
REMAPPING DEBATE

Asking "Why" and "Why Not"

Deserving versus undeserving, part 2

Original Reporting | By Erik Kroh | Government services, Role of government

May 18, 2011 — The state lawmakers Remapping Debate interviewed this past week each characterized themselves as fiscal conservatives and said they were in favor of cutting federal spending to reduce the deficit. As state legislators, they said they are obligated to balance their own budgets, as many states are required under state law, and as a result have to make difficult decisions about how to best spend a limited amount of funds. Federal lawmakers should have to make the same tough choices, they said.

Tornado relief, yes; health care assistance, no

Bill Poole is a Republican state representative from Alabama whose district includes the city of Tuscaloosa, which suffered some of the worst damage from the storms when it was struck by a tornado late last month. President Obama, after touring the area, said he had “never seen devastation like this,” according to news reports.

Poole said the U.S. Army Corps of Engineers was assisting with the formidable task of removing the large quantities of rubble and debris that had piled up. Additionally, Federal Emergency Management Agency (FEMA) workers had set up aid stations and were assessing the damage and processing requests for assistance, he said.

In areas that have been afflicted by disasters, FEMA can provide money to cover critical costs, including funds to provide food and housing to uninsured individuals or those whose needs have not been met by insurance settlements.

SO WHO IS “DESERVING” AND WHO IS NOT?

Last week, [Remapping Debate explored](#) how lawmakers in Texas who criticized the federal government’s denial of some disaster assistance in the wake of destruction caused by wildfires, squared that position with recent votes to reduce funding for federal disaster response programs.

This week, Remapping Debate spoke with state lawmakers in areas that had received federal assistance to recover from the recent spate of floods and tornadoes that have afflicted the South and Midwest to determine if their experiences had influenced their opinions of who is “deserving” and “undeserving” when it comes to government assistance.

The U.S. Small Business Administration can also provide federally subsidized loans to repair damage to homes, property, and businesses.

Poole said FEMA had been a “significant help” in the aftermath of the tornado. “Could we have reached the same level of response” without federal help? “No,” Poole said. “We do not have the resources in our small community” to adequately respond to the disaster, he said. “We need their assistance right now.”

Remapping Debate

asked Poole whether he thought somebody without healthcare facing a medical emergency was analogous to a victim of a natural disaster, and whether the federal government has a responsibility to assist in the former instance the same way that it has an obligation in the latter.

Poole spoke about the appropriateness of federal assistance to state and local governments in the context of the Alabama budget. The federal stimulus package enacted in 2009 (after the previous year’s financial collapse) provided Alabama with \$1 billion in funding for education spread out over two years, he said. That money dried up in 2011, and Alabama appears to be headed toward passing a budget that makes significant cuts to the general fund to make up for the loss in funding for education, he said.

According to local news reports, the version of the Alabama budget that has passed the state’s House and Senate would increase education spending by some \$240 million, or 4.5 percent, to cover some costs, but it would also cut more than 1,100 teaching jobs.

Poole said federal assistance to states “can certainly be helpful in some situations,” but it has to be “dealt with extremely responsibly.”

“What you can’t do is get in a situation where states are relying on federal dollars that may or may not be there,” he continued. “There’s certainly potential situations that federal dollars are needed on the state level...but on the same token the federal government should be spending money running the federal government, the state government should be spending money on state government.”

Poole said he believed that the federal government should generally be limited to certain “core duties.” Assisting with the response to a natural disaster is a rare instance where it is appropriate for the federal government to involve itself in state and local affairs, he said.

Poole contrasted the federal government’s obligation to respond to natural disasters with what he saw as its limited role in providing health care. The recent mandate in the health care reform law requiring almost every individual to acquire health insurance is an instance where the federal government is overstepping its bounds, he said.

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“To some extent [the] point is well taken,” Poole said, but he added that he thought there was an element of choice involved as well. “The homeowner in Alberta City [in Tuscaloosa] didn’t have any choice” about being a tornado victim, he said.

But are not people who are too poor to afford health insurance plans similarly without choice?

Poole said only that it was “a very complex issue” and that the government does provide some health care services to poor people, such as Medicaid.

Tornado relief, yes; mortgage assistance, no

John Merrill, another Republican state legislator from Alabama who represents the Tuscaloosa area, said he thought the federal government should have a role limited to providing for defense and infrastructure but that there are also exceptions to that rule. “Obviously we’re experiencing one of those here because we need some relief and we need some support,” he said.

Merrill said he thought spending choices should generally be made based on where the greatest need lies, with the understanding that “in some instances there are things that you cannot predict” such as natural disasters. “You have to make those hard choices and you have to live with those choices and then you try to make an accommodation in future budgets based on your experiences.”

Remapping Debate asked Merrill if he thought the federal government should provide assistance to a homeowner who was caught up in the mortgage crisis and is danger of losing his house because he is behind on his mortgage payments. He said he did not think that was appropriate.

Merrill, who also works at a bank, said too many people were living beyond their means prior to and during the housing crisis and they agreed to mortgages that came to cause them trouble of their own volition.

“Whenever we enter in a contractual agreement with someone we are legally and morally obligated to fulfill the terms of that contractual agreement,” Merrill said.

But what about victims of predatory lenders who were given false or misleading information about the terms of their mortgage? Merrill acknowledged that was sometimes the case, but he said the ultimate responsibility for understanding the terms of a contract falls with the person entering into the contract.

“Whenever we enter in a contractual agreement with someone we are legally and morally obligated to fulfill the terms of that contractual agreement,” Merrill said. But what about victims of predatory lenders who were given false or misleading information about the terms of their mortgage?

Asked whether that meant a victim of the housing crisis was less worthy than a victim of natural disasters, Merrill denied that was the case, but said the person behind on his mortgage payments was in an “unfortunate situation the [he] entered into” as a result of a “personal mistake.”

“What the American dream is, it’s always been my understanding, is that we want every family to be able to have a home of their own,” Merrill said. He added, however, that “it’s not feasible to think that every family is going to have that privilege. That’s unfortunate but that’s the way that it is.”

Tornado relief, yes; assistance from economic disaster, maybe

Dannie Reed is a Republican state representative from Mississippi whose district includes parts of Choctaw, Grenada, Oktibbeha, and Webster counties. Reed said his district was spared from the level of devastation sustained elsewhere in the state, but still there was an entire school in the community of Cumberland that was leveled.

Like the others, Reed agreed that the federal government had an obligation to step in to help state and local governments recover from natural disasters.

“Once it goes above a certain level obviously there’s so much desolation that the county and the state cannot handle that,” he said. “There’s a financial obligation there.”

But Reed also conceded that there are other, analogous situations in which it would be appropriate for the federal government to provide assistance.

Reed said he agreed with the idea that an economic disaster could be just as quick and devastating as a natural disaster. “Say a plant goes down in Akron, Ohio,” he said. “The federal government might be able to come in and help there.”



John Merrill of Alabama and Dannie Reed of Mississippi

Remapping Debate asked Reed whether he thought there was any equivalence between a victim of an economic disaster — such as the mortgage crisis — and a victim of a natural disaster.

“There might be,” he said. “I do bleed for these people that get entangled with companies or banks that just don’t have the assets, and there may be predators,” he said.

Reed said he was wary, however, of offering such people direct assistance, such as through a subsidy program. “A subsidy just enables someone,” he said. “What I think would happen is it would be abused by people and by the mortgage companies.”

Instead, Reed, an educator, said he was in favor of imposing federal regulations and informing consumers to make better decisions.

“Make it very clear to people what their risks are when they go into it,” Reed said. “I’m more for an informed consumer with bottom lines on what companies can and can’t do rather than go into a program where you have these assistance programs that you have to administer on a continual basis.”

Reed said it would also be appropriate for the federal government to provide additional assistance to the unemployed in times of widespread economic distress, such as providing emergency unemployment compensation.

Again, Reed stressed that such a program should not be structured as a blanket subsidy program, but should be tailored to reach areas that need the assistance the most, such as those with the highest unemployment rates.

“That would give folks a little breathing room to move to another area or try to get something started,” he said.

Reed said it was important that any government programs be structured to be efficient and cut down on waste. His experience with FEMA has led him to believe that it could be streamlined. For example, he thought that 20 to 30 percent of FEMA payments that go to individuals to purchase food would be better spent on people who are in need of housing.

“Many times the nuts and bolts and details of a system hold the answers, rather than a blanket solutions,” Reed said. “If one system builds a great government infrastructure to apply aid and to rescue but yet it is not very efficient then we’re building a system that’s going to lose for all of us.”

This content originally appeared at <http://remappingdebate.org/article/deserving-versus-undeserving-part-2>