

HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

B-71 Cannon HOB ■ Washington, DC 20515 ■ 202-226-7200 ■ www.house.gov/budget_democrats

June 23, 2004

Over 200 Groups Oppose Republican Budget Process Bills

Dear Democratic Colleague:

Attached are letters from groups that oppose H.R. 3973, the Spending Control Act of 2004, and that also oppose amendments that may be offered by conservative Republicans. These letters are from over 200 groups representing students, senior citizens, veterans, the disabled, environmentalists, and health care providers and consumers. Specific groups voicing their opposition include the Paralyzed Veterans of America, The American Legion, the Children's Defense Fund, AARP, League of Conservation Voters, and the American Hospital Association, to name a few.

Following are some of their comments:

"It is unthinkable that Congress would consider enacting legislation that has such a negative impact upon the health care and benefits of this nation's veterans, even as we continue to bring home more veterans and disabled veterans from the wars in Iraq and Afghanistan."

- Paralyzed Veterans of America

"To short-change these true defenders of democracy because of an automatic sequestration would be unconscionable. None of these heroes reneged on their duties or responsibilities in honorable service to this country. For the Federal government to back down on its fiscal commitment to them is inconceivable."

- The American Legion

"H.R. 3972...would stack the deck against low-income children and families by making it even easier to pass more massive tax breaks for wealthy individuals and corporations that would be added to the national debt that our children will have to pay off in future years."

- Children's Defense Fund

"We oppose attempts to use the deficit as a cover for starving environmental and

natural resources priorities while leaving federal budget problems unresolved.”
- Coalition of 13 Environmental Groups

“H.R. 3972 seeks to establish a phony sense of fiscal discipline by slashing spending on public services important to the vast majority of Americans, but allowing unlimited deficits for tax cuts.”

- American Federation of State, County and Municipal Employees, AFL-CIO

I am forwarding to you a few of these letters. Please feel free to contact me or the Democratic staff of the House Budget Committee if you have questions.

Sincerely,

/s

John M. Spratt, Jr.

Ranking Democratic Member



June 22, 2004

Dear Representative:

We are writing to express our strong opposition to budget process legislation and many of the corresponding amendments to be voted on by the House of Representatives this week. We urge you to vote against the underlying bill and all other proposals that will lead to devastating cuts to services and benefits for children while easing the way for more tax breaks for wealthy individuals and corporations. Because they will affect the children of this nation for many years to come, we will likely score in our annual nonpartisan Congressional scorecard at least one and perhaps several of the votes you will be casting this week on budget process legislation and amendments. Specifically, we urge you to oppose H.R. 3973 because it would:

- Stack the deck against low-income children and families by making it even easier to pass more massive tax breaks for wealthy individuals and corporations that would be added to the national debt that our children will have to pay off in future years, while simultaneously making it harder to extend tax benefits for our poorest families;
- Require that any improvements or expansions to critical supports for children including Medicaid, food stamps, welfare, unemployment assistance, child care, school breakfast and lunch, foster care and adoption assistance, student loans, and the Children's Health Insurance Program be paid for by cutting similar programs; and
- Impose caps on domestic discretionary programs like Head Start, education funding, housing assistance, and after school programs that would force more than \$100 billion in cuts in services over the next five years, including those for children.

We also urge your opposition to any amendment that would cap entitlement program costs and require funding cuts eviscerating services for children. Such entitlement caps, which are included in H.R. 3800 and H.R. 3925 and are likely to be offered as part of amendments to H.R. 3973, could cut services by \$1.8 trillion. The average annual consequences for children based on proportional cuts over the next ten years include:

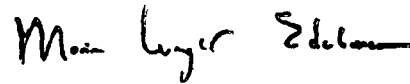
- Nearly all of the 24 million children covered by Medicaid losing coverage;
- 280,000 children losing child care assistance;
- Families of 115,000 children losing foster care maintenance payments and adoption assistance payments;
- 567,000 children losing the welfare safety net through TANF;
- Nearly 1.5 million children losing basic nutrition through food stamps;

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- More than 100,000 disabled children losing the support of Supplemental Security Income (SSI) assistance;
- 3.9 million children losing the free school lunches and 1.1 million children losing the free school breakfasts that keep them from going hungry;
- The families of 863,000 children losing unemployment compensation needed to cover basic living expenses;
- 2.4 million families with children losing the Earned Income Tax Credit; and
- 3.6 million families with children losing the Child Tax Credit.

Under the guise of fiscal responsibility, H.R. 3973 and related amendments would facilitate deficit *increases* through tax breaks for the wealthy while making low-income families and children foot the bill. Support for this approach is unconscionable in the face of the serious unmet needs of millions of America's children. Children in your district need you to oppose this devastating legislation and any amendments to the bill that would impose caps on the programs that serve them.

Sincerely,

A handwritten signature in black ink that reads "Marian Wright Edelman". The signature is written in a cursive, flowing style.

Marian Wright Edelman
Children's Defense Fund Action Council



June 22, 2004

All Members
House of Representatives
Washington, DC 20515

Dear Representative:

Paralyzed Veterans of America (PVA) would like to urge you to oppose H.R. 3973, the “Spending Control Act of 2004.” As approved by the Budget Committee earlier this year, this legislation would deny the Department of Veterans Affairs (VA) the ability to properly care for veterans and to provide them with the benefits they have earned and deserve.

The legislation calls for discretionary caps that would essentially lead to cuts in funding for veterans health care. Such cuts would force the VA to deny more veterans access to care or charge veterans more for the care they receive. The VA currently faces a funding crisis. This legislation would only make matters worse. In addition, under the provision calling for across-the-board cuts through discretionary sequestration, veterans’ programs would be cut equally along with other federal programs. We believe that veterans’ programs have a higher priority than many others.

PVA would also like to urge you to oppose any proposed amendment that would enact caps on entitlement spending. Some entitlement cap proposals that have been discussed would cut VA benefits, including compensation, pension, education, and special grants, by over \$50 billion over ten years. This would likely prevent Congress from even enacting annual cost-of-living increases. This would also doom any effort to provide mandatory funding for VA health care.

It is unthinkable that Congress would consider enacting legislation that has such a negative impact upon the health care and benefits of this nation’s veterans, even as we continue to bring home more veterans and disabled veterans from the wars in Iraq and Afghanistan.

Sincerely,

/S/

John C. Bollinger
Deputy Executive Director

Chartered by the Congress of the United States

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phone:(202) 872-1300 ★ tdd:(202) 416-7622 ★ fax:(202) 785-4452 ★ www.pva.org

June 14, 2004

The Honorable Jim Nussle
303 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Nussle:

On behalf of the organizations listed below, representing health care providers and the patients they serve, we are writing to express grave concern over proposed budget legislation that may be voted on this month that would effectively cap federal spending on Medicare, Medicaid and other health programs. This legislation has the potential to result in large cuts in Medicare, Medicaid, other public health programs and medical research. Such cuts will adversely affect the health and lives of many of our nation's citizens. **We strongly urge all Members of Congress to oppose any inflexible and arbitrary spending caps for Medicare, Medicaid and other vital health care programs.**

Specifically, we are opposed to "pay as you go" rules that would allow tax cuts to be enacted without spending offsets, while prohibiting Congress from legislating improvements in entitlement programs such as Medicare, Medicaid and SCHIP unless there are offsetting cuts in other entitlement programs. Further, we also oppose five-year budget caps for health program spending which are set at levels that will force significant cuts in domestic health programs. Finally, we oppose any budget process rules that effectively place arbitrary and inflexible caps on health program spending.

Our nation's Senior Citizens rely on the Medicare program to address their health needs. Medicare can not be arbitrarily capped in a manner that does not account for necessary growth in services for the Senior population as that population multiples. Placing caps on Medicare spending also ignores the need to provide for emerging technologies and methods of coordinating care for patients that have the potential to improve quality of life as well as to save the Medicare program money in the long term. Further, Medicaid is a critical piece of the health care safety net, and it is unwarranted to place the program under spending caps at a time when America has over 43 million uninsured individuals, many of whom may be eligible for Medicaid or SCHIP. States are just beginning to recover from the worst fiscal crisis since World War II, and arbitrary caps on the Medicaid program will further weaken the health care safety net that is already under tremendous strain. Likewise, other health programs provide a significant health care safety net for our nation as well as important research to improve and save lives.

In sum, we urge all Members of Congress to vote against budget spending caps and other budget procedures that arbitrarily threaten Medicare, Medicaid and other vital health programs. We strongly believe that discretionary spending caps would be inadvisable at this time. Investment in public health programs is crucial to our overall efforts to address escalating health care costs, growing numbers of uninsured Americans, threats from bioterrorism and the rise in chronic illnesses. Great harm to the nation's health could result if the ability of Congress to address new problems and priorities is limited by arbitrary budget mechanisms.

Sincerely,

Alliance for Academic Internal Medicine
Ambulatory Pediatric Association
American Academy of Family Physicians
American Academy of Pediatrics
American College of Physicians
American College of Rheumatology
American Geriatrics Society
American Hospital Association
American Pediatric Society
Association of Departments of Family Medicine
Association of Family Practice Residency Directors
Association of Medical School Pediatric Department Chairs
North American Primary Care Research Group
Renal Physicians Association
Society for Adolescent Medicine
Society for Pediatric Research
Society of General Internal Medicine
Society of Hospital Medicine
Society of Teachers of Family Medicine



June 21, 2004

Dear Representative:

I am writing to express AARP's opposition to H.R. 3973, the Spending Control Act of 2004, as well as a number of potential amendments. The new budget rules established by the bill are seriously flawed, and the House should reject both the bill and any amendments that contain entitlement caps.

AARP is especially concerned about the effects of the budget enforcement provisions in H.R. 3973 on important programs serving older Americans and those of modest means. AARP has historically supported balanced pay-as-you-go budget enforcement rules. We believe that the outlook for sustained large budget deficits calls for the reinstatement of balanced pay-as-you-go rules. Both mandatory spending and revenues should be subject to the same rules, and the rules should be applied equally to all spending and revenue changes, including those policies assumed in the budget resolution.

The rules established by H.R. 3973 and several proposed amendments apply only to spending and not to revenues. Further, they would exclude policies assumed in a budget resolution adopted by Congress. Several of the amendments that have been proposed and may be offered when the bill is considered in the House have similar flaws. Any budget enforcement bill containing this imbalanced approach should be rejected.

The bill also establishes caps on discretionary spending that are unrealistically low. The resulting funding levels for domestic appropriations are troubling as they would force cuts totaling \$114 billion below the Congressional Budget Office baseline over the next five years. Many domestic programs serving vulnerable populations that are subject to annual appropriations have been frozen or reduced in recent years. Further funding reductions mandated by the caps in H.R. 3973 will result in unacceptable cuts in the services provided to those with the greatest need. Alternatively, AARP could support discretionary caps that are set at more appropriate and realistic levels.

If the Rules Committee makes other budget process bills, such as H.R. 3800 and H.R. 3925, in order as complete substitutes, or provisions contained in these bills as perfecting amendments, AARP urges you to oppose them. Both bills include provisions that could cap spending on entitlements, including Medicare, in such a way that Medicare Parts B and D, Medicaid, veteran's benefits, health benefits for retired military personnel and other programs could be subject to sequestration in the near future. This

sequestration would take place even if Congress did not explicitly increase spending for the programs that would be affected.

In particular, the new prescription drug program in Medicare would be subject to sequestration as early as 2006 (since the base year for calculating the level of the cap is 2005, one year before the program begins). A sequestration in the first year of the program could have a serious effect on the ability to implement the new drug law and on the ability of older Americans to buy affordable prescription drugs. This is an unacceptable retreat from the recently enacted drug law.

AARP and its members recognize that the budget outlook requires restraint, but the rules must be fair and realistic. The rules proposed in H.R. 3973, H.R. 3800 and H.R. 3925 are unbalanced, and their effectiveness in controlling deficits is questionable.

AARP urges you to reject any entitlement caps because they would jeopardize the health and economic security of millions of vulnerable Americans.

We look forward to working with you to develop fair and effective budget enforcement legislation. If you need any additional information, please feel free to contact me, or have your staff contact Ridge Multop of the Federal Affairs Department at (202) 434-3760.

Sincerely,

A handwritten signature in black ink, appearing to read "William D. Novelli". The signature is fluid and cursive, with a large initial "W" and "D".

William D. Novelli

AMERICAN RIVERS • DEFENDERS OF WILDLIFE • EARTHJUSTICE
ENDANGERED SPECIES COALITION • FRIENDS OF THE EARTH
NATIONAL ENVIRONMENTAL TRUST • NATIONAL PARKS CONSERVATION ASSOCIATION
NATIONAL RESOURCES DEFENSE COUNCIL • THE OCEAN CONSERVANCY
SIERRA CLUB • U.S. PUBLIC INTEREST RESEARCH GROUP
THE WILDERNESS SOCIETY • WORLD WILDLIFE FUND

June 23, 2004

Re: Oppose H.R. 3973, the Spending Control Act of 2004

Dear Member of Congress:

On behalf of our millions of members, we urge you to oppose H.R. 3973, the Spending Control Act of 2004. This bill would not solve our nation's fiscal problems, but appears poised to lock in deep and disproportionate cuts to environmental and natural resource programs for years to come.

We appreciate the need to increase fiscal responsibility and address our nation's deficit. However, we oppose attempts to use the deficit as cover for starving environmental and natural resources priorities while leaving larger federal budget problems unresolved. Unfortunately, the unbalanced budget enforcement mechanisms in H.R. 3973 would harm priority environmental programs while failing to resolve our nation's fiscal problems. In particular, we oppose provisions that would:

Lock in harmful cuts to discretionary spending on the environment. It appears H.R. 3973 would lock in deep cuts to environmental programs through unrealistic multi-year discretionary spending caps. The Budget Committee has not yet made the specific levels of the caps public. However, under levels approved in the House budget resolution, the caps would require environmental spending to be cut by 14 percent below current activity levels by 2009. Under levels included in the president's budget, the caps would require these programs to be cut by 20 percent by 2009.

Disproportionately target the environment and other priorities through unbalanced PAYGO rules. H.R. 3973 would reinstate the "pay-as-you-go" (PAYGO) requirement, but would only apply it to mandatory spending and not to future tax cuts. As a result, although Congress would be forced to pay for spending increases by cutting spending in other areas, proposed tax cuts would be exempt from PAYGO. If the deficit increases as a result, it could necessitate additional cuts in environmental protection and other domestic priorities regardless of the impact on the public. This unbalanced approach to PAYGO abandons the principle of shared sacrifice needed to truly tackle the deficit.

Fail to resolve the deficit. Attempts to confront the deficit that rely primarily on painful cuts in domestic spending will be unfair and ineffective. Non-defense discretionary spending currently accounts for only 18 percent of total annual spending. Even if Congress zeroed out all \$430 billion in non-defense, domestic discretionary spending this year, it would still not eliminate our current \$521 billion deficit.

In addition, we urge you to oppose other unbalanced and environmentally harmful provisions that may be offered as amendments in the Rules Committee or on the floor. One of these proposals would eliminate "baseline" spending, or the level of resources needed to maintain current services in existing government programs. This would apply powerful pressure to starve

funding by making the amount of spending needed each year merely to maintain existing services appear to be a spending increase.

Congress should support balanced fiscal policies that will protect our environment and natural resources while truly addressing the deficit. Unfortunately, H.R. 3973 would require deep and unbalanced cuts that would harm clean water infrastructure, science and technology, the Land and Water Conservation Fund, public lands, wildlife conservation, ocean preservation and other critical priorities. We urge you to oppose this bill.

Sincerely,

S. Elizabeth Birnbaum
Director of Government Affairs
American Rivers

Mary Beth Beetham
Director of Legislative Affairs
Defenders of Wildlife

Marty Hayden
Legislative Director
Earthjustice

Beth Lowell
Policy Director
Endangered Species Coalition

Sara Zdeb
Legislative Director
Friends of the Earth

Bill Frymoyer
Director, Public Policy
National Environmental Trust

Craig Obey
Vice President for Government Affairs
National Parks Conservation Association

Karen Wayland
Legislative Director
National Resources Defense Council

Julia Hathaway
Legislative Director
The Ocean Conservancy

Debbie Boger
Deputy Legislative Director
Sierra Club

Anna Aurilio
Legislative Director
U.S. Public Interest Research Group

Linda Lance
Vice President, Public Policy
The Wilderness Society

Randall D. Snodgrass
Director, Government Relations
World Wildlife Fund