



HOUSE COMMITTEE ON THE BUDGET
RANKING MEMBER BRENDAN F. BOYLE

SPOILING FOR SHUTDOWN: REPUBLICANS RESTART BUDGET CALENDAR

TEN DAYS BEFORE THE END OF
THE FISCAL YEAR, HOUSE BUDGET
COMMITTEE WILL CONSIDER A BUDGET
RESOLUTION

September 19, 2023

Shut Down America

HOUSE
GOP 



What do you want the government to do?

Shut down

Switch user

Sign out

Sleep

Shut down

Restart

OK

Cancel

Help

After voting for 2024 spending levels in May as part of a bipartisan budget agreement (the Fiscal Responsibility Act of 2023, or FRA), extreme House Republicans have refused to abide by the deal. They insist on appropriations bills that fall far short of settled amounts, forcing a showdown with the Senate and threatening shutdown of the federal government. Now, with 11 days left in the fiscal year, House Republicans are putting forth a budget resolution that outlines their full radical agenda: misplaced priorities, more tax cuts for the wealthy, and massive cuts to vital programs.

Shutdowns Are Damaging, Costly, and Foolish

When Congress fails to do its job, the consequences are real. Families suffer, the economy takes a hit, and government costs rise — all unnecessarily.

Government shutdowns hobble economic growth. The 2013 shutdown reduced Gross Domestic Product (GDP) growth by 0.2 to 0.6 percentage points, or \$2 to \$6 billion in lost output. It resulted in the creation of 120,000 fewer private-sector jobs, and disrupted private-sector lending to individuals and small businesses. Shutdowns interrupt the tourism and travel sectors, squeeze small businesses that contract with the federal government, and stop the flow of important economic information to companies and the public.

Worse yet, shutdowns divert government resources from their intended purpose. Agencies are forced to create shutdown preparation plans and lose substantial worker productivity: a wasteful use of taxpayer dollars. During the 2013 shutdown, \$2 billion in work hours were lost.

The Republican Vision for 2024 Appropriations is Bleak

Appropriations Levels	2024	2025
House Republican Budget	1,471	1,486
FRA	1,590	1,606
	-119	-120

The House spending committees have written appropriations bills for 2024 that are \$119 billion below the levels agreed to in the FRA. The cuts required by these levels – amounts that are enshrined in the House Republican budget resolution – offer example after example of underinvestment and wrongheaded focus. These cuts eviscerate education, public health, and law

enforcement; weaken rural communities; and offer a disinterested shrug at the climate crisis.

Republican intransigence has stalled the appropriations process and left American families facing the threat of a government shutdown. The flawed bills cutting essential services can’t find enough support even among House Republicans to pass them – and that’s before the measures reach certain doom in the Senate.

The budget resolution ignores the deal reached months ago, instead imposing the levels in those underfunded and stalled appropriations measures. It does the same for 2025, and makes even deeper cuts in the years beyond. By 2033, total discretionary levels under the budget are virtually the same as levels today, severely underfunding appropriations for the entire budget window and permanently instituting the annual threat of shutdown — with its negative impact on economic growth, halted government services, and wasted resources. If favored programs, such as defense and veterans, are allowed to keep pace with inflation or grow, the cuts to other programs grow deeper and deeper. As [CBO wrote in March](#), Republican plans to balance the budget solely through spending cuts are unrealistic, requiring the complete elimination of most non-defense investments.

Over the ten-year window, the budget cuts discretionary budget authority by \$5.4 trillion, claiming \$4.6 trillion in deficit reduction.

Colossal Mandatory Cuts Verging on the Absurd

Radical House Republicans aren't stopping by insisting on appropriations levels that court a shutdown. The rest of the budget outlines a near-apocalyptic vision for government programs. The budget cuts mandatory programs by \$5.4 trillion over ten years, focusing the cuts on programs that help those most in need.

- **Medicare** — The budget includes more than \$400 billion of Medicare cuts to providers despite Republicans' promise to protect and "save" Medicare. There are no commitments in this budget to strengthen the traditional Medicare program, which protects over 57 million senior citizens and almost 8 million persons with disabilities from catastrophic health care costs. Despite Republicans' policy statement, the budget does not extend the program's solvency. Instead, it includes various payment cuts to providers, such as lower payments for certain outpatient hospital services and lower hospital reimbursements for uncompensated care. In the past, the most common cost-shifting response from hospitals to such proposals has been to reduce unprofitable services, which disproportionately hurt minority and low-income patients.
- **Medicaid** — The budget includes almost \$2 trillion in cuts to mandatory health spending, which largely reflects drastic cuts to Medicaid. The proposals include instituting Medicaid work requirements and lowering the federal matching rate (FMAP) for adults covered through the Affordable Care Act (ACA) expansion. Deep cuts to Medicaid would risk health care services to more than 86 million vulnerable individuals, including children, veterans, pregnant women, people with disabilities and seniors. Medicaid work requirements confuse enrollees and result in substantial coverage loss among eligible beneficiaries. Such work requirements particularly harm veterans, as many have disabilities or complex health needs, such as multiple chronic conditions, severe mental illness, or substance use disorders that are barriers to stable employment and that make it hard to document compliance with the new rules. Lowering the FMAP for adults covered through the ACA expansion would also result in substantial coverage loss among low-income individuals.
- **Economic Security** — The budget cuts mandatory funding for economic security programs by nearly \$1 trillion. Such extreme cuts would drastically hinder programs like the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) from helping people meet their basic needs and not go hungry.
- **Education and Training** — The budget also cuts mandatory funding for education by \$200 billion. Reductions of this size are likely to come out of student loan support, particularly for the Pell Grant program, which supports low-income students. An investment of \$200 billion would be enough to quadruple the maximum Pell grant; but instead of investing in the American workforce, Republicans would make it harder for bright students to afford college.
- **Infrastructure** — The budget cuts \$217 billion from the Highway Trust Fund, and the multiplied impact of that reduction would ripple across state and local budgets. A long-standing Republican goal has been to undermine statutory treatment of the Highway Trust Fund, which provides essential grants to state and local governments. State and local governments provide nearly three-quarters of total spending for highways, and the federal share provides a stable source of funding that allows state and local governments to secure more favorable financing.

Cuts of this magnitude will abandon American families, ignore the vulnerable, and cheat veterans and retirees out of the health care and retirement benefits they have earned. Like the austerity-level appropriations bills, these enormous cuts are unlikely to find support from either party, making the claimed deficit reduction in this budget a complete mirage.

Harmful Cuts with Some Budget Sorcery on the Side

Dismantling key investments in the American people isn't the only warped aspect of this blueprint. The budget uses astonishing predictions of economic growth, tax receipts, and future spending levels. The economic assumptions behind the budget appear to be a wild departure from all reputable sources. The budget assumes \$3 trillion in savings from macroeconomic feedback, a pipedream that cutting programs families rely on will create economic growth. It uses gimmicks to allow for unlimited budget-busting tax cuts without having to show those costs in the budget. The tax cuts touted in the plan don't pay for themselves and will neither create unprecedented economic growth nor create new revenue. The budget assumes future appropriations at levels Republicans cannot agree to right now, yet are clinging to in the face of a government shutdown, and amidst a stark lack of support even in their own party.

In addition to the magic sparkle of "macroeconomic feedback," the budget books another \$3 trillion from savings on interest payments. Even if Republicans could succeed in making the devastating cuts to vital programs envisioned in this budget, the claimed savings on interest is twice what CBO's general rule-of-thumb calculation produces.

Republican Fantasy Budget Is a Nightmare for American Families

Claimed Deficit Reduction in the House Republican Budget	Deficit Impact over 10 Years (Trillions)
Discretionary Spending	
Defense	0.0
Non-Defense	4.6
Mandatory Spending	
Medicare	0.4
Medicaid and Other Health Care	2.0
Income Security	1.0
Other Functions	0.6
Unidentified Mandatory Savings	1.4
Net Interest	3.0
Revenue	0.0
"Macroeconomic Effects"	3.0
Total	16.0

This so-called "balanced" budget is anything but. While asking even less from the wealthy and well-connected, the budget yanks away the safety net that keeps tens of millions of American workers and children out of poverty, free from hunger, with access to health care, and in safe communities.

Instead of lowering the cost of living or making life better for the American people, this budget bows to the worst ideas of the most extreme corners of the Republican conference. The budget cements in place spending levels so low they tempt annual shutdowns. It makes harsh cuts to lifeline assistance programs. And it uses some sleight-of-hand bookkeeping whoppers to create an outline for a dim view of the future.

This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.



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