COALITION ON HUMAN NEEDS
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March 15, 2016

Dear Member of the House Committee on Ways and Means:

On behalf of the Coalition on Human Needs, I urge you to oppose the package of bills you will be taking up on Wednesday, March 16 intended to cut $98 billion over 10 years. That package includes H.R. 4722, which would deny the refundable Child Tax Credit to certain immigrant families, H.R. 4723, which would recover all Affordable Care Act premium subsidy overpayments from taxpayers of modest means, and H.R. 4724, which would eliminate the Social Services Block Grant.

The Coalition on Human Needs is an alliance of national organizations including faith-based groups, human service providers, policy experts, labor and civil rights groups, and other advocates concerned about meeting the needs of low-income and vulnerable people. We oppose these bills because they would harm low- and moderate-income families, including many children. Low-income programs providing education, nutrition, youth services and housing have sustained multiple cuts in recent years; the bills before you would further target the people who can least afford more losses.

The Child Tax Credit: Please vote against H.R. 4722, which would deny the refundable Child Tax Credit to millions of low-income children whose parents are immigrants, and who file their tax forms through the legal use of Individual Taxpayer Identification Numbers (ITINs). About 80 percent of the children in such families are citizens – about 4.1 million children, as estimated by the Migration Policy Institute. Another 1 million children are, like their working parents, undocumented. They are the "little Dreamers" who have usually come to the U.S. when small and know no other home. Nearly one-third (30.9 percent) of children in low-income families have immigrant parents. About 85 percent of families who would lose the credit because a parent lacks a Social Security number are Hispanic. Low-income families without a Social Security number will lose on average $1,800 if the Child Tax Credit is denied. It is not in the national interest to deepen the poverty of millions of children who are part of the American community. Loss of this tax refund could result in inability to pay rent or to keep up with utility or food bills. Children subject to frequent moves, lack of heat, homelessness, and/or inadequate food are more likely to suffer ill health, developmental and educational problems. It is shortsighted and simply wrong to make these 5.1 million children poorer when their working parents are obeying the tax laws and generating $13 billion in payroll tax payments.

Increasing Financial Risk for Low/Moderate Income Families: Please reject H.R. 4723, which would end the current limits on how much people of modest means would be asked to repay overpayments in health insurance premium subsidies provided through the Affordable Care Act. Because people's income often fluctuates, overpayments are not uncommon. Under current law, taxpayers with incomes of 400 percent of the poverty line or higher must pay back overpayments in full. But single taxpayers with incomes below 200 percent of the poverty line do not have to pay back more than $300; taxpayers filing jointly at that income level do not have to pay back more than $600. As income rises, the amount to be repaid also goes up; for example, at 300 – 399 percent of the poverty line, single taxpayers must repay up to $1,250; joint filers must pay back up to $2,500. H.R. 4723 would require full repayment for everyone, no matter what their income level. The insecurity of possibly owing well over $1,000 more than the current caps if a family member gets a job, or if a dependent leaves home, is likely to deter 220,000 – 250,000 people from signing up for health insurance, and these people will tend to be healthier. That will mean the pool of insured people will be sicker, causing rates to rise. Discouraging healthy people from getting health insurance is counterproductive, and increasing the economic insecurity of people with modest incomes is unjust and unwise.

The Social Services Block Grant: We strongly urge you to vote against H.R. 4724, legislation that would eliminate the $1.7 billion Social Services Block Grant. When SSBG was created in the Reagan years, its rationale was that it provided more flexibility for states to decide how best to meet their own particular needs. This source of grant funding would enable states to provide a range of social services for low-income people, with emphasis on child and adult welfare services. Then, as now, members of Congress often speak about the importance of giving states that kind of flexibility, and SSBG funds allow states that have unmet needs in particular areas to augment their resources. It is ironic that the House Committee on Ways and Means' summary description of this bill calls SSBG a "slush fund," since it is doing just what the Reagan-era Congress asked of it. These funds are urgently needed now, because 35 states and the District of Columbia reduced their spending on child welfare services between 2010-2012 (the most recent data available). States have therefore especially needed SSBG funds to carry out their child welfare responsibilities. Child foster care services made up 14 percent of SSBG expenditures in 2012; child protective services made up 12 percent of expenditures. Across all programs receiving SSBG support, nearly half (47 percent) serve children. Among the children served, about 30 percent received services to protect against abuse or neglect; 27 percent received child care services. SSBG also plays an especially important role in providing services for at risk youth: nearly half (49 percent) of special services for at risk youth are funded through SSBG. Elimination of this funding source would have harsh consequences for a very underserved and vulnerable group. In addition, SSBG provides most of the funds for certain services for seniors. Two-thirds of the funding for adult day care services and 46 percent of adult protective services funding is provided through SSBG.

Thirty million people benefit in whole or part from SSBG-funded services. Wiping out this support for social services will deny vital help to vulnerable people. Attached to this letter is SSBG funding by state.
Members of the House Committee on Ways and Means should reject proposals that place even greater burdens on low-income people and that eliminate needed services for children, families, youth, seniors, and people with disabilities. Instead, there are hundreds of billions of dollars in tax breaks within your jurisdiction that help the wealthy and profitable corporations. These tax expenditures deserve your scrutiny, not services for the poor.

Please do not hesitate to contact me for more information (dweinstein@chn.org; 202-223-2532 x111).

Sincerely,

Deborah Weinstein
Executive Director