

March 31, 2008

Dear Senator/Representative:

As national organizations concerned about the growing insecurity of low- and moderate-income people in our faltering economy, we write with a real sense of urgency. The choices you make in the final Budget Resolution can offer important protection and in so doing provide a path to prosperity shared by all. Or, by failing to invest in needed services, you can allow hardships to worsen and compound the risks families are now facing. ***We strongly urge that the final Budget Resolution include the highest possible domestic discretionary funding out of the choices before you.*** Failure to maximize domestic appropriations will result in vital housing, home energy, nutrition, health, education, and other services for young and old alike simply unable to keep up with existing use, much less rising need. We also urge you to support a Budget Resolution with important reserve funds that contribute to health and well-being as well as to economic growth, and that does not squander revenues vitally needed to pay for national priorities.

Domestic Discretionary Funding: It appears as though the Budget Resolution adopted by the House includes more total discretionary dollars for FY 2009 than the Senate's version. Candidly, we are disappointed with the funding levels of both plans. Analyses we have done of human needs appropriations since FY 2005 show serious erosions in funding. Out of more than 100 direct service programs in areas tracked by the Coalition on Human Needs including health, child welfare, Head Start and child care, nutrition, housing, job training, and education, only 11 programs grew beyond inflation from FY 2005 through FY 2008; another three stayed even with current costs. All the rest were cut. Among the impacts: in the past year, 62 percent of Head Start programs have had to cut back on hours of service or other aspects of their operations; from FYs 2004 to 2007, 150,000 rental housing vouchers were lost; 100,000 fewer children received child care assistance in FY 2008 than the year before; and an estimated 169,000 fewer workers received training through the Workforce Investment Act in FY 2008 than in FY 2005.

We must do more than simply rebuild what has been lost. The service providers among us are seeing a continuing and stark increase in need. The National Energy Assistance Directors' Association reported 1.2 million households with gas or electricity shut-offs last spring. The cost of home heating oil is up by one-third just in the past year. Costs are up, but help per household from the Low Income Home Energy Assistance Program (LIHEAP) is down because there are too many lining up in need. Rising jobless rates mean we need more job training and placement services, but in addition to training cuts, the Employment Service has been slashed 21 percent over three years. Big state budget gaps place K-12 and special education at risk (as well as many other social services); many of these programs, including education for children with disabilities, have received federal cuts over the past three years. The inability to afford housing, health care, and food is already afflicting more and more families; now groceries are up 5.1 percent since February 2007, with eggs up 25 percent and milk up 17 percent. With incomes down, there will be still more families in line at food pantries. That is why we so strongly urge you to make every effort to maximize the discretionary funds available for human needs services.

Combating the Recession: Prominent economists have agreed that increasing food stamps and unemployment insurance provide some of the most effective stimulus by quickly distributing needed benefits right back into the economy. We believe the Senate's \$35 billion economic stimulus initiative should be included in the final Resolution because it will allow more of what is most needed to strengthen the economy. This reserve could facilitate necessary steps to aid some of the 20,000 households per week losing their homes to foreclosure; extend and improve Unemployment Insurance; improve Food Stamps, emergency food (TEFAP), and child nutrition (Women, Infants, and Children nutrition program - WIC); increase funding for home energy assistance (LIHEAP); fund summer jobs for youth; and aid troubled states through infrastructure repair and enhanced federal contributions towards Medicaid expenditures. The House also addresses infrastructure investment in a separate reserve.

Important reserve funds we strongly favor:

- A \$50 billion reserve fund for reauthorizing the State Children's Health Insurance Program (SCHIP), in both House and Senate versions;
- House and Senate language to allow increased federal funding for child support enforcement, to prevent the loss of \$11 billion in support owed to children and their families over the next ten years;
- Senate farm bill reserve fund, to ease the speedy enactment of a farm bill with a strong nutrition title including Food Stamp and emergency food (TEFAP) improvements;
- Health care provisions, including reserves in the House and Senate to allow for moratoria on harmful Medicaid regulations that would reduce eligibility and/or benefits and shift costs to states; preventing a reduction in the reimbursement rate for physicians under Medicare Part B; and, in the House, ending inequitable reimbursement rates for Medicare Advantage plans;
- An affordable housing fund in the House and Senate budgets; and
- Economic Relief for Families fund in the Senate, allowing improvements in Temporary Assistance for Needy Families and child welfare services. This section also includes child support enforcement and unemployment compensation improvements and trade adjustment assistance reauthorization, which are also provided separate reserve funds in the House Budget Resolution.

Because investments in services for low- and moderate-income people are critically needed, we believe the House's approach of paying for reductions in the Alternate Minimum Tax with progressive revenue sources is a responsible way to preserve federal revenue. We strongly believe, however, that poor families with children and poor childless workers have the most compelling claim for tax reductions. Improvements in the Child Tax Credit and Earned Income Tax Credit should not be put off while far more affluent households are helped.

Congress' Budget Resolution must be part of an urgently needed shift in priorities. Please respond to reports of growing hardship across the nation by making the final Resolution allow for the highest possible domestic appropriations and for other essential services.

Sincerely,

ACORN

Adorers of the Blood of Christ -Justice and Peace Office
 Afro-Americans C.A.R.E.
 Alliance for Disabled in Action
 Alliance for Excellent Education
 Alliance for Children and Families
 Alliance for Retired Persons
 American Federation of Labor-Congress of Industrial Organizations (AFL-CIO)
 American Federation of State, County and Municipal Employees (AFSCME)
 American Friends Service Committee
 American Network of Community Options and Resources
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 Child Welfare League of America
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 Claretian Missionary Sisters
 Coalition of Labor Union Women
 Coalition on Human Needs
 Community Action Partnership
 Easter Seals
 Evangelical Lutheran Church in America, Washington Office
 Every Child Matters Education Fund
 Families USA
 Food Research and Action Center
 Friends Committee on National Legislation
 IHM Justice, Peace and Sustainability Office
 Institute of Social Medicine and Community Health
 Jewish Council for Public Affairs
 Jewish Reconstructionist Federation
 Let Justice Roll
 Lutheran Services in America
 Mennonite Central Committee U.S. Washington Office
 National Advocacy Center of the Sisters of the Good Shepherd
 National AIDS Housing Coalition
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 National Coalition for LGBT Health
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 National Coalition of Mental Health Professionals & Consumers
 National Council of Jewish Women

National Council of La Raza
National Education Association
National Head Start Association
National Human Services Assembly
National Low Income Housing Coalition
National Partnership for Women & Families
National Priorities Project
National Research Center for Women & Families
National Network for Youth
National Women's Law Center
National Migrant & Seasonal Head Start Association
NETWORK: A National Catholic Social Justice Lobby
OMB Watch
Poor Peoples Alliance
Presbyterian Church (USA) Washington Office
Religious Coalition for Reproductive Choice
RESULTS
Sargent Shriver National Center on Poverty Law
Sisters of Charity, US Province
Sisters of Mercy of the Americas Institute Justice Team
Sisters of the Most Precious Blood
Sojourners
The Workforce Alliance
USAction
Union for Reform Judaism
United Cerebral Palsy
United Church of Christ, Justice and Witness Ministries
United for a Fair Economy
United Neighborhood Centers of America
Voices for America's Children
Wider Opportunities for Women
Women Work! The National Network for Women's Employment
Xaverian Brothers USA
YouthBuild USA
YWCA USA

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