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Senate budget irks both sides of tax-and-spend debate

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OLYMPIA, Wash. -- Senate Democrats annoyed big-government friends and foes alike with a \$26 billion budget that proposes cutting services while increasing taxes.

Social services lobbyists were giddy with anticipation Monday morning when they heard that the Senate's two-year state budget proposal included \$482 million in new or increased taxes, more than twice the taxes Democrat Gov. Christine Gregoire proposed.

Optimism turned to dismay, though, as they realized the Senate plan would cut Medicaid, home care, assistance for the disabled and other human services - including some cuts that Gregoire avoided.

"We thought, if you're going to raise taxes, that was a sign the Senate would decide to share the wealth," said Aiko Schaefer, director of the Statewide Poverty Action Network. Instead, she said, "A lot of people in our state are going to find the support they need to survive really will no longer be there."

Advocates for lower taxes and leaner government also criticized the Senate proposal, saying the cuts didn't go far enough and the taxes were too much.

"I'm wondering when we are going to take a real good look at whether we can make do with a little less," said Rep. Gary Alexander of Olympia, ranking Republican on the House budget committee. "I just don't see where there are efforts to streamline government."

When it comes to cuts, the Senate Democrats' budget agrees with Gov. Gregoire's plan in some ways and diverges in others. State House Democrats will produce their own budget plan next week, then leaders from both chambers will negotiate a compromise. Democrats hold the majority in both the House and Senate.

The Senate's and the governor's budget plans both propose cutting \$18 million from a state welfare program for disabled, unemployed people. The governor's plan would cut about 4,000 people from the General Assistance-Unemployable program. The Senate budget would save money by making a push to get people off the state program and onto programs with federal funding.

Both budgets also propose changes in eligibility requirements that would make it harder for elderly and disabled people to qualify for home care services. The governor's proposal would save \$21 million with the changes, while the Senate budget would save \$7.8 million.

Katrinka Gentile, a disabled home-care client and activist, said elderly and disabled people who just need a little help to stay healthy in their homes will end up in more expensive, Medicaid-funded nursing homes.

"It is inhumane to me we can even consider taking away the needs of a senior who needs someone to come in a couple times a week," Gentile said. "What happens to somebody's grandma?"

Sen. Margarita Prentice, D-Renton, the budget chairwoman, said that the home care change was tough but necessary.

"There were some horrible cuts we had to make," she said.

Her budget puts more money into nursing homes, by phasing out a nursing home fee imposed in 2003. The change would save nursing home operators \$21.5 million over the next two years.

The Senate budget, like the governor's, would maintain enrollment in the state-subsidized Basic Health Plan at 100,000.

Prentice's budget doesn't restore health care for immigrant children. The governor's budget would spend \$17.5 million to provide state-funded health care for about 16,700 children of illegal immigrants who lost health care in 2002. The Senate's budget doesn't pay for that.

The Senate budget would also save the state money by charging co-payments to Medicaid clients. Medicaid patients would have to pay \$3 per prescription and \$2 per round-trip for transportation to non-emergency medical services, saving the state \$13.6 million. The prescription co-pay wouldn't apply to pregnant women and children.

"We felt this amount was small enough that we're hoping these people could afford to pay it," Prentice said. "I believe it makes the system balanced."