To: Interested Parties
From: Shalanda Young
Date: Tuesday, September 12

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Re: House Republicans' Appropriations Bills Would Devastate the American People—and

Break the Bipartisan Budget Agreement

Earlier this year, the President and Congressional leaders reached a bipartisan budget agreement that averted a first-ever default and protected our historic economic progress. In doing so, the President and Speaker McCarthy agreed to a framework for annual appropriations for FY24 and FY25, setting the stage for Congress to pass bipartisan, bicameral bills to keep the government open and protect critical priorities for the American people. The President, House Democrats, Senate Democrats, and Senate Republicans all stand by this promise, and this week the Senate will begin floor consideration of bipartisan appropriations bills consistent with it. A deal is a deal.

Unfortunately, Speaker McCarthy and House Republicans have taken a very different approach—ignoring the bipartisan budget agreement they passed and instead advancing extreme, partisan appropriations bills that break their public promise and gut key investments in the American people. Their appropriations bills violate the bipartisan budget agreement and instead push the same deep cuts the House Freedom Caucus has been demanding since the start of this year. As was outlined in a Statement of Administration Policy, the President would veto these bills because their partisan extremism would endanger critical services for the American people, including killing manufacturing jobs and raising energy costs by rescinding funding from the Inflation Reduction Act and other vital legislation. The consequences of these bills would be devastating: raising a host of costs for families; hurting students, seniors, and rural communities; slashing support for law enforcement; undermining our economy; and more. Also, this effort by House Republicans distracts from other top priorities, like the need to act on the President's request for more funding to fight the fentanyl crisis.

House Republicans claim these cuts are about fiscal responsibility—but they aren't. Not only would their bills add at least \$100 billion to deficits over 10 years by making it easier for the wealthy and big corporations to cheat on their taxes, but House Republicans are separately pushing corporate tax giveaways that would cost over \$500 billion if made permanent—including at least \$30 billion in retroactive tax breaks for investments companies made last year. These retroactive tax cuts alone would erase the savings from their deep cuts to education, health, and labor programs.<sup>1</sup>

Below are some of the most harmful elements of House Republicans' appropriations bills that they will begin to consider this week.

## **Gutting Programs Hardworking Families and Communities Count On**

The cuts in the House appropriations bills would:

• Slash Funding for Schools with Low-Income Students: House Republicans' 80 percent cut to Title I funding would impact 26 million students in schools that teach low-income students by forcing a reduction of up to 226,000 teachers, aides or other key staff.

<sup>&</sup>lt;sup>1</sup> The House Labor, Health and Human Services, and Education bill cuts these programs by a total of \$30.7 billion, not counting rescissions included in the bill.

- Eliminate Tens of Thousands of Preschool Slots: House Republicans' cut to Head Start would mean as many as 82,000 children would lose access to high-quality preschool—undermining their education, leaving fewer children ready to enter kindergarten ready to learn, and making it more difficult for parents to join the workforce and contribute to our economy.
- Slash Funding for Law Enforcement: The proposed cut to the FBI would eliminate up to 1,850 personnel, including up to 673 agents, and the Bureau of Alcohol, Tobacco, Firearms and Explosives would be forced to eliminate approximately 400 positions, including more than 200 agents. The House bill also cuts funding for U.S. Attorneys by roughly 12 percent, which would eliminate approximately 1,400 positions. With fewer law enforcement officers fighting crime and prosecutors holding people accountable, these cuts will make our communities less safe.
- Raise Housing Costs for Tens of Thousands: The proposed cuts would raise housing costs by eliminating funding for Housing Choice Vouchers for 20,000 households, including approximately 6,000 households headed by seniors. In addition, a nearly 70 percent cut to the HOME Investment Partnerships Program would result in 20,000 fewer affordable homes being constructed, rehabbed, or purchased in communities across the country.
- Slash Critical Job Training and Workforce Development Programs: The proposal would result in half a million fewer people receiving job training and employment services. These harmful cuts would deprive businesses of the skilled workforce they need to thrive, and would cut off workers' pathways to good jobs.
- Undermine Critical Health Research: House Republicans' cuts would undermine critical research efforts to find treatments and cures for diseases like cancer and Alzheimer's by cutting \$3.8 billion for the National Institutes of Health. They would also eliminate funding for the Agency for Healthcare Research and Quality, which would end the Long COVID research at the agency and delay other priority health services research.

## **Clawing Back Investments in Other Key Priorities**

In addition to demanding these draconian cuts, House Republicans are also fighting to rescind vital funding that is helping make our tax code fairer, rebuilding America's infrastructure, lowering costs for families, and tackling the climate crisis. Their proposals would:

- Increase Risks of Lead Exposure: The proposal would rescind over \$564 million in funding for programs that mitigate housing-related risks of lead poisoning and other illnesses and hazards to lower income families, especially children, resulting in 55,000 fewer homes safe of hazards and adversely impacting approximately 78,000 children.
- **Protect Wealthy Tax Cheats:** While House Republicans separately lay the groundwork for more than \$3 trillion in tax cuts skewed to the wealthy and big corporations, they are also fighting to make it easier for wealthy tax cheats to avoid paying what they owe—proposing to rescind \$67 billion dollars in funding for the IRS enacted in the Inflation Reduction Act, which would increase the deficit by more than \$100 billion.
- Increase Energy Costs for Rural Americans: Rescinding \$2 billion in funding provided by the Inflation Reduction Act for programs at USDA would undermine programs that help agricultural producers and rural small businesses convert to renewable energy systems, and that help rural

Americans to build clean, affordable, and reliable energy by working with approximately 900 electric cooperatives in 47 States.

- Shortchange Home Electrification Projects: Rescinding \$4.5 billion in funding provided by the Inflation Reduction Act for the High-Efficiency Electric Home Rebate Program would impact at least 250,000 home electrification and appliance upgrade projects in low- and medium-income homes across all States, territories, and tribes.
- Undermine Clean Technology Investments and Pollution Reduction: Rescinding \$20 billion in funding provided by the Inflation Reduction Act for programs at EPA would take away funds designed to help communities access grant opportunities to reduce pollution and mobilize private capital into clean technology projects, especially in low-income and disadvantaged communities. These programs will spur investment in clean technology projects and expand economic opportunities in communities, helping to cut harmful pollution and protect people's health while tackling the climate crisis.
- Slash Support for Teachers: Rescinding \$1.7 billion—or 77 percent—in the Supporting Effective Instruction State Grants (Title II) formula program would severely undermine states' ability to reduce class sizes and improve the effectiveness of teachers in the classroom.

<u>A deal is a deal.</u> The President and the Speaker already made a bipartisan budget agreement—one that would result in \$1 trillion of deficit reduction over the next decade. Every party to that agreement except House Republicans—House Democrats, Senate Democrats, Senate Republicans, and President Biden—are honoring their word. It is a balanced deal that protects critical investments while ensuring fiscal responsibility. We urge House Republicans to follow the law they helped enact and the Senate's bipartisan approach to funding the government according to the deal.