



March 17, 2021

NTU urges all Representatives to vote “NO” on H.R. 1868, legislation that would waive across-the-board spending cuts required by law after passage of the American Rescue Plan Act (ARP). Congress included few spending offsets in their \$1.9-trillion ARP bill, and the Statutory Pay-As-You-Go (PAYGO) Act was created to address the very kind of budget discipline utterly lacking in the recently passed COVID relief bill. Though across-the-board cuts are often not the best way to achieve durable spending reforms in the government, taxpayers deserve some meaningful offsets to a multitrillion-dollar federal spending binge. While some of this spending has no doubt been necessary, much of it has been wasteful.

When Congress voted on the American Rescue Plan Act (ARP) in February, we [warned](#) that hundreds of billions of dollars in the nearly \$2-trillion legislation were wasteful, including tens of billions of dollars in direct payments to families who don’t need the assistance, tens of billions of dollars for a multiemployer pension bailout, and \$200 billion to state governments as many states report better-than-expected revenue collections.

Though Congress cannot unwind much of the spending in ARP, it can start to do right by taxpayers by offsetting some of the bill’s extraordinary costs. This is exactly what the Statutory Pay-As-You-Go (PAYGO) Act was created to accomplish. Despite [numerous rules and exemptions](#) that weaken the Statutory PAYGO Act’s impact on debt and deficits, the Congressional Budget Office [estimates](#) that PAYGO requirements for ARP would result in \$36 billion in spending reductions under Medicare and \$80 billion to \$90 billion in other mandatory spending programs across government for fiscal year 2022. This would offset a mere six percent of ARP’s cost to taxpayers. Unfortunately, with H.R. 1868, lawmakers are looking to stop even this extremely modest measure of budget discipline in the wake of historic government spending.

[According to the Congressional Research Service](#), across-the-board spending cuts have *never* been triggered under the Statutory PAYGO Act, since Congress “has voted to prohibit the effects of specific legislation from being counted.” ARP would be a great place for Congress to start following PAYGO discipline. Lawmakers should vote against H.R. 1868, and pursue spending and budget process reforms that offset the cost of new legislation and prevent PAYGO cuts from having to be triggered in the first place.

Roll call votes on H.R. 1868 will be included in NTU’s annual Rating of Congress and a “NO” vote will be considered the pro-taxpayer position.

If you have any questions, please contact NTU Director of Federal Policy Andrew Lautz at alautz@ntu.org.
