



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 6, 2018
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 3 – Spending Cuts to Expired and Unnecessary Programs Act

(Rep. McCarthy, R-CA)

The Administration strongly supports House passage of H.R. 3, the Spending Cuts to Expired and Unnecessary Programs Act. On May 8, 2018, the President exercised his authority under the Congressional Budget and Impoundment Control Act of 1974 (ICA) to transmit a special message to the Congress requesting roughly \$15 billion in rescissions of previously appropriated funding—the largest ever request related to this authority. This bill mirrors the President’s request, as amended to align with the President’s Supplementary Special Message transmitted on June 5, 2018, and represents an important step toward bringing the Nation’s fiscal house in order.

Since 1974, both Democratic and Republican Presidents have used the ICA to propose nearly \$76 billion in reductions to Federal spending. While this authority has not been used in recent years, in light of our Nation’s current fiscal situation—the national debt is now more than \$21 trillion and the deficit could reach \$1 trillion next year—the Administration and the Congress must use every fiscal tool at their disposal to curtail Federal spending.

H.R. 3 would rescind funding that is no longer needed for its intended purposes, or that has been sitting unused within agencies for years. For instance, the bill would rescind funding from a Railroad Retirement Board program that ended in 2012. It would also rescind money from the Department of Energy’s loan program for Advanced Technology Vehicle Manufacturing, which has not made a loan since 2011.

The bill would also rescind funding that agencies cannot spend, or have no plans to spend, rather than allow this money to remain available for the Congress to use to offset other Federal spending. Notably, the bill would rescind \$7 billion from the Children’s Health Insurance Program that either cannot be spent because the authority to obligate the funding expired last year or is not needed to operate the program this year. This rescission would have no effect on the program, as the Congressional Budget Office recently confirmed, and is in fact very similar to rescissions the Congress included in the Consolidated Appropriations Act, 2018. The Administration urges the Congress to return this funding to the Federal Treasury rather than use it as a budgetary gimmick to offset spending elsewhere.

This is the first of several rescissions packages that will be proposed, and the Administration is fully committed to working with the Congress to protect taxpayers and reduce wasteful and unnecessary spending.

If H.R. 3 were presented to the President in its current form, his advisors would recommend that he sign the bill into law.

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