

#### Member Organizations

ASPIRA Association, Inc.  
Cuban American National Council  
Hispanic Association of Colleges and Universities  
Hispanic Federation  
Hispanic National Bar Association  
Labor Council for Latin American Advancement  
League of United Latin American Citizens  
Mexican American Legal Defense and Educational Fund  
MANA, A National Latina Organization  
National Association of Hispanic Federal Executives  
National Association of Hispanic Publications  
National Association of Latino Elected Officials  
National Conference of Puerto Rican Women, Inc.  
National Council of La Raza  
National Hispanic Caucus of State Legislators  
National Hispana Leadership Institute  
National Hispanic Council on Aging  
National Hispanic Environmental Council  
National Hispanic Foundation for the Arts  
National Hispanic Medical Association  
National Hispanic Media Coalition  
National IMAGE, Inc.  
National Institute for Latino Policy  
National Puerto Rican Coalition  
Self-Reliance Foundation  
SER Jobs for Progress-National  
Southwest Voter Registration Education Project  
United States Hispanic Chamber of Commerce  
United States Hispanic Leadership Institute  
United States-Mexico Chamber of Commerce



December 5, 2012

The Honorable John Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C.

Dear Speaker Boehner:

On behalf of the National Hispanic Leadership Agenda (NHLA), a coalition of the 30 leading Hispanic organizations in the United States, we write you with our recommendations to avoid the looming “fiscal cliff” that will shake our nation’s economy absent any action by Congress and the president. We urge Congress and the president to come together and avert an economic calamity that could lead to another recession and have a disproportionately negative impact on the nation’s growing Hispanic community.

Every four years, NHLA issues a Hispanic Public Policy Agenda, which provides policymakers with a blueprint of recommendations on how to address major issues of concern facing the Hispanic community in America. The document makes specific policy recommendations to federal policymakers in the areas of economic security and empowerment, education, immigration, government accountability, civil rights, and health. Under the Budget Control Act, passed by Congress and signed by the President in 2011, civilian agencies may lose almost \$40 billion dollars in top-line funding if sequestration goes into effect on January 2, 2013. Beyond the \$40 billion dollar funding cuts in 2013, for fiscal years 2014-2021, the additional discretionary sequester is achieved by lowering discretionary spending caps by \$984 billion over 9 years. This will make it exceedingly difficult, if not impossible, to implement many of NHLA’s policy recommendations.

As you know, the Hispanic community was among those hit hardest by the Great Recession, suffering higher-than-average levels of unemployment and the greatest loss in median wealth since 2005. Our community, which is struggling every day, cannot afford to take a single step backward. It is important to NHLA and America’s 50 million Latinos that the Congress and the President take a smart, balanced approach to deficit reduction. While we understand that our future economic health depends on reducing the deficit, it is unfair and reckless to rely mainly on cuts to programs that serve the most vulnerable in society.

### **Non-Defense Domestic Discretionary Spending**

The sequester’s cuts to non-defense domestic discretionary spending will impact programs critical to the Hispanic community and the nation that ensure our population is well-educated, trained to succeed in the workforce, has access to affordable housing and health care, and that provide for basic government functions, such as protecting vulnerable populations from discrimination.

## Education

Education programs have already suffered significant, harmful cuts to both K-12 and higher education. They cannot continue to be a source for deficit reduction. Our children deserve to have all of the tools they need to succeed and it is wrong to continue to balance the budget at their expense. The looming fiscal cliff will gravely injure education programs that disproportionately serve the Latino community.

Head Start, which helps local organizations to provide comprehensive early child hood services for low-income children and families will be cut by \$621,546,427. Not only will 96,179 fewer low-income children be served, but also 20,037 Head Start jobs will likely be cut. Early childhood education is the best investment we can make for our children and the fiscal cliff threatens it.

Title I is the cornerstone Federal program for helping all students, especially those from disadvantaged backgrounds, meet high academic standards. More than 90 percent of the Nation's local educational agencies (LEAs) receive these funds, which are allocated by a formula based largely on LEA family income levels. Sequestration would mean FY 2013 cuts of over \$1 billion, 1.8 million fewer students served, and 15,523 education jobs lost.

English Language Acquisition State Grants help English language learners and recent immigrant students learn English and become proficient in academic content standards. This program is beneficial to the Hispanic community, and sequestration would mean FY 2013 cuts of \$57,107,203 and 350,327 fewer English language learners served.

## Job Training

As our economy continues to recover from the worst economic period since the Great Depression, it is critical that we continue to invest in job training programs that prepare workers for jobs of the future and ensure businesses have workers to compete in the 21st century global economy. The Hispanic community was hit hard during the Great Recession, and vital programs that could help our community get back on its feet are at risk of being drastically cut.

Workforce Investment Act (WIA) State Grants provide employment and training services to low-skilled, disadvantaged and underemployed adults; dislocated workers needing new or upgraded skills; and youth who have dropped out of high school and want to go back to school or enter the labor market. For WIA Adult State Grants, sequestration would mean FY 2013 cuts of \$60,122,637 and 349,165 fewer adults served. For WIA Dislocated Worker State Grants, sequestration would mean FY 2013 cuts of \$78,876,749 and 45,770 fewer dislocated workers served. For WIA Youth State Grants, sequestration would mean FY 2013 cuts of \$64,300,022 and 18,611 fewer youth served.

## Veterans

NHLA is pleased that veterans' disability and education benefits, health care and counseling are all exempt from sequestration. However, veteran's programs outside the Veteran's Administration are still vulnerable.

Programs such as the Jobs for Veterans State Grants Program provide grants on a formula basis to State workforce agencies. This funding is used to increase employment opportunities for veterans. In June 2012, veterans who served in our military in or after September 2001 had an unemployment rate of 9.5 percent, a rate 17 percent higher than nonveterans. Sequestration would mean FY 2013 cuts of \$12,678,000 and 51,419 fewer veterans served. It is our responsibility to continue to provide job training assistance to men and women when they come home.

Drastic cuts to these and other non-defense domestic discretionary programs will only further weaken our economy and job creation. Instead, we should be investing in our future now to grow the economy so that we can better afford to make cuts later in the decade.

### Housing

The bursting of the housing bubble contributed to the worst recession our nation has endured since the Great Depression. The impact on Hispanic families has been grave. More than 17% of Hispanic homeowners have lost their home or are at serious risk of foreclosure soon, and two-thirds of Hispanic household wealth has been eroded. Vacant and abandoned properties dot Hispanic neighborhoods and continue to keep home values low. Most experts agree that our economy will not fully recover until the housing market rebounds.

Families that receive housing counseling before they purchase a home are far less likely to default. Troubled homeowners that work with a qualified counselor are far more likely to secure a sustainable loan modification than those without. In fact, housing counseling has been heralded as one of the most effective foreclosure prevention programs in place. Mandatory sequestration would cut \$4 million from the budget, resulting in 15,664 fewer households receiving this service. Furthermore, sequestration would also eliminate \$1.6 billion in tenant-based rental assistance. This would leave 185,000 low-income families without the assistance they need to remain stably housed.

***The National Hispanic Leadership Agenda therefore recommends that Congress and the President make no further cuts to nondefense domestic discretionary spending.***

### **Mandatory Programs**

Social Security, Medicare, Medicaid, food stamps, veterans' disability benefits, and other mandatory programs provide safety-net services and income to the most vulnerable in society – the disabled, children, seniors, our veterans, and the poor. With high unemployment and home foreclosures hitting the Hispanic community at disproportionately higher rates than the rest of the population, any dilution of these critical programs will place unconscionable hardships on millions of people.

Millions of Latinos with chronic and serious illnesses rely on Medicaid for access to lifesaving health care. Without Medicaid, these individuals would be uninsured and unable to access regular care, leading to worse health comes and premature death. Our seniors have worked their entire lives to provide for themselves and their families. They count on Social Security and Medicare to provide them with a basic level of economic security and health care in their retirement. Increasing the eligibility age for middle and

low income earners, privatization, or converting these programs into vouchers will result in less economic security and less access to necessary health care.

NHLA understands that reforms to achieve savings in Social Security, Medicare, and Medicaid have been part of discussions between Congress and the Administration since last year. We know some changes to these programs will be necessary to ensure their sustainability and availability for decades to come. Because of this, NHLA opposes any raid on these programs for the purpose of deficit reduction. Instead, savings derived from changes to Social Security, Medicare, and Medicaid should be invested in strengthening those programs for the long term.

*The National Hispanic Leadership Agenda therefore urges Congress and the president to refrain from cutting mandatory programs or changing their eligibility criteria in any way that negatively impacts lower- and middle-income individuals and families, or our veterans.*

### **Defense Spending**

The Hispanic community has a long and proud history of service in the defense of our nation through our armed forces, from the Revolutionary War to today. We appreciate the necessity of a strong defense to protect our nation and its interests. At the same time, we note that U.S. defense spending now accounts for the majority of discretionary spending and is more than that of all our top rivals combined. The bipartisan Simpson-Bowles Commission and the Rivlin-Domenici Debt Reduction Task Force each identified over \$1 trillion in deficit reduction that could be achieved through defense cuts over the next ten years.

*The National Hispanic Leadership Agenda therefore recommends that Congress and the president make significant cuts to defense spending that reduce the deficit by \$1 trillion over 10 years.*

### **Other Revenue Generating Recommendations**

At times of hardship, those with the broadest shoulders should carry the greater burden. It is simply unfair to demand that struggling working and middle class families pay more for education, health care, and housing, while asking nothing from individuals whose incomes put them in the top two percent of the income ladder or from corporations that post mounting profits while not creating new jobs.

We have accepted that painful cuts to nondefense domestic discretionary programs were necessary, but cannot accept that those with the greatest means – and who will benefit greatly from a stronger economy – are unable to contribute to deficit reduction. The history of the 1990s taught us that strong economic growth follows a balanced deficit reduction plan that includes targeted increases in revenue. The government can also improve its revenue stream by ending subsidies and tax loopholes

The National Hispanic Leadership Agenda therefore recommends that the Congress and the president:

1. Allow the 2001-2003 tax cuts for high incomes to expire, reducing the deficit by an estimated \$830 billion;
2. Allow the reduced tax rates on estates and capital gains to expire, and;
3. End subsidies and tax breaks for profitable industries.

If adopted, our recommendations would help achieve significant deficit reduction, without crippling those programs that invest in our future and protect our most vulnerable.

We appreciate your consideration of our recommendations. We stand ready to work together to build a stronger, more prosperous America for all.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Sanchez", with a long horizontal flourish extending to the right.

Hector Sanchez

Chair  
National Hispanic Leadership Agenda