News Release

Oregon Center for Public Policy
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Budget Deepens Oregon Revenue Problems: Cuts in Public Services or State Tax Increases will be Necessary if President's Priorities are Enacted

Chuck Sheketoff, executive director of the Oregon Center for Public Policy, today released the following statement regarding the President's budget:

The President's budget would deepen Oregon's revenue problem and force Oregon to either further reduce public investment in schools, universities, public safety, and human services, or raise more revenue from Oregon taxpayers.

Initial analyses of the President's proposal indicate that the impact of the President's budget on the health of Oregon's low-income families would be harsh. Nearly a million non-elderly Oregonians went without health insurance in 2002-03. The Oregon Health Plan has been decimated by state budget cuts. Rather than responding to this crisis with federal assistance, the President would reduce federal support for Medicaid in Oregon. Under the President's budget, in 2010 Oregon would lose $47 million for our Medicaid budget. That's enough to cover about 16,000 children or about 3,700 seniors. Oregon's economy will suffer, as those funds dry up under the President's proposal.

In addition to his cuts in Medicaid, food stamps, and child care, the President proposes to sharply reduce career and technical education programs funded through the Carl D. Perkins Vocational and Technical Act. In Oregon, these programs help students get the skills they need to compete in today's workforce. Despite the value of these programs for improving Oregon's workforce and supporting future economic growth, the President proposes cuts to Oregon's Perkins programs of $15.8 million next school year alone.

At the same time that he proposes reducing dollars that benefit our economy, our communities, our workers, our children, and our seniors, the President continues with his plans to offer new tax breaks primarily benefiting millionaires. The 2001 tax cut included provisions that decreased personal exemptions and limited some deductions for high-income households. Beginning in 2006, these provisions will be repealed. More than half the benefit of these tax breaks will go to taxpayers making more than $1 million, and 97 percent of the tax cuts will go to households with incomes over $200,000.

The President's priorities are out of sync with the values of Oregonians.

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The Oregon Center for Public Policy will release additional information on the local impact of the President's budget as analyses are completed.
The following analyses are available at www.ocpp.org/2005/nr050208.htm:

- Analysis in this statement relating to Medicaid cuts is based on information from Families USA.
- Analysis of tax cuts comes from the Center on Budget and Policy Priorities.
- Analysis of the cuts to career and technical education programs comes from the Association for Career and Technical Education.