

United Way Worldwide

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Brian A. Gallagher
President and Chief Executive Officer



January 4, 2011

The President
The White House
Washington, DC 20500

Dear Mr. President:

United Way strongly supports many elements of your agenda, particularly in the areas of education reform, income support and jobs, and access to health care. During the 111th Congress, we engaged United Way's deep community-based relationships in every Congressional District nationwide to advocate in support of key areas of alignment between your agenda and our work. As you prepare to submit your Proposed Budget for Fiscal Year 2012 to Congress, I would like to call your attention to two critical federal budget issues impacting our mutual goals, the Charitable Deduction and the Emergency Food and Shelter Program (EFSP).

First, as the tax reform debate unfolds during the next two years, we want to ensure that revenue proposals do not inadvertently harm the people at the bottom of the income spectrum: the families and individuals who rely most on services provided by charities. We recognize that our nation continues to face daunting challenges, including an obvious need to reduce the deficit. However, new limitations on the deductibility of charitable donations are effectively a tax on charities and would lead to a significant reduction in services to the poor. Conversely, the additional revenue to the government would be insignificant compared to the impact on reducing the deficit. I urge you to refrain from limiting charitable giving incentives contained in the tax code as a source of revenue for deficit reduction, at the expense of the poor who need our help the most right now.

Second, we need your support for EFSP, which provides supplemental funding for charitable food, utility and housing assistance programs across the U.S. This is an effective program that supports thousands of agencies. For years, Congress has provided funding beyond what was seen as the minimum funding proposed in the Administrations' budgets. Your first two budgets mirrored the prior Administration's proposal of \$100 million for EFSP. Nonetheless, because of the effectiveness of this program, Congress appropriated \$200 million in both FY09 and FY10. Regrettably, it appears that Congress will now view the Administration's budget proposal as a cap, rather than a floor for this program. It is critical for hundreds of thousands of families and individuals that your budget includes \$200 million in proposed funding for EFSP in FY2012.

These issues are among United Ways top federal policy priorities. Your budget proposal as it relates to these two issues will be instrumental in supporting our ability to provide assistance to millions of Americans to help see them through the current economic crisis. United Way, as the nation's largest privately funded charity and the largest non-government funder of human services, stands ready to play our part. We deeply appreciate your attention to these issues and your support for United Way.

Respectfully,

A handwritten signature in black ink, reading "Brian A. Kelley". The signature is written in a cursive style with a long, sweeping tail on the final letter.