

April 8, 2014

Dear Representative:

Your votes on FY 2015 budget resolution alternatives will be important opportunities to endorse needed investments to rebuild our economy while protecting vulnerable people. The budgets prepared by the **Congressional Progressive Caucus**, the **Democrats on the House Budget Committee**, and **Congressional Black Caucus all deserve your support** because they take responsible steps to promote broadly shared economic growth and to reduce poverty. All three make education a priority, from early childhood through college, and protect or expand basic safety net programs. In stark contrast, the FY 2015 budget resolution approved by the House Budget Committee will cost millions of jobs, disinvests in the services our people need, and inflicts hardships on tens of millions of Americans while providing trillions of dollars of new tax cuts for high-income individuals and profitable corporations. We strongly urge you to vote **no** on the **House Budget Committee-passed budget**.

The Better Off Budget, Congressional Progressive Caucus: The Coalition on Human Needs strongly supports the Better Off Budget because it demonstrates that it is possible to create 8.8 million jobs by 2017 and to invest in education, infrastructure, health care, housing, and nutrition while still reducing the deficit. It replaces the harmful cuts of sequestration with the resources to meet the nation's needs and invest in its future. The Better Off Budget does this by closing tax loopholes that allow corporations to hide profits offshore and high-income individuals to pay lower rates than many middle-class taxpayers. The Better Off Budget makes the tax code more fair, by preserving and expanding tax credits that help low-income workers while seeking more revenues from those at the top. It preserves and strengthens the Affordable Care Act, while protecting Medicare and Medicaid. The budget reverses recent cuts to SNAP/food stamps and restores Emergency Unemployment Compensation for the long-term jobless. It recognizes that our economy and even our democracy are threatened if the incomes of low-to-middle income people continue to stagnate or shrink while wealth is increasingly concentrated. It provides for comprehensive immigration reform, jobs, training, and supports so people can work, and protects the safety net when they cannot. It makes responsible savings in Pentagon spending and in other areas like prescription drug price negotiations and farm subsidies.

The House Democratic Alternative Budget: The Coalition on Human Needs urges a yes vote on the budget prepared by Ranking Member Chris Van Hollen and his colleagues on the House Budget Committee. It shifts away from a harmful emphasis on cuts to needed programs by ending sequestration for domestic discretionary and mandatory programs starting in FY 2016. This alternative includes President Obama's \$302 billion transportation infrastructure program as part of an investment strategy for job creation. It also adds \$76 billion over a decade for expanded early childhood education. The budget protects the Affordable Care Act, Medicaid, and Medicare, and would restore Emergency Unemployment Compensation. It assumes comprehensive immigration reform takes place. It maintains low-income tax credits and includes the proposal to increase the Earned Income Tax Credit for low-income workers without children. It raises revenues while protecting low/moderate-income taxpayers, allowing the deficit to shrink to 2.3 percent of GDP.

The Congressional Black Caucus Alternative Budget for FY 2015: The Coalition on Human Needs urges you to vote in favor of this budget because it also establishes the right priorities by ending sequestration,

investing \$500 billion over three years to create jobs, providing for anti-poverty initiatives including restoring the TANF Emergency Fund, improving child care and Head Start, defending against further SNAP cuts and investing in improvements, targeting federal resources to areas of concentrated poverty, and increasing funding for education. The CBC budget increases revenues from fair sources, allowing the budget to reduce the deficit while making investments aimed at reducing pernicious economic disparities.

The House Budget Committee FY 2015 Budget: The Coalition on Human Needs strongly urges a no vote on this budget. While the alternatives described above protect or increase funding for programs that provide for health care, nutrition, housing, education, and job-creating investments, the House Budget Committee's majority budget slashes \$5.1 trillion from federal spending over 10 years, dramatically diminishing the federal government's capacity to respond to need or invest in the future. The budget assumes repeal of the Affordable Care Act, and block-grants and harshly cuts Medicaid, the Children's Health Insurance Program, and SNAP/food stamps. It cuts discretionary programs more deeply than the continuation of sequestration would, but *increases* Pentagon spending by \$483 billion over sequestration levels, while cutting domestic discretionary programs by a whopping \$791 billion. With cuts so much deeper than sequestration, the budget would surely lead to cuts worse than the losses in rental vouchers, Head Start, senior meals, and much more that occurred in FY 2013. The budget also cuts Medicare by \$129 billion, proposing a "premium support"/voucher program likely to squeeze the federal contribution to health coverage, placing a greater burden on seniors. At the same time, the budget proposes a massive tax reduction estimated to provide at least \$200,000 to each millionaire in FY 2015 alone, even if all their other tax expenditures were eliminated. While this and corporate tax rate reductions are supposed to be offset by other tax increases, the increases are not specified, and similar proposals in the past could not be fully offset without significantly raising middle class taxes.

The Coalition on Human Needs is made up of service providers, faith-based organizations, and labor, civil rights, and other advocacy groups. We worked with more than 1,900 organizations nationwide to form the Strengthening America's Values and Economy (SAVE) for All campaign, which supports federal budgets that protect low-income and vulnerable people, invest in jobs, and pay for needed services through fair and adequate revenues and savings from reducing wasteful spending in the Pentagon and in other areas. The first three budgets listed are consistent with these principles – the Congressional Progressive Caucus budget in a truly forward-looking way, the others taking important if more modest steps. The House Budget Committee budget runs counter to these principles. It will worsen inequality, deny health care and food to tens of millions, and cost millions of jobs in its first two years.

Please do not hesitate to get in touch if I can provide additional information (<u>dweinstein@chn.org</u>; (202) 223-2532 x111).

Sincerely yours,

Deborah Weinstein Executive Director