

March 24, 2015

United States Senate
Washington, DC 20510

Re: NHLA Opposition to Senate Budget Resolution, and views on potential amendments

Dear Senator:

On behalf of the National Hispanic Leadership Agenda (NHLA), a coalition of 39 leading nonpartisan national Latino advocacy organizations, **we strongly urge you to vote against the Fiscal Year 2016 Senate Budget Resolution.** NHLA will closely monitor votes on the FY16 Senate Budget Resolution, and related amendments described below, and will include them in future NHLA scorecards evaluating Senators' support for the Latino community.

The Senate Budget Resolution exacerbates the trend in recent years of achieving deficit reduction through shortchanging the investments our economy needs in order to grow. Sixty-nine percent of cuts in the Senate Budget Resolution are to programs that serve families and individuals with low or modest incomes, even though these programs constitute less than 25 percent of the costs of federal programs overall. In contrast to these cuts negatively impacting low and modest income households, the Senate Budget Resolution increases defense spending by 24.5 percent over ten years, and fails to close any tax loopholes that benefit large corporations or the wealthiest Americans.

This is an unfair budget that places the burden of deficit reduction on those struggling to make ends meet while asking for no sacrifices from those who have benefited from the largest gains in wealth over the past decade.

In particular, the Senate Budget Resolution runs counter to NHLA's budget priorities in the following ways:

- 1. Reckless Cuts to Domestic Priorities.** The Senate Budget Resolution calls for cutting the funding for non-defense discretionary programs by at least \$236 billion below existing sequestration levels through 2025. This would result in a 24 percent cut to funding for non-defense discretionary programs between 2010 and 2025, leaving insufficient resources to invest in education, job-training, childcare, infrastructure, and important government functions such as the enforcement of civil rights and labor laws, and conducting the census.
- 2. Slashes the Safety Net.** The Senate Budget Resolution would make deep cuts to safety-net programs that serve the most vulnerable in society. The Budget Resolution would require \$400 billion in unspecified cuts to Medicare and \$400 billion in cuts to Medicaid, on top of repealing the Affordable Care Act's expansion of Medicaid. It would also cut income support programs by \$660 billion over ten years. While the budget does not specify which income support programs would be cut and by exactly

how much, the following programs in the income support category would likely face cuts: the Supplementary Nutrition Assistance Program (SNAP), school lunch and other child nutrition programs, and Supplemental Security Income for the elderly and disabled poor.

3. **Fails to Provide Tax Relief to Working Families.** NHLA has repeatedly called for tax reform that helps working families through the strengthening of tax credits that reward work and keep millions of adults and children out of poverty. Specifically, we have called for making permanent the 2009 expansions of the refundable portions of the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) that provide relief to lower income individuals and families. In contrast, the Senate Budget Resolution would let the refundable portions of these two tax credits expire. Scaling back the EITC and CTC in this manner would push over 16 million people, including eight million children, into poverty or deeper into poverty. Specifically, the EITC rollback would affect two million Latino working families, and the CTC rollback would impact three million Latino working families with six million children.

To make matters even worse, the underlying resolution includes an amendment adopted in committee that would seek to bar undocumented workers from applying for the EITC, regardless of whether their children and other family members are U.S. citizens or legal permanent residents. This amendment is a political gimmick designed to appeal to anti-immigrant sentiments. It is worth noting that all workers are required to file taxes regardless of their immigration status, and that any EITC claimants must pay their income and payroll taxes before any refunds are issued.

4. **Takes Away Affordable Health Care.** The Senate Budget Resolution would repeal the Affordable Care Act (ACA), eliminating subsidies that make health insurance plans affordable and reversing the expansion of Medicaid that has been undertaken by most states. The ACA has contributed to a drop in the rates of uninsured Latinos from 36 to 23 percent. Repealing the ACA would jeopardize the health insurance of the 2.6 million Latino adults who gained health insurance coverage between the start of the ACA's initial open enrollment period in October 2013 and June 2014 – a figure that is likely higher since the end of the second enrollment period.

Opposition to Anti-Immigrant Amendments

During debate on the Senate floor, we expect a number of proposals to be made to amend the Senate Budget Resolution that would make it even worse. In particular, we urge you to oppose any amendments that target immigrants. It is particularly disingenuous to suggest that undocumented immigrants are somehow contributing to the deficit when, in contrast, undocumented immigrants and individuals who receive deferred action are already prohibited from participating in federal programs, such as SNAP, CHIP, the programs under the Affordable Care Act, Social Security and Medicare, even though they pay taxes that fund these programs. For example, the Social Security Administration estimated in 2010 that undocumented workers contributed \$13 billion to the Social Security trust fund, and the Institute on Taxation and Economic Policy estimated that in the same year, undocumented immigrants contributed \$10.6 billion in state and local taxes.

If Senators are serious about wanting to reduce the deficit, they should instead enact immigration reform legislation, such as the *Border Security, Economic Opportunity, and Immigration Modernization Act* that the Senate passed in 2013, which would produce net deficit reduction of \$173 billion between 2016 and 2025, according to the Congressional Budget Office and Joint Committee on Taxation.

Amendments Deserving Support

We also expect several amendments to be offered that would improve the Senate Budget Resolution. Although their adoption would not reverse our opposition to the underlying bill, they are steps in the right direction, and we therefore urge you to support amendments that suspend sequestration for non-defense

discretionary programs. Removing the arbitrary across-the-board spending caps imposed by sequestration would allow for greater investment in key non-defense domestic programs that expand economic opportunity across the nation's population and lay the foundation for sustained, long-term economic growth.

We appreciate your attention to our concerns. For additional information, please do not hesitate to contact NHLA through Albert Jacquez of NCLR, at (202) 785-1670 or ajacquez@nclr.org, or Andrea Senteno, of MALDEF, at asenteno@maldef.org or 202-572-0467.

Sincerely,



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