

Elder Economic Security Initiative™ Program

Weekly Update – March 14, 2008

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Take a look, post a comment, or respond to our weekly poll today!

ON THE HILL ...

Senate Rejects Social Security Privatization

On Thursday night, the Senate voted 57-41 to reject an amendment to the FY 2009 Budget put forward by Senator Jim DeMint (R-SC) that would have funneled surplus Social Security funds into private accounts rather than keeping them in the Social Security trust fund. Complete results of the Senate vote are available at:

http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=110&session=2&vote=00065.

Budget Resolution

The main focus on the Hill this week was debate on the 2009 budget resolution, where Democrats in both the House and Senate made known their views on spending, taxes and domestic policy. Both the House and Senate budget resolutions provide for more discretionary spending for the 12 annual appropriations bills than the \$991.6 billion proposed by President Bush. The House plan calls for \$25.4 billion more than the president's request, while the Senate version would provide \$21.8 billion more. (Both numbers include funding for advanced appropriations provided in the resolutions but not "emergency" spending, which doesn't count against budget spending caps.)

Overall, the Democrats' budget plans assume that at least some of the Bush signature 2001 and 2003 tax cuts will expire as scheduled in 2010. The tax cuts that have helped lower- and middle-income taxpayers would be extended but offset by spending cuts or tax increases elsewhere. Democrats say added revenue from increasing taxes on the wealthy would allow them to boost spending in areas they say the Bush administration has neglected, such as infrastructure and education programs. The Senate on a 99-1 vote adopted an amendment by Finance Committee Chairman Max Baucus (D, MT), allowing the extension of tax breaks aimed at lower-income households, such as the 10 percent tax breaks aimed at lower-income households, the \$1,000 child tax credit and marriage penalty relief.

Senators rejected by a 47-52 vote a GOP proposal to extend the rest of the tax cuts enacted in 2001 and 2003, including reduced rates for capital gains and dividends. (Neither amendment would directly affect tax law; the budget resolution is nonbinding and major tax changes will almost certainly be left for the next Congress and president to consider.)

The House adopted its budget resolution after rejecting three substitute proposals: (1) a Republican alternative, offered by Budget Committee Ranking Member Paul Ryan (R, WI), was

rejected 157-263. It would have capped discretionary spending at \$973 billion in fiscal 2009. Four Democrats voted for the measure; 38 Republicans voted against it. (2) A plan offered by Rep. Barbara Lee (D, CA), on behalf of the Congressional Progressive Caucus, was rejected 98-322. No Republicans voted for the plan. It assumed withdrawal from Iraq, repeal of the 2001 and 2003 tax cuts for the wealthiest one percent, and called for increased funding for transportation, the environment, education, housing, health care and job training; and (3) the Congressional Black Caucus offered a plan sponsored by Carolyn Cheeks Kilpatrick (D-MI). It assumed repeal of certain tax cuts and increased spending for health care, education, job training programs, veteran benefits and services. It was defeated 126-292, with no Republicans voting for the plan.

House and Senate Pass 30-Day Farm Bill Extension

The House and Senate on Wednesday passed a 30-day extension of the nation's farm law to give bicameral negotiators more time to hammer out a deal on a long-term agriculture policy overhaul. It would be the second stopgap measure since the last major farm bill was enacted in 2002. The first, enacted last December, expires March 15. Farm bill negotiators have agreed to spend \$10 billion more than a \$280 billion five-year budget baseline for agricultural subsidies, conservation programs, food stamps and alternative energy incentives. But all additional spending must be offset with cuts elsewhere or new revenue.

National Affordable Housing Trust Fund Act

In housing related issues, the National Affordable Housing Trust Fund Act (S. 2523) is in need of cosponsors in the Senate. The House passed a similar bill (H.R. 2895) in Oct. 2007. The Housing Trust Fund would support the construction and renovation of 1.5 million rental housing units over the next 10 years targeted to the lowest income elder and their families. Every state has a shortage of affordable and available rental housing, and the shortage is especially dire for families making 30% of area median income or below.

RESOURCES...

Some seniors need to act soon to get tax rebate

Most people only need to wait until the first tax rebate checks start rolling out in May. But some low-income seniors and others will need to take action soon to make sure they get a check!

If you wouldn't normally need to file a 2007 federal income tax return, you will need to file a 1040 or 1040A now to receive a check of \$300 or more under the Economic Stimulus Act of 2008.

Highlights:

- To get the well-publicized check, a federal income tax return for 2007 must show at least \$3,000 in qualifying income -- such as earned income, Social Security benefits, certain veterans' benefits and certain Railroad Retirement benefits.
- Tax rebate checks would range from \$300 to \$600 for individuals and \$600 to \$1,200 for joint filers. Taxpayers may receive \$300 for each qualifying child younger than 17.
- The IRS isn't calling your house, though, so don't fall for scam artists making calls.
- File the return by April 15 so the payment won't be delayed.
- To qualify, you need to show \$3,000 in income by combining any earnings with these means:
 - > Form 1099-SSA that you received earlier this year
 - > **People who do not have a Form 1099-SSA may estimate their annual Social Security benefit**
 - > Supplemental Social Security Income does not count
 - > Form 1099-RRB for Railroad Retirement benefits
 - > The sum of veterans' disability compensation, pension or survivors' benefits received from the Department of Veterans Affairs in 2007

[Frequently Asked Questions](#)

[Sample Form 1040A](#)

[Information on Stimulus Payments](#)

The IRS-sponsored Tax Counseling Center for the Elderly provides free tax help to people 60 and older. To find an AARP Tax Aide site nationwide offering the counseling program, call 888-227-7669.

IN THE NEWS...

New York Life Launches New Web Section Focused on Women and Finance

Company Offers Kit to Help Organize Finances, Site Provides Guidance for Families

New York, BusinessWire

New York Life Insurance Company today announced it has launched a site for women consumers, www.newyorklife.com/womenandfinance that provides easy access to detailed information and organizational tools for helping meet financial goals. The site focuses on the top concerns for women including planning for retirement, creating financial protection for their families, saving for their children's education, and dealing with life's major financial challenges.

"We are pleased to be launching this site, and drawing attention to the needs of women, during Women's History Month. Whether young and starting their first jobs; re-entering the job market; or recently widowed, women are taking control of their financial future," said Mary Dean, vice president of the Women's Market division at New York Life. "We are finding as women travel the road to financial security, they are becoming more proactive in mapping the trip themselves. Our new site gives women the information and tools they need."

The site features four sections: "Protect My Family," "Secure My Retirement," "Educate My Children," and "Manage My Finances," which address women's most urgent financial concerns. Each page features articles and actionable steps on how to achieve each goal. The quality of content is further enhanced with access to the latest surveys and statistics, such as the recent study completed by a Wharton School professor on retirement income, and a link to www.guaranteematter.com, an educational tool for investors.

One often-cited request from women is a need for financial organization tools. To address this, New York Life agents will deliver a LifeFolio Kit to consumers. The LifeFolio Kit contains a guide to getting organized and a personal document checklist. LifeFolio not only helps organize current materials, but also helps identify future insurance and financial needs and how to meet them.

The Web site, which includes real customers telling their stories, also features streaming video of several New York Life agents and managers speaking about their work experiences and addressing individual financial concerns. In addition, questionnaires and calculators help readers review and establish financial needs for retirement income, life insurance or college savings needs, as well as those to help design household budgets.

New York Life Insurance Company, a *Fortune* 100 company founded in 1845, is the largest mutual life insurance company in the United States and one of the largest life insurers in the world. New York Life has the highest possible financial strength ratings from all four of the major credit rating agencies. Headquartered in New York City, New York Life's family of companies offers life insurance, retirement income, investments and long-term care insurance. New York Life Investment Management LLC provides institutional asset management and retirement plan services. Other New York Life affiliates provide an array of securities products and services, as well as institutional and retail mutual funds.

Volunteers Help Warm New England Homes

By Jerry Harkavy, The Associated Press
Sunday, March 9, 2008

BANGOR, Maine -- The low point in Kimberly Henderson's struggle to keep her family warm came in early January when she was too broke to order an oil delivery and had to buy a 5-gallon container to take to her dealer to get enough fuel to make it through the night.

But later that month, with the gauge on her 275-gallon tank again approaching empty, Henderson's fortunes turned around when she got a phone call from a local clergyman: He just received a donation that would provide her with 50 gallons of heating fuel that day.

"I could have cried," said Henderson, a 40-year-old single mother of three who lives in a rental home in downtown Bangor. Like many in Maine, she has been hit hard by heating oil prices that have soared to an all-time high of \$3.35 a gallon, or roughly \$1 more than a year ago.

While many get help from the federal Low Income Home Energy Assistance Program, the average LIHEAP benefit of \$750 isn't enough to fill the standard oil tank at today's prices. That's why volunteer efforts like the Rev. Gerald Oleson's Sunny Corner Fuel Assistance have sprung up to provide emergency help to those who fall through the cracks.

Maine, where four out of five households heat with oil, is making an unprecedented push to raise private money this winter to help the tens of thousands who walk a financial tightrope in order to balance heating expenses with the costs of other necessities like food and medicine.

Stepped-up efforts are also under way elsewhere in New England. The nonprofit Massachusetts Energy Consumers Alliance, which draws from public and private sources, expects to extend \$320,000 in assistance this winter through its Oil Bank program. That's up from \$128,000 last winter. Central Vermont Public Service Co., the state's largest utility, has enlisted businesses to join in its heating assistance program, which has thus far parceled out about \$150,000.

In Maine, donations have ranged from \$250,000 from outdoors outfitter L.L. Bean in Freeport to an anonymous fifth-grader's gift of her \$5 weekly allowance. Best-selling author Stephen King, who lives in Bangor and is known for his generous support of community fundraising efforts, has made an unspecified contribution to the local community action agency's fuel assistance program.

The state has gotten into the act with its Operation Keep ME Warm, an initiative started five years ago by Gov. John Baldacci that seeks private donations to help poor people pay fuel bills.

While Keep ME Warm brought in between \$25,000 and \$50,000 in past years, this winter's total has already exceeded \$1 million.

"The need is very acute this year and there's a real sensitivity to what's happening. There's an awareness out there that people are hurting and will find themselves without fuel if they don't have assistance," said John Kerry, who heads the state energy office.

A number of towns have joined in, setting up voluntary donor programs or tapping local sources of funds. In Lincoln, for example, the Town Council contributed \$5,000 in profits from town wood sales to help needy residents who don't qualify for other programs.

Some communities were staging special fundraisers to help local families keep warm. In Eastport, there was a four-block-long "Speedo and Bikini Dash" in which runners who lined up pledged donations bolted through the downtown area on Valentine's Day.

Another source of help has been Citizens Energy, the Boston-based nonprofit set up by Joseph Kennedy that channels fuel donated by Citgo, the Venezuelan-owned oil company.

Citizens Energy, which ran television ads in Maine in December to promote the program, has been forced to stop accepting new applications because all its resources have been committed, said spokeswoman Ashley Durmer.

Henderson's good Samaritan was Sunny Corner Fuel Assistance, a program launched the week before Christmas by Oleson, a hospital chaplain who was moved by stories about needy folks desperate for fuel.

Oleson, who had assisted in a local food program, "e-mailed my 350 closest friends" to appeal for donations. He also spread the word through the local news media.

The success of his campaign is measured daily when Oleson picks up the mail. On a midwinter morning there were five envelopes totaling \$375 _ more than enough to supply two households with 50 gallons each.

Unlike programs such as LIHEAP, Sunny Corner does not have strict income guidelines. Oleson arranges for an oil delivery when money is available and puts the caller on a waiting list when the pot is empty.

Thus far, he has collected more than \$16,000, which has helped 66 households. But as word of his program has spread, the waiting list has gotten longer and now contains 175 names.

Even so, Oleson worries that many people are shivering in their homes because they're too embarrassed to accept assistance.

"It's a New England thing," he said. "It's very hard for Yankees to ask for help. We would rather struggle through and not say a word."

Henderson didn't realize how bad things had become until she ended up packing her plastic container in her mother's car for the drive to the dealer for oil.

To her surprise, she had to stand in line with others waiting to get their fuel cans filled. Oil companies generally won't make a delivery of less than 50 or 100 gallons, which is more than the people in line could afford.

Henderson, who is studying forensic criminology at Husson College while caring for three high-needs teenagers, her disabled mother and her colorful parrot Romeo, admitted that she was reluctant to seek help.

The 50 gallons from Oleson that arrived in early January set the stage for other help that began to kick in. Henderson got 100 gallons from Citizens Energy and was notified by the local agency that administers LIHEAP that the family's application for heating assistance had been approved.

"By the grace of God I haven't run out this year, but this is the first time I'm breathing easy about it," she said.

Drawing Lots for Health Care

By William Yardly, New York Times

March 13, 2008

BEND, Ore. — Last month, right after he had the heart attack and then the heart surgery and then started receiving the medical bills that so far have topped \$200,000, Melvin Tsosies joined the 91,000 other residents of Oregon who had signed up for a lottery that provides health insurance to people who lack it.

"They said they're going to draw names, and if I'm on that list, then I'll get health care," said Mr. Tsosies, 58, a handyman here in booming Deschutes County. "So I'm just waiting right now."

Despite the great hopes of people like Mr. Tsosies, only a few thousand of Oregon's 600,000 uninsured residents are likely to benefit from the lottery anytime soon. The program has only enough money to pay for about 24,000 people, and at least 17,000 slots are already filled.

"Maybe we can hope that as time goes on," said Jim Edge, the state Medicaid director, "there will be state money added back to this program and it can grow again."

The challenge of providing health care in Oregon, once a trailblazer in the field but now facing soaring numbers of uninsured, is vivid here on the eastern edge of the Cascade Range. About 19 percent of the 150,000 people in Deschutes County are uninsured, compared with about 16 percent statewide and nationally.

The region has roared with development in recent years, driven by wealthy retirees and transplants from California who have turned old ranching outposts like Bend into stark counterpoints in comfort and struggle. The area has been dependent on seasonal and service workers who do landscaping and construction, on single mothers who wait tables and on Hispanic immigrants who might come to work one farming season in a town like Madras, up the road, but stay after finding other jobs that often offer no health care benefits. A recent slowdown in construction work has made it even harder for some workers to pay for health care "There's so much need that there's really no way you can meet it," said Chris Coon, the outreach manager for the Community Clinic of Bend and the two other clinics that make up the nonprofit Ochoco Health Systems.

“Using a random process to decide who gets health care is a sign of profound desperation,” Mr. Coon said of the lottery in an e-mail message after an interview in his office here.

The lottery was born out of a consensus among state officials and advocacy groups that small steps can help. As part of the state’s Medicaid program, known as the Oregon Health Plan, the lottery is intended for low-income adults who lack private insurance and do not qualify for Medicaid or Medicare. Although the plan once served more than 100,000 people, budget cuts in 2004 reduced the number to about 17,000.

State officials now say they can expand the program to serve 24,000 residents. Because more than 130,000 of the 600,000 uninsured in the state meet the program’s criteria on income, age and other factors, the question became how to choose fairly the few thousand new enrollees.

“We thought about other options, such as should we try to pick all of the sickest people or the kids or the people with cancer or heart disease,” Mr. Edge said. “But the Feds won’t allow that, and there’s just no way to guarantee the fairness of that. Why would cancer be more deserving than heart disease?”

The state led a promotional effort that culminated with a one-month window, ending in late February, in which people who wanted to be considered for the program had to submit basic information. Of the more than 91,000 who have asked to enroll, about 3,000 initially will receive applications based on a computer selection. Those applications will then be reviewed for eligibility. Mr. Edge said more applications would be distributed over the coming months in batches of 3,000 until the program reached an average of 24,000 participants.

Oregon once sought to serve a far larger population of those in need.

It has been more than a decade since the innovative Oregon Health Plan became a forerunner of state health care reform as it pursued universal health coverage. Conceived on a restaurant napkin in the late 1980s, the program had by 1996 reduced the number of the uninsured to about 11 percent of all residents, down from more than 18 percent in 1992. But then, early in this decade, the state endured a wrenching recession.

“Oregon was way ahead of everyone else,” said Charla DeHate, the interim executive director of Ocho Health Systems. “And then we went broke.”

Late this year, a special state board plans to present an outline for how to put Oregon back on the path to universal health coverage as similar efforts in other states continue to meet political and financial obstacles.

Barney Speight, who is director of the board, was present when the rough outlines of the Oregon Health Plan were sketched out. Mr. Speight said that many of the dynamics present two decades ago were present today, including a slowing economy and declining state revenues. But he said the challenge was even greater now because health care costs were rising at a greater rate than they were then.

“I think we still have to aspire to great goals,” Mr. Speight said, “but I think we have to temper that with a dose of reality.”

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