

July 7, 2005

Honorable Jim Oberstar  
U.S. House of Representatives  
2365 Rayburn House Office  
Washington, D.C. 20515

Dear Representative Oberstar:

As you know, the House and Senate both passed the Budget Conference Report for Fiscal Year 2006 on April 28. The Conference Report includes entitlement cuts of \$30.5 billion over five years; twice as much as the \$17 billion in reductions that were in the original Senate Budget Resolution. Up to \$10 billion in cuts to Medicaid as well as up to \$3 billion in cuts to the Food Stamp program are assigned under the Budget Conference Report. At the same time, the Conference Report includes \$106 billion in tax cuts, with \$70 billion of these cuts included in a fast-track reconciliation bill.

As representatives of diverse nonprofit organizations from throughout the state of Minnesota, we are disappointed that Congress has chosen to make these cuts in vital human services programs which serve the needs of our most vulnerable citizens, while at the same time approving yet another round of generous tax cuts to the wealthiest people in our nation. The additional pain and sacrifices imposed on low-income people under the Budget Conference Report are not justifiable, especially since the federal deficit is projected to increase by \$168 billion over the next five years under this budget. Such a policy choice is unconscionable and will lead to more low-income Minnesotans losing their access to health care and nutrition programs.

We are especially alarmed by the statement from Chairman Bill Thomas of the House Ways and Means Committee, who stated the day after the Budget Conference Report was passed that, "The numbers in the budget are minimums, not maximums ... and I think you'll find in dealing with minimums and maximums, the House wants to make a far bolder statement than the budget act legislation looks right now. Our job was to get the House and Senate in agreement. We'll now go to work on the House's version of the budget."

If Chairman Thomas follows through on his statements, the concessions won by the Senate in the budget negotiations leading to the Conference Report will be rendered meaningless. Such a result would have ominous implications for every other program in the appropriations process.

Many vital services were protected from budget cuts in the negotiations that led to the adoption of the Budget Conference Report. However, Chairman Thomas' comments raise the possibility that no programs are immune from deep cuts should other committee chairs follow Chairman Thomas' lead. Will the House and Senate now move to cut Supplemental Security Income (SSI), which provides income support to low-income elderly individuals and people with disabilities? Will the House and Senate now

move to reduce the Earned Income Tax Credit (EITC), the nation's most successful anti-poverty program? Will the House and Senate now move to cut grants to states for human services including Temporary Assistance to Needy Families (TANF), child care, foster care and adoption assistance, child support enforcement, unemployment insurance, and the Social Services Block Grant?

We urge you in the strongest terms to make clear your position that the entitlement cuts in the Budget Conference Report are **maximums – not minimums** – and that you will oppose any attempt through the appropriations or reconciliation process to increase the cuts in entitlement and human services programs above the figures in the Conference Report.

As of April 2005, over 585,000 Minnesotans receive health care funded through the federal Medicaid program. Over 253,000 Minnesotans receive Food Stamps, with benefits currently averaging less than \$1 per meal. We look to you to stand up for these Minnesotans throughout the appropriations process. If Congress follows Chairman Thomas' suggestion, you risk turning a disappointing budget into a truly deplorable one.

If you have questions concerning our position or would like to discuss these issues further, please contact Steve Francisco, Minnesota Council of Nonprofits' Federal Budget Campaign Coordinator, at 651-249-3806 or email at [steve@mncn.org](mailto:steve@mncn.org).

Sincerely,

Steve Francisco

Federal Budget Campaign Coordinator

On behalf of the Minnesota Council of Nonprofits and the following organizations:

Affirmative Options

Central Minnesota Jobs and Training Services

Children's Defense Fund Minnesota

Children's Mental Health Partnership

Domestic Abuse Project

Epilepsy Foundation of Minnesota

Family & Children's Service

Fraser

Freedom Resource Center for Independent  
Living

HOME Line

Home of the Good Shepherd/Rose Center

Housing Access Center

Housing Minnesota/Minnesota Housing  
Partnership

Immunization Action Coalition

Initiative for Violence-Free Families

Intercongregation Communities Association

Laura Baker Services Association

Minneapolis Highrise Representative Council

Minnesota Association of Community Mental  
Health Programs

Minnesota Coalition for the Homeless

Minnesota Social Service Association

National Council of Jewish Women, State Public  
Affairs

Olmsted Community Action

Project for Pride in Living

RESOURCE, Inc.

Restart Inc.

Saint Paul Area Council of Churches

Volunteer Resource Center

YWCA of Minneapolis