone they want off the program.
- The Ryan cuts would cripple health clinics – hitting Penobscot Community Health Care’s fourteen clinics serving 50,000 patients in the Bangor-Brewer-Old Town region, as well as over a hundred other clinics located everywhere from Fort Kent and Van Buren in Aroostook County to Sanford in York County. A recent study by the Maine Primary Care Association showed that clinics reduce costly hospitalizations and emergency room visits, so closures or cutbacks would mean higher taxes and insurance premiums for all Mainers.
- From 2013 to 2022, Maine would lose a whopping \$650 million in Food Stamp funding – requiring the state to cut tens of thousands from the rolls or reduce help to all.
- Other Ryan cuts would hobble nutrition programs serving poor pregnant women and their newborn infants, as well as school breakfast and lunch programs for very needy children.

Shrinking Economic and Educational Opportunities

In Maine, prospects for the future depend on investing in the economy and improving education and job training and placement. But the Ryan budget would charge in the opposite direction:

- Economic growth would suffer from reduced assistance to small businesses and farmers, and cuts or elimination of over \$100 million in federal grants for distance learning projects and the spread of broadband internet services to remote, low-income parts of our vast state.
- More than 1200 Maine preschoolers would lose the chance to attend Head Start, and aid to schools would be cut – causing reductions in special education programs and staff.

- For Maine families of modest means, big reductions in federal Pell Grants, loan assistance, and work-study slots would make it much harder to send their youngsters to college.
- Despite the continuing down economy, starting in 2013 over 5,000 Maine adults would lose training services, and an additional 8,000 people would lose job search assistance.

For Maine, the Republican-backed Ryan budget would truly be Reverse Robin Hood: taking from almost all of us to give big new tax breaks to millionaires, mostly from away. Maine cannot afford this extreme plan – and it is a bad deal for the rest of America, too.