

September 6, 2024

To the House Budget Committee Budget Process Reform Task Force:

The undersigned national organizations are writing to convey our deep concerns with three budget process proposals the Budget Process Reform Task Force has released for public comment. These proposals would create a binding outlay cap for FY 2025 appropriations; add requirements related to proposed emergency-designated spending; and impose a new point of order against certain changes in mandatory spending used in appropriations bills. All of these proposals would pave the way for additional deep cuts in the FY 2025 nondefense appropriated funding, breaking the bipartisan agreement reached earlier this year to set limits on defense and nondefense appropriations.

The first proposal would impose outlay caps on the FY 2025 appropriations bills. This could force the Appropriations Committee to illogically favor funding for programs designed to spend their funding slowly at the expense of those that spend quickly. Given the existing cap on funding, an additional cap on outlays **would not save any money over time. While this cap only applies to FY 2025, the last year for which there is a discretionary funding cap, this proposal would create a dangerous precedent if Congress chooses to create further discretionary caps after 2025.** Almost all appropriated program spending spans more than one year. This is not a flaw or problem that must be corrected; because funding caps already enforce limits on annual funding, they already enforce limits on total spending over time. Appropriators should not be forced, as this proposal would do, to prioritize funding for slow-spending programs. Programs should not be judged by whether they spend their funding within a given year. Neither the funding caps agreed to in 2023 nor those agreed to in 2011 included outlay caps — because they aren't necessary.

American families in need of essential programs could be harmed as a result of this proposal.

In addition, the Task Force has issued discussion drafts on two additional bills. The first requires a bill's sponsor to justify emergency designations and requires the House Budget Committee to issue quarterly reports showing the cumulative total of such emergency designations. The second creates a point of order against any bill that includes "changes in mandatory spending" (or CHIMPs) that reduce budget authority but not outlays over time.

In considering these proposals, we urge members to focus on the context in which they are being offered – a time when the House majority is trying to reduce funding for non-defense discretionary programs far below the levels agreed to as part of the bipartisan debt-limit agreement in 2023. That agreement relied on certain adjustments, including some that these bills would preclude, to reach the overall agreed-on funding levels. The House should honor the debt-limit agreement and reject bills that would make achieving adequate funding even more difficult.

The approach being taken by the House Budget Committee is backwards. Members should first seek to negotiate funding for non-defense appropriations that meets the nation's needs. Indeed,

very significant and crucial needs are addressed, at least in part, through annual appropriations: areas such as education, child care, housing, job training, public health, medical research, nutrition assistance, environmental protection, enforcement of civil rights and worker protection laws, and operation of the Social Security system. Yet, in 2024, non-defense appropriations excluding veterans' medical care are 6 percent lower than in 2010 when adjusted for inflation, and 14 percent when population growth is taken into account.

Further, these budget issues cannot be considered in isolation but should be coupled with discussions about appropriate revenue levels. Tax cuts championed by the Bush and Trump administrations have weakened our revenue collections. As a result, revenues as a percent of the economy are roughly at their 40-year average and close to where they were in 1984, but the country is different today. Forty years ago, baby boomers were young and working but now have mostly retired. To fund high-value investments such as those covered by annual appropriations, let alone accommodate the costs of our aging population and manage our fiscal challenges, the nation needs to raise more revenue. Given the nation's wide inequality in income and wealth, new revenue should be raised from high-income and high-wealth households and profitable corporations, all of whom gain tremendously from public investments that create the conditions for economic growth.

Policymakers should focus first on reaching an agreement on adequate revenue and funding levels, rather than trying to constrain options by changing the budget process.

We urge you not to proceed with these proposals.

List of signers in alphabetical order:

20/20 Vision

AFSCME

American Federation of Teachers, AFL-CIO

Autism Society of America

Autistic Self Advocacy Network

Caring Across Generations

Center for Popular Democracy

Children's Defense Fund

Children's HealthWatch

Coalition on Human Needs

Community Change Action

Congregation of Our Lady of Charity of the Good Shepherd, U.S. Provinces

Council for Opportunity in Education (COE)

First Focus Campaign for Children

Friends Committee on National Legislation

Futures Without Violence

Health Care Voices

Jewish Women International
LeadingAge
Legal Momentum
MomsRising
National Advocacy Center of the Sisters of the Good Shepherd
National Alliance to End Sexual Violence
National Association of Councils on Developmental Disabilities
National Association of Social Workers
National Center on Domestic Violence, Trauma, and Mental Health (NCDVTMH)
National Coalition for the Homeless
National Council of Jewish Women
National Employment Law Project
National Health Care for the Homeless Council
National Low Income Housing Coalition
National Resource Center on Domestic Violence
NETWORK Lobby for Catholic Social Justice
People's Action
Poverty Project at the Institute for Policy Studies
Public Advocacy for Kids (PAK)
RESULTS
The AIDS Institute
The Forum for Youth Investment
The National Domestic Violence Hotline
Unitarian Universalists for Social Justice
United Church of Christ
Village to Village Network
Youth Villages
ZERO TO THREE