NATIONAL WOMEN'S LAW CENTER
EXPANDING THE POSSIBILITIES

February 11, 2009 VIA FACSIMILE

Dear Senator:

On behalf of the National Women's Law Center, we write to urge you to develop the strongest possible version of H.R. 1, the American Recovery and Reinvestment Act. We face an extraordinary economic crisis, with 20,000 jobs being lost each day, double-digit unemployment among women who head families, and state and local governments cutting health care, education, and other supports – eliminating vital services for families and jobs primarily held by women. We urge conferees to support the investments that would do the most to create jobs for women and men, alleviate hardship, protect vital public services, and boost the economy. This can be done without increasing the overall cost of the bill, by eliminating or scaling back tax cuts that would have little stimulative effect.

Both bills include important investments in education and support for state and local governments. However, the Senate bill provides $40 billion less for the State Fiscal Stabilization Fund than the House bill – which means less funding for education programs from preschool through grade 12, less funding to protect other vital state and local services, and fewer jobs for teachers and other workers, mostly women, who provide those services. The reduction in funding for the State Fiscal Stabilization Fund in the Senate bill means an estimated 182,000 fewer jobs. With women representing about 60 percent of state and local employees overall, and an even higher percentage in the education sector, the difference between the House and Senate funding levels for the State Stabilization Fund represents about 108,000 jobs for women. We urge conferees to adopt the House funding level.

The funding both bills provide to rebuild infrastructure and develop clean energy will create many jobs and provide lasting benefits, but most of these jobs are in fields where women are still severely underrepresented. To help ensure that these opportunities are available to women and men, the House bill, but not the Senate bill, provides $80 million to the Department of Labor to enforce worker protection laws and regulations. Among other things, these laws and regulations ban discrimination and require Federal contractors and subcontractors to take affirmative steps to ensure that all individuals have an equal opportunity for employment without regard to sex and other categories. We urge conferees to include this funding.

Both bills recognize that increased funding for child care and Head Start helps parents afford the child care they need to hold on to their jobs, creates jobs for early childhood educators, and helps children get the safe, stable care and early education experiences they need. Both bills provide the same, much-needed increase in funding for the Child Care and Development Block Grant (CCDBG); the Senate bill includes targeting for quality improvements, which we support. The House bill provides $2.1 billion for Head Start and Early Head Start; the Senate provides only half as much,

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meaning fewer jobs for Head Start teachers, more strain for parents, and fewer opportunities for low-income children. We urge conferees to include $2.1 billion for Head Start, as provided by the House bill. The House bill provides funding for other early childhood investments, not included in the Senate bill, which should be included in the final package, including funding for child development centers at U.S. military installations, for afterschool meals, and for Individuals with Disabilities Education Act (IDEA) Infants and Families formula grants to help states serve children with disabilities age two and younger. The Senate bill includes language regarding the targeting of investments in the following areas: quality improvements in CCDBG; using 15 percent of Title I targeted assistance and education finance incentive grants for programs for children below school age; and, using 15 percent of funding for (IDEA) programs for preschool grants. We hope that the Senate language targeting investments for early education programs is included in the final bill.

Both bills strengthen Medicaid, a program that serves more than 20 million adult women, at a time when states are seeing increased demand for services while revenues decline. We strongly support the $87 billion in increased federal support that both bills provide for Medicaid and the extension of the Transitional Medical Assistance program, measures that protect health care coverage for vulnerable people and jobs for workers, mostly women, in the health care sector. However, many jobless workers are ineligible for Medicaid and do not have access to COBRA coverage, including those who worked for employers exempt from COBRA requirements or bankrupted businesses. To provide health care assistance to these workers, we urge conferees to adopt the House provision that gives states the option of providing temporary Medicaid for certain involuntarily unemployed workers.

Providing a 12-month COBRA subsidy will also provide critical assistance to unemployed workers to keep vital health coverage; the 65% subsidy as in the House bill would allow more unemployed workers to be able to afford this coverage than with the 50% subsidy in the Senate bill. We also support extending COBRA coverage to long-term workers: those over age 55 or with more than 10 years of service, as in the House bill. This provision will especially help older unemployed workers, who may face greater difficulties finding work with health coverage. In addition, we support the House provision for a Prevention and Wellness fund of $3 billion, to support critically important programs through the Preventive Health and Health Services Block Grant and include support for immunizations, HIV/AIDs, investments in the public health workforce and environmental health programs. We also recommend that the final bill include the House provision to extend the moratoria on certain Medicaid regulations promulgated by the Bush Administration.

We regret that neither bill as passed included a provision to make it easier for states to make family planning services more accessible and affordable to the millions of women and families who depend on them. This provision, known as the Medicaid Family Planning State Option, would have allowed states to expand Medicaid eligibility for family planning services without having to obtain a federal waiver. The Medicaid Family Planning State Option would give women access to contraception and other basic preventive health care at a time when they face severe economic strain in securing and holding jobs and would have saved states and the federal government hundreds of millions of dollars that could have provided additional resources to invest in some of these other pressing priorities. The Medicaid Family Planning State Option fully belonged in the American Recovery and Reinvestment Act, and hope that Congress acts quickly to put this provision in place.

Expanding the refundable child tax credit is a highly effective way to stimulate the economy, because the increase is targeted to low-income parents who will spend it quickly to purchase the goods and services their families need. The House bill would lower the eligibility threshold for the refundable Child Tax Credit from $8,500 to zero, enabling parents with very low earnings to qualify for at least a partial credit. The House provision would make 3.7 million children newly eligible for the credit and improve the credit for 10.4 million children in low- to moderate-income families. The Senate bill would lower the threshold only to $8,100, providing far less help to families most in need – disproportionately headed by single mothers – and doing far less to boost demand and strengthen the economy. We urge that the threshold be lowered to zero, as in the House bill.

Both bills increase Supplemental Nutrition Assistance Program (SNAP) benefits (formerly known as Food Stamps). The higher level of funding for SNAP benefits provided in the House bill will provide more help to those most in need and provide additional stimulus to the economy, and we urge that it be adopted. We also recommend that the final bill include the two-year suspension of time limits on SNAP/Food Stamps for certain jobless adults provided in the Senate bill.

Both bills temporarily restore funding cut by the Deficit Reduction Act of 2005 to protect child support enforcement services for over 17 million children and their single parents. The House bill would restore funding through September 30, 2010; the Senate bill, through December 31, 2010. We urge conferees to restore funding through December 31, 2010, as in the Senate bill.

The spending increases recommended in this letter can be included in the final bill without increasing its overall cost by eliminating or scaling back tax provisions that will do little to promote an economic recovery. The tax cuts that are most stimulative are those that go to low- and moderate-income people who will spend the money quickly, such as the Child Tax Credit, Earned Income Credit, and Make Work Pay Credit, versions of which are included in both bills. However, the Senate bill includes a number of tax provisions that will do little to boost the economy. For example, the Senate bill includes, at a cost of $70 billion, the annual patch to the Alternative Minimum Tax. The stimulative effectiveness of this anticipated tax measure, which mostly benefits higher-income households, has been rated as a "D-" by the Urban-Brookings Tax Policy Center. We recognize that Congress is likely to enact such a provision at some point this year, which is all the more reason that it should not displace more effective economic recovery measures in this bill. The Senate version of the Homebuyers' Tax Credit costs about $35 billion more than the House version. Because the Senate version is nonrefundable, is not limited to first-time home buyers, and has no income limits, it will do little to help those struggling to buy a home (much less those on the verge of losing one) while providing an unneeded tax break to higher-income people who would have bought a new home anyway or decide to flip their current residence (putting their own home on the market and not creating new demand). The House version of the Homebuyers' Tax Credit is much better targeted. The Senate bill's provision for a deduction for the interest and sales taxes on auto purchases, including light trucks and SUVs, is estimated to cost $11 billion over ten years. It will not benefit those who cannot afford to buy a new car or who earn wages too low to benefit from a tax deduction, even one that is "above the line."

We appreciate the work that both the House and Senate have done to advance plans that will promote an economic recovery. This crisis demands that conferees do not simply split the difference between the bills, but do as much as possible to create jobs, boost demand, help families through tough times, and invest in our future.

Sincerely,

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