



COLORADO FISCAL  
POLICY INSTITUTE

## NEWS RELEASE

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# Congress' lack of action threatens Colorado's economic security

The U.S. House of Representatives late Thursday chose to not extend a key provision of the Recovery Act, a decision that could force Colorado to cut another \$190 million from vital public services.

The House removed a six-month extension of enhanced funding for Medicaid, the health insurance program for low-income families. The enhanced funding has not only helped Colorado meet the growing need for health care during the recession, but it has also reduced cuts to essentially all other public services in the state budget such as schools.

Colorado is one of 30 states that built its budget for the 2010-11 fiscal year on the assumption Congress would approve an extension of the enhanced funding. Colorado has already cut \$3 billion from the state budget during the past two years, and without congressional action the state will have to cut even more.

The number of Coloradans enrolling in Medicaid has skyrocketed in recent years because of the recession. Medicaid enrollment in Colorado has grown 28 percent in the past two years. It now provides health care for more than 512,000 Coloradans. Medicaid provides health care to low-income families, the elderly, and the disabled. More than half of Medicaid clients are children.

“The House decision is disappointing. Colorado families need help from our government to continue providing core services that are even more critical during a recession,” said Terry Scanlon, a fiscal policy analyst for the Colorado Fiscal Policy Institute. “Although this is a cut to health care spending, given the way the budget works in Colorado, this \$190 million cut will be felt in classrooms, human services clinics and courtrooms across the state.”

Extending the enhanced Medicaid funding was a key provision in a measure designed to boost the nation's economy. The measure is expected to be heard in the U.S. Senate the second week of June. The Colorado Fiscal Policy Institute asks U.S. senators to restore the extension and members of the House to retain that provision when the measure returns to their chamber.

The Colorado Fiscal Policy Institute is a project of the Center on Law and Policy, a nonprofit, nonpartisan research and advocacy organization seeking justice and economic security for all Coloradans.