

April 6, 2005

Honorable Norm Coleman  
United States Senate  
Washington, D.C. 20510

Dear Senator Coleman:

We are writing to express our concern about the pending Budget Conference Committee and some of the key decisions which the conferees will soon be considering regarding Medicaid and Food Stamps, the Earned Income Tax Credit (EITC), and several other important federal programs that benefit low- and moderate-income Minnesota families, seniors, children, and people with disabilities.

First of all, however, we want to express our sincere appreciation to you for your recent vote for the Smith-Bingaman Amendment during floor consideration of the Senate Budget Resolution, which deleted proposed cuts in Medicaid funding. As you know, the President's Budget proposed a \$45 billion reduction in funding for Medicaid and SCHIP that totaled \$60 billion over the 10-year period from 2006 to 2015.

The House-passed Budget Resolution would require between \$15 billion to \$20 billion in cuts to Medicaid and/or the State Children's Health Insurance Program (SCHIP). In 2002, over 397,000 Minnesotans received Medical Assistance (the state's Medicaid program). These important federal health insurance programs are certainly one of the reasons that Minnesota has one of the lowest levels of uninsured individuals and uninsured children in the nation. Any substantial cuts to Medicaid and SCHIP, such as those included in the House Budget Resolution, will undoubtedly result in a significant number of Minnesota families losing their health insurance.

We urge you in the strongest terms **to continue to oppose any cuts in Medicaid and SCHIP** in the final Budget Conference Report, as expressed in your vote for the Smith-Bingaman Amendment, and to convey this view to the conferees and leadership.

We are also very concerned about proposed cuts to the Food Stamp Program. Since its creation in the 1960s, the Food Stamp Program, along with the Women, Infants, and Children (WIC) nutrition program, have substantially reduced the incidence of hunger and malnutrition among low-income Americans. Over 253,000 Minnesotans participate in the Food Stamp Program.

The House Budget Resolution assigns \$5.3 billion in cuts to the Agriculture Committee, where the Committee's leadership has indicated that they are likely to make cuts to Food Stamps which will be substantially larger than the \$600 million reduction proposed in the President's Budget. In contrast, the Senate Budget Resolution provides for \$2.8 billion in agriculture program cuts.

Food stamp benefits currently average less than \$1 per person per meal. There is no justification for deep cuts in this program which is so vital to the well-being of over a quarter million low-

income Minnesotans. We urge you to **strongly oppose any Budget Conference provision which would cut agriculture programs** above the \$2.8 billion figure in the Senate Budget Resolution.

A third area of concern involves the Earned Income Tax Credit (EITC), which provides tax relief to low-income working Americans. The EITC is the federal government's most successful anti-poverty program. In 2002, over 248,000 Minnesota families claimed the EITC. The House Budget Resolution would require the Ways and Means Committee to cut \$18.7 billion from programs under its jurisdiction. When asked how the Committee would achieve this cut, Chairman Nussle mentioned only one program: the EITC. If the Ways and Means Committee were to achieve all of its \$18.7 billion in cuts from the EITC, the credit would have to be cut by \$3.9 billion in 2006, or 11% from its current level. This would mean reducing the average EITC for Minnesotans by \$200 annually.

In effect, any reduction in the EITC will result in a tax increase specifically aimed at low-income working Minnesotans, at the same time that both the House and Senate are supporting over \$100 billion tax cuts directed toward the highest-income Americans. Such an approach to tax policy is fundamentally regressive, unbalanced, and unfair.

We remain concerned that even if the EITC is spared, a final Budget Conference Report which resembles the House-passed Budget Resolution could lead to big cuts for Supplemental Security Income (SSI) and other key human services programs, such as the Temporary Assistance for Needy Families (TANF) block grant, child support enforcement, the Social Services Block Grant (SSBG), and foster care and adoption assistance programs. Under the House approach to the Budget Resolution, these programs collectively could be facing cuts of \$4.1 billion over the next five years and \$1.1 billion in 2006 alone. Given our ongoing budget deficits at the state level, Minnesota could not shoulder the burden if the federal government steps back from its responsibilities to some of the most vulnerable people in our state.

Regrettably, the House Budget Resolution represents a significant departure from any semblance of a fair and balanced approach to sound budget, spending, and tax policy. Instead, it is highly unbalanced, and would impose massive service cuts on low-income Minnesotans to pay for a new round of tax cuts that benefit the wealthiest people in America.

We urge you to work with the Budget conferees to properly resolve the concerns which we have expressed. Specifically, we urge you to oppose any cuts in Medicaid and SCHIP which are inconsistent with your vote for the Smith-Bingaman Amendment. With respect to other programs, **we urge you to support the lowest possible cuts consistent with the Senate Budget Resolution.** Simply "splitting the difference" with the House conferees will result in devastating cuts to programs vital to low-income Minnesotans. We also urge you to convey your concerns at the earliest date to the conferees and the Senate and House leadership.

We are prepared, of course, to provide you with any information or assistance you may need to resolve these matters in a way that protects the concerns of low-income working families, children, seniors, and people with disabilities here in Minnesota. Please contact Steve Francisco of the Minnesota Budget Project at (651) 249-3806.

Accessible Space, Inc., St. Paul  
Achieve Services, Inc., Blaine  
Affirmative Options Coalition, St. Paul  
African American Family Services, Minneapolis  
American Oromo Community of Minnesota, St. Paul  
Amherst H. Wilder Foundation, St. Paul  
ANGELS-LAH/BNP, McGregor  
Arc Hennepin-Carver, Minneapolis  
Battered Women's Legal Advocacy Project, Inc., Minneapolis  
Brilliant Living, Bloomington  
CAP of Ramsey & Washington Counties Head Start, St. Paul  
Channel One Food Bank & Food Shelf, Rochester  
Child Care WORKS, Minneapolis  
Children's Defense Fund of Minnesota, St. Paul  
Children's Dental Services, Minneapolis  
Children's Mental Health Partnership, St. Paul  
Community Action Partnership of Ramsey & Washington Counties Head Start  
Congregations Concerned for Children, Minneapolis  
Cornerstone Advocacy Service, Bloomington  
Dads Make a Difference  
Dakota Woodlands, Eagan  
Domestic Abuse Project, Minneapolis  
Elder Circle, Grand Rapids  
Epilepsy Foundation of Minnesota, St. Paul  
Family & Children's Service, Minneapolis  
Family Life Center, Coon Rapids  
 Fargo-Moorhead Dorothy Day House of Hospitality, Moorhead  
Fraser Child and Family Center, Minneapolis  
Greater Minneapolis Council of Churches, Minneapolis  
Greater Minneapolis Day Care Association, Minneapolis  
Guild Incorporated, West St. Paul  
Hearthstone of Minnesota, South St. Paul  
HIRED, Minneapolis  
HOME Line, Minneapolis  
Hope Community Inc.  
Hope House of St. Croix Valley, Stillwater  
Horizon Health, Inc., Pierz  
Housing Access Center, Duluth  
HousingMinnesota, St. Paul  
Hunger Solutions Minnesota, Arden Hills  
Immunization Action Coalition, St. Paul  
JennaCare, St. Paul  
Jewish Community Action  
Jewish Community Relations Council of Minnesota and the Dakotas, Minneapolis

Jewish Family & Children's Service of Minneapolis, Minnetonka  
Jewish Family Service of St. Paul, St. Paul  
Jewish Vocational Service, St. Paul  
JOBS NOW Coalition, St. Paul  
Kaposia, Inc., St. Paul  
Kids Closet of Duluth, Duluth  
Little Sand Group Homes, Remer  
Mental Health Resources, Inc., St. Paul  
Midwest Health Center for Women, Minneapolis  
Minneapolis Jewish Federation, Minnetonka  
Minnesota Catholic Conference, St. Paul  
Minnesota Coalition for the Homeless, St. Paul  
Minnesota Commission Serving Deaf and Hard of Hearing People, St. Paul  
Minnesota Community Action Association, St. Paul  
Minnesota Council of Child Caring Agencies, St. Paul  
Minnesota Council of Nonprofits, St. Paul  
Minnesota Legal Services Advocacy Project, St. Paul  
Minnesota Religious Coalition for Reproductive Choice, Minneapolis  
Minnesota Rural Education Association,  
Minnesota Senior Federation, Heartland Region, Brainerd  
Minnesota Senior Federation, Metro Region, St. Paul  
Minnesota Senior Federation, Midwest Region, Norcross  
Minnesota Senior Federation, Mn Valley Region, Willmar  
Minnesota Senior Federation, North Star Region, Virginia  
Minnesota Senior Federation, South Central Region, Mankato  
Minnesota Senior Federation, South West Region, Chandler  
Minnesota Social Service Association  
Model Cities, Inc., St. Paul  
Olmsted Community Action Program, Rochester  
Opportunity Partners, Minnetonka  
Pathways of West Central Minnesota, Inc., Granite Falls  
Phosphorescence, Inc., Minneapolis  
Renville County HRA/EDA, Olivia  
RESOURCE, Inc., Minneapolis  
Rose Center Home of the Good Shepherd, St. Paul  
Sabes Jewish Community Center, St. Louis Park  
Saint Paul Area Council of Churches  
Second Harvest Heartland, Maplewood  
Sha'arim: Gateways to Education, St. Paul  
Sholom Community Alliance, St. Louis Park

Southside Services, Inc., Minneapolis  
Southwestern Center for Independent Living,  
Marshall  
St. Paul Area Council of Churches, St. Paul  
St. Paul Jewish Community Center, St. Paul  
The Arc of Minnesota, St. Paul  
The Word Applied, LLC, St. Paul  
Three Rivers Community Action, Zumbrota  
Tri-County Action Program, Inc., St. Cloud  
Twin Cities Area Chapter of ACES (Association  
for Children for Support), Cottage Grove  
Twin Cities Chinese Counseling Center, Lakeville  
Twin Ports Area Nonprofit Coalition  
United Jewish Fund & Council of St. Paul, St.  
Paul

Urban Partnership and Community  
Development Center, St. Paul  
Volunteer Resource Center, Minneapolis  
Washburn Child Guidance Center, Minneapolis  
Wayside House, Inc., St. Louis Park  
White Bear Unitarian Universalist Church Social  
Action Committee, White Bear Lake  
Winona County Developmental Achievement  
Center (DAC), Winona  
Winona O.R.C. Industries, Inc., Winona  
Winona Senior Advocacy Program, Winona  
Woodland Hills, Duluth  
YWCA of Minneapolis, Minneapolis  
YWCA of St. Paul, St. Paul