

March 8, 2005

To: All Members of Congress

On behalf of Catholic Charities USA, I urge you to support budget priorities for FY2006 that will strengthen the capacity of states, localities, and private agencies to protect and assist the poorest and most vulnerable members of our society.

Although our economy has recovered somewhat from the economic recession that began in late 2000, increasing numbers of Americans are facing significant hardship. Unemployment remains high, as over 9 percent of the working population is either unemployed or underemployed, according to the Bureau of Labor Statistics. Poverty rates are rising again, and 35 million people—including 12 million children—are now living under the federal poverty line.

For millions of families, the difficulties presented by the weak economy have been exacerbated by other challenges. Fifteen million American households cannot find affordable housing, while forty-four million people in the U.S. lack health insurance. High housing costs, unexpected health costs, chronic illnesses aggravated by inconsistent health care—these and other factors contribute to the economic instability experienced by many families.

We at Catholic Charities USA are witness to the human toll of the failure to address these problems adequately. For instance, our agencies, which provide food, shelter, and other forms of emergency assistance to 4.5 million people annually, are reporting strong increases in requests for emergency assistance, especially among families with children. According to the U.S. Conference of Mayors, our experience is not unique. Their 2004 survey of 27 cities revealed that requests for emergency food and shelter increased 14 and 6 percent, respectively.

We therefore urge you to produce a budget that will protect funding for critical services and supports to help the millions of families struggling to achieve stability and self-sufficiency. Every decision of economic policy, including the setting of national budget priorities, must be judged in light of its impact on those who do not share in the abundance of the American economy. At a time when the United States is spending more on defense and homeland security, a question arises about who will pay for it. It should not be our nation's poorest citizens. We therefore ask you to support the following budget priorities:

**Place a priority on investments in federal programs that protect and support low-income families and other vulnerable populations.** Funding for many poverty programs was already cut or frozen in 2005. Others, such as Temporary Assistance for Needy Families (TANF), the Child Care and Development Block Grant (CCDBG), and the Social Services Block Grant (SSBG) have been frozen since 1996. Congress should address the budget deficit in a fair and balanced way maintaining investments in our

children, protecting programs assisting seniors and persons with disabilities, and enhancing our national security.

**Oppose the inclusion of Medicaid cuts in fiscal year 2006 budget reconciliation:**

Medicaid provides essential health coverage to over 50 million of our most vulnerable low-income children, working families, seniors, and people with disabilities. Nearly every state has already enacted painful cuts to its Medicaid program, including eligibility levels, services, and provider payments, and many states are facing deep Medicaid cuts again this year. Federal funding reductions would force states to implement even deeper cuts further restricting eligibility, eliminating or reducing critical health benefits, and cutting or freezing provider reimbursement rates. As a result, state Medicaid funding cuts could add millions more people to the ranks of the uninsured who would go without care, endangering their own health and the public health.

**The budget resolution should not place arbitrary caps on discretionary spending.**

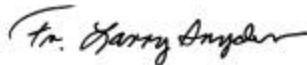
The Administration has proposed statutory rules to cap discretionary spending over the next five years at its proposed 2006 spending levels. Such caps would require cuts of \$200 billion in spending for domestic programs over the next five years, including funding for education, veterans' health care, rental assistance, utility assistance, and childcare. Such cuts would have a devastating impact on agencies and communities that are already struggling to meet the basic needs of vulnerable citizens.

We ask that Congress not attempt to balance the federal budget through reductions in discretionary programs assisting low-income families. Because domestic discretionary spending constitutes only 16 percent of the federal budget, even deep cuts in these programs would offer little help with the federal deficit, while sharply reducing assistance to families struggling to meet their basic needs.

**If Pay-As-You-Go (PAYGO) rules are included in budget reconciliation, they should be balanced.** If Congress chooses to reinstate PAYGO provisions, we urge that they be implemented in a neutral manner that does not encourage revenue reductions at the expense of critical programs serving the nation's most vulnerable families. Under the President's proposed PAYGO rules, entitlement program increases would have to be offset by entitlement reductions elsewhere. In contrast, tax reductions would require no offsets in the federal budget. This unbalanced policy would unfairly burden programs such as Medicaid that provide families with critical assistance, and would likely fail to achieve significant deficit reductions.

We recognize that Congress is faced with many difficult choices. In your deliberations, please remember those who have the fewest choices.

Respectfully,



Fr. Larry Snyder