



The Deficit Reduction Act Benefits Low-Income Students, Patients and Families

“The Senate package is gaining kudos from some unlikely sources. Liberal budget and anti-poverty groups say the Senate budget-cutting legislation largely avoids cuts that will hit low-income beneficiaries...” Washington Post article, Nov. 1, 2005

Fact: Under the Deficit Reduction Act, spending for low-income students, patients and families will increase by \$17 billion; without passage of the Deficit Reduction Act, that \$17 billion evaporates.

Fact: Under the Deficit Reduction Act, 5.3 million low-income students will receive an increase in grant aid for college; an additional 1.1 million low-income and disabled children could be eligible for Medicaid; another nearly 700,000 low-income children will continue to receive health benefits under SCHIP; and 1.9 million Hurricane Katrina victims will receive assistance through Medicaid.

Fact: In total, nearly 9 million low-income children, students and Hurricane Katrina victims would receive better services under the Deficit Reduction Act than under current law.

Fact: Ninety percent of the gross savings for deficit reduction come from either reductions in federal programs that do not impact the low-income, or receipts from business relationships with the federal government (i.e. reducing bank and lenders yields; requiring companies to pay more for federal insurance programs for pension plans; and the auction of spectrum).

Fact: Almost all of the remaining 10 percent of gross savings comes from reducing overpayments to pharmacies and drug manufacturers and closing loopholes that permit gaming of Medicaid eligibility.

Highlights of Budget Committee Chairman Judd Gregg’s Oct. 31st Floor Speech:

- ✓ *“Almost all of the spending programs in this bill, to the extent there are spending programs in this bill, are focused on low- and moderate-income people. It gives people improved access to health care, and gives students greater access to a college education. When that is netted out, we now have on the floor a \$39 billion deficit-reduction package. That is a major step forward.”*
- ✓ *“This is an opportunity -- an opportunity -- for the other side to vote to reduce the deficit by \$39 billion. That's all it is. And to do it in a responsible way, where we expand patients' access to health care, where we expand student loans, and where we finally get under control some of these major entitlement programs, especially in the pension area, in the education area and in the Medicaid area.”*