

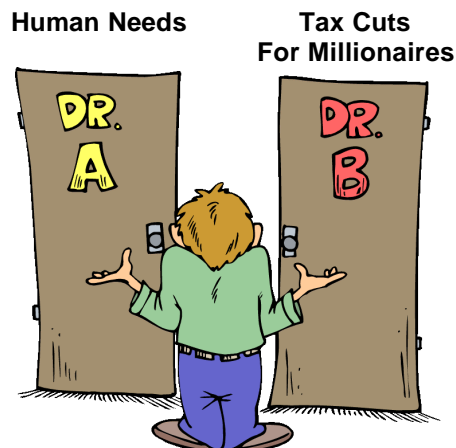
## BACKGROUND: Congress' Priorities Problem

When Congress passed its budget resolution last May, it required certain committees to come up with \$35 billion in cuts to a variety of programs over 5 years. Big targets for cuts are Medicaid (\$10 billion expected) and agriculture programs (\$3 billion), including Food Stamps. The initial deadline for committees to come up with the cuts was September 16. In addition, Congress required the tax-writing committees to propose tax cuts costing \$70 billion over 5 years, with a deadline of September 23. The legislation to make the cuts would be on a fast track, with limited debate, even in the Senate.

Hurricane Katrina changed all that. Congress swept most items off its agenda to enact emergency legislation, and postponed floor action on the spending cuts until mid-October, with the tax cuts pushed into November. Even members of Congress most intent on making these cuts did not relish the public reaction to cutting the very programs needed more than ever to cope with the disaster - or the image of passing tax cuts for the very wealthy while hundreds of thousands of people were losing their homes, jobs, and communities.

So they put off the cuts. **They are hoping you won't be paying as much attention in a couple of weeks. Here's why we must:**

- **Medicaid:** Congress may well make the cuts by giving states more authority to deny eligibility or reduce benefits to low-income people. And there is more pressure to cut now - ironically, because of the costs of hurricane recovery. But Medicaid is a vital lifeline for millions of people who cannot get or afford private health insurance, and now is also essential for hundreds of thousands of people with no other source of medical help because of the disaster. States need more funds to cope with growing need, not less money. Giving states the power to cut people off or reduce or deny benefits is giving them the power to kick people when they are down. Some states have already cut benefits - limiting the number of prescriptions that can be filled each month, for example. **This is the wrong choice.**
- **Food Stamps:** The Food Stamp program is working just as it is supposed to. Food stamps have been issued to hundreds of thousands of the hurricane survivors. The program has received bipartisan praise for its record-setting improvements in accuracy. Its benefits are extremely modest - 93 cents a meal. Cuts in Food Stamps mean people will get less food. **This is the wrong choice.**
- **Still more domestic cuts:** The hurricanes exposed and increased poverty and showed the importance of investing in jobs, education, health and nutrition, and housing. But some in Congress are talking about paying for recovery expenses by across-the-board or other stiff cuts in non-defense domestic programs - cuts that will hit low-income people and communities hard. **This is the wrong choice.**
- **Tax cuts:** This year alone, the cost of the tax cuts passed from 2001-2003 is \$225 billion, with a huge proportion going to the richest among us. Millionaires are slated for another \$20,000 per year tax break that starts phasing in on January 1st, and Congress is talking about passing even more tax breaks for wealthy investors (for capital gains and dividends). Meanwhile the middle class and people struggling to make ends meet get service cuts, not tax cuts. **This is the wrong choice.**



### The Coalition on Human Needs -- We think Door A is the right choice.

For more information, see our website at [www.chn.org](http://www.chn.org); or contact Deborah Weinstein, Executive Director, at [dweinstein@chn.org](mailto:dweinstein@chn.org); (202) 223-2532.

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