

Trickle Down Policies

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A guest column from Senate Jon Erpenbach on how Federal policies affect our lives and the state budget bottom line.

MADISON - For most of us, Washington DC and the politics of President Donald Trump and a Republican Congress seem a million miles away. But the reality is that our lives, and the lives of those we love, are impacted by the Federal government and decisions made in Washington DC every single day. Whether you drive to work on a road that gets Federal funds, receive or are building social security, qualify for Medicare, have a child in school, receive the child tax credit, eat food from a farm that is subsidized, take medication that is regulated; all of this and countless more daily operations of our lives are impacted by the decisions made in Washington DC.



The Federal tax bill, which will be reconciled soon between the Senate and the House, spends in deficit. That is an inarguable point because the bill enacts tax cuts that are not paid for. Because the bill has deficit spending, it is regulated by another Federal law that prohibits deficit spending. While tax breaks enacted for corporations and wealthy will remain in place, programs that benefit our elderly or low income individuals will be cut. It will be an automatic action unless Congress passes a bill to reverse their "Pay As You Go" 2010 law. The Medicare the cuts,

although immediate, are capped yearly but will still be felt deeply simply because of the number of people that qualify for this Federal health care program for the elderly. For other Federal programs the cuts will simply come without regard for need.

According to the Associated Press, "The program that would be most affected by the automatic cuts is Medicare, whose budget would be slashed by more than \$25 billion a year. Other programs that would experience deep cuts include vocational training for individuals with disabilities, block grants for foster care and Meals on Wheels and federal funding for historically black colleges and universities."



There are consequences for decisions made in Washington DC and sometimes they are not so obvious. If you are lucky enough to make an income three times the Wisconsin median income, the tax plan being decided in Washington DC will likely benefit you. But if you are like the rest of us who are the proven fuel in the US economy, those that spend all the income they receive on cost of living, it will be harder to find a benefit. If you are over 65, disabled, a foster child, a farmer, a construction worker, an addict in recovery, a Meals on Wheels recipient, or living on a fixed income, be ready for cuts to your income, health care and services; not only as the primary action of the tax plan but the mandatory secondary action of current Federal law.

Wisconsin will have lots of tough choices in the upcoming budgets because of less revenue from the Federal government and fewer block grants to support our state budget. I stand ready as a member of the Joint Committee on Finance to help navigate Federal cuts and to work to help make the best decisions we can for the people of the State of Wisconsin given this fiscal shortfall.

You can contact my office at 608-266-6670 or toll free 888-549-0027 or via email at sen.ERPENbach@legis.wi.gov

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