



# COALITION ON HUMAN NEEDS

1120 Connecticut Avenue, NW ■ Suite 312 ■ Washington, DC 20036 ■ (202) 223-2532 ■ [www.chn.org](http://www.chn.org)

January 21, 2009

The Honorable Charles Rangel  
Chair, House Committee on Ways and Means  
House of Representatives  
Washington, DC 20515

Dear Chairman Rangel:

The Coalition on Human Needs wishes to express heartfelt support for the American Recovery and Reinvestment Tax Act of 2009 being considered by the House Committee on Ways and Means. The bill's provisions, consistent with proposals put forward by the Obama Administration, heed the advice of economists across the political spectrum in emphasizing spending and tax cuts most likely to spur economic growth. Their advice is to target assistance to low- and moderate-income people and to provide aid to states and localities, to prevent service and job cuts that will deepen the recession. People whose incomes are low will spend their increased income rapidly on food, clothing, energy, and other basic needs that they might not otherwise be able to afford. State and local governments will be able to sell bonds to invest in school construction and to spur private sector investment in poor communities. Purchases by families and governments alike will boost the income of supermarkets, gas stations, service providers, construction crews, and retail stores. More sales mean fewer lay-offs or even more hours of work or new hires, just what is needed to reverse the recession.

The Coalition on Human Needs' members – service providers, faith-based groups, labor, policy experts, civil rights organizations and other advocates serving millions nationwide – see the hardship caused by the deepening recession and believe strongly that the remedies in the House legislation are urgently needed.

The House's economic recovery legislation is a balanced package that is more effective *because* it meets human needs, not despite those provisions. It includes urgently needed help for some of those most hurt by the ravages of the recession, and least powerful or well-connected to seek aid to counteract it. That your bill provides help to these vulnerable people – poor aged and disabled who will receive a one-time boost in their SSI benefits, those out of work at the margins of our economy, the poorest families with children, and so many more – is testament to the fact that this legislation has been designed both to alleviate hardship *and in so doing*, to foster economic growth.

There are so many excellent provisions in this legislation that we fear praising only a sampling will wrongly imply we do not greatly value others not listed here. But we will risk it. Calculating the Child Tax Credit refund starting from the first dollar of earnings will provide very important assistance to more than 13 million children in low-income families; the Committee deserves high praise for including this major step forward. Similarly, the bill

temporarily increases the Earned Income Tax Credit for families with three or more children, makes a portion of the Hope Scholarship Credit refundable, and includes the new refundable Making Work Pay Credit. A one-time increase in Supplemental Security Income (SSI) will help poor people with disabilities and poor elderly to afford to meet more of their basic needs. The legislation restores federal matching funds for state child support enforcement, thereby protecting children and families from losing \$1 billion a year in child support collections. In addition, a new emergency fund is established for Temporary Assistance for Needy Families to help states whose caseloads of very poor families are rising.

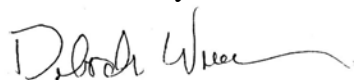
More of those out of work will get Unemployment Insurance because benefits for the long-term unemployed are further extended and because states are provided new incentives to modernize by covering more of the jobless. UI beneficiaries will receive \$25 more per week. Further, the bill addresses the very great needs of jobless people who lose their health insurance by providing 12 months of assistance in paying for continuing health coverage through COBRA (a 65 percent subsidy), plus additional months of COBRA coverage for workers age 55 or older or who have worked at least 10 years for the employer before being laid off. For low-income workers who cannot afford even subsidized COBRA after being laid off, the bill provides states with the option of covering them under Medicaid.

Your Committee's legislation will help to produce three to four million jobs as part of the full economic recovery plan. We believe it is important to help people with the lowest incomes and few skills to secure some of the jobs created, and hope that the completed economic recovery package will include more preferences for projects hiring low-income minorities, youth, veterans, women, or other special populations. Towards this end, this legislation provides tax incentives to hire unemployed veterans and disconnected youth and provides Recovery Zone bonds for investment in poor communities. Helping the poorest people to gain a paycheck will fuel the economy in the short term; at the same time, the work they perform can rebuild roads, bridges, and schools or make other contributions to the economy. The jobs created or saved will come not just from construction and related projects, but most importantly also from the assistance extended to enable hard-pressed individuals and families to buy what they need.

The American Recovery and Reinvestment Tax Act provides grants to states for low-income housing. We hope that the comprehensive legislative package will do more to invest in affordable housing by including funds for the National Housing Trust Fund.

The many provisions of the American Recovery and Reinvestment Tax Act and associated legislation will help to reverse the recession. We thank you for your leadership in providing the help most needed, and will look forward to working with you to encourage its speedy enactment.

Most sincerely,



Deborah Weinstein  
Executive Director