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**NHLA PROPOSAL TO SUPERCOMMITTEE ACHIEVES OVER \$1.5 TRILLION IN DEFICIT REDUCTION WITHOUT SLASHING PROGRAMS VITAL TO ECONOMIC RECOVERY**

*Letter to Deficit Reduction Committee members urges safeguarding Social Security, health, education, and other important programs, while reducing the deficit through defense cuts and increased revenue*

WASHINGTON, DC - The National Hispanic Leadership Agenda (NHLA), a coalition of the 30 leading Hispanic organizations in the United States, today released a letter to members of the Joint Select Committee on Deficit Reduction proposing over \$1.5 trillion in deficit reduction over the next 10 years. The NHLA recommends protecting programs that the most vulnerable rely on and that invest in our future economic strength, while also achieving significant deficit reduction through the defense cuts proposed by the Simpson-Bowles Commission and allowing the 2001-2003 tax cuts for higher income earners to expire.

"The Hispanic community was among those hit hardest by the Great Recession, suffering higher-than-average levels of unemployment and the greatest loss in median wealth since 2005," wrote Lillian Rodríguez López, chair of NHLA, in the letter. "It is therefore important to NHLA and America's 50 million Latinos that the Joint Select Committee takes a balanced approach to deficit reduction. We understand that the deficit must be reduced for the long-term economic health of the nation. However, it would be unfair and reckless to rely mainly on cuts to programs that serve the most vulnerable in society."

The letter urges no additional cuts to non-defense discretionary spending, which was already cut and placed under severe caps by the Budget Control Act. Further cuts would only weaken our economy and job creation, slowing the recovery of the Hispanic community which was among those hit hardest by the Great Recession. Additionally, while NHLA recognizes the need to restructure mandatory spending programs such as Social Security and Medicaid, it asserts that reforms should seek to strengthen those programs, not raid them for deficit reduction.

To achieve needed deficit reduction, NHLA recommends that the Joint Select Committee on Deficit Reduction adopt recommendations by the Simpson-Bowles Commission and the Rivlin-Domenici Debt Reduction Task Force to cut \$1 trillion in defense spending over 10 years. The organization also recommends three revenue increases: allowing the 2001-2003 tax cuts for high incomes to expire, ending subsidies for the oil, gas, and agricultural industries, and expanding sales of spectrum at auction.

*Full text of the letter:*

Dear Senator:

On behalf of the National Hispanic Leadership Agenda (NHLA), a coalition of the 30 leading Hispanic organizations in the United States, I congratulate you on your appointment to the Joint Select Committee on Deficit Reduction ("Joint Select Committee") and ask that you take into consideration the priorities of the nation's growing Hispanic community as you embark on the important task of reducing the federal budget deficit. Hispanic taxpayers pay into the federal treasury and have earned the right to make our voices heard in the process that decides how our dollars are spent.

Every four years, NHLA issues a Hispanic Public Policy Agenda, which provides policymakers with a blueprint of recommendations on how to address the major issues of concern facing the Hispanic community in America. Earlier this year, we issued a progress report assessing the achievements of the President and Congress since the 2008 Hispanic Public Policy Agenda was released. When it comes to addressing the

economic hardships faced by the Latino community during the Great Recession, the report documents the significant measures achieved during the 111<sup>th</sup> Congress. The Children's Health Insurance Program Reauthorization Act, the American Recovery and Reinvestment Act, the Affordable Care Act, the expansion of Pell Grants, the extension of Unemployment Insurance benefits, and the Healthy Hunger-Free Kids Act are all examples of major accomplishments that provide critical support to keep families working, in their homes, healthy, and with the promise of opportunity to achieve the American Dream.

All of these accomplishments are at risk of being reversed by the Joint Select Committee. As you know, the Hispanic community was among those hit hardest by the Great Recession, suffering higher-than-average levels of unemployment and the greatest loss in median wealth since 2005. Our community, which is struggling every day, cannot afford to take a single step backwards. It is therefore important to NHLA and America's 50 million Latinos that the Joint Select Committee take a balanced approach to deficit reduction. We understand that the deficit must be reduced for the long-term economic health of the nation. However, it would be unfair and reckless to rely mainly on cuts to programs that serve the most vulnerable in society.

### **Non-Defense Domestic Discretionary Spending**

The bipartisan Budget Control Act already requires cuts to discretionary spending that will reduce the deficit by over \$900 billion over the course of the next decade. \$550 billion of these cuts are to non-defense domestic discretionary spending. These cuts will impact programs critical to the Hispanic community and the nation that ensure our population is well-educated, trained to succeed in the workforce, has access to affordable housing and health care, and that basic government functions, such as protecting vulnerable populations from discrimination, continue to be provided.

Drastic cuts to these programs will only further weaken our economy and job creation. Instead, we should be investing in our future now to grow the economy so that we can better afford to make cuts later in the decade.

The National Hispanic Leadership Agenda therefore recommends that the Joint Select Committee make no further cuts to non-defense domestic discretionary spending.

### **Defense Spending**

The Hispanic community has a long and proud history of service in the defense of our nation through our armed forces, from the Revolutionary War to today. We appreciate the necessity of a strong defense to protect our nation and its interests. At the same time, we note that U.S. defense spending now accounts for the majority of discretionary spending and is more than that of all our top rivals combined. The bipartisan Simpson-Bowles Commission and the Rivlin-Domenici Debt Reduction Task Force each identified over \$1 trillion in deficit reduction that could be achieved through defense cuts over the next ten years.

The National Hispanic Leadership Agenda therefore recommends that the Joint Select Committee propose significant cuts to defense spending that reduce the deficit by \$1 trillion over 10 years.

### **Mandatory Programs**

Social Security, Medicare, Medicaid, food stamps, veterans' disability benefits, and other mandatory programs provide safety-net services and income to the most vulnerable in society – the disabled, children, seniors, our veterans, and the poor. With high unemployment and home foreclosures hitting the Hispanic community at disproportionately higher rates than the rest of the population, any dilution of these critical programs will place unconscionable hardships on millions of people.

Millions of Latinos with chronic and serious illnesses rely on Medicaid for access to life-saving health care. One-in-four of all Latinos with cancer or diabetes, and two-in-five Latinos with chronic lung disease, are

covered by Medicaid. Without Medicaid, these individuals would be uninsured and unable to access regular care, leading to worse health comes and premature death. In addition to the human toll, reduced Medicaid coverage would shift, rather than eliminate costs, as avoidable emergency room visits and hospitalizations that could have been prevented through routine care, drive up costs for other consumers, providers, and taxpayers.

Our seniors, who have worked hard their entire lives to provide for themselves and their families, count on Social Security, Medicare, and Medicaid to provide them with a basic level of economic security and health care in their retirement. Increasing the eligibility age for middle and low income earners, privatization, or converting these programs into vouchers will leave our seniors with less economic security and less access to the health care they need.

NHLA understands that reforms to achieve savings in Social Security, Medicare, and Medicaid have been part of discussions between Congress and the Administration earlier this year. NHLA recognizes that some changes to these programs will be necessary to ensure their sustainability and availability for decades to come and therefore opposes any raid on these programs for the purpose of deficit reduction. Instead, savings derived from changes to Social Security, Medicare, and Medicaid should be invested in strengthening those programs for the long term.

The National Hispanic Leadership Agenda therefore urges the Joint Select Committee to refrain from cutting mandatory programs or changing their eligibility criteria in any way that negatively impacts lower- and middle-income individuals and families.

### **Increasing Revenue**

At times of hardship, the greater burden should be carried by those with the broadest shoulders. It is simply unfair to demand that struggling working and middle class families pay more for education, health care, and housing, while asking nothing from individuals whose incomes put them in the top one percent of the income ladder or from corporations that post mounting profits while not creating new jobs.

We accept that painful cuts to non-defense domestic discretionary programs were necessary, but cannot accept that those with the greatest means – and who will benefit greatly from a stronger economy – are unable to contribute to deficit reduction. The history of the 1990s taught us that strong economic growth follows a balanced deficit reduction plan that includes targeted increases in revenue.

The government can also improve its revenue stream by ending subsidies and tax loopholes for large oil, gas and agricultural corporations. Additional revenue can be raised by expanding the amount of spectrum the government intends to sell at auction for commercial broadband use.

The National Hispanic Leadership Agenda therefore recommends that the Joint Select Committee:

1. Allow the 2001-2003 tax cuts for high incomes to expire, reducing the deficit by an estimated \$830 billion;
2. End subsidies and tax breaks for profitable industries in the oil, gas, and agricultural sectors; and
3. Expand the amount of spectrum it sells at auction for commercial broadband use.

If adopted, our recommendations would achieve deficit reductions in excess of the \$1.5 trillion that the Joint Select Committee is mandated to achieve, without crippling those programs that invest in our future and protect our most vulnerable, placing our nation's fiscal house on a stronger foundation for growth and prosperity.

We appreciate your consideration of our recommendations and stand ready to work with you to ensure that

the important accomplishments of the 111<sup>th</sup> Congress are not lost and that together, we can build a stronger America for all.

Sincerely,

Lillian Rodriguez López  
Chair  
National Hispanic Leadership Agenda

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*Established in 1991, The National Hispanic Leadership Agenda (NHLA) brings together Hispanic leaders to establish policy priorities that address, and raise public awareness of the major issues affecting the Latino community and the nation as a whole. For more information, please visit [www.nationalhispanicleadership.org](http://www.nationalhispanicleadership.org).*

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