



Sisters of the Good Shepherd

The National
Advocacy Center

To: Members of the United States House of Representatives
From: Alison L. Prevost, *Lobbyist*
Date: June 14, 2004
Re: Budget Process Legislation

Dear Representative,

On behalf of the National Advocacy Center of the Sisters of the Good Shepherd, I am writing to express our **deep concern about and strong opposition to the budget process legislation** the House plans to consider this month. Drawing from the tradition of Catholic Social Teaching, the National Advocacy Center maintains that government should play a positive role in promoting the common good and believes that all economic and policy decisions must be judged in light of their impact on the most vulnerable members of society. **From this perspective, we believe that the proposed budget process changes are particularly unjust because of their inequitable treatment of tax and spending policies, which places the burden of deficit reduction on vulnerable populations - children, persons with disabilities, elderly individuals, and working families struggling to make it on wage levels inadequate to meet their basic needs.**

If adopted, the legislation reported out of the Budget Committee, H.R. 3973, could seriously hinder the federal government's capacity to meet national responsibilities and address unmet needs of low-income and vulnerable families, such as the lack of health insurance coverage and affordable housing. Even though discretionary spending other than defense and homeland security has contributed little to the increase in the deficit, H.R. 3973 would implement severe caps on discretionary spending that will force deep cuts to effective and critical programs such as WIC, Section 8 housing, child care, education, child welfare, juvenile justice, and special education. **These cuts will do little to help reduce the deficit, but will have a devastating impact on struggling families by reducing the availability of important work and educational supports like housing vouchers, child care subsidies, and Head Start services.**

In addition, the one-sided "pay-as-you-go" rule will restrict the ability of Congress to improve and expand successful programs like Medicaid, the State Children's Health Insurance Program, the Earned Income Tax Credit, and Food Stamps, while leaving the door open for more unpaid for tax cuts, which are the major cause for the return to deficits. Requiring that any increases in entitlement spending be offset by cutting other entitlement spending, yet placing no such limitation on tax cuts is fundamentally unbalanced and abandons the principle of "shared sacrifice" that helped reduce deficits in the past. **It is important that policy designed to control the deficit apply equally to both taxes and spending, which is why the National Advocacy Center continues to support a restoration of the full "Pay-Go" rule. Allowing new tax breaks to go unpaid for at the same time that policy would demand deep cuts in programs that serve vulnerable populations is inequitable, unfair, and opposed to both our religious values and the principles on which this nation was created.**

The National Advocacy Center also remains concerned that other harmful budget process changes could be added to the legislation by the Rules Committee or by floor amendment. The most egregious of these would be the entitlement cap outlined in other budget process bills (HR 3925 and HR 3800) that would cut entitlement spending by \$1.8 trillion over ten years. If these cuts were applied proportionally, Medicare would be reduced by nearly \$800 billion, Medicaid by nearly \$400 billion, food stamps by \$43 billion, unemployment compensation by \$69 billion, child nutrition programs such as school lunch by \$23 billion, foster care and adoption by \$13 billion, and child support enforcement, child care, and welfare-to-work by \$13 billion. Every entitlement program except for Social Security would be at risk and the burden of the cuts would fall disproportionately on lower-income Americans. At a time when more than 43 million Americans are uninsured, over 8 million are unemployed, nearly 35 million experience food insecurity, and over 12 percent live in poverty, increasing access to health insurance, job training and work supports, and a renewed commitment to proven anti-poverty programs should be budget priorities. **The proposal to cap entitlement spending is a step in the wrong direction and we urge you reject an entitlement cap amendment to HR 3973 if it is offered.**

While we recognize that Congress needs to take steps to address the deficit, the budget process legislation under consideration does not do so in responsible or just manner. **The National Advocacy Center urges you to vote “No” on H.R. 3973 and to work toward a more balanced policy that ensures that resources are available to fulfill government’s responsibility to the common good of all and meet the needs of the most vulnerable members of our society.**

Sincerely,

Alison L. Prevost, *Lobbyist*