



COALITION ON HUMAN NEEDS

November 9, 2005

Dear Representative:

We are writing on behalf of the Coalition on Human Needs to urge you to vote no on the reconciliation bill that is expected to come up on Thursday, November 10. The religious organizations, service providers, and advocates who make up the Coalition believe strongly that the cuts proposed in the reconciliation bill will do serious damage to low-income children and their struggling families, the elderly, and people with disabilities. Last month you received a letter we circulated signed by over 750 organizations from every state in the nation urging you to reject cuts in services needed by the most vulnerable Americans. There are even more signers now (see the letter at www.chn.org), and the multiple harms in the bill before you increase our already grave concerns.

Please do not be deceived by those who tell you that needy people are not harmed by this bill. The changes in law proposed will result in fewer working families with children receiving food stamps and school meals; fewer children receiving child support; fewer poor relatives receiving assistance for providing foster care; poor people with disabilities waiting much longer for benefits they are owed; students paying more for college loans; and children and others paying more and getting less in Medicaid services. These cuts would be wrong under any circumstances. Even worse is justifying the cuts as a way to fund recovery from the hurricanes, while the cuts are really just a down payment on the cost of unaffordable and unfair tax breaks.

We cannot overemphasize the multiple assaults in this legislation on low-income working families and on vulnerable people who cannot work. These seem so contrary to American values that we must alert you to some of the specifics:

Medicaid: the legislation for the first time allows states to impose premiums on families just above the poverty line. These are low-income working families who cannot afford private insurance. More co-payments will also be allowed. Research shows that imposing these costs means children will go without care.

Child Support Enforcement: Reducing the federal share of enforcement costs means that children will go without \$7.9 billion in child support they are owed over 5 years, rising to \$24.1 billion over 10 years. Child support adds urgently needed stability to help families that have moved from welfare to work. The federal share of child support costs is consistent with varied reimbursement rates for many other programs (such as higher rates for poorer states in Medicaid). Every one dollar spent results in more than four dollars collected – it is a cost-effective investment.

Food Stamps: CBO estimates that 225,000 people in low-income working families will lose food stamps because of the proposal to limit categorical eligibility. In effect, they are punished because they no longer receive TANF cash assistance, but instead are working at low wages and receiving other supports, such as child care. Compounding the hardships caused by this change, 40,000 children who have received free school meals will lose them -- either entirely or they will have to pay part of the cost of meals, despite their families' low incomes. In addition, an estimated 70,000 **legal** immigrants who have been in the country for more than five years and working, will lose food stamps because they will have to wait seven years to be eligible. The five-year rule was a priority

of President Bush in 2002. Both these cuts target low-income working families struggling to get by. Please note that a memo circulated by the House Republican Conference **wrongly** describes these cuts as affecting **illegal** immigrants. **Illegal** immigrants -- and adult **legal** immigrants in the country fewer than five years -- are already ineligible for food stamps.

Poor Children Cared for by Relatives: Abused or neglected children benefit if they can stay with a grandparent or other relative who can provide a stable, loving home. The legislation would result in denying federal foster care assistance to relatives now caring for children, no matter how poor, if the parents had higher income. This provision would overturn an appeals court decision basing eligibility on the poverty of the relatives actually caring for the children.

Making People with Disabilities Wait Longer for Money they are Owed: Supplemental Security Income (SSI) routinely takes many months to approve benefits for applicants. Now, poor people with disabilities may receive a lump sum payment of up to 12 months of back benefits once they are approved – often urgently needed to pay overdue bills from months without income. The House bill essentially forces people with severe disabilities to lend the federal government money for months or longer. If they die first, the federal government doesn't have to pay at all.

Student Loans: The cuts in the student loan program will be passed on to students in the form of higher loan payments, could increase the cost of an average student's loans by \$5,800.

The reconciliation bill, with service cuts inflicted to pay for tax cuts for the wealthy, reflects the wrong priorities. It cannot be fixed by deals that address only a small part of its fatal flaws. Please reject this bill – we are counting on your help.

Sincerely yours,

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