



# State of New Mexico

## *Office of the Governor*

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### **Bush Budget Proposal Threatens New Mexico's Most Vulnerable Citizens**

#### *Cuts Children's Health Program, Education, and Medicare, Among Others*

Santa Fe, NM – President George W. Bush's budget proposal sent to Congress yesterday calls for a four percent cut to the State Children's Health Insurance Program (SCHIP), a limit of SCHIP funding to children under 200% of the Federal Poverty Level (FPL), an 18% cut to the Low Income Home Energy Assistance Program (LIHEAP), a cut in Medicare payments to hospitals and providers, and an increase of insurance premiums for Medicare recipients.

"The Bush budget proposal threatens thousands of New Mexico's most vulnerable citizens," said Governor Richardson. "While New Mexico is fighting to increase access to health care, Washington is cutting funding for those who need it the most."

New Mexico currently has nearly 9,000 children who are receiving health care through the SCHIP program. Under the President's proposal nearly 5,500 of these children would not be covered under SCHIP because they are in households with an income above 200% yet below 235% of FPL.

"There are thousands of uninsured children in New Mexico who currently qualify for health coverage under SCHIP who we have been trying to get enrolled in the program. This proposal will likely keep those children from getting the health care coverage they need," said Secretary Pamela Hyde, Human Services Department.

SCHIP also helps fund the New Mexico State Coverage Insurance (SCI) program for uninsured adults. In December 2006 there were 4,256 adults receiving health care coverage through the SCI program. Under the President's proposal SCHIP funding would be limited to children only, not allowing more uninsured adults to enroll in SCI and putting the states' efforts to insure adults up to 100% of FPL in jeopardy.

The LIHEAP program helped serve more than 71,000 New Mexico households, with income below 150% of FPL last year with energy assistance. The President's proposal cuts the LIHEAP funding by 18%.

Another proposed cut is to the Medicare program, the government health care program for seniors.

"Most of the Medicare savings would come in slowing the growth of payments to hospitals and other health care providers," said Secretary Debbie Armstrong, Aging and Long-Term Services Department. "This would place some of our most vulnerable citizens in jeopardy if their providers chose not to participate with Medicare in the future."

The Bush Administration also plans to cut services for students with disabilities by reducing Medicaid-based reimbursements for special education students by \$615 million in FY08. Most school districts rely on federal dollars through the Individuals with Disabilities Education Act (IDEA) and on Medicaid for services like speech language therapy, occupational therapy, physical therapy, social work, and audiology. The reduction of Medicaid and IDEA dollars will require school districts to use a higher percentage of IDEA dollars to pay for ancillary staff. This reduction could impact approximately 3,600 of New Mexico's neediest students statewide.

Finally, the FY08 budget proposes a \$687 million reduction in funding for career and technical education programs. As a result of the cut, students enrolled in programs could see their courses reduced or eliminated. If Carl Perkins Career Technical federal programs in New Mexico are eliminated, 48 districts and 142,802 high school and post secondary students will be impacted in just the first year.

"New Mexico students need technology in the classrooms to build 21<sup>st</sup> century skills and to be competitive in a global market," said New Mexico Public Education Secretary Veronica Garcia. "The FY08 proposed federal budget would cut about \$2.2 million in technology funds that heavily impact more than 20 New Mexico school districts. The area hardest hit is professional development for the integration of technology into school curricula."

"This budget proposal is a step in the wrong direction for our education system as well as for those that need help keeping their kids healthy and their homes warm," said Governor Richardson. "I will work with the new Democratic majority in Congress to help maintain funding for these critical programs."

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