



COALITION ON HUMAN NEEDS

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December 16, 2015

PLEASE VOTE FOR THE FY 2016 OMNIBUS AND TAX “EXTENDER” LEGISLATION

Dear Senator/Representative:

There is important good news for low-income people in the FY 2016 omnibus appropriations bill and tax cut package heading for votes in Congress in the next few days. **Perhaps most important, improvements that allow tax credits for working families and college students to reach more poor and near-poor people were made permanent.** That means a mother working full time at the minimum wage can be assured that her children will benefit from a \$1,725 Child Tax Credit – with no risk that this much-needed help will disappear.

The omnibus bill demonstrates the importance of the legislation to increase spending beyond the harsh sequestration caps, enacted by Congress and signed by the President on November 2. While the nation needs greater investments than the increase allows, the omnibus bill makes progress. Head Start increases by \$570 million over the FY 2015 level. Child care funding rises by \$326 million; it would have been flat-funded in the initial House bill. We have lost a lot of ground in providing affordable child care: 300,000 fewer children served since 2006. The omnibus increase does not go far enough, but it’s a step forward. Job training funding increases modestly, and there is funding for a new \$90 million apprenticeship program. Federal support for low-income K-12 school districts will rise by \$500 million, to \$14.9 billion. The original House bill did not include any increase. Special education funding increases 3.6 percent, to \$11.9 billion. Meals for seniors increase by \$20 million. Combined funding for substance abuse and mental health programs rise by 4.6 percent over last year; most of these programs had been cut substantially since FY 2010. Funds for refugee assistance increase by more than 7 percent over FY 2015. The Community Services Block Grant increases to \$715 million, up 6 percent.

These are some examples of programs of particular importance to low-income people. Funding remains tight, and other important programs, notably subsidized housing assistance, badly need increased resources. But unquestionably many more programs would have lost ground without the relief provided by lifting the sequester caps.

Further, the Coalition on Human Needs is very pleased that many harmful policy riders were rejected in the omnibus bill. Because of the hard work of advocates, champions in Congress and the Obama Administration, refugees from Syria and Iraq will not be barred from entering the U.S. The Consumer Financial Protection Bureau remains a strong and independent agency, protecting people from unscrupulous lenders charging appalling interest rates. Protections will remain for people needing retirement advice, and for workers seeking collective bargaining agreements with joint employers.

Constraints on fair housing protections were rejected. Here too were victories for low- and moderate-income people.

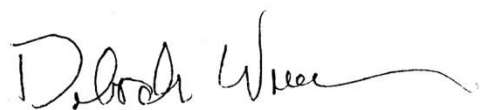
Not all the news from these large bills is good. The tax cut bill makes permanent certain unjustifiable corporate tax breaks, such as the “active financing exception,” which makes it easier for certain corporations to shelter income overseas, and will cost \$78 billion over 10 years. Of particular concern, revenue sources that support the Affordable Care Act have been delayed for two years. If those revenues are not to be tapped, they must be replaced, an uphill battle in the current Congress. Both the loss of revenue and the provision which prevents subsidizing health insurance companies taking losses in “risk corridors” threaten the significant successes of the Affordable Care Act.

We are also disappointed that some immigrant taxpayers will face restrictions in receiving low-income tax credits through rules that do not apply to other taxpayers. Far harsher restrictions were rejected – and advocates, Congressional champions and the Obama Administration deserve tremendous credit for preventing the Child Tax Credit from being denied to millions of children. But we are troubled that some immigrants seeking to pay taxes are likely to face unjust roadblocks that will contribute to deeper poverty for their children, while Congress failed to place responsible controls over tax preparers whose actions contribute substantially to error rates.

When Congress extends hundreds of billions in corporate tax breaks of dubious effectiveness even while so much more is needed to invest in jobs and economic growth for all, it is an example of misplaced priorities. Providing even more funds than the Pentagon has asked for is another such example. An additional \$1.3 billion is provided for 11 F-35 fighter planes beyond the Pentagon request, despite multiple problems with the aircraft.

We hope that Congress will re-balance its priorities in the next budget round, so that low-income people have a better chance to contribute to our shared prosperity and powerful corporate interests lose some of their outsized advantages. But for now, we believe that low-income people are significantly helped by the appropriations and tax legislation before Congress, and that the national interest would not be served by defeating these bills. Voting these bills down would not stop Congress from extending corporate tax breaks, or the ongoing revenue loss that occurs year after year. But a no vote would leave millions of low-income people at risk of losing tax credits they badly need. Defeating the omnibus would return us to threatened government shutdowns and would lose its modest but important funding increases. The many, many thousands of advocates who told Congress they want economic security for all of us, not just for the privileged few, have made some important gains. Please support them.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Deborah Weinstein", with a long, sweeping horizontal line extending to the right.

Deborah Weinstein
Executive Director