

To: Members of the United States House of Representatives
From: Sr. Gayle Lwanga Crumbley, RGS, *National Coordinator*
Date: March 23, 2004
Re: FY 2005 Budget Resolution

Dear Representative,

The National Advocacy Center of the Sisters of the Good Shepherd urges you to oppose the House budget resolution, H.Con.Res.393, which calls for large cuts to vital domestic programs and draconian spending caps, even as it extends the inequitable and fiscally irresponsible tax cuts of 2001 and 2003. This resolution does not address the critical needs our country is facing and once again unfairly prioritizes tax cuts that mainly benefit the wealthy over real investments in programs and services that promote greater opportunity and economic security for all Americans.

The National Advocacy Center maintains that the federal budget is a moral document that reflects our values as a society and we are troubled that current proposals do not exhibit the values we seek. At a time when more than 43 million Americans are uninsured, over 8 million are unemployed, and over 12 percent live in poverty, increasing access to health care, job training and work supports, and a renewed commitment to anti-poverty programs should be budget priorities. However, the very programs that would help achieve these goals are slated for significant cuts in FY2005 and progressively deeper cuts in later years. We are particularly concerned about the potential \$2.2 billion cut to Medicaid over the next five years, which will likely add significant numbers to the ranks of the uninsured. In addition, inadequate funding for the Section 8 Housing Voucher program could result in 250,000 families losing rental assistance and proposed funding levels for child care program would cause the number of children from low- and moderate-income working families who receive child care assistance to be reduced by approximately 365,000 by 2009. Under this budget resolution, funding for domestic discretionary spending outside homeland security would be cut by a total of \$120 billion over five years.

These cuts will have a devastating impact on the low-income working and vulnerable families served by Good Shepherd programs throughout the country. For example, a single mother in California seeking housing assistance will have to wait even longer to get the help she needs to find safe, affordable housing for her family, even as waiting lists for assistance in many areas are already over a year long; a victim of abuse in Chicago will have to forego the training she needs to find a well-paying job because she cannot afford child care while she is in school; adolescents in Maryland and other states could lose access to critical mental health and intervention services as the states impose cuts in an attempt to deal with inadequate Medicaid funding. These are families and children that received little, if anything, from the 2001 and 2003 tax cuts, who are now being asked to shoulder the burden of the fiscal decline the tax cuts have caused.

At the same time these cuts are proposed, the budget resolution provides new tax breaks for those least in need of assistance – accelerating the estate tax repeal and making capital gains and dividend tax cuts permanent. These provisions would not only add to the nation’s debt, but force even further reductions in programs such as education, environmental protection, housing, and health care in the future.

In addition, the National Advocacy Center is concerned that the changes proposed in the accompanying budget process bill, H.R. 3925, are unbalanced - creating vastly different rules for taxes and expenditures. If adopted, they would impose arbitrary caps on domestic discretionary spending that would result in significant cuts over the next five years, yet would provide no limitation on additional tax breaks. Moreover, the modified “pay-go” proposal unfairly requires that increases in entitlement spending be offset when no similar requirement is made for tax proposals. While we recognize the need to restore fiscal responsibility, such one-sided proposals fail to achieve this goal and do not address the underlying inequity of the tax cuts that have returned the country to budget deficits.

Drawing from the tradition of Catholic Social Teaching, the National Advocacy Center affirms 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 cannot support a budget that disproportionately emphasizes a reduction in spending for domestic human needs programs while continuing to provide tax cuts to those who least need assistance. The National Advocacy Center urges you, therefore, oppose both the House budget resolution and the accompanying budget process legislation. We call on you instead to promote a more balanced policy and to reconsider the tax cuts to ensure 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 this year and into the future.

Sincerely,

Sr. Gayle Lwanga Crumbley, RGS
National Coordinator