



## What the Ryan Budget Means for Missouri Families

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Budgets in Washington, DC rarely attract much public attention. But that's not true for the budget written by Representative Paul Ryan of Wisconsin, chairman of the House Budget Committee. Most members of the Republican majority in the House of Representatives voted for this budget, which proposes big new tax cuts tilted toward the wealthy – and aims to pay for them with equally large cuts in social programs that help most Missourians.

How would families in Missouri feel the effects? Nonpartisan analyses show that, starting in 2014, this budget would force senior citizens to pay more for their health care, cut programs that help school children and college students, and slash aid for low-income people and the nonprofit community organizations that help them.

### Missouri Senior Citizens Would Pay More for Health Care

Under the Ryan budget, older Missourians would see big changes in their health care:

- The age of eligibility for Medicare would rise to 67 years, and starting ten years from now Medicare benefits would no longer be guaranteed. Seniors would get vouchers to pay part of the cost of private health insurance plans or public benefits. Experts estimate that each Missouri senior citizen – or his or her family – would have to come up with more than \$6000 more each year just to get what Medicare now guarantees.
- Senior citizens would have less health care, because the Ryan plan calls for cutting Medicaid –called MO HealthNet in Missouri – by one-third in just ten years. In 2010, MO HealthNet covered one out of every 11 seniors in Missouri and paid for 61% of all the nursing home care in the state, helping many middle-class and lower-income families pay for such care for grandmothers and grandfathers. MO HealthNet also helped more than 160,000 blind and severely disabled Missourians. Over half of the funding for MO HealthNet comes from the federal government, and the planned reductions will slice support for Missouri hospitals, making it much harder for them to serve all the deserving patients in their communities.
- The Affordable Care Act would be repealed – which means higher prescription drug costs for Missouri seniors, and no more free preventive-health screenings for cancer or diabetes or other health risks.

### Missouri Children and Young People Would Lose Health and Education Benefits

The Ryan budget requires huge cuts in federal programs that help pay for health care and educational opportunities for children and young people. The programs on the chopping block would all see big cutbacks. On average, this means:

- Starting in 2014, 3,679 fewer slots for Missouri preschoolers in local Head Start programs; and tens of thousands of children in Missouri schools that would lose more than \$88 million federal funding for programs serving disabled and low-income children.
- Reduced health care for over half a million Missouri children helped by MO Health Net.
- Cuts in Pell Grants and college loans that help young people from low and moderate-income families attend college.
- No certainty that sick or disabled children can get coverage from private insurance companies, because the Ryan budget calls for health reform to be repealed; in addition, young adults would no longer have the legal right to stay on their parents' health insurance until age 26.

## Hard Times for Low-Income Families and the Charities that Help Them

Alarms about the House budget plan have been raised by charities that help the poor – ranging from Catholic Social Services to the Young Women’s Christian Association. There is a good reason to worry. Two-thirds of all the planned cuts would hit programs for poor senior citizens and low-income families. Missouri’s poverty rate was 15.4% 2011, higher than 31 other states. So Missouri stands to lose more federal funding than most states through big cuts in MO HealthNet, Food Stamps, heating and cooling assistance for poor families, school lunches for poor children, and Pell Grants for low-income college students. In Food Stamps alone, Missouri would lose more than \$2.4 billion dollars in the next decade, reducing food aid to 994,000 people.

Federal aid to Missouri state and local governments would also go down by more than a billion dollars – forcing officials to find more money to keep religious and community charities open. Otherwise, many community groups and charities that help the poor might have to close or reduce help that poor families desperately need.

## Making Budget Crises Worse for Missouri and the United States

The Ryan cuts would worsen the crushing budget problems that confront Missouri cities, towns, counties, and the state government. They would have to make up many millions of dollars in lost federal funds each year – or drastically cut funding for highways, bridges, public safety, job services, education, health, community development, housing and other government responsibilities upon which millions of Missourians depend.

Would the cuts balance the federal budget? The Ryan budget calls for \$4.3 trillion in spending cuts – but also includes \$4.2 trillion in tax *cuts* that mostly benefit very high income Americans. Millionaires would have their taxes cut by an average of \$250,000 a year on top of the big Bush tax cuts they already enjoy. At the same time, many middle-class Missouri families would have their taxes raised, and all Missouri citizens would see big cutbacks in health care, education, and retirement benefits.

When nonpartisan analysts did all the arithmetic, they concluded that the Ryan House budget would leave federal deficits in place at least until 2040. So this is not really a deficit reduction plan at all. It is a plan to cut programs most Missouri families need to pay for tax cuts for very wealthy people – who mostly live in other states.