



## Center *for* Public Policy Priorities

October 10, 2005

The Texas Congressional Delegation  
The 109<sup>th</sup> Congress of the United States

Dear Member:

Hurricane Katrina and her sister Rita changed the face of the Gulf Coast and the minds of Texans. If they ever did, Texans no longer support cutting services for the poor and taxes for the rich. After the storms, such a course would be particularly harmful to our state. The federal government funds 36% of our state budget. More than 60% of these federal dollars—over \$12 billion a year—go to health and human services for our children, elderly, people with disabilities, and other vulnerable Texans. Federal Medicaid dollars support critical health care for more than 2.6 million Texans. Outside the state budget, another \$2.6 billion in federal Food Stamp benefits feed 2.4 million Texans. Katrina and Rita have made our need for federal help greater.

Even before the storms, many Texans were dubious about proposed cuts, particularly to Medicaid and Food Stamps. Since the storms, Texans have moved from doubt to disbelief. America has suffered a major natural disaster that made plain to all the deep poverty in our country, yet our Congress is still discussing slashing services for those in need to pay for tax cuts for those with plenty.

Texans are concerned about the federal deficit, and we understand the need for fiscal discipline in spending; but fiscal discipline also requires paying fair and adequate taxes. The massive tax cuts Congress enacted in 2001 and 2003 dwarf the costs of Katrina and Rita. These tax cuts will reduce federal revenues by \$225 billion in 2005 alone. Long before the storms, Congress was pursuing budget reconciliation to raise money to fund new tax cuts for the wealthy through extending tax cuts on dividends and capital gains. This course is no longer conscionable, if it ever was.

We ask you to do three things. First, abandon budget reconciliation—both the budget cuts and new tax cuts. Second, repeal the two upcoming tax cuts for the wealthy—the elimination of the current upper limits on personal exemptions and on itemized deductions for people at high incomes. Third, reject any other tax cuts that do not target low-income Americans unless you offset the lost revenue with other revenue measures. If you do this, we will be able to rebuild from the storms, continue to meet our vital needs for health and human services, and begin to restore fiscal discipline.

Respectfully yours,

F. Scott McCown  
Executive Director

C: Governor of Texas  
The 79<sup>th</sup> Legislature