

To: United States Senators
From: Sr. Gayle Lwanga Crumbley, RGS, *National Coordinator*
Date: March 9, 2004
Re: Senate Budget Resolution

Dear Senator:

The National Advocacy Center of the Sisters of the Good Shepherd urges you to oppose the Senate budget resolution, S.Con.Res. 95, which would call for large cuts to critical domestic human needs programs, impose spending caps and a modified “pay-as-you-go rule”, while extending the inequitable and fiscally irresponsible tax cuts of 2001 and 2003. Such a plan fails to 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 concerned that current Senate budget resolution does 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 deep cuts the budget resolution proposes for the Earned Income Tax Credit and to Medicaid, which will effectively raise taxes 3.1 million low-income taxpayers and add significant numbers to the ranks of the uninsured. Moreover, the resolution provides no new funding for child care even though hundreds of thousands of children are currently on waiting lists for assistance and it fails to provide for the costs associated with the reauthorization of the Temporary Assistance for Needy Families program that provides critical supports to help low-income families find and maintain work.

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 proposed budget process changes 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 estimated cuts of \$113 billion by 2009, yet would provide no limitation on additional tax breaks. Moreover, the modified “pay-go” proposal in the budget resolution unfairly requires that

increases in entitlement spending be offset when no similar requirement is made for new 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 Nation 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 domestic discretionary spending while continuing to provide tax cuts to those who least need assistance. The National Advocacy Center urges you, therefore, to resist efforts to make the 2001 and 2003 tax cuts permanent, to implement proposed cuts to vital human needs programs, and to impose unfair new budget rules. 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*