S. HRG. 119–4

NOMINATION OF THE HONORABLE RUSSELL T. VOUGHT, OF VIRGINIA, TO BE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

HEARING

BEFORE THE

COMMITTEE ON THE BUDGET
UNITED STATES SENATE

ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

January 22, 2025—HEARING ON THE NOMINATION OF THE HONORABLE RUSSELL T. VOUGHT, OF VIRGINIA, TO BE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

January 30, 2025—EXECUTIVE BUSINESS MEETING ON THE NOMINATION OF THE HONORABLE RUSSELL T. VOUGHT, OF VIRGINIA, TO BE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

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C O N T E N T S

THE NOMINATION OF THE HONORABLE RUSSELL T. VOUGHT, OF VIRGINIA, TO BE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

WEDNESDAY, JANUARY 22, 2025

COMMITTEE ON THE BUDGET,
U.S. SENATE,
Washington, DC.

The hearing was convened, pursuant to notice, at 10:01 a.m., in the Dirksen Senate Office Building, Hon. Lindsey O. Graham, Chairman of the Committee, presiding.

Present: Senators Graham, Grassley, Crapo, Johnson, Marshall, Cornyn, Lee, Kennedy, Ricketts, Moreno, R. Scott, Merkley, Murray, Wyden, Sanders, Whitehouse, Warner, Kaine, Van Hollen, Luján, Padilla.

Also present: Republican staff: Nick Myers, Majority Staff Director; Erich Hartman, Deputy Staff Director; Katherine Nikas, Deputy Staff Director and Chief Counsel; Walker Truluck, Senior Policy Advisor.

Democratic staff: Ben Ward, Minority Staff Director; Mike Jones, Deputy Staff Director; Melissa Kaplan-Pistiner, General Counsel; Joshua Smith, Budget Policy Director.

Witness:

The Honorable Russell T. Vought, of Virginia, to be Director of the Office of Management and Budget

OPENING STATEMENT OF CHAIRMAN GRAHAM

Chairman GRAHAM. Good morning, everybody. Welcome. So we are going to have a hearing with Mr. Vought, right, Russell? It is Vought like vote, right?

Hon. VOUGHT. Yes sir.

Chairman GRAHAM. Okay. So I'm going to give a quick introduction. You can say anything you want. We are going to have five minute questioning. Be hard, be challenging. Do not make a complete ass of yourself and let us get to this thing. All right.

So with that said, you are no stranger to this job. Mr. Vought had this job. He was deputy director. He was Office of Management and Budget (OMB) Director in President Trump's first term. He was born in Mount Vernon, New York. He attended Wheaton College, graduated in '98. Completed a Juris Doctor (JD) from Georgetown University.

He worked on Capitol Hill as a legislative assistant for Senator Phil Gramm and Chuck Hagel, that's a big delta there. From 2004 to 2008 he worked as Executive Director for the Republican Study Committee, and from 2009 to 2010, he was Policy Director of the House Republican Conference. Again, he was OMB Director under the first Trump term, the deputy. Then he became OMB Director when Mulvaney left.

So you have done it once and you want to do it again, and we are glad on our side you are willing to do it again. Senator Merkley.

OPENING STATEMENT OF SENATOR MERKLEY [1]

Senator MERKLEY. Well, thank you very much Mr. Chairman and congratulations on your new role. I look forward to working with you, and welcome to the Committee. Senator Cornyn, Senator Ricketts and new to the Senate and new to the Committee, Senator Moreno. Welcome.

This Congress, the Senate Budget Committee is going to be deeply engaged in the policies that emerge, because reconciliation is going to play a central role, and reconciliation begins right here in this room. We will consider Trump's budget request, and I must say my deepest concern about the reconciliation bills is that they are going to betray working Americans.

Working Americans who President Trump appealed to in his campaign, working Americans who listened to the strategies that he laid out, that he proposed. But certainly the actual plan does not help working people. The actual plan is to help the wealthy get wealthier with massive tax giveaways, with working families paying the bill.

Now how are these massive giveaways to the wealthiest families going to be paid for? Well, by slashing services to working families and the struggling families who are trying to get on their feet so they can thrive and get to the middle class. This is the great betrayal.

And today, we will consider the President-Elect's nomination of Russell Vought to lead the Office of Management and the Budget, which is really the place where this campaign is coordinated. And we will hear very different ideas about how to take our country forward.

From my friends across the aisle and from Mr. Vought, we will hear that we need to continue to give tax giveaways, massive tax giveaways to the wealthiest Americans, and we will hear about how non-partisan expertise that makes our country run smoothly should be replaced by those with blind political loyalty.

You will hear how the programs that have assisted for the environment or for unions, organizing working people for public health, should instead be replaced by programs to serve big corporations and the mega-millionaires.

Our side of the aisle has a different vision, that will stand up for working families, that the wealthy need to pay their fair share of our taxes. The government should serve everyone, not just the privileged and the powerful.

From my side of the aisle, you'll hear about how we need to expand Medicare's ability to negotiate the price of 15 expensive

[1] Prepared statement of Senator Merkley appears in the appendix on page 44.

drugs. Those drugs were laid out by President Biden according to the laws he left. I will submit this for the record, Mr. Chairman.[2]

Chairman GRAHAM. Absolutely.

Senator MERKLEY. And those drugs, include for example the weight loss drugs, that currently serve 2.3 million people. You know, the first ten drugs that were negotiated, cut the price some thirds to two-thirds or more, including 79 percent on one drug.

And Americans are simply outraged that we spend more on R&D to develop these drugs than any other nation, that is our taxpayer dollars, and then we get the highest price, the highest price among the developing countries instead of the best, which we deserve.

This vision, as laid out, is the great betrayal of America's working families. And we will continue to debate that I am sure in the course of the hearings that are ahead. And I have no doubt, Mr. Vought, that you have the intellectual expertise and the experience. You were OMB Director before. You know all the ins and outs.

It is really a question of whether we are going to accomplish something that provides a foundation for American families to thrive, or simply to increase the wealth disparities that make this a government by and for the powerful instead of by and for the people.

The Washington Post reported that officials said the result of your last tenure underscored the tensions that come with having a deeply ideological operative thrust in a position with complicated, often non-partisan challenges. And this turned out to be spot on. You were responsible for the fiscal year 2021 budget issued by the Trump administration, and it had close a trillion dollar cuts to health care for struggling Americans.

It had $300 billion in cuts to social safety programs, things like nutrition assistance and earned income tax credit and the child tax credit. $170 billion cut by increasing the cost of college loans for those who aspire. You know, I am the first in my family to go to college. I think college should be affordable to everyone, not making it more expensive so only rich families can afford to go, have their kids go to college.

So we certainly profoundly disagree. You zeroed out programs like the community development block grants, which are used for housing all around this country. Meanwhile, you proposed over a trillion dollars in tax giveaways, with over two-thirds going to the top ten percent. That is very, very troubling.

And Mr. Vought, you were at the center of the strategy of impounding funds. Now we had this conversation in 1974 here in Congress. We passed the Budget and Impoundment Control Act because Congress said when we say this amount of money should be spent on this program, it is not up to the President to spend less.

But you told me in your office that you are quite comfortable assuming that the law does not matter, and that you will just treat the money for a program as a ceiling, as a ceiling rather than a required amount. Well, the courts have found otherwise, but the fact that you are willing to say this is exactly what you plan to do again should trouble every single Member of the Senate.

[2] Document submitted by Senator Merkley appears in the appendix on page 133.

And when you were at the center of the impoundment of the funds for Ukraine, that resulted in the impeachment of President Trump and his former service, you blamed a staff subordinate. That troubles me too. That is something you were so involved in. When it goes awry, you say "Oh, it was not me. I gave that responsibility to somebody else who works for me."

That is not—that is not leadership. And certainly your views are deep held, deeply held. You continue to advocate for them in your think tank, the Center for Renewing America. So we saw that. There is other things that trouble many of us. The fact that you were for the abolition of abortion rights and do not believe in exceptions. Not exceptions for rape, not exceptions for incest, not exceptions for the life of the mother.

And it is troubling that you continue to participate in the big lie that the 2020 election was rigged. This may be essential for your loyalty test to the President, but it is a willingness to manipulate and deceive Americans that certainly bothers me.

I think we need a director who respects the rule of law, not the rule of one man; who is guided by facts, not partisan ideology; who serves working families, not mega-millionaires and billionaires. So I am disturbed that you are eager to lead the betrayal of America's working families.

Mr. Chairman, I turn it back to you.

Chairman GRAHAM. And we will put you in the undecided column. So I disagree with what he said. But that is why we have the hearing here. More importantly, the American people apparently disagree because we won and you know, I do not know what your views on abortion are. I do not know how it really much matters.

President Trump said it was rigged, he won. I do not particularly agree with that but you know, the bottom line is I think you are qualified for the job. I know why he picked you. I think all of us are going to vote for you and none of them will vote for you. But you do need to explain, the best you can, how you see the job, why you do the things you do, whether or not you are betraying the country or trying to get the country on a more sustainable track, and again we just had an election and when you win, you get to pick people.

And I am glad he picked you. So would you stand up and let me swear you in? Raise your right hand, please. Do you solemnly swear that the testimony you give before this Budget Committee is the truth, the whole truth and nothing but the truth so help you God?

Hon. VOUGHT. I do.

Chairman GRAHAM. Thank you. The floor is yours.

STATEMENT OF THE HONONRABLE RUSSELL T. VOUGHT OF VIRGINIA, TO BE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET [3]

Hon. VOUGHT. Thank you Mr. Chairman, the Ranking Member, Members of this esteemed Committee for the opportunity to appear before you today.

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[3] Prepared statement of Hon. Vought appears in the appendix on page 47.

Let me begin by thanking my girls, Ella and Porter, who are now returning to the scene of Congressional confirmation hearings as veterans. Their love and support and enthusiasm for me serving again is a major reason why I feel that going back to OMB is the right endeavor at the right moment.

Beyond my enthusiasm for being at President Trump's side, it is a profound honor to be nominated a second time by President Trump to serve as the Director of the Office of Management and Budget. The President has promised the American people a federal government that works for all Americans, not the interests of bureaucrats and the entrenched establishment, making his start in fulfilling that vital promise during my previous time at OMB as both Deputy Director and Director was among the most rewarding experiences of my career.

Throughout that time, I have been driven by a commitment to taxpayers and their families. Growing up as the son of an electrician and a school teacher, I saw firsthand the sacrifices my parents made to balance their budget and save for the future. They are a reminder of the burden government spending can place on everyday Americans. My parents and countless others like them have always been the measure by which I evaluate policies and spending decisions.

Today, nearly 80 percent of Americans do not feel confident that their children will lead better lives than they have, nearly double the 40 percent of Americans who said the same two decades ago. When I look at the government waste and our national debt, I know that I fear for my daughters' future.

More than half of our fellow citizens expect their standard of living to be worse than that of their parents, a critical part of understanding the President's election. I am eager to get back to fulfilling the promise of a federal government that works as hard as people like my parents.

OMB's mission goes beyond crafting the President's budget. It encompasses the management of the federal government, reforming regulation and coordinating policy across agencies to ensure efficient and effective implementation of the American people's will, as expressed by the last election.

A strong interagency process delivers the best results for all Americans, and I believe OMB's collaborative ethos is key to achieving those outcomes. The civil servants at OMB are among the most resourceful and innovative individuals I have ever worked with. It has been my privilege to work alongside them, and I look forward to leading and supporting them as Director once again, as we labor together to make government work.

We have to use taxpayer dollars wisely, because Inflation, driven by irresponsible spending, taxes Americans twice. The average American household has lost roughly $2,000 of purchasing power since January 2021. The forgotten men and women of this country, those who work hard every day in cities and towns across America, deserve a government that empowers them to achieve their dreams.

While Office of Management and Budget may not be a household term, the agency's work profoundly impacts their lives. If confirmed, I will continue to serve with their best interest at heart, striving to ensure every decision contributes to a more prosperous future for all Americans.

Thank you for considering my nomination. I look forward to answering your questions, and the opportunity to discuss how OMB can continue to deliver on that vital mission.

Chairman GRAHAM. Thank you very much, and to your family, welcome. So to start with, what would happen to the economy if the 2017 tax cuts that were passed through reconciliation by the Republicans expire and go away? What would happen?

Hon. VOUGHT. I think Americans would have a major tax increase on their hands, that would lead to a lot less innovation, a lot less productivity and we would have a worsening economy that I would not want to predict how bad it would be.

Chairman GRAHAM. So the Treasury Secretary nominee said it would be catastrophic. Do you agree with that?

Hon. VOUGHT. Yes, sir.

Chairman GRAHAM. Okay. So that is one of the things we want to do on our side. What would—is it like $4 and ½ trillion in new taxes, if all this goes away?

Hon. VOUGHT. That is the static cost of it, yes sir.

Chairman GRAHAM. Yeah. So we do not want it to go away. I guess they do. So on regulations, do you have a say about regulations, government regulations?

Hon. VOUGHT. OMB runs the Office of Information and Regulatory Affairs. It is going to be charged to set up—reset-up the President's deregulatory agenda, and if confirmed that will be a major aspect of the job.

Chairman GRAHAM. So when it comes to energy production, will you pledge to try to make it easier for America to soundly and safely extract the natural resources that we—we own, so we do not have to buy oil and gas from people who hate our guts?

Hon. VOUGHT. Yes, Senator.

Chairman GRAHAM. Okay. Do you believe that would make us safer if we are energy independent?

Hon. VOUGHT. I do believe it is vital from a security standpoint and from the standpoint of Americans' pocketbooks to rely on cheap American energy and not just squander that.

Chairman GRAHAM. Is it part of the goal of this administration is to make sure that we, in the Artificial Intelligence (AI) space, we dominate?

Hon. VOUGHT. Yes, it is.

Chairman GRAHAM. Will you have a role in that, how to create a regulatory environment that allows us to compete with China?

Hon. VOUGHT. We will. We help as part of the policy process and articulating to the federal agencies the guidance that the President would like with regard to the artificial intelligence.

Chairman GRAHAM. When it comes to spending, is it your goal to reduce federal spending where you can responsibly?

Hon. VOUGHT. Yes, sir.

Chairman GRAHAM. Do you believe there is some room in our budget to eliminate programs that would—most Americans would not feel the effect of?

Hon. VOUGHT. I do. There are plenty of areas in the federal government to be able to begin to tackle our spending and debt.

Chairman GRAHAM. So you promise me you would do the best you can to reduce federal spending in a responsible way?

Hon. VOUGHT. Yes, Senator.

Chairman GRAHAM. Good. When it comes to the President's Executive Order about suspending foreign assistance for 90 days, do you know exactly how that works? Does that stop money going to Israel?

Hon. VOUGHT. No, Senator. Senator, it is a 90 day review——

Chairman GRAHAM. Review, okay.

Hon. VOUGHT [continuing]. Of the programs that are in place, and it is to ensure that all of those programs are consistent with the President's viewpoint, of which of course aid to Israel will continue to be one of them.

Chairman GRAHAM. What's the most important function of the federal government, in your view?

Hon. VOUGHT. I believe it is to keep the American people safe and secure, so they can enjoy their liberties and to protect their rights.

Chairman GRAHAM. Are you familiar with the amount of money we spend gross domestic product (GDP)-wise on defense? What is it right now?

Hon. VOUGHT. I am aware. I think we're——

Chairman GRAHAM. It is like 3.1 percent?

Hon. VOUGHT. Three percent. Yes, Senator.

Chairman GRAHAM. And it is going down to the mid–2's? Do you realize that only four times in American history we have had that small of amount of money spent on our defense? Will you be open-minded to make sure that we can defend this nation, including a bigger Navy?

Hon. VOUGHT. Absolutely, Senator. It is a priority of the President. It was a priority at OMB in the first term, to make sure that we establish maritime supremacy in this country and it will be, if confirmed.

Chairman GRAHAM. What is the size—do you know how much money the State and Foreign Operations Subcommittee spends on the State Department and foreign assistance?

Hon. VOUGHT. Off the top of my head no, I do not know what the allocation is for those——

Chairman GRAHAM. It's $69 billion. Now that is for the entire State Department, all our embassies, everybody, and the aid we provide to distressed places in the world. What percentage of the federal budget is that? Do you know, outlays?

Hon. VOUGHT. I believe if you did a small percentage, it would be a small percentage compared to——

Chairman GRAHAM. It is one percent. Now having said that, try to save money. Let us do not waste money. But I believe, I am a pretty hawkish guy. If you do not get involved in the world and you do not have programs in Africa, where China is trying to buy the whole continent, we are making a mistake.

So it is one percent of the budget. You could eliminate it all. You are not going to balance the budget. I think soft power is a critical component of defending America and our values. I look forward to working with you to make that count better. But the concept of soft

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power means a lot to me, and that is coming from a pretty hawkish guy. With that, Senator Merkley.

Senator MERKLEY. Thank you very much, Mr. Chairman. And on Day 1, President Trump issued an Executive Order that requires agencies to pause the disbursement of funds that were authorized in the Inflation Reduction Act and the Infrastructure Investment and Jobs Act.

There is a legal mechanism for changing past law. It is called a rescission, and there is an illegal way. It is called an impoundment, where you send a rescission message to Congress, or you use the illegal impoundment strategy.

Hon. VOUGHT. Senator, thanks for the question. Those EOs were again pauses to ensure that the funding that is in place is consistent and moves in a direction along the lines of what the President ran on, unleashing American energy away from the Green New Deal.

Senator MERKLEY. Rescissions or impoundments? Which strategy will you use? That is a simple question.

Hon. VOUGHT. There is a section in those EOs that says that the Office of Legislative Affairs will work with the Office of Management and Budget. They may put forward rescissions, but they—again, the language of the Executive Order (EO) says "required by law," and it is meant to do a programmatic delay to figure out what are the best ways to make sure that the——

Senator MERKLEY. Okay. Well, very good. Thank you, thank you. I will just note that you are not willing to say that you will use rescissions, the legal method, rather than the illegal method. That is a big concern for all of us here, because the Constitution laid out the vision that Congress makes the law, not the President.

So the fact that you continue to advocate for this impoundment strategy, that is completely in violation of our Constitution, and I am deeply disturbed that you will not renounce that today.

So let us turn to work requirements. You have been a big advocate of work requirements. You encourage states to adopt waivers that would allow them to do that for Medicaid. One state tried it, Arkansas. It produced no increase in the hours worked, no increase in employment. It failed.

Why did it fail? Because the way that people are able to work is when they are healthy. When they cannot access health care because you want to cut it off, they are really trapped in poverty and trapping people in poverty is really—well, not helpful. Now that your idea failed so miserably, are you going to advocate for it again?

Hon. VOUGHT. You know Senator, one of the major legislations that our side has been very proud of since the 1990's was the impact of welfare reform in the 1990's. It held to caseload reductions, people getting off of welfare going back into the workforce.

And we think that that—that type of thinking should be applied to other federal programs, and it has informed not only Medicaid but other programs, to be able to encourage people to get back in the workforce, increase labor force participation and give people again——

Senator MERKLEY. And you believe cutting off health care encourages people to work when they need to get better health in order to work? It does not make any sense, and it has been a failed experiment. But you have answered the question. You are still an advocate of that failed approach, that traps people in poverty and is quite disturbing.

Now according to the Treasury Department analysis produced this month, the Trump tax giveaways would give an average tax cut of $314,000 to the richest Americans, the top .01 percent, and $6 annually to the average member of the bottom ten percent. A cup of coffee for those trying to get on their feet in the course of a year, and $300,000 in additional income for the richest Americans. Is this not kind of ass backwards?

Hon. VOUGHT. Senator, the President's tax cuts provided tax cuts for all Americans. It had a sizeable increase in the child tax credit. It had expansion of the standard deduction. It was something that benefited all Americans, and as a result led to a strong economy that we hope to replicate again by having an extension of those important tax cuts.

Senator MERKLEY. So you are very comfortable with a cup of coffee per year for the bottom ten percent, while you give $300,000 to the richest Americans, according to the Treasury Department analysis?

Hon. VOUGHT. Well, there are people at the higher end who are in charge of small businesses, that are taking great risk to innovate and hire additional people that are not in their tax bracket. And that is part of the way that you structure economic growth.

Senator MERKLEY. My final question, because I am running out of time. At your think tank in 2023, you proposed a $3.6 trillion in tax giveaways, primarily going to the richest Americans, and to make the numbers work, you assume that your giveaway would produce the magic asterisk.

You are probably familiar with the magic asterisk. Magic asterisk is saying don't worry, be happy. The economy will improve because we give away the Treasury to the richest Americans and more revenue will come in. It has failed every single time it has been put forward. Not a single analysis has confirmed it, and not from any serious analysis from CBO, the Congressional Budget Office, not from the Joint Committee on Taxation, and yet are you still a believer in the magic asterisk?

Hon. VOUGHT. Senator, I am a believer in dynamic growth for sure, that when you cut taxes, it actually has a dynamic impact on the economy and we see that with revenues continuing to go up after all of the tax cuts that we have seen in history, 1920's, 1960's, 1980's. Both of the Bush tax cuts and then including the—and then the Trump tax cuts. We have seen a dynamic impact on the economy.

Senator MERKLEY. Your facts are wrong, but we will continue the discussion I am sure.

Chairman GRAHAM. During the first Trump term before COVID, were not African-American/Hispanic household incomes at their highest?

Hon. VOUGHT. Yes, Senator.

Chairman GRAHAM. Thank you. Senator Grassley.

STATEMENT OF SENATOR GRASSLEY

Senator GRASSLEY. Yeah. I have got a figure in front of me of $610 billion of improper payments just in health care. I would bet a lot of this information comes from whistleblowers. So my question to you is about whistleblowing. Do you have any role in protecting whistleblowers, encouraging whistleblowers, maybe changing the culture in a lot of agencies that treat whistleblowers like skunks at a picnic? Would you tell me about if there is anything you can do to help this process of whistleblowing? It helps us explain not just the waste of money, but also improper government action?

Hon. VOUGHT. Senator, thanks for the question. I think that whistleblowers play an enormous role in helping us weed out waste, fraud and abuse. As a Senate staffer and Hill staffer, I have benefited greatly from reading Inspector General reports.

From my standpoint at OMB, my view is OMB should be an advocate for whistleblowers in every possible way, and to make sure that we value and as a result agency heads value the work that they do. And so we will always be looking for opportunities along those lines.

Senator GRASSLEY. I would like your view of how you can play a role in making the recent Supreme Court decision overturning the Chevron doctrine, the Loper case, how that can help you stop our government from being over-regulated, bureaucrats over-reaching, using a statute that may be—can be liberally interpreted, and all that?

Hon. VOUGHT. Thank you, Senator. It is all those aspects of the regulatory process in terms of deregulating, in terms of making sure that agencies are sticking to the law, that we want to make sure if confirmed we get properly set up. That would be part of the review process, not unlikely cost-benefit analysis and making sure agencies are not coming up with new interpretations of what the statute should say. We want to stick to the statute.

Senator GRASSLEY. So you will be watching that regulatory process, to make sure that Loper is followed?

Hon. VOUGHT. Yes, Senator.

Senator GRASSLEY. Okay. Another thing that irritates me about—by the way, these problems I am talking about are not just Democrat problems. They are Republican and Democrat problems that we have got to deal with. So another one would be not answering our letters.

Now I do not know whether I got a lot of letters to your department or not that have not been answered, but I can give you the Justice Department's example. When Pam Bondi was in my office, I gave her a stack of 158 letters that the Justice Department just in the last four years have not answered, and it was somewhat the same under Obama and Trump in previous years.

We have got a constitutional responsibility to make sure that the executive branch faithfully executes our laws. So we want to make sure that these letters are answered.

So on September 15th, 2023, I sent President Biden's OMB Director a letter asking a simple question. Where is the implementation and guidance for the Open Government Data Act, as just one example? At that point, OMB was five years late in issuing the guidance. The guidance was intended to make government information more open and available.

In the final days of the Biden administration, they released the guidance, but they never directly responded to my request. If confirmed, will you commit to ensuring OMB provides timely and complete responses to Congressional oversight?

Hon. VOUGHT. Yes, Senator. I think it is very important. It is one of the things that I asked my team to know, to let me know immediately, the day of, when Senators and Congressman are writing and sending us letters.

I want to be immediately aware and quite frankly, and I have said this to all of you in our individual meetings. I want to know before it gets time to have to send a letter, which that is an important part of the process.

Senator GRASSLEY. Should you be confirmed, you will face a daunting task of reining in the bloated federal government. Besides crafting a responsible budget, what actions can you take as OMB Director to begin right-sizing the federal government?

Hon. VOUGHT. Well, we are going to go, if confirmed Senator, right into the process of finishing the fiscal year '25, helping the President come to a view on how that should proceed. We will be in the process of various discussions with regard to reconciliation, of which are very important.

And then there is just the normal management of different agencies for waste, fraud and abuse beyond sending up a Presidential budget, of which we will have to get started and get caught up, based on just the normal process of an incoming administration.

Senator GRASSLEY. Thank you.

Chairman GRAHAM. If I were you, I would answer Senator Grassley's letter, if he ever sent one, and I would be pro-whistleblower. Senator Murray.

STATEMENT OF SENATOR MURRAY

Senator MURRAY. Thank you, Mr. Chairman. Mr. Vought, I appreciated the opportunity to meet with you last week, but I do continue to have very serious concerns regarding your nomination, starting with your position and record on impoundments.

I do not believe what happened in the case of withholding security assistance to Ukraine in 2019 while you were acting OMB Director, was an accident or a misunderstanding. And I fear it is actually a harbinger of what is to come these next four years.

In fact, on his first day in office, we saw the President order, among other things, what appears to be an illegal deferral of Inflation Reduction Act, Bipartisan Infrastructure law and foreign assistance funds, as Senator Merkley referred to.

Mr. Vought, your written response when pressed on this, that you will follow the advice of the incoming OMB general counsel, Mark Paoletta, someone who has called the Impoundment Control Act a stupid law, and recently tweeted at you to "impound baby, impound" is a bit rich.

Look. As I said to you at our meeting, members of Congress on both sides must know a deal is a deal. A deal is a deal when we reach a bipartisan agreement on major legislation. Agreements cannot happen and Congress cannot function without that level of trust, and "impound baby, impound" is not the answer I am looking for.

So I want to ask you today, will you, if confirmed as Director, faithfully follow the law, the Impoundment Control Act, yes or no?

Hon. VOUGHT. Senator, we will faithfully uphold the law. The President ran on a notion that the Impoundment Control Act is unconstitutional. I agree with that. I would in response to both questions say that what the President has unveiled already are not impoundments; they are programmatic——

Senator Murray. Has the impoundment law ever been said to be unconstitutional by a court of law?

Hon. VOUGHT. Not to my knowledge.

Senator MURRAY. No, it has not. So it is the law of the land. I do not care what the President said when he was running. It is the law of the land. So will you follow that law if you are confirmed to this office?

Hon. VOUGHT. Senator, the President and his team is going to go through a review with our lawyers, if confirmed, including the Department of Justice, to explore the parameters of the law with regard to the Impoundment Control Act. He has not developed a strategy that he has announced as it pertains to how we would approach it. There are pieces of legislation that have been proposed by members of this Committee.

Senator MURRAY. But we propose legislation all the time. If the rule of the law states that it is a 15 mile an hour speed limit, you cannot just say "Well, I think that is irresponsible and I am going to challenge it, so therefore I do not have to follow it."

The impoundment law is the law. Will you follow it or not? You cannot say that we are going to look at it and might challenge it in court, but it is the law today. Will you follow that law as Director?

Hon. VOUGHT. Senator, the reason why the President ran on this is that 200 years of presidents had this——

Senator MURRAY. You are telling me why you do not agree with the law. But the law is the law. Will you follow the law?

Hon. VOUGHT. And what he found in the first term was that we had agencies that would push out spending at the end of the fiscal year——

Senator MURRAY. Mr. Chairman, I am going to take my time back from him and just tell all of us. We work all the time on Appropriations, where I am Ranking Member, to come to agreement. Senator Graham and I work on agreements and we decide yeah, okay. We'll both vote for this. We have an agreement.

How can we ever have an agreement in the future if a President, whoever he or she may be in the future, has say over that saying yep, never mind; I am not going to pay for this part of it? We have to have agreements. It is the law of the land, and I have to say that your answer to this should be disconcerting to every single member on this Committee.

I have a minute left, and I want to ask you another important question because as Director of the powerful Office of Management and Budget, your job will not be merely to execute the President's agenda. It is also advise the President on policy, as you have made clear.

So I want to ask about women's health policy. You were a lead author of the Anti-Abortion Project 2025. You were also caught just a few minutes ago saying that when it comes to abortion, you "want to get to abolition." Now everyone should understand that abortion abolition means zero abortions under any circumstance whatsoever.

So Mr. Vought, you have said that you do not believe in exceptions for rape, for incest or life of the mother. Is that your position?

Hon. VOUGHT. Senator, my views are not important. I am here on behalf of the President as his nominee to restore fiscal accountability——

Senator MURRAY. I am asking you a question under oath, sir, because you want to be director of an office that will advise the President and we have a right to know your views. Will you answer the question?

Hon. VOUGHT. I will Senator, because it is consistent with the views that the President ran on repeatedly, made his views very clear on abortion with regard—in the last election.

Senator MURRAY. Even in the case of rape, incest, or life of the mother?

Hon. VOUGHT. That is his view, and I will strictly abide by the President's view. And that will be a general theme throughout this entire hearing. My view of the position is that you come into an administration and you do what the President ran on, what the President's viewpoints are, and you do—you take that viewpoint——

(Simultaneous discussion.)

Senator MURRAY. My time is up. It is very clear on what your stance is on this, and people in this country, women and men alike, should know that.

Chairman GRAHAM. Senator Crapo. Senator Johnson.

STATEMENT OF SENATOR JOHNSON

Senator JOHNSON. Mr. Vought, thanks for being here again. Hope this is, you know, one of many appearances before this Committee. In your appearance before the Homeland Security Committee, I really spent a lot of time on spending.

I want to focus on the other part of the budget, which is revenue on this one. But I do want to just kind of talk in general on macro terms. If you take a look at federal outlays averages over the decades, back in the 60's we spent 8.2 percent on average. 70's, it was 19.6. 80's, 21.5. The 90's, 19.9 percent. 2000's, 19.6 percent. 2010 through '19, 21 percent.

This year we are right around 25 percent of GDP, federal spending. What do you think is an appropriate level as a percent of GDP? I mean what would be a goal for this administration to again, we talked about getting to a pre-pandemic level of spending.

2019, we spent 4.4. Last five years, we have averaged 6.5 percent or $6.5 trillion. What is an appropriate percent of GDP for federal spending?

Hon. VOUGHT. Well Senator, it is a great question. You know, we have not set a fiscal goal yet for this administration. But I think trying to get back to historical levels of outlays is one of those important first steps, to begin to find out ways to be able to not set records as a percentage of GDP, whether that is spending, outlays as a percentage of GDP or debt as a percentage of GDP.

As you know, we are now above levels in World War II which, you know, we never thought we would get there outside of crises. And we need to change the trajectory that we are on as a country for sure.

Senator JOHNSON. Okay. So we want to work very closely with you to again, bring down that level of spending to a reasonable pre-pandemic levels. It is absurd that we are basically spending at pandemic levels.

In terms of, you know, the automatic tax increase that would go into effect if we do not take action, I would think the first goal would be to return certainty that that will not happen. Would you agree with that? I mean that we——

Hon. VOUGHT. Yes, Senator.

Senator JOHNSON. Okay. You know, one way of doing that, I proposed this morning at a political event is I know people are talking about one big beautiful bill or two step. I would actually recommend three steps, you know. First, reconciliation, handle the border. Keep it simple. We all agree on that.

Second would be just extend the Tax Cut and Job Act as it is. That would take any tax increase off the table, because what I want to do—in the third step is simplify and rationalize the tax code, and one thing I found is there is nothing simple about doing that. So I just want to throw that out there.

I think we Republicans are all agreed that we want to return certainty. There is not going to be a massive tax increase. This would be one way to do it. Just let us quick get in there, extend it using current policy, Senator Crapo's idea there, which makes a lot of sense.

By the way, let us just discuss that for a minute. In past budgets, we adhere to the rule that a spending policy that expires, if you extend that, there is no cost. But if it is a tax cut that expires, now all of the sudden you are dealing with, you know, trillions of dollars. And by the way, I do not believe those scores.

Do you not think it makes a lot of sense to treat both spending and taxes exact same way, that if we pass a budget in this Committee it is going to be based on current policy, both for spending and for taxes?

Hon. VOUGHT. Senator, I am not here to make any announcements strategically for the administration. But I do think it makes sense to be able to treat spending in the same way that you treat the tax baseline.

And so I think that is something that should be considered as you navigate the reconciliation process and have conversations with the parliamentarians. But I think that is a very important discussion that needs to continue to move forward, to give options for the President for this body.

Senator JOHNSON. So again, I am always speaking in terms of goals of things. So again, I think it is a goal to return that certainty. Let us take any kind of automatic tax increase off the table as quickly as possible.

Then whatever we do do, and again I do not like the term "tax reform"; I like the term "tax simplification and rationalization."

But whatever we do, it needs to be permanent. Let us not make the mistake of having automatic tax increases in what we do next.

Now that is going to be complex, okay? There is nothing simple about tax simplification. One of the things I think we ought to look at are tax expenditures. I just had my staff, you know, print me out the list of tax expenditures. This is like about 170 of them totaling almost $1.7 trillion, about six percent of our economy.

Now some of these, I looked at these, are legitimate business deductions. I would not consider them a tax expenditure. Is this something the administration is willing to take a look at, is just trying to dramatically simplify our tax system. It cost $400 billion at least to comply with it. I mean is that something that you and the Treasury Department and the President will work with me and this Committee on trying to simplify our tax system?

Hon. VOUGHT. Yes, Senator. Happy to look at that list as well.

Senator JOHNSON. Okay. Thank you, Mr. Chairman.

Chairman GRAHAM. I do not know if it is going to be one step, two steps or three steps, but let us take a step. Senator Sanders.

STATEMENT OF SENATOR SANDERS

Senator SANDERS. Thank you, Mr. Chairman. I look forward to working with you.

Chairman GRAHAM. Yes, sir.

Senator SANDERS. Mr. Vought, thanks for being here.

Hon. VOUGHT. Thank you.

Senator SANDERS. Mr. Vought, we are living in a moment in American history, we are at a time when 60 percent of our people are living paycheck to paycheck. We have more income and wealth inequality that we have ever had. Three multi-billionaires own more wealth than the bottom half of American society.

People are struggling to put food on their table. The very rich are getting much richer. We have heard from our Republican colleagues in the House, that they think it is a good idea to go forward to provide massive tax breaks for the billionaire class, and at the same time help pay for that by cutting back on Medicaid.

Now I know that you are more than aware that Medicaid not only provides health care to tens of millions of lower income people, but two out of three people in nursing homes in America, elderly people are on Medicaid, paid for by Medicaid. You are going to be an advisor to the President if you are approved.

Will you tell the President that it is immoral, that it is wrong to cut Medicaid, cut health care for lower income Americans, for children and for the elderly, and give tax breaks to the very richest people in our society? Is that something we can count on you to do?

Hon. VOUGHT. Senator, one of the problems, and I appreciate the question, is one of the problems that we have in the Medicaid program is the extent to which instead of being a program for the poor, it is alone in that and to the extent to which it is meant for nursing homes and things of that nature, we have able-bodied working adults on the program that are benefiting from a higher match rate than the populations that it was originally designed for.

And as a result of that expanded match, you also have states kind of chasing that match in other ways that have made it so that they are not looking at improper payments and——

Senator SANDERS. All right. You are going into an—I do not have a lot of time. You are going into another area, and that is the health care system in general. As you well know, unfortunately the United States of America is the only major country on Earth not to guarantee health care to all people as a human right.

And the result of that despite Medicaid, and we can argue about this or that aspect of Medicaid, despite that 85 million Americans are uninsured or under-insured, and importantly—and your colleague Mr. Musk made this point. We are spending far more on health care than any other country per person.

I wonder as an advisor to the President, will you try to determine how it is that countries around the world are able to provide care to all of their people and in some cases spend 50 percent per capita of what we are spending?

Do you think the function of the American health care system should be to make huge profits for the insurance companies and the drug companies, or do you think maybe we should have a system that guarantees health care to all people as a human right? Do you believe that health care is a human right?

Hon. VOUGHT. Senator, I believe that it is very, very important that we put the health care dollars that the taxpayers are covering for the health care system, which you just mentioned is substantial, to make sure we have the best outcomes in those programs.

I want—I want the people who benefit from Medicaid to have a great Medicaid program. And I look at a situation and a tragedy we had, where Deamonte Driver, a 12 year-old, dies of a toothache because the infection was never—never found.

Senator SANDERS. Right. All right, you are right. Yeah, health care—all right, look. I do not want to argue. The health care system in my view is broken, it is dysfunctional. But my question to you, it is a simple one.

As an advisor to the President, do you think we should join every other major country on earth and say "You know what, whether you are poor, you are rich, you are young, you are old, health care is a human right." We are the richest country in the history of the world. Do you think we should do what every other major country on earth does?

Hon. VOUGHT. Senator, I think it is important to provide legitimate, evidence-based outcomes for people within the health care system, and to make sure that we tailor all of the dollars that are spent towards——

Senator SANDERS. But that—you did not answer my question.

Hon. VOUGHT [continuing]. And ensure that they have good health care.

Senator SANDERS. Mr. Vought, my question, fine. The question is a simple question. In America, should we do what every other major country does and say "I do not care if you are poor, you are rich, you are old, you are young. Health care is a human right." Yes, no?

Hon. VOUGHT. Senator, I think the President has not made a— he ran on providing good health care outcomes. That is my view.

Senator SANDERS. You are an advisor to the President. You are going to be key advisor if you are approved. Do you think that health care is a human right that every American should be entitled to?

Hon. VOUGHT. I believe the role of the Office of Management and Budget Director is to take what the President has run on, the things that the President has as a policy agenda, and to turn that into policy, to implement that. And so to the extent that he has run on having lower prescription drugs, that is a priority of the administration.

Senator SANDERS. Good for you. Well, thank you. All right. The President in the past, I do not know about recently, has indicated that he would maybe do what President Biden did, stand up to Big Pharma. We are paying now in some cases ten times more, as you know, for the same exact drug that other countries are paying.

Are you going to advise the President to take on Big Pharma and do what he promised to do? And that is have Americans not pay a nickel more than other countries for prescription drugs? Will you—will you advise him to do that?

Hon. VOUGHT. Senator, the President has not made an announcement since he has been in office, but he certainly ran on this issue. There was a speech with regard to making sure that we were—we were getting the same types of arrangements that the other countries were, given the amount that we are investing in it.

But he also, Senator, wants to do it in a careful way, so that we are not ruining the phenomena and the industry that allows us to have life-saving medications.

Senator SANDERS. I got it. I do understand.

(Simultaneous discussion.)

Senator SANDERS. We want innovation, but will you maintain what we fought very hard to, to do what every other country does, have Medicare negotiate prescription drug prices with the industry?

Hon. VOUGHT. No, Senator. I am not here to get in front of the President on any of his policies, other than to say that this has been a priority for him, and I think your question reflects that it has been a priority of his.

Senator SANDERS. Okay. I have over-extended my time.

Thank you, Mr. Chairman.

Chairman GRAHAM. Thank you, Senator Sanders. Senator Cornyn.

STATEMENT OF SENATOR CORNYN

Senator CORNYN. Mr. Vought, thank you for your willingness to serve the nation again, and especially you and your family. You know that this job comes with its more than its fair share of abuse that you receive. But it is—I believe this is a once in a generation opportunity to do what we need to do to get our spending in check and to—and to make sure that we do what you said, I think at the beginning of your testimony, which is the most important thing the federal government does, is provide for the security and safety of the American people.

You remember 15 years ago, Admiral Mullen, Chairman of the Joint Chiefs of Staff, said the biggest threat to our national security was our debt. Now when he said that, I thought that was kind of an unusual thing to say. But if you think of it as a prediction, it has literally become true, because now we spend more money on interest on the national debt than we do on—on defense.

And that is a recipe for disaster, in what I think is the most dangerous world we have seen since World War II. But let me take you back to the issue of inflation. We have just come off of a 40 year high inflation rate for the American people, which is sort of a silent tax which degrades the standard of living for all Americans.

And how is inflation related to government spending?

Hon. VOUGHT. Well, thank you Senator. This is an important moment historically for our country, to be able to get a handle on our debt and deficits. I believe that spending is a—is a big driver of inflation. I think you saw that under the Biden administration, when they put forward some of the COVID packages early in his administration. All of the sudden we had an inflation problem.

I predicted it at the time. Larry Summers on the Democrat side predicted it at the time, and we saw something that the so-called experts told us we would never see again, which is inflation at the levels that the American people could not absorb, nor should they ever be expected to.

So I think it is both an energy phenomena. I think it is a regulatory phenomena, and I think it's the spending component.

Senator CORNYN. I think Milton Friedman would agree with you, on the spending side certainly. So the federal government spends roughly $6.75 trillion at the present time. I know none of us can really even get our brain around how much money that is. It is a lot of money.

But we also took in last year about $4½ trillion in revenue. So there is a significant gap between what the federal government spends and what the federal government gets in terms of revenue. Do you think that is sustainable?

Hon. VOUGHT. No sir, it is not. We have to get spending under control. I think what we have seen though is that revenues have been hovering about where they have been historically as a percentage of GDP, and as a result the problem is primarily on the—on the spending side. And that is one of the reasons that you have seen in the first term the President put forward substantial numbers of savings and reforms, to get a handle on the spending component of the federal budget.

Senator CORNYN. And right now, the Congress appropriates roughly 28 percent of the money that the federal government spends. The rest of it is on—is mandatory spending, and is spent under the Tax Code, as Senator Johnson pointed out. I do not know how we are ever going to balance the budget just looking at 28 percent of what the federal government spends.

That is not to say that we should not look at it, but do you agree with me that we need to look at mandatory spending programs? I understand that Medicare and Social Security, absent bipartisan support, are unlikely to be the sources of any savings on spending.

But we spend, I think at last count, roughly $700 billion a year on mandatory spending programs that Congress turns on. It does not cap. It does not have a cost of living index. It is just based on demand, and they grew at six, seven, eight percent.

Do you think we need to look at non-Social Security, non-Medicare mandatory spending to find some of the savings?

Hon. VOUGHT. Yes, Senator, and it is one of the reasons why there are substantial numbers of savings and reforms, many of it is just getting better outcomes in these programs that were consistent with the President's protection of Social Security and Medicare, that still allowed us to get to balance in the budget that we last sent up in the first term.

The President's approach has been get after the bureaucracy that is largely wasting money, and to be able to get people back to work with things like welfare reform and other reforms that we have seen historically worked, to get better labor force participation and a better economy.

Senator CORNYN. Thank you.

Chairman GRAHAM. Senator Warner.

STATEMENT OF SENATOR WARNER

Senator WARNER. Thank you, Mr. Chairman. Mr. Vought, good to see you. You know, these hearings are important. I kind of view them as a job interview. I have got to tell you though. I am kind of curious about your background. A dozen years on the Hill. Government bureaucrat. Right wing think tank.

Seems to me you are a total product of what MAGA folks call "The Swamp." I am not sure how that swamp expertise is going to help you in this job, you know. I am, you know, I am a little different than most folks. I actually run a business, met a payroll, managed an operation. You have no private sector experience, and I look then at what you have said. From just the management standpoint, it seems like what you want to do is how many federal workers we can get to quit, how many federal work offices can y'all go out and relocate.

And I have got to tell you. Your words, "We want the bureaucrats to be traumatically affected, because they are increasingly viewed as villains. We want to put them in trauma." I have got to tell you, you want to be OMB and help oversee this workforce, and you want to put the workforce in trauma?

Sir, that would be management malpractice. I appreciate the fact of what you have done in the past. Let us look at your record. It is an interview. 2019, you helped move the Bureau of Land Management (BLM) out. 170 percent increase in vacancies at the BLM. Government Affairs Office (GAO), the folks who are supposed to be independent. Said that move dramatically impaired its ability to serve the American people.

Another failure that some of us pointed out. Last time you said "Let's move part of the Department of Agriculture out." Two bureaus. Led to 40 percent and 60 percent reduction in effectiveness. Then we get to your madness, and at least I give you credit for putting it down in writing. Project 2025 and that handbook.

Sir, I do appreciate the fact one of the things you have said, which was you think it is important for the federal government to keep our nation safe. Probably the most important thing I have done in this job is my work with the intelligence community. I am chair—I am vice chair now.

We have got thousands of men and women who work in the intelligence community without a lot of fanfare. You realize, of course I hope, that to become a Central Intelligence Agency (CIA) agent it takes about a year to get a secured clearance. Are you aware of that?

Hon. VOUGHT. Yes, Senator.

Senator WARNER. All right. So in your Project '25 madness, you put forward the idea that somehow breaking up the CIA and moving it around the country would make our nation more safe?

Do you not understand sir, that if President Trump, by having the intelligence community close to him, to have ability from folks from National Security Agency (NSA), the CIA, the Pentagon, the Federal Bureau of Investigation (FBI) in this region, your idea of let us somehow go on this ideological jihad to break up the intelligence community's effectiveness?

I would ask you sir, can you show any evidence that somehow we would make our nation safer if you put your political litmus test and, you know, this idea of bringing trauma to the federal workforce by taking the intelligence community, which has been supported on a bipartisan basis year-in and year-out, and somehow breaking it up and spreading it hither and yon, just for a political purpose? How does that make our nation safer?

Hon. VOUGHT. Senator, I never proposed that and the President has disassociated himself from Project 2025. It is a mischaracterization of——

Senator WARNER. So all right. Okay, good. We are here on the record. You are going to commit to make sure that, you know, I would argue you have to make a business case before you start breaking up the government. I am all for effectiveness.

Will you be willing here to commit not to undermine our national intelligence community by arbitrarily trying to break them up and spread them around, just because you want to blow up the federal workforce in this region?

Hon. VOUGHT. Yes, Senator. There is no—there is no policy process that the Trump administration had done that is producing arbitrary results. And let me speak to a question that you raised with regard to my comments about the bureaucracy. It was specifically in reference to the weaponized bureaucracy that we've seen——

Senator WARNER. And so you are the arbiter of who is weaponized and who is not? Again, I hope my colleagues will raise I think you are completely irresponsible actions on so-called Schedule F. You know, we put a civil service in place. But I urge you sir, if you become in this position, think long and hard about the men and women of the national security and the intelligence community before you go on some political jihad of trying to score points by simply trying to break up an operation that actually functions better because of their close collaboration.

And your comments about the federal workforce I find disqualifying on its basis. Thank you, Mr. Chairman.

Chairman GRAHAM. Thank you. Senator Kennedy.

STATEMENT OF SENATOR KENNEDY

Senator KENNEDY. Thank you, Mr. Chairman. Mr. Vought, welcome.

Hon. VOUGHT. Thank you, Senator.

Senator KENNEDY. In my judgment, I do not know a single person, in Washington or outside Washington, who knows more about the federal budget than you do. I used to read your—your suggestions during President Trump's first term, many of which Congress ignored. We should not have.

I am delighted that the President picked you. I have read that since 2019, the population of America has increased two percent, and our spending has increased 55 percent under President Biden, I wish him well. If we had discovered life on Mars, he would have sent it money. Is that sustainable?

Hon. VOUGHT. Senator, it is totally unsustainable, and the problem is is that you go on these trajectories that we are currently on, and you do not know when you are going to get to the—the point at which you have some major, major problems as an economy, as a country, and we know that historically.

Senator KENNEDY. I hope you start with the low-hanging fruit. There is a lot. When we send out stimulus checks to save our economy, 1.6 billion went to dead people, and the checks were cashed, obviously fraud. OMB has estimated that in fiscal year 2023, we sent out $1.3 billion of checks to dead people, which were cashed, obviously fraud.

When you die in America, your name is sent to the Social Security Administration. As you know, you become part of the master death file. Senator Carper and I discovered that Social Security would not share that information with any other department of government. So we passed a bill saying you have to share it with Treasury and other people who write checks so we will stop paying dead people. Duh.

We got pushback, believe it or not, on the bill. We had to agree to a trial period, and that trial period ends at the—in 2026. Will you help us make that program permanent, so we can stop paying dead people?

Hon. VOUGHT. Yes, Senator.

Senator KENNEDY. Now you served in Washington for years. You are going to be called, you are going to be challenging the status quo. You are going to be called crazy. Many people also called Noah crazy, and then the rains came and all the fact checkers died. You have to persevere.

You know, I am asking you—I am not asking you to get ahead of President Trump. But if you were king for a day, tell me how you would save money in the federal budget without impacting the American people?

Hon. VOUGHT. Thank you, Senator. I think it is the strategy that we had in the first term, which is to go really and take a very close look at the agencies that are spending and wasting money, and I believe weaponized at times against the American people.

When they put a 77 year-old Navy veteran in jail, Joe Robertson, for 18 months for building four ponds on his ranch to be prepared for wildfires, that is the Environmental Protection Agency (EPA), I think we have to look at that. And we have to look at the agencies that Congress has to vote on every single year through the appropriations process.

And then I think we need to go after the mandatory programs that Senator Cornyn mentioned, that are keeping people out of the workforce because they have become not just a social safety net, but they have become a benefit hammock, and increasingly so in the aftermath of COVID, as many of these policies were impacting people's decisions to go back into the workforce.

And I believe, because we produced budgets along these lines, you can get sizeable levels of savings and reforms that can lead to a balanced budget and get us back headed in a fiscal trajectory, not only that we would all be proud of, but we could say this is going to keep us from fiscal ruin.

Senator KENNEDY. My time's expired. Ella, Porter, do you have anything you would like to add? Okay. Now's your shot. Thank you, Mr. Vought, for your time.

Hon. VOUGHT. Thank you.

Senator KENNEDY. Congratulations.

Chairman GRAHAM. Good call there, young lady. So apparently we are going to Mars, and I am going to reserve whether or not I want to help them. I don't know what we do if we find them up there. So anyways, to dead people, I do not want to give them checks or they shouldn't vote either. So Senator Kaine.

STATEMENT OF SENATOR KAINE

Senator KAINE. Thank you, Mr. Chair. Congratulations on the nomination, Mr. Vought. I want to go back to the comment that Senator Warner read to you. There are 140,000 federal employees in Virginia, and you gave a speech that got a lot of attention when you said "we want bureaucrats to be traumatically affected. When they wake up in the morning, we want them to not want to go to work because they are increasingly viewed as the villains."

Now I pay attention to the way people say things, because there is a million ways you can make a point. And the way you choose to make a point tells you something about the person. There was a wonderful—since I had an Old Testament reference over there, I will go to a New Testament on Luke 6:45. "From the fullness of the heart, the mouth speaks."

We want people to be traumatized. We want people to be traumatized. I've heard a million people in this room give speeches about we want to cut the budget, we want to reduce federal spending, we want to deal with the deficit. But I have not heard anybody give a gleeful speech about traumatizing the federal workforce.

You do not want federal air traffic controllers going to the airport traumatized, do you Mr. Vought?

Hon. VOUGHT. No, Senator.

Senator KAINE. You do not want the people inspecting our food, our medicine, our infant formula as federal—you do not want them to go to work traumatized, do you?

Hon. VOUGHT. No, Senator.

Senator KAINE. You do not want the people interdicting drugs at the border, you do not want them going to work traumatized, do you?

Hon. VOUGHT. No, Senator.

Senator KAINE. And you do not want people who are working for you at the OMB, who many people would think well, they're in the White House. They must be—you do not want them traumatized, do you?

Hon. VOUGHT. No, Senator. Thank you for expanding on that.

Senator KAINE. Yeah. I mean so I felt like I had to, because I got 140,000 people and most of them have families, and they are trying to do a good job. Was your comment about people being traumatized just focused on the federal workforce, or is it more broadly about state employees and local government employees too?

Hon. VOUGHT. Senator, it was about the weaponized bureaucracy that unfortunately——

Senator KAINE. I am going to get to weaponized in a minute. But you were talking about the federal workforce, so you were——

Hon. VOUGHT. I was talking about the bureaucracy that I experienced and I have——

Senator KAINE. At the federal level?

Hon. VOUGHT. At the federal level.

Senator KAINE. You were not talking about state employees——

Hon. VOUGHT. I have no experience with the states.

Senator KAINE. You were not talking about local employees?

Hon. VOUGHT. I was not.

Senator KAINE. Your mother was a public school teacher, correct?

Hon. VOUGHT. Yes, Senator.

Senator KAINE. So you were talking about, you want the federal workforce to be traumatized?

Hon. VOUGHT. Bureaucracies.

Senator KAINE. I like a lot of presidents. I am a Lincoln fan. Are you a Lincoln fan?

Hon. VOUGHT. Yes, Senator.

Senator KAINE. Lincoln spoke to a nation at war, and he said "with malice towards none, and charity towards all," and he was saying that to the North and the South. He did not say "we want you to be traumatized." He was a bridge builder and a unifier, and that is what public servants should be. They should not gleefully be wishing trauma on people who are trying to serve their fellow men.

I want to get to woke and weaponized. You were the president of the Center for Renewing America and the think tank produced a 2023 budget proposal calling it "A Commitment to End Woke and Weaponized Government." Do you remember that?

Hon. VOUGHT. Yes, Senator.

Senator KAINE. And that is the correct title?

Hon. VOUGHT. Yes, Senator.

Senator KAINE. It's 104 pages of details to end woke and weaponized government, and it proposes deep cuts to the Supplemental Nutrition Assistance Program (SNAP) program. Is providing nutrition assistance to low income kids woke and weaponized?

Hon. VOUGHT. Senator, I am not here to talk about the budget that the Center put out. I am here on behalf of the President——

Senator KAINE. But you just said you did that. I want to know what is woke and weaponized about providing food assistance to low income kids?

Hon. VOUGHT. Well again, I am not behalf of my Center, on behalf of the President——

Senator KAINE. I know that. But this is your work product. I mean you can say it is not woke and weaponized, or you can tell me why it is woke and weaponized. I do not think SNAP programs or benefits for kids are woke and weaponized. Do you agree with me?

Hon. VOUGHT. When we refer to the federal government being weaponized, we are referring to bureaucracies that are——

Senator KAINE. Okay. So you are not—you did not include SNAP. You proposed to cut SNAP, but you are not saying it is woke and weaponized?

Hon. VOUGHT. I am. Again, I am—I am not going to answer questions about the Center for Renewing——

Senator KAINE. You proposed deep cuts to Pell grants. Is helping kids pay for college and helping their families, is that woke and weaponized?

Hon. VOUGHT. Again, I am not here to defend the Center for Renewing America.

Senator KAINE. I get it that you are not here to defend that work product, and I kind of understand why. You propose deep cuts to Medicaid for millions of low income families. Why is that woke and weaponized? You propose undermining health insurance. Why is that woke and weaponized?

Eliminating tenant-based rental assistance. Why is that woke and weaponized? Eliminating the low income housing energy assistance program. This was all in your document about ending woke and weaponized government. Okay, let us see.

We want to traumatize federal employees, and then we want to take all these programs that help everyday people who are struggling and cut them because they're woke and weaponized. Those are your words, not mine. From the fullness of the heart, the mouth speaks. I yield back.

Chairman GRAHAM. Thank you. Senator Ricketts.

STATEMENT OF SENATOR RICKETTS

Senator RICKETTS. Thank you, Mr. Chairman. My colleague next to me here from Louisiana has already referenced the federal spending, roughly $4.4 trillion in 2019 and $6.8, $6.9 in 2024, I think the budget—the budget Biden's proposal is for $7 trillion.

He referenced a 55 percent increase in just 5 years. We greatly expanded federal spending, recklessly expanded it, including a number of areas that the colleague, my colleague from Virginia just was referencing.

Areas were expanded, for example, during COVID and never brought back down to say 2019 levels. That reckless spending has led to 40-year high inflation. We have talked about that as well, and you in your opening remarks remarked how Americans are worse off today, four years later after Joe Biden, because of his reckless spending, contributed to this inflation.

But that is not the only thing that contributed to how Americans are being hurt by the policies of the Biden administration that just left. One of the other areas that they have been hurt by is the regulation, and you have mentioned some of the bureaucracy out of control, throwing a man, a 77 year-old in prison for building ponds.

But if you look over the last 4 years, the Biden administration put in over 100,000 pages of new regulation, 43 feet tall. Taller than a three-story building with the regulations. One study said it was adding $3,300 to the cost of every American household.

This kind of like hidden cost that we see on American households is also one of the reasons why Americans are worse off today than they were four years ago. One of the examples of hiding some of these costs was actually in the EPA, with the tailpipe regulations, also known as the Electric Vehicle (EV) mandate. That was a 573-page document, and there was one table on costs. One table.

And so what we see from this outgoing administration is hiding the cost from the American people, so that they do not understand and do not see what their government is trying to do to them, how their government is actually laying on these regulations that harm them, and that is why they feel worse off today than they did four years ago.

If you are confirmed, will you commit that you work with me to help reverse and expose the regulations and how agencies try to hide the cost, try to play around with the numbers? You may have heard the phrase "there's lies, damn lies and statistics," right?

We need to make sure that when we are passing regulations, that we have a full cost-benefit analysis that people understand the trade-offs we are making by having regulation. Will you, if you are confirmed, commit that you will work with us to be able to make sure that we fully understand the costs and that these agencies will not try to hide the cost of regulations?

Hon. VOUGHT. Yes, absolutely. This is one of those fundamental apparatuses that we need to get back in place that we had in the first term. If confirmed, it will be one of the earliest projects that I am a part of.

Senator RICKETTS. Great. Thank you very much, Mr. Vought. Also, I want to switch gears on you a little bit here as well, because it is also another example of how the bureaucracy is failing.

As you know, biofuels are important to my state of Nebraska. We are an agricultural state. Biofuels are a way for us to be able to help clean up the environment, reduce our reliance on foreign sources of energy, and it is great for farmers and ranchers as well. It also helps save consumers money at the pump.

The renewable fuel standard and the renewable volume obligations, RVOs, are priorities for me and my state. And the 2026 RVOs were supposed to be filed November 1st, 2024 and now it looks like it is going to be December, and I am sure the folks who were in business in the past know that certainty is important for businesses, and we will be over a year behind.

Will you commit to working with me, to help make sure that the bureaucracies are following the law and fulfilling their obligations, for example in this case specifically, to get the RVOs out on a timely basis?

Hon. VOUGHT. Yes, Senator.

Senator RICKETTS. Great. And then one last area, since I am running out of time here real quick. We must tackle the national debt. It is biggest internal threat. We have kind of talked about it already, but the Chinese Communist Party is the biggest external threat we face as a nation.

How will you ensure that we are protecting federal dollars in the contracting process, to make sure that our adversaries and entities that are hostile to us, like the Chinese Communist Party, are not being subsidized by our American tax dollars, and how will you advise the administration on that?

Hon. VOUGHT. Well, it will be a priority through our role in advising contractors and the agencies that are engaged with them. In the first term, we had a lot of work that we were doing on behalf of the laws that were passed, to make sure that Huawei was not a part of getting taxpayer contracts, and that will be a trend that we will continue.

And we will be working with you on any new laws that are put forward, and looking closely at the statutes that are already in place.

Senator RICKETTS. Thank you, Mr. Vought. I appreciate it. I have run over my time, but you also have very cute daughters. I am glad they are here today. Thank you, Mr. Chairman.

Chairman GRAHAM. Senator Van Hollen.

STATEMENT OF SENATOR VAN HOLLEN

Senator VAN HOLLEN. Thank you Mr. Chairman. Mr. Vought, good to see you. Look. We are just a few days into the Trump administration and already seeing a huge gap between what candidate Trump ran on, which was helping working men and women in this country, and what he is actually focused on, including recently pardoning people who had been convicted of assaulting and bludgeoning police officers, including an Executive Order that stops ongoing initiatives to reduce the costs of prescription drugs, including, as we have heard today, a renewal of a tax plan that disproportionately benefited the very wealthy and the biggest corporations at the expense of other Americans.

As we saw on the dais during the swearing in, the golden age for America will be great for the billionaire tech titans, who had seats better than those of the incoming cabinet officers. So, President Trump was very clear that he is going to govern in a way that was different than candidate Trump.

You are going to play a very instrumental role in this administration if confirmed, and I believe that the best way to sort of judge or guess what the future looks like in terms of your conduct is to look at the past, and in December 2019 I wrote to the GAO, asking them if OMB, you, the previous Trump administration, had violated the Impoundment Control Act (ICA) by withholding funds from Ukraine.

And in January, I got the response back and their conclusion was yes, that you had violated the Impoundment Control Act. Mr. Chairman, I ask unanimous consent that the letter I received from GAO be entered into the record.[4]

Chairman GRAHAM. Without objection.

Senator VAN HOLLEN. Now I listened very carefully to the exchange you had with Senator Murray, and you had a very clear opportunity to say yes, you will comply with the Impoundment Control Act. I did not hear you say that. So just to give you another chance, will you comply with the Impoundment Control Act?

Hon. VOUGHT. Senator, the President ran against the Impoundment Control Act——

[4] Document submitted by Senator Van Hollen appears in the appendix on page 136.

Senator VAN HOLLEN. This is—Mr. Vought, I know what the President did. He wants to change lots of things. He can submit legislation to do that. But you are going to be the head of OMB and here today at this hearing, you are refusing to commit to comply with the Impoundment Control Act. Is that right? Are you refusing to commit to complying?

Hon. VOUGHT. Senator, the administration has to go through a policy process to understand the legal parameters for operating in the ICA.

Senator VAN HOLLEN. Okay. I am going to reclaim my time. I am sorry. I was just—it seems that complying with the current law, even if you disagree with it, would result in a clear answer. Yes, I will comply with current law including the Impoundment Control Act.

Let me turn to Department of Government Efficiency (DOGE). All of us support greater government efficiency. I would like to see it in many different agencies, including the Pentagon, which is the one agency which has continued to fail audits.

Now Elon Musk is going to head up DOGE, and what I am worried about DOGE is that it will not bring efficiency, but it will open the door to political cronyism. So my question to you is this. Will Elon Musk and the other folks at DOGE, will they be required to recuse themselves from recommending changes to programs in which they are huge beneficiaries, because I think as you know, Elon Musk has lots of interests in government actions and government contracts.

So, will those members be—have to recuse themselves from putting forth proposals in areas where they have a clear conflict of interest?

Hon. VOUGHT. Senator, this administration has the highest ethical standards and anyone who is a federal employee will be going through the recusal process and the ethics process that is expected and required for all employees of the federal government.

Senator VAN HOLLEN. So they will be? Good. Now I just want to pick up on the quote that Senator Kaine and Senator Warner mentioned about traumatically inflicting, you know, trauma on federal employees. I just—this is an opportunity for you to retract that statement and apologize to the civil servants. Do you want to use this opportunity to do that?

Hon. VOUGHT. Senator, as I have said before, I was referring specifically to weaponized bureaucracies that are aimed against the American people themselves, and the President, that was their boss, the person that was put in charge of that.

Senator VAN HOLLEN. I have looked at the transcript. It was much broader than that. It was not just focused on those individuals. I will say on Schedule F, and this is my last question, because there are lots of concerns that this will be used to convert a merit-based civil service, which we have today, into one based on political cronyism.

So if you were successful at going through with Schedule F and you decided to fire an individual, would they continue to have the due process rights that merit-based civil servants have?

Hon. VOUGHT. Senator, Schedule F is not a tool to fire individuals. It is something that is—so that the President gets people who are policy-based, confidential staffers that are still merit, are still career. They are still——

Senator VAN HOLLEN. Mr. Vought, I am sorry. My question was if you choose to fire somebody, are you firing them at will or will they have the due process rights that currently apply to merit-based civil servants, to avoid having them fired for political reasons?

Hon. VOUGHT. Senator, Schedule F is a different classification. It is meant to ensure that the administration, the President has people who are working for him that are actually going to do the policies that he ran on, that he is articulating.

We think that is an important fundamental principle, and it does not mean that we have any intent to use that to fire career civil servants. I worked with them. I value the work that they do. I hope that the same people there that was working for—I had one person that was there from Jimmy Carter. I actually had a person there from Lyndon Baines Johnson (LBJ).

I love the fact that the career individuals from OMB bring with them that expertise, to be able to advise us on our policies. It is not a desire to just fire anyone that has that classification.

Senator VAN HOLLEN. I understand. But Mr. Chairman, let the record show I asked simply whether those individuals, when they are fired, would have any due process rights as they currently have within the merit-based civil service, and the answer—it was not—I was not given an answer.

Chairman GRAHAM. Well, as I understood it, you are not firing anybody. You are just saying if you are going to be in this job, you need to be like moving in the direction the President's going.

(Simultaneous discussion.)

Senator VAN HOLLEN. But if you do fire somebody—but if you do fire someone in one of these jobs——

Chairman GRAHAM. Sure, yeah.

Senator VAN HOLLEN. Then does that person have any due process rights?

Chairman GRAHAM. I just do not think there is a right to a particular job in the government is what we're all saying.

Senator VAN HOLLEN. No, the question is right to due process and not being fired for political reasons.

Chairman GRAHAM. Senator Moreno.

STATEMENT OF SENATOR MORENO

Senator MORENO. Thank you Chairman. Thank you, Mr. Vought. You have two shots, two interviews with me. So you have double bonus here, so you did a great job in the Homeland Security Committee.

Appreciate your transparency, your answers, and I will start where I ended in that session, which is thank you. Thank you for your willingness to serve. Thank you for your willingness to put yourself through this process, and thank you for the great thought and intellect that you are going to bring to this job.

Since this is a meeting where we should be questioning you and not just giving you opinions that you respond to, if it is okay I will give you some quick ten questions. Is that okay?

Hon. VOUGHT. Sure.

Senator MORENO. So there has been a lot of comments, especially from the Ranking Member about betraying working Americans. So let me ask you a question. When the government forgives the debt of people who paid, took out a loan for college debt, does that help working Americans like my technicians, my sales consultants, my receptionist, my drivers, my car wash guys who did not go to college? Does it help them when student debt is illegally forgiven?

Hon. VOUGHT. It does not.

Senator MORENO. When you have insane government spending that unleashes generally high inflation, that makes going to Taco Bell a luxury, does that help working class Americans?

Hon. VOUGHT. It does not.

Senator MORENO. When you spend hundreds of billions of dollars to fight endless wars in foreign countries that most Americans do not even know where they are, does that help working Americans?

Hon. VOUGHT. No.

Senator MORENO. When you have policies that all of them voted for, every single one of them voted for electric vehicle subsidies, so that when I had a Rolls-Royce dealership, a customer could come in and lease a $515,000 Rolls-Royce Spectre, that's a fully electric Rolls Royce and get a check for $7,500 from the U.S. government, does that help working class Americans?

Hon. VOUGHT. No.

Senator MORENO. And again, I just put on the record that every single one of my colleagues on the Democrat side voted for just such a subsidy. When you house illegals in this country, people are not invited here like I was, like my family was, when you house them luxury hotels at a cost of $6,000 per month per room, does that help working class Americans?

Hon. VOUGHT. No.

Senator MORENO. When you give health care to those very illegals, when Americans do not have the health care that they need, does that help working class Americans?

Hon. VOUGHT. No.

Senator MORENO. When you provide food to illegals, and in some cases when they do not like the food, you give them thousand-dollar prepaid credit cards, does that help working class American citizens?

Hon. VOUGHT. No, sir.

Senator MORENO. When you give sex change operations to illegals, does that help working class Americans?

Hon. VOUGHT. No.

Senator MORENO. When you offer Diversity, Equity and Inclusion (DEI) courses, and instead of being promoted based on merit and rather you have this insane move to DEI, does that help working class Americans?

Hon. VOUGHT. No.

Senator MORENO. And when you fly immigrants from foreign countries to the United States on private jets, does that help working class Americans?

Hon. VOUGHT. No.

Senator MORENO. So last question for you, you can answer it however you would like, Mr. Vought. Why do you think hourly wages for working class Americans declined under the policies of

Joe Biden and Democrat control of Congress, and yet when President Trump was in the White House, hourly wages actually went up for the first time in a generation?

Hon. VOUGHT. Well Senator, thank you for the question. I think it is because we had an administration that was doing everything it can to unleash the American economy, have cheap energy, to be able to have a regulatory sector that was not adding burdens that was not worth it from a cost-benefit perspective, and to free the American people and entrepreneurs to take risk and to hire people and to increase salaries.

And I think you get that with the policies that the President has run on, and I think we are going to see that in a very soon amount of time.

Senator MORENO. So if you were to say who betrayed working class Americans, was it Joe Biden and the Democrats or President Trump?

Hon. VOUGHT. It certainly was not President Trump.

Senator MORENO. Thank you.

Chairman GRAHAM. Senator Luján.

STATEMENT OF SENATOR LUJÁN

Senator LUJÁN. Mr. Chairman, thank you very much. Mr. Vought, you authored sections of Project 2025, which sets forth a blueprint for dangerous plans under this new administration.

You will have an enormous responsibility at OMB and given your record, I have serious questions about whether you can be trusted to carry out the law and safeguard programs that many Americans rely on like Medicare and Medicaid, Social Security and many more.

You also authored this 2023 budget proposal at a foundation that I believe that you helped to found over at the Center for Renewing America; is that correct?

Hon. VOUGHT. I did help found the Center for Renewing America and put that together.

Senator LUJÁN. And you stand by your name?

Hon. VOUGHT. Senator, I am not here to talk about the proposals of the Center for Renewing America.

Senator LUJÁN. That is not my question. Mr. Vought, my question is a simple one. Do you stand by your—do you stand by your name?

Hon. VOUGHT. I do stand by my name.

Senator LUJÁN. Do you stand by your word?

Hon. VOUGHT. Yes, sir.

Senator LUJÁN. Well, I appreciate that because you signed this document. This is your signature?

Hon. VOUGHT. Yes, sir.

Senator LUJÁN. Appreciate that. Mr. Vought, in 2021, what was the reason for founding this center?

Hon. VOUGHT. We wanted to continue the work on policies that were based on the principles of President Trump running for office in his first term, and we wanted to make sure that the political class here, the agenda-setting functions were not going to ignore those important America First perspectives.

But again Senator, I am not here on behalf of the Center.

I am here on behalf of the President's policies that he ran on.

Senator LUJÁN. Appreciate that.

Hon. VOUGHT. And he is already acting on.

Senator LUJÁN. Mr. Chairman, I ask unanimous consent to submit this into the record.[5]

Senator LUJÁN. Mr. Vought, do you know how many families receive assistance through the Low-Income Energy Assistance Program?

Hon. VOUGHT. Not off the top of my head.

Senator LUJÁN. Would you surprise you if it was estimated about 5.9 million families, according to the National Consumer Law Center?

Hon. VOUGHT. It would not.

Senator LUJÁN. Your 2023 budget from Center for Renewing America proposed eliminating Low-Income Home Energy Assistance Program (LIHEAP) funding entirely, which would force millions of Americans to see skyrocketing energy costs, especially this week as temperatures are dipping below zero across the country.

I think that is important, especially to those of us who represent states where many of our constituents depend on these programs when it gets cold. Mr. Vought you authored Chapter 2 of Project 2025 titled "Executive Office of the President of the United States" correct?

Hon. VOUGHT. Yes, sir.

Senator LUJÁN. Thank you. Mr. Chairman, I ask unanimous consent to enter Chapter 2 of Project 2025 into the record.[6]

Chairman GRAHAM. Without objection.

Senator LUJÁN. In this chapter, you wrote that "the Trump administration must reaffirm its commitment to 'preventing drug use before it starts, providing treatment that leads to long-term recovery.'" Mr. Vought, do you know that Medicaid is the largest payer for substance abuse disorder services in the United States?

Hon. VOUGHT. Yes, Senator.

Senator LUJÁN. About 38 percent of folks in this space depend on that program. But in the budget from your group, the Center for Renewing America, you included significant cuts to Medicaid, a total of $2.3 trillion of cuts over 10 years.

Now Mr. Vought, on April 8th, 2024 you tweeted that "defending life is the most important thing to me." Does that sound correct?

Hon. VOUGHT. Senator, on behalf of the administration, I will be putting in place the President's views on life and abortion.

Senator LUJÁN. Mr. Vought, do you know that roughly or do you know what roughly percentage of American babies are born with Medicaid health coverage every year?

Hon. VOUGHT. I do not know.

Senator LUJÁN. About 41 percent. Would that surprise you?

Hon. VOUGHT. It would not.

Senator LUJÁN. In your same budget, you called to eliminate the federal matching percentage floor for states. This would eliminate crucial investments that will put the health care of pregnant moth-

[5] Document submitted by Senator Luján appears in the appendix on page 170.
[6] Document submitted by Senator Luján appears in the appendix on page 145.

ers in jeopardy. Your budget says that it would cut over $650 billion from that program alone.

Hon. VOUGHT, do you know that Head Start promotes school readiness for children from birth to age five?

Hon. VOUGHT. Yes, Senator.

Senator LUJÁN. Do you know how many children were served by Head Start in Fiscal Year (FY) '23?

Hon. VOUGHT. Not off the top of my head, Senator.

Senator LUJÁN. Over 770,000 children. Your budget proposes a 50 percent funding reduction for Head Start programs. In your budget, you included a standard that said "Head Start participants have worse behavior and academic outcomes than children who do not enroll in the program."

Two members of this Committee are Head Start graduates, including myself. Does that surprise you?

Hon. VOUGHT. No.

Senator LUJÁN. That outcomes from Head Start guide a couple of folks to the United States Senate?

Hon. VOUGHT. It does not surprise me, Senator.

Senator LUJÁN. Would you like to apologize about that statement?

Hon. VOUGHT. I was not referring to anybody in particular, Senator. We were looking at the program, the reforms that were a part of that proposal, and that proposal is not an administration document, and I am not here to defend it.

Senator LUJÁN. I appreciate it. Mr. Chairman, could I add to the record a document from the National Head Start Alliance that cites over 30 studies that find the advantage for Head Start kids.[7]

Chairman GRAHAM. Absolutely.

Senator LUJÁN. And Mr. Chairman, just one last question on Native American programs around safety. Mr. Vought, I assume that you support making American communities safer?

Hon. VOUGHT. Yes, sir.

Senator LUJÁN. Does this include Native American communities surrounding rural, local and border towns?

Hon. VOUGHT. Yes, sir.

Senator LUJÁN. Do you plan to defund Bureau of Indian Affairs (BIA) and tribal police again as you did under your first tenure in OMB?

Hon. VOUGHT. Senator, we have not begun the budget process. I am not confirmed and will not be able to comment on what a future budget, where we do not have a fiscal goal that the President has agreed to would look like at this point.

Senator LUJÁN. You are not willing to say no today?

Hon. VOUGHT. I am not willing to comment on any programs that have not been articulated as part of the budget process that has not——

Senator LUJÁN. Appreciate that. Mr. Chairman, I just hope that in this case when we talk about border security, safety in our communities, bipartisanly we have worked on several of these committees to improve law and order, support for the Bureau of Indian Affairs with Native American police officers, things of that nature.

[7] Document submitted by Senator Luján appears in the appendix on page 284.

This is an area where there is bipartisan support to protect these programs, and I hope that we can continue to do that. I yield.

Chairman GRAHAM. Thank you very much. Senator Scott.

STATEMENT OF SENATOR SCOTT

Senator SCOTT. Mr. Vought, congratulations.

Hon. VOUGHT. Thank you.

Senator SCOTT. You did a great job under the first Trump administration, and I know you are going to do a great job under this administration, and I look forward to working with you.

We have seen the bloating of the federal government under the Biden administration. In the last 4 years, he has added $8 trillion to the national debt, increased our federal spending by 53 percent, while population growth was 2. We can't continue down this path of spending way above pre-pandemic levels, and with the past 4 years of Joe Biden, there has not been any serious discussion or plan on how to control spending or reduce our $36 trillion of debt. In the last—I mean this is just crazy where the debt is.

Can you talk about this existential threat to our economy and what we are leaving to our children if we do not address it?

Hon. VOUGHT. Well, we are currently living in a—a legacy of debt and higher taxes if we do not deal with the fact that as a country, we are spending too much. And that is one of the reasons that we have consistently in the first term put forward budgets that would address the fiscal situation, have commonsense reforms, savings, get a handle on the agencies that we think are wasting taxpayer dollars, and also to keep the economy growing.

I mean that is a part of what is necessary to balance the books. You have got to also have a dynamic accounting where you bring revenues in, and that is something that is going to be very, very important for this administration.

Senator SCOTT. I went to a drive-through restaurant the other day, and one of the ladies said to me, she said that she moved to Florida when I was governor because she thought she could get a job, and she clearly did. We added 1.7 million jobs. But she said the last four years with the inflation, she is finding it very difficult to—to survive. She has got two little kids.

So what are some of the policies that could be implemented, not that you—you know, you have not done this yet. What are some of the ideas that President Trump could implement to start reducing inflation?

Hon. VOUGHT. Well Senator, we are clearly going to address the spending side. The President has instituted, created a DOGE in addition to OMB. He has already put out an EO to unleash American energy and directing all the agencies to be trying to do everything they can to get permits going, to be able to get rid of regulations that are binding, the pursuit of American energy.

And then the deregulatory process of getting that back up and running. The President has given us a new goal. In the first term, we had a two for one goal, now we have one for—ten for one. We think we can hit that. We overshot the first goal and we fully intend to do our best to hit that goal.

But those are all things that are going to be impacting the bottom line, the pocketbook of the person that moved to Florida for that—for that precise reason.

Senator SCOTT. So if we do not—you know, you have seen some of Senator Ron Johnson's work he has put out, that how much the budget has just grown. If you look at inflation adjusted since Clinton, the inflation adjusted after Obama, it is just—it is staggering how much it has grown.

So what is—what is the chance that we are going to see a significant reduction in interest rates, which are hurting people, the high interest rates under Biden? What is the chance that we are going to see inflation come under control if we do not get this budget down?

Hon. VOUGHT. I think those two come together. I think you have got to tackle your budgets, your spending to be able to have a shot at taming inflation, about having interest rates that can come down. Obviously when we left—when we left office, interest rates were nowhere near where they are. The debt was—we spent $350 billion on interest payments the last year that I was there.

We are now up to about $900 billion in interest payments beyond what we spend in defense. So this is—this is the wrong trajectory that you want to be on, and we fully intend, if confirmed for me to have a role in changing that course.

Senator SCOTT. So this is not the easiest job you had before. It is not the easiest job you are going to—you are going to, you know, do again. Why do want to do this?

I mean it is work to try to eliminate the cruel inflation and the impact on people's inability to buy a house because of interest rates and things like that. Why would you want to do this?

Hon. VOUGHT. Well, I think that I bring a particular expertise, having done the job before, that I want to be able to hit the ground running. And it is very rare that you have a chance to do a job better after thinking about it for four years, and I am very thankful that the President has given me this opportunity and I hope that—hopefully I get through it as a confirmed appointee.

Senator SCOTT. Alright. Thank you, Mr. Chairman.

Chairman GRAHAM. Thank you. Senator Padilla.

STATEMENT OF SENATOR PADILLA

Senator PADILLA. Thank you, Mr. Chair. Mr. Vought, thank you for being here. I cannot help but notice how many times I have heard throughout the hearing today your argument that the Impoundment Control Act is unconstitutional. But the fact that the incoming general counsel at OMB, along with you in your final days of the first Trump administration, specifically requested legislative adjustments to the Impoundment Control Act.

So what that tells me is that you do in fact understand the constitutionality of this law as not just currently on the books but upheld by the courts. In your testimony here today and through how you served in the first Trump administration, it also strikes me you come across as someone who thinks they know better than Congress, better than this Committee, and at times even better than the President during the first Trump administration.

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You testified last week that you have been thinking about returning to the OMB for the last four years, and I can only hope and pray that should you be confirmed, that you would uphold the Constitution above all else. I mean I normally thank folks willing to put themselves out for a position of public service for their willingness, because it is not easy.

My colleague Senator Luján raised some of your contributions to Project 2025, and in that Project 2025, you write that the OMB Director should be "aggressive in wielding the tool of apportionment on behalf of the President's agenda." And "defend the apportionment power against attacks from Congress."

It is particularly striking that there are so many members of this Committee that seem eager, anxious, ready to vote for your confirmation, when there is a clear disregard and disdain for Congress' appropriation authority. Frankly Mr. Chairman, you are one of the appropriators. I wish you would join us in trying to drive home this point, because it is setting the stage for how we will be working together over the next four years.

I have to take this opportunity to echo Senator Peters, who raised a specific concern during your hearing in the Homeland Security Committee last week, outlining the fact that your record is particularly concerning for disaster impacted states, given your previous unlawful actions to politicize, withhold and slow the distribution of disaster or even foreign aid.

So my question to you is this, Mr. Vought. If confirmed, will you or will you not politicize disaster funding and deny funds provided by Congress for American families and businesses that have been devastated by natural disasters?

Hon. VOUGHT. Senator, I would not politicize the disbursing of federal funds in any capacity——

Senator PADILLA. Well, that is great to hear, because you say you are going to implement the President's agenda, and I have been paying very close to his remarks since the outset of the devastating fires in Southern California these last few weeks.

I would like to ask you, Mr. Vought, will you commit to getting Congressionally appropriated funding out to Californians devastated by these fires as quickly as possible?

Hon. VOUGHT. Senator, the President has always been a firm distributor of federal resources to areas that need disaster money, and I do not expect that to change. And that has been—that has characterized my time at OMB the first time around. To your earlier question, I do support and will take an oath to uphold the Constitution, and that will continue if confirmed in this capacity.

Senator PADILLA. So two comments, just again for the record. Glad you are pledging to uphold the Constitution because the Constitution and the law is clear as it pertains to the Impoundment Control Act. So unlike some of your clearly understood efforts in the first term, I hope you do not go back to those bad faith practices and efforts in the second term, and you are suggesting that you are not going to politicize the disbursement of funds. You are going to get them out the door as quickly as possible.

Again, I would appreciate you for living up to that commitment that you stated here today, because I continue to hear comments from President Trump from leaders in—Republican leaders in Congress on both sides of the Capitol, about attaching disaster funding to a debt limit vote or attaching disaster funding to some other element of the new administration's agenda, whether it is tax breaks for billionaires, or whether it is some unrelated issue in Northern California as it pertains to federal land management or anything else.

So thank you for your comments on the record. I look forward to holding you to them.

Chairman GRAHAM. Thank you. Senator Marshall.

STATEMENT OF SENATOR MARSHALL

Senator MARSHALL. All right. Thank you, Mr. Chairman. Welcome, Mr. Vought. Glad to have you here. I think I want to speak today in terms of hard-working families in Kansas. The average salary back home for hard-working Kansans is about $50,000 a year.

Over the last 4 years, we have seen cumulative inflation of 20 percent. So that $50,000 only really can purchase about $40,000 worth of goods and services, almost $1,000 a month hit to the average Kansan. When we think about the Trump tax cuts though, they put a—those put $1,000 a month back into the pockets of Kansans.

Overall, if this Trump tax cut goes away, it is going to cost Americans about $4.3 trillion over 10 years. Middle America is going to get hit without about 60 percent of that. Again, $1,000 a month. If those tax cuts go away, it is going to impact hard-working Kansans to the tune of $1,000 a month.

I just want you to comment just a second on how big of a priority getting these tax cuts made actually permanent would be, and how it would impact our economy and those hard-working Kansans back home?

Hon. VOUGHT. Oh I think, Senator, thank you for the question. I think it would devastate their bottom line, and having to face a massive tax increase that they are not prepared for, nor should they. I think there should be, and the President has run on this, an extension of the tax cuts and some of the other provisions that he has proposed on the campaign trail.

And we have got to go after the spending. We have to go after insuring that we have or producing as much American energy as we possibly can, and we have got to get beyond the regulatory burden that we have put on the American people.

And I think those are all policies that you will see if confirmed me prioritize in this role.

Senator MARSHALL. Let us talk a little bit about budgeting. Folks back home, they are expected to balance their tax—or balance their checkbooks, pay off their credit card debt. Unfortunately, they are seeing their credit cards are maxed out. It is tough times, no doubt about it.

But Congress seems to not care about a budget. If Congress would go to a zero-based budgeting reform, working with your office, what could be the impact of that? And I mean zero-based budgeting, even grants. We make grants on five-year terms typically. But if we would just start looking at those grants, especially the ones that are going out of the country, what impact will zero-based budgeting have for—to getting towards a balanced budget?

Hon. VOUGHT. Well, I think what you—the concepts of zero-based budgeting is that you get a sense of what are the things that you have not taken a look at in a long time, and starting from the ground up. It does not mean you are not going to fund that. Just it means that you are taking an approach to looking at each agency spend and where the big dollars are coming from.

And I think every family does that in America. They look at what is the amount that they are going to bring in from a paycheck, and then they look at their spending and they say what are the big pockets of discretionary funding that they could do without.

And that is what I think that budgeting is about, and I think it is important not to lose that level of common sense that comes from a family budget, balancing their own books.

Senator MARSHALL. Okay. I think, just keeping a little time here, to just discuss inflation in general. You made the comment earlier that federal borrowing causes inflation, and that is pretty intuitive to some of us. But I think I just want you to take that just a little bit and explain to again those folks back home. When the federal government is borrowing money, spending more than they have, how does that lead to inflation?

Hon. VOUGHT. Well, you certainly have more money in the—in the system that is coming from federal dollars that are—are providing competition and the ability to have prices go up as a result of that. And you add the component to which who is buying much of that debt?

Much of that debt it being bought by the Federal Reserve, that is printing money to buy that debt, and then goes back into the economy.

Senator MARSHALL. And of course—and of course that is going to impact interest rates as well. So one of the goals will be to get interest rates down. What is it going to take for interest rates to meaningfully come down, not just because of what the Fed is doing?

Hon. VOUGHT. Well, it is going to require us to get a handle on our spending, to begin to have deficits that are much more manageable.

Senator MARSHALL. Thank you, Chairman. I yield back.

Chairman GRAHAM. Senator Whitehouse.

STATEMENT OF SENATOR WHITEHOUSE

Senator WHITEHOUSE. Thank you, Mr. Chairman and welcome to the seat recently occupied by myself. I am delighted to see you there and look forward to working with you.

Chairman GRAHAM. Me too.

Senator WHITEHOUSE. Mr. Vought, the backdrop to the conversation we are having here is indicated by this graph, which shows from 1980 to 2020 how income has grown in the United States. The bottom line, showing essentially no income growth, is the bottom 20 percent of income earners. And as you can see, their household income has stayed essentially flat.

The second line up, this lower one, is how the top 1 percent of income earners have done. They are up 600 percent yearly, compared to near 0 percent for the working people in that lowest 20 percent. And if you look at the top-most line that is up more than 800 percent, that is top .01 percent.

What worries me as we go into this effort is that what we are trying to produce is a golden age for fat cats, billionaires and polluters that is going to make this discrepancy worse and worse and worse. And it is in that context that I would like to ask you some questions about these Executive Orders.

President Trump fired off 26 Executive Orders I believe his first day. Are you familiar with them?

Hon. VOUGHT. I am getting familiar with them, Senator. I have been trying to stay abreast to them and read them. I have not read through all of them. But I—I am aware that he has been very active and I have been reading a number of them.

Senator WHITEHOUSE. Did you have any role in preparing any of them?

Hon. VOUGHT. Senator, I am—that is part of the deliberative process that transition goes through, and I am not going to invade that deliberative process.

Senator WHITEHOUSE. Wait, wait, wait. Hold, hold. Can we—can I have a point of order here and stop the clock? I was the Chairman—you can put that down now—for a Congress in which we had I think over 40 hearings and in those hearings never once did I tell a Republican colleague what questions they could or could not ask.

Those are kind of not my business, and we had some pretty out there questions, I will tell you, and we certainly never had a witness tell Senators what questions they could and could not ask. So I want to—I guess I am like why can I not get an answer? Is there some new rule in this Committee as to where these Executive Orders came from?

That is perfectly, to me, legitimate Congressional oversight. And over and over this witness has told us what he—what questions he will answer. But the oath he took was to tell the truth, the whole truth and nothing but the truth in response to our questions.

So if there is some new limitation about what question I can ask, I would like to understand that. If not, I would like to have the Chair tell the witness to answer my questions.

Chairman GRAHAM. Well, as I understand it, there is no attorney-client privilege here, right? Are you—you are not—you are not claiming attorney-client privilege.

Hon. VOUGHT. I am not claiming a privilege, Senator.

Chairman GRAHAM. Okay. Yeah, well you are not part of the administration. Generally speaking, you know, I guess the question is did you advise on Executive Orders and which ones? Is that the question?

Senator WHITEHOUSE. Yes.

Chairman GRAHAM. Can you kind of—kind of tell us that please, if you could?

Hon. VOUGHT. Senator, I was not a member of the transition. I was not a member of the President's campaign.

Senator WHITEHOUSE. Do you have knowledge of where the Executive Orders were drafted?

Hon. VOUGHT. I do not have a comprehensive knowledge of where the Executive Orders were drafted.

Senator WHITEHOUSE. Do you have any knowledge of where the Executive Orders were drafted? Do you know, for instance, if some of them came out of language from the Center for Renewing America, or some of them came out of Project 2025, or some of them came out of the Heritage Institute, or some of them came out of the American Petroleum Institute? Do you know an answer to those questions?

Hon. VOUGHT. I cannot imagine they came from Project 2025. The President disassociated himself repeatedly from that. But no, I cannot give you a comprehensive answer with regard to where the Executive Orders were compiled. My assumption is that they were compiled within the transition.

Senator WHITEHOUSE. Well, we will see, because I think there is every reason to believe that they came from special interests and lobbyists, and we will pursue that.

Let me ask you about a letter that you wrote some time ago on Center for Renewing America letterhead to the Judicial Conference. I think it is the only letter that you ever wrote to the Judicial Conference. It was dated December 18th, 2023 and it goes into a certain amount of detail about the Ethics in Government Act and about Justice Jackson's financial disclosure forms.

Did you do the research for this letter into the Ethics in Government Act and into the Judicial Financial Disclosure forms personally?

Hon. VOUGHT. Senator, our Center did the research on that.

Senator WHITEHOUSE. And who in your Center did the research on that?

Hon. VOUGHT. Our Center did the research on that, and I cannot speak to who did the work specifically on it.

Senator WHITEHOUSE. You do not know?

Hon. VOUGHT. No, I did not say that, Senator. I said it is not——

Senator WHITEHOUSE. Why cannot you speak to that? There is no privilege about that.

Hon. VOUGHT. No, but they are—a think tank is a public policy organization that has a decision to note who does the work on something and who does not do the work on it, and I stand by that letter. I have not read it in some time. I am happy to look at it, but I am aware that we sent it, that I signed it.

Senator WHITEHOUSE. Did Mr. Paoletta, who is here, have a role in preparing this letter?

Hon. VOUGHT. He is a member of the Center for Renewing America, but I am not going to speak beyond that.

Senator WHITEHOUSE. Here we go again, Mr. Chairman. I am not going to speak——

(Simultaneous speaking.)

Chairman GRAHAM. He said he stands by the letter. It is his letter.

Senator WHITEHOUSE. That is not the question.

Chairman GRAHAM. Yeah. Well, he just said it.

Senator WHITEHOUSE. That is not the question. My time is up.

Chairman GRAHAM. All right, thanks. Senator Lee.

STATEMENT OF SENATOR LEE

Senator LEE. Thanks so much for being here, Mr. Vought, and for your willingness to serve. The administrative state has been crushing the American economy and American innovation. It is also something that operates in a manner that is fundamentally contrary to the structure and intent of the U.S. Constitution.

Article I, Sections 1 and 7 make clear that only Congress may enact federal law. And Article I, Section 7 in particular makes it clear that you cannot make a federal law until you follow the formula, and the formula involves bicameral passage of a single bill, a single item, legislative text in both houses, followed by a submission to the President for signature, veto or acquiescence.

Unless you follow that model, you cannot under the Constitution make a federal law. For the last 80 or 90 years, Congress has been veering off course in that direction, and tragically the courts have been at least inconsistent or you might say largely absent in enforcing these restrictions.

Nonetheless, it is important that we arrest the problem, because the problem is arresting Americans, in some cases very literally, and not just metaphorically. It is estimated that in 2024 alone, executive branch bureaucrats in the Biden administration promulgated federal regulations that added $1.5 trillion in regulatory compliance costs just during that narrow time period.

This, on top of previous estimates, suggesting as far as back as 2016–2017, that existing regulatory compliance costs imposed by federal regulators in Washington, where somewhere in range of around $2 trillion. So it is much higher than that now.

These laws are written by unelected, unaccountable bureaucrats. They cannot really be fired by anyone. They certainly do not even have to stand for election. They are not known to the American people. And they promulgate nearly 100,000 pages of law, federal law or initial drafts that could become law every single year.

A simple solution to that would involve passage of a bill called the Regulations from the Executive in Need of Scrutiny (REINS) Act. The REINS Act stands for Regulations from the Executive in Need of Scrutiny, would require that all federal regulations before they may be enforced as federal law, if they qualify as major rules imposing affirmative legal obligations on the public, would have to be subjected to bicameralism and presentment standard imposed by Article I, Section 7.

Mr. Vought, what are your views on the REINS Act, and will you and the Trump administration work with Congress to enact reforms like these?

Hon. VOUGHT. Thank you, Senator. It is obviously an important area for the President, of ensuring that the bureaucracies cannot promulgate regulations that are harming the economy, harming the American people and it is one of those creative ideas that I think Congress should take a strong look at, and the administration certainly supports the thrust of the direction of the legislation.

Senator LEE. Now there are—there are those who argue that a significant amount of reform to federal regulations and that the process itself could be carried out through the executive branch itself acting alone.

What are your views on that and whether that would or could adequately do the job? Is there not a risk there that if it is performed only by the executive branch, that might bring relief to Americans as long as this President is in office, but subject us to the same risk immediately after he leaves?

Hon. VOUGHT. That would be the problem, and we saw that with regard to, you know, some of the proposals regarding administrative pay-go. When you give the administration or whoever the OMB Director is the ability to execute this outside of statute, then you have got a situation where you can minimize costs and maximize benefits, and potentially escape the process of what Congress has intended.

Senator LEE. I have recently reintroduced a bill in this Congress that I introduced last year. It is a bill called the America First Act. The America First Act imposes a simple principle on American law, a principle that most Americans agree with, which is that welfare benefits provided by the federal government should be available to Americans, and not to those who are not Americans, especially those who are here unlawfully.

It would ensure specifically that only U.S. citizens and lawful permanent residents could be eligible to receive benefits under programs like Medicaid, SNAP, housing, education, some tax benefit programs and a handful of other government benefits.

These are things that impose significant costs on the American economy. They are draining resources meant to benefit Americans and not those who have come here, contrary to our laws, in order to receive them. Mr. Vought, would you commit to working with Congress to bring about reforms like these?

Hon. VOUGHT. Absolutely, Senator. This is exactly the types of reforms that the President ran on.

Senator LEE. Great. I see my time has expired. Thank you very much. Thank you, Chairman.

Chairman GRAHAM. We have one more. You okay?

Hon. VOUGHT. Yeah.

Chairman GRAHAM. Senator Wyden.

STATEMENT OF SENATOR WYDEN

Senator WYDEN. Thank you, Mr. Chairman. Mr. Vought, let me ask you about Medicaid, because you know I am the Ranking Democrat on the Finance Committee. I have been perplexed by your views about Medicaid over the years, because Medicaid is already an incredibly efficient payer within the health care system.

So here we have this program that helps with rest homes. It helps with workers. It helps with kids. It helps with disabled. The track record is it is efficient. Do you disagree with that?

Hon. VOUGHT. Well Senator, thanks for the question. I think it is the extent to which Medicaid is now——

Senator WYDEN. Yes or no. Do you agree with the point that I am making, that Medicaid is efficient, because I have read everything you have had to say about it. You are an influential figure. Your politics are different than mine, but I look at the merits of the arguments. And Medicaid is an efficient program that helps vulnerable people. And I want to know, do you think Medicaid is inefficient?

Hon. VOUGHT. Well, I do not know if we are using the same definition of efficiency, and I think the challenge——

Senator WYDEN. You use something that would suggest other than the point I am making, because every—right now, per person spendings grew less than Medicare and private insurance over the last few years. So this program that you want to clobber, that you want to reduce is more efficient than practically a host of other things. And I want to know what your argument is for Medicaid being inefficient, which you use to justify the cuts.

Hon. VOUGHT. Well, I am not sure I used efficiency as the reason to justify reforms to Medicaid. What I was referring to and have, particularly defending the budgets that President Trump sent up, is that the populations that you mentioned are no longer just the populations of Medicaid.

But now we have able-bodied working adults that get a higher match, and that has taken away from the ability to have a focus on those specific populations, because you have states chasing the match instead of trying to focus on those that it was intended for and weed out improper payments and waste, fraud and abuse. And we know that there is improper payments in Medicaid to a very high degree.

Senator WYDEN. Well, what we know is that spendings grew less in all these other programs, and that the analyses that have been done by objective people is dollar for dollar, this is an important way to help the poor.

So we will start with that, and you have not told me anything this morning that would suggest that you have a good argument that indicates you believe Medicare is inefficient, because the facts suggest otherwise, and let us leave the record open. You can send me anything you want.

Let me ask you one other question, because my time is short. I think the distillation of the Trump economic program is to give tax breaks to all the people at the top, and it is going to be paid for by these kinds of cuts, cuts in efficient health care programs like Medicaid and hunger programs and the like.

And I would like to know does that concern you at all, that we have these values that are going to help the people right at the top, at the tippy-top of the top and we're going to cut these programs like Medicaid and hunger? Are those your values? Do you think that that is something that is in line with American values, because I think we want everybody to have a chance to get ahead?

Hon. VOUGHT. Senator, I fully support the notion that we want everyone to get ahead, and we would not characterize our economic program that way. We think it is important to give people tax cuts at all levels. The President wants to extend those tax cuts.

Senator WYDEN. Well, what about the vulnerable people who are going to get hurt in the process, because no matter how you try to reframe this, this is an efficient program, Medicaid.

It serves some of the most vulnerable people in America. It is a lifeline for them, and the people at the top—excuse me. The people at the top are going to get the benefits. And I gather that you do not have a problem with that, and I think most Americans want a sense of fairness that you are not offering today?

Hon. VOUGHT. Senator, I hope there is a better Medicaid program, and that Medicaid is an important program for the poor, and that they get better health care as a result of the reforms that align the incentives, so that states are doing everything they can to have the best programs that they possibly can, as opposed to expanding them unnecessarily, that hurts the federal taxpayer and honestly I believe hurts the people that the Medicaid program was meant for.

Senator WYDEN. If you have a way to show that you can make Medicaid more efficient, because right now it is clearly meeting the objective test of using federal dollars in a smart way and do it without hurting them and perhaps, heaven forbid, you would take some of the money that is going to go tax breaks for people at the top to do it, I will be all ears.

But right now what I see is a path to hurting many more vulnerable people, and instead the money is going to go to the people at the top, and I do not think that is right. Thank you, Mr. Chairman.

Chairman GRAHAM. Senator Wyden, Mr. Vought. Thank you. Well done for appearing before the Committee today. Your full statement will be included in the record. The hearing record will remain open until noon tomorrow for the submission of statements and questions for the record, delivered to the Committee Clerk.

Senator Merkley and I met yesterday. We had a very good meeting. Our staffs are working together the best we can. I enjoyed our meeting and I thought we had a good hearing today, and I will speak later about the Impoundment Act at the mark-up. I have concerns too, and I will share those with you there.

But thank you very much, Mr. Vought. Anything? If not, the hearing is adjourned.

[Whereupon, at 12:11 p.m., Wednesday, January 22, 2025, the hearing was adjourned.]

Opening Statement of Ranking Member Merkley
Senate Budget Committee Hearing: "The Nomination of the Honorable Russell T. Vought, of Virginia, to be Director of the Office of Management and Budget"
January 22, 2025

Well thank you very much, Mr. Chairman, and congratulations on your new role leading this Committee. I look forward to working with you, and welcome to the Committee. Senator Cornyn, Senator Ricketts – and new to the Senate and new to the Committee, Senator Moreno – welcome.

This Congress, the Senate Budget Committee is going to be deeply engaged in policies that emerge because reconciliation is going to play a central role, and reconciliation begins right here in this room.

We'll be considering Trump's budget requests.

And I must say, my deepest concern about the reconciliation bills is that they are going to betray working Americans – working Americans who President Trump appealed to in his campaign – working Americans who listened to the strategies that he laid out that he proposed.

But certainly, the actual plan isn't to help working people; the actual plan is to help the wealthy get wealthier with massive tax giveaways with working families paying the bill.

Now how are these massive giveaways to the wealthiest families going to be paid for? Well, by slashing services to working families and to struggling families who are trying to get on their feet so they can thrive and get to the middle class. This is a great betrayal.

Today we'll consider the President's nomination of Russell Vought to lead the Office of Management and Budget, which is really the place where this campaign is coordinated. We'll hear very different ideas on how to take our country forward.

For my friends across the aisle and from Mr. Vought, we'll hear that we need to continue to give tax giveaways – massive tax giveaways – to the wealthiest Americans, and we'll hear about how nonpartisan expertise that makes our country run smoothly should be replaced by those with blind political loyalty.

And you'll hear how programs that assist with the environment or for unions organizing working people for public health should instead be replaced by programs that serve big corporations and the mega millionaires.

Our side of the aisle has a different vision: That we stand up for working families; that the wealthy need to pay their fair share of our taxes; that the government should serve everyone – not just the privileged and the powerful.

From my side of the aisle, you'll hear about how we need to expand Medicare's ability to negotiate the price of fifteen expensive drugs.

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Those drugs were laid out by President Biden, according to the law, as he left – I'll submit this for the record, Mr. Chairman – and those drugs include, for example, the weight loss drugs that currently serve 2.3 million people.

Now, the first ten drugs that were negotiated cut the price some a third to two-thirds, or more – including 79 percent on one drug, and Americans are simply outraged that we spend more on R&D to develop these drugs than any other nation, that is our taxpayer dollars, and then we get the highest price among the developing countries instead of the best, which we deserve.

This vision as laid out is the great betrayal of America's working families.

And we'll continue to debate that, I'm sure, in the course of the hearings that are ahead.

And I have no doubt Mr. Vought that you have the intellectual expertise and the experience.

You were OMB Director before; you know all the ins and outs.

Its really a question of whether we are going to accomplish something that provides the foundation for American families to thrive or to simply to increase the wealth disparities that make this a government by and for the powerful rather than by and for the people.

The Washington Post reported that officials said the result of your last tenure underscored the tensions that come with having a deeply ideological operative thrust into position with complicated, often nonpartisan challenges.

And this turned out to be spot on.

You were responsible for the Fiscal Year 2021 Budget issued by the Trump Administration, and it had close to $1 trillion cuts to health care for struggling Americans.

It had $300 billion in cuts to social safety programs – things like nutrition assistance, the earned income tax credit, and the child tax credit.

$170 billion cut by increasing the cost of college loans for those that are aspiring – you know I'm the first in my family to go to college. I think college should be affordable to everyone, not making it more expensive so only rich families can afford to have their kids go to college.

So, we certainly profoundly disagree.

You zeroed out programs like the Community Development Block Grants, which are used for housing all around this country.

Meanwhile you proposed over $1 trillion in tax giveaways with over two-thirds going to the top 10 percent.

That is very, very troubling.

And Mr. Vought, you were at the center of the strategy of impounding funds.

Now we had this conversation in 1974 here in Congress. We passed the *Impoundment Control Act* because Congress said, "when we say this amount of money should be spent on this program, it isn't up to the President to spend less."

But you told me in your office that you are quite comfortable assuming that the law doesn't matter and that you'll just treat the money for a program as a ceiling rather than a required amount.

Well the courts have found otherwise, but the fact that you are willing to say this is exactly what you plan to do again should trouble every single member of the Senate.

And when you were at the center of the impoundment of the funds for Ukraine that resulted in the impeachment of President Trump in his former service, you blamed a staff subordinate.

That troubles me too, that something you were so involved in, when it goes awry, you say, "oh it wasn't me. I gave that responsibility to someone else who works for me."

That is not leadership.

And certainly, your views are deeply held. You continue to advocate for them at your think tank, the Center for Renewing America. So, we saw that.

There are other things that trouble many of us.

The fact that you were for the abolition of abortion rights and don't believe in exceptions – not exceptions for rape, not exceptions for incest, not exceptions for the life of the mother.

And it's troubling that you continue to participate in the big lie that the 2020 election was rigged.

This may be essential for your loyalty test to the President, but it's a willingness to manipulate and deceive Americans that certainly bothers me.

I think we need a Director who respects the rule of law, not the rule of one man. That is guided by facts, not partisan ideology – who serves working families, not mega millionaires and billionaires.

So, I am disturbed that you are eager to lead the betrayal of America's working families.

Mr. Chairman, I turn it back to you.

Testimony of Russell T. Vought
to be Director, Office of Management and Budget before the Senate Budget Committee

January 22, 2025

Thank you, Mr. Chairman, the Ranking Member, and the members of this esteemed Committee for the opportunity to appear before you today.

Let me begin by thanking my girls, Ella and Porter, who are now returning to the scene of Congressional confirmation hearings as savvy veterans. Their love and support and enthusiasm for me serving again is a major reason for why I feel that my going back into OMB is the right endeavor in the right moment, beyond my enthusiasm for being at President Trump's side.

It is a profound honor to be nominated a second time by President Trump to serve as Director of the Office of Management and Budget. The President has promised the American people a federal government that works for all Americans, not the interests of bureaucrats and an entrenched establishment. Making a start in fulfilling that vital promise during my previous time at OMB — as Deputy Director and Director — was among the most rewarding experiences of my career.

Throughout my career, I've been driven by a commitment to taxpayers and their families. Growing up as the son of an electrician and a schoolteacher, I saw firsthand the sacrifices my parents made to balance their budget and save for the future. They are a reminder of the burden government spending can place on everyday Americans. My parents and countless others like them have always been the measure by which I evaluate policies and spending decisions.

Today, 78% of Americans do not feel confident that their children will lead better lives than they have — nearly double the 40% of Americans who said the same two decades ago. When I look at government waste and our national debt, I know I fear for my daughters' futures. Almost half of our fellow citizens expect their standard of living to be worse than that of their parents, a critical part of understanding the President's election.

I am eager to get back to fulfilling the promise of a federal government that works as hard as people like my parents.

OMB's mission goes beyond crafting the President's Budget. It encompasses the management of the federal government, reforming regulation, and coordinating policy across agencies to ensure efficient and effective implementation of the American people's will as expressed by both their legislative and executive representatives. A strong interagency process delivers the best results for all Americans, and I believe OMB's collaborative ethos is key to achieving those outcomes.

The civil servants at OMB are among the most resourceful and innovative individuals I have worked with. It has been my privilege to work alongside them, and I look forward to leading and supporting them as Director once again as we labor together to make government work.

We have to use taxpayer dollars wisely, because inflation — driven by irresponsible federal spending — taxes Americans twice. The average American household has lost roughly $2,000 of purchasing power since January 2021.

The forgotten men and women of this country — those who work hard every day in cities and towns across America — deserve a government that empowers them to achieve their dreams. While "Office of Management and Budget" may not be a household term, the agency's work profoundly impacts their lives. If confirmed, I will continue to serve with their best interests at heart, striving to ensure every decision contributes to a more prosperous future for all Americans.

Thank you for considering my nomination. I look forward to your questions and the opportunity to discuss how OMB can continue to deliver on its vital mission.

United States Senate

COMMITTEE ON THE BUDGET
ROOM SD-624
(202) 224-0642

WASHINGTON, D.C. 20510-6250

STATEMENT OF BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF PRESIDENTIAL NOMINEES

A. BIOGRAPHICAL INFORMATION

1. **Name:** (Include any former names used.)

   Russell Thurlow Vought

2. **Position to which nominated:**

   Director, Office of Management and Budget

3. **Date of nomination:**

   January 20, 2025

4. **Address:** (List current place of residence and office addresses, information will not be made available for public inspection.)

   [redacted]

5. **Date and place of birth:**

   3/26/1976, Mount Vernon, NY

6. **Marital status:** (Include name of spouse.)

   [redacted]

7. **Names and ages of children:** (Information will not be made available for public inspection)

   [redacted]

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

   The George Washington University Law School, 9/2000-5/2004, JD, 5/23/2004

Wheaton College, 9/1994-5/1998, BA, 8/31/1998
Christian Heritage School, 9/1990-5/1994

9. **Employment record:** List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment. (Please use separate attachment, if necessary.)

Center for Renewing America & Citizens for Renewing America, President (Jan. 2021-Present)
Washington, DC

Office of Management and Budget (Jan. 2017-Jan. 2021)
Director (most recent)
Washington, DC

Heritage Action for America (Aug. 2010-Jan. 2017)
Vice President, Grassroots Outreach & Policy Initiatives (most recent)
Washington, DC

House Republican Conference (Jan. 2009-Jul. 2010)
Policy Director
Washington, DC

Republican Study Committee (May 2004-Dec. 2008)
Executive Director (most recent)
Washington, DC

Rep. Jeb Hensarling (Feb. 2003-Dec. 2006)
Policy Director
Washington, DC

Senator Chuck Hagel (Sep. 2002-Jan. 2003)
Legislative Assistant
Washington, DC

Senator Phil Gramm (Jan. 1999-Aug. 2002)
Legislative Assistant (most recent)
Washington, DC

B. Dalton Bookseller (Sep. 1998-Dec. 1998)
Book Seller
Washington, DC

Senator Dan Coats (Jul. 1998 est-Dec. 1998)
Staff Assistant (most recent)
Washington, DC

Rep. Chris Shays (May 1998-Jul. 1998)
Intern
Washington, DC

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with federal, State, or local governments, other than those listed above.

Naval Academy Board of Visitors (12/2020-9/8/2021)

11. **Business relationships:** List all positions currently or formerly held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Director, Center for Renewing America (current)
Director, America First Legal (current)
Director, American Voting Rights Foundation (former)
Director, Compass Professional (former)

12. **Memberships:** List all memberships and offices currently or formerly held in professional, business, fraternal, scholarly, civic, public, charitable and other organizations.

Cherrydale Baptist Church, Elder/Deacon/Member (2011-Present)
Capitol Hill Baptist Church, Member (2002-2011)
Army Navy Country Club (2019-Present)

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

2024 GOP Convention Platform Policy Director

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $50 or more for the past 5 years.

None

14. **Honors and awards:** List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Distinguished Public Service, Department of Defense, 2020
Buckley Award, America's Future Foundation, 2017
The Heritage Foundation Leadership Development Program, 2016
Lincoln Fellowship, The Claremont Institute, 2011
Kingsmen Alumni Award, 2007

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

Redstate: House Republicans Need a Bold Spending Proposal
08/02/10

Redstate: Time to Go After Democrats on Repeal of Obamacare
08/03/10

Redstate: "Historic" and "Bipartisan" Normally Means It's Bad
08/09/10

Redstate: Walt Minnick is Not Willing to Repeal Obamacare
08/09/10

Redstate: Senate Republicans Getting Played on the Russian-Friendly Strategic Arms Treaty
08/16/10

Redstate: Congress Needs Reforms, but Committees Don't Need More Power
09/06/10

Redstate: Only 31 House Democrats Willing to Offer Soft Support for Small Businesses
09/16/10

Redstate: Who Dares to be the Next Democrat Defection on Obamacare Repeal?
09/16/10

Redstate: Senator Bob Corker, Unacceptable
09/17/10

Redstate: Idaho Congressman Misleads Constituents on Repeal... Again
09/29/10

Redstate: It's Time to Make GOP Leadership Less Powerful
10/26/10

Redstate: Mike Pence is Ready for the Next Fight
11/03/10

Redstate: Senate Republicans Must Not Use National Security as a Bargaining Chip
12/01/10

Redstate: Bowles-Simpson is a Massive Tax Hike
12/02/10

Redstate: Stop Start: Whip List
12/03/10

Redstate: Senate Republicans and the Lost Art of Negotiation
12/06/10

Redstate: House Rules Package is a Nice First Step to Control Spending
12/30/10

Redstate: The Return of the Lunch Bunch
01/19/11

Redstate: YouCut Can't Cut $100 Billion?
01/31/11

Redstate: House Republicans Attempt to Extend "Stimulus" Trade Benefits
02/07/11

Redstate: How House Leadership Can Fix Their Mess
02/09/11

Redstate: Movement Towards $100 Billion, But Not There Yet
02/10/11

Redstate: Parsing the Pledge, House Leadership Still Not Compliant

02/10/11

Redstate: Speaker Boehner Throws Down the Gauntlet
02/18/11

Redstate: House Leadership Let Obamacare Expansion Pass
03/09/11

Redstate: Rep. Tim Huelskamp Stands Tall in Budget Showdown
03/12/11

Redstate: The Problem with One Last Vote for Flawed Strategy
03/14/11

Redstate: This is What Leadership Looks Like
03/15/11

Redstate: The Strategy of Short-Term CR Opponents: A Response to Keith Hennessey
03/16/11

Redstate: Stop the Natural Gas Streaker
05/11/11

Redstate: Corporate Welfare Gets New Life in the House
07/05/11

Redstate: Message to RSC Members: Get In or Get Out
07/27/11

Redstate: House Republicans Ram Highway Bill Through Without a Roll Call Vote
09/13/11

Redstate: Darrell Issa and the Ongoing Fight Against Postal Bailouts
09/14/11

Redstate: The Crusade to Cave
09/15/11

Redstate: Reid Goes Nuclear to Block the President's Stimulus Plan
10/06/11

Redstate: House Republicans Set to Again Violate Their Pledge to America
11/15/11

Redstate: Debunking the Election Myths of the Republican Establishment
12/06/11

Redstate: Ramesh Ponnuru Moves the Goal Posts
12/07/11

Redstate: House Conservatives Need to Block the Coming Highway Bailout
01/30/12

Redstate: Why Every House Conservative Should Oppose the Highway Bill

02/14/12

Redstate: Incrementalism Doesn't Work for the Right, Look at the Food Stamp Bill
07/12/12

Heritage Action: Defunding Obamacare: Questions and Answers, Excuses and Responses
07/12/13

Daily Signal: Our Daughter was Born with Cystic Fibrosis, We Can't Imagine Life Without Her
07/30/14

Resurgent: Wheaton College and the Preservation of Theological Clarity
01/17/16

Wall Street Journal: The White House Announces Its Recession Package
05/07/18

Real Clear Politics: Congress Must Join the President in Cutting Spending
02/25/19

Fox News: Spending Addiction Threatens American Economic Resurgence
03/11/19

Fox News: Trump Keeps Promise to Tame Bureaucracy that Runs Roughshod over Americans
10/09/19

USA Today: Booming Trump economy is right time for able-bodied adults to trade food stamps for jobs
12/11/19

The Daily Wire: The Most Prolife President in History
01/22/20

Real Clear Politics: Trump Takes Aim at Bureaucratic Bullying
02/21/20

Wall Street Journal: The Navy Stops Taking on Water
12/09/20

Wall Street Journal: Civil Service Shouldn't Mean Unaccountable
12/11/20

The Federalist: How to Lead the United States Into An American Spring
01/26/21

Arizona Republic: HR 1 will open up voting access alright — especially for those voting fraudulently
03/18/21

Newsweek: Is There Anything Actually Wrong Christian Nationalism?
03/22/21

World Magazine: Speaking truth to power is now domestic terrorism?

10/11/21

World Magazine: Point: It's time to rein in Big Tech's power
10/27/21

American Reformer: The moral clarity of a dissident
11/01/21

World Magazine: A boost for activist bureaucracy
11/12/21

World Magazine: Funding battles reveal the need for statesmanship
12/02/21

World Magazine: A surrender to massive spending
12/17/21

World Magazine: A crippling blow to legislative overreach
12/21/2021

World Magazine: The unfairness of Fairness for All
01/25/2022

World Magazine: Chambers of commerce are crippling the Republican Party
02/04/22

World Magazine: Cultural fights are political opportunities
03/03/2022

World Magazine: The state of cultural compromise
03/11/22

World Magazine: Truth is not hate speech
03/24/22

World Magazine: The rejection of double minded governing
04/11/22

World Magazine: The government doesn't define truth, nor should it even try
05/13/22

World Magazine: WHO's in charge?
06/24/22

American Mind: Renewing American Purpose
09/29/22

Newsweek: In debt limit fight, Republicans shouldn't re-run the same spending playbook
01/26/23

World Magazine: Taking on the military caste
07/17/23

Heritage Foundation, Mandate for Leadership: Executive Office of the President
2023

16. **Speeches:** Provide the Committee with five copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

The Forge Annual Gala
04/16/21

Hillsdale College's Free Market Forum, The Problem with Globalist Corporations
10/21/21

Waterstone Donor Conference
10/13/22

Center for Renewing America Donor Conference
05/13/23

American Moment's Theology of American Statecraft
09/13/23

Center for Renewing America Donor Conference
04/20/24

17. **Selection:**

(a) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I served as the OMB Director in both a confirmed and acting capacity for two years and prior to that, as the deputy of OMB.

(b) Were any conditions, expressed or implied, attached to your nomination? If so, please explain.

No

(c) Have you made any commitments with respect to the policies and principles you will attempt to implement in the position for which you have been nominated? If so, please identify such commitment(s) and all persons to whom such commitment(s) have been made.

No

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

Yes

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, please explain.

No

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization? If so, please explain.

   No

4. Has anybody made a commitment to employ your services in any capacity after you leave government service? If so, please identify such person(s) and commitment(s) and explain.

   No

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, please explain.

   Yes

C. POTENTIAL CONFLICTS OF INTEREST

1. If confirmed, are there any issues from which you may have to recuse or disqualify yourself because of a conflict of interest or the appearance of a conflict of interest? If so, please explain.

   No

2. Identify and describe all investments, obligations, liabilities, business relationships, dealings, financial transactions, and other financial relationships which you currently have or have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute a possible conflict of interest in the position to which you have been nominated.

   None

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy other than while in a federal government capacity.

   I have worked for two entities (Heritage Action and CRA) that engage in lobbying activities to influence the passage, defeat, or modification of a wide array of legislation.

4. Do you agree to have written opinions provided to the Committee the ethics officer of the Office of Management and Budget and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position?

   Yes

5. Explain how you will resolve potential conflicts of interest, including any disclosed by your responses to the above questions.

   I will work closely with the appropriate ethics officials and will follow their legal advice.

D. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

   No

2. To your knowledge, have you ever been investigated, arrested, charged or convicted (including pleas of guilty or nolo contendere) by any federal, State, or other law enforcement authority for violation of any federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

   No

3. Have you or any business of which you are or were an officer, director or owner ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

   Yes. 1) I was sued in September, 1999, after a motor vehicle accident. It was settled in February, 2000. The litigation took place in Circuit Court of the 18th Judicial Circuit, Dupage County, IL. 2) In early 2021, the organizations of which I am the president, Center for American Restoration and America Restoration Action, were sued for trademark infringement in the US District Court for the Eastern District of Virginia by Restoration PAC. We settled on April 20, 2021, and changed our name to Center for Renewing America and Citizens for Renewing America.

4. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

   None

E. TESTIFYING BEFORE CONGRESS

1. If confirmed, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

   Yes

2. If confirmed, are you willing to provide such information as may be requested by any committee of the Congress?

   If confirmed, I will work to ensure that OMB provides Congress with the information it needs to carry out its essential oversight functions.

F. FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents. (This information will not be published in the record of the hearing on your nomination, but it will be retained in the Committee's files and may be available for public inspection, with the exception of income tax returns.)

1. Please provide personal financial information not already listed on the SF 278 Financial Disclosure form that identifies and states the value of all:

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(a) assets of $10,000 or more held directly or indirectly, including but not limited to bank accounts, securities, commodities futures, real estate, trusts (including the terms of any beneficial or blind trust of which you, your spouse, or any of your dependents may be a beneficiary), investments, and other personal property held in a trade or business or for investment other than household furnishings, personal effects, clothing, and automobiles; and

(b) liabilities of $10,000 or more including but not limited to debts, mortgages, loans, and other financial obligations for which you, your spouse, or your dependents have a direct or indirect liability or which may be guaranteed by you, your spouse, or dependents; and for each such liability indicate the nature of the liability, the amount, the name of the creditor, the terms of the payment, the security or collateral, and the current status of the debt payment. If the aggregate of your consumer debts exceeds $10,000, please include the total as a liability. Please include additional information, as necessary, to assist the Committee in determining your financial solvency. The Committee reserves the right to request additional information if a solvency determination cannot be made definitively from the information provided.

[redacted]

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers. If dates or amounts are estimated, please so state. Please only include those items not listed on the SF 278 Financial Disclosure form.

[redacted]

3. Provide the identity of and a description of the nature of any interest in an option, registered copyright, or patent held during the past 12 months and indicate which, if any, from which you have divested and the date of divestment unless already indicated on the personal financial statement.

[redacted]

4. Provide a description of any power of attorney which you hold for or on behalf of any other person.

[redacted]

5. List sources and amounts of all gifts exceeding $500 in value received by you, your spouse, and your dependents during each of the last three years. Gifts received from members of your immediate family need not be listed.

[redacted]

6. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[redacted]

7. Have your taxes always been paid on time including taxes paid on behalf of any employees? If not, please explain.

[redacted]

8. Were all your taxes, federal, State, and local, current (filed and paid) as of the date of your nomination? If not, please explain.

[redacted]

9. Has the Internal Revenue Service or any other state or local tax authority ever audited your Federal, state, local, or other tax return? If so, what resulted from the audit?

[redacted]

10. Have any tax liens, either federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership? If so, please give the particulars, including the date(s) and the nature and amount of the lien. State the resolution of the matter.

[redacted]

11. Provide for the Committee copies of your Federal income tax returns for the past 3 years. These documents will be made available only to Senators and staff persons designated by the Chairman and Ranking Minority Member. They will not be available for public inspection.

12. Have you ever been late in paying court-ordered child support? If so, provide details.

[redacted]

13. Have you ever filed for bankruptcy or been a party to any bankruptcy proceeding? If so, provide details.

[redacted]

AFFIDAVIT

Russell Vought being duly sworn, hereby states that he/she has read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of his/her knowledge, current, accurate, and complete.

[signature]

Subscribed and sworn before me this 20th day of December, 20 24

Gianna Gallo
Notary Public

District of Columbia
Signed and Sworn to (or affirmed) before me on 12/20/24 (Date)
by Russell Vought.
(Name(s) of Individual(s) Making Statement)
Signature of Notarial Officer: Gianna Gallo
Title of Office: DC Notary Public
My Commission Expires: 04/14/28

GIANNA GALLO
NOTARY PUBLIC
My Comm. Exp. Apr 14, 2028
DISTRICT OF COLUMBIA

Pre-Hearing Questions
from Senator Jeff Merkley
for Russell Vought
Nomination of the Hon. Russell Vought, of Virginia,
to be Director of the Office of Management and Budget
January 14, 2025

I. Impoundments

Question #1

You have previously written in your capacity as OMB Director that your view is that the Impoundment Control Act (ICA) is unconstitutional.[1] *As you know, the Constitution's Spending Clause (Art. I, § 8, cl. 1) and Appropriations Clause (Art. I, § 9, cl. 7) give Congress, not the Executive, power of the purse. The Supreme Court has unanimously upheld this power. Despite these foundational texts and precedents mapping out the separation of powers, do you believe that impoundments are constitutional? If so, under what basis?*

President Trump has stated that the ICA is unconstitutional because it "handcuffs" the President's ability to effectively manage taxpayer resources and prevent waste, fraud, and abuse. I agree with the President's position. I also set forth my views as as OMB Director in my January 19, 2021, letter to John Yarmuth, Chairman of the House Committee on the Budget, which is available at: trumpwhitehouse.archives.gov/wp-content/uploads/2021/01/Response-to-House-Budget-Committee-Investigation.pdf.

If I am confirmed, I will act subject to advice of legal counsel and ultimately the President's direction on this issue.

Question #2

In 1998, the Supreme Court struck down the Line Item Veto Act. Substantively, how is what you propose – arming a President with unilateral impoundment authority – different than what the Supreme Court already deemed unconstitutional?

The line item veto was about the President disagreeing with an item of spending provided by the Congress. Impoundment authority is about the President believing that the full amount of spending is not necessary to fulfill the purposes of a program funded in an appropriations bill.

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[1] Russell Vought, 2021. Response to House Budget Committee Investigation

Question #3

As a member of the Senate Appropriations Committee, it is my view that the funding levels in appropriations bills passed into law are not targets or ceilings; instead, they are, amounts the executive branch must spend, unless stated otherwise. Congress could – if it wanted the President to have discretion – write those amounts as ceilings. Do you disagree?

If I am confirmed as OMB Director, I will follow the advice of OMB General Counsel, and ultimately the President on this issue.

Question #4

In January 2020, the independent Government Accountability Office (GAO) issued a legal opinion stating that in the summer of 2019, when you were serving as Acting OMB Director, OMB's withholding of funding appropriated for security assistance for Ukraine constituted a violation of the ICA.[2] *Its rationale was that the withholding was "for a policy reason," and not a permissible "programmatic delay." I understand that you disagree with that GAO legal opinion.*

Did you not weaponize OMB's apportionment process to impound these funds for a political purpose, despite the clear direction from Congress? Should Congress not expect the impoundment power be used for partisan ends if it were to be expanded?

No. As you may know, during the first Trump Administration, I delegated this signing authority for apportionments to a Program Associate Director, and it led to increased effectiveness in being wise stewards of taxpayer dollars. If I am confirmed as OMB Director, I will review and decide to whom to delegate this authority.

Question #5

When previously asked if you believed the President had unilateral impoundment power, you responded that you would follow the advice of the OMB General Counsel. When President-elect Trump assumes office, the OMB General Counsel will be Mark Paoletta, who, while working under you at the Center for Renewing America, authored a legal analysis entitled, "The President's Constitutional Power of Impoundment."[3] *Do you expect Mr. Paoletta to find any limits or impose any caution on the executive branch's disregard of Congress's constitutional power of the purse?*

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[2] Government Accountability Office, 2020. Office of Management and Budget: Withholding of Ukraine Security Assistance

[3] Mark Paoletta & Daniel Shapiro, 2024. The President's Constitutional Power of Impoundment

If I am confirmed as OMB Director, I will follow the advice of OMB General Counsel, and ultimately the President on this issue. OMB will be part of a legal review that includes the DOJ's Office of Legal Counsel.

Question #6

In 2018, GAO issued a legal opinion that "the ICA does not permit the impoundment of funds through their date of expiration."[4] You have previously expressed your disagreement with this decision and that you would not abide by GAO's legal decision. Is that still your position?

If I am confirmed as OMB Director, I will follow the advice of OMB General Counsel, and ultimately the President on this issue.

I do not agree with the conclusions of GAO's report. OMB did did not violate the ICA, as I set forth in my January 19, 2021, letter to John Yarmuth, Chairman of the House Committee on the Budget, which is available at: trumpwhitehouse.archives.gov/wp-content/uploads/2021/01/Response-to-House-Budget-Committee-Investigation.pdf

Question #7

As a member of the Senate Appropriations Committee, I understand how difficult it is to achieve a bipartisan, bicameral agreement over spending bills. A President exercising unilateral impoundment authority would be single-handedly reneging on a carefully negotiated spending deal. As someone who has worked in both the legislative and executive branches, how do you think disregarding such deals would affect bipartisan negotiations over spending bills going forward?

The President has not laid out in detail his vision for impoundment, but it should not be assumed that it would impact the careful results of bipartisan negotiations.

Question #8

In a chapter of "Mandate for Leadership" (i.e., "Project 2025"), you highlight apportionment power as an "indispensable" tool available to OMB.[5] Explain why you think Program Associate Directors should have their apportionment power restored and why in your words, "No [OMB] Director should be chosen who is unwilling to restore apportionment decision making to the

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[4] Government Accountability Office, 2018. Impoundment Control Act--Withholding of Funds through Their Date of Expiration

[5] Russell Vought, 2023. Mandate for Leadership: Chapter 2

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[Program Associate Directors'] personal review[.]"? What is this intending to achieve?

As you may know, during the first Trump Administration, I delegated this signing authority for apportionments to a Program Associate Director, and it led to increased effectiveness in being wise stewards of taxpayer dollars. If I am confirmed as OMB Director, I will review and decide to whom to delegate this authority.

II. Budget Plans

Question #9

You have been clear about your belief that the U.S. fiscal situation "threatens the prosperity and economic freedom of future generations."[6] If you are truly concerned about the federal deficit, why is President-elect Trump pushing – and why do you support – a tax cut that will add at least $4.6 trillion to the debt over the next 10 years plus trillions more in new tax cuts for businesses and the wealthy that Trump proposed on the campaign trail?

The fiscal health of the country depends on a growing economy and thus extending President Trump's tax cuts is a vital component of a balanced fiscal plan. President Trump's budgets were committed to protecting Medicare from cuts, while finding savings in welfare programs to encourage people to enter the labor force.

Question #10

In thinking about the budget proposals you will draft, exactly what spending cuts do you support that would amount to, at a minimum, $4.6 trillion to offset the Trump tax cut extensions? Is it realistic to achieve $4.6 trillion in spending cuts without deep cuts to Medicaid, Medicare, or Social Security?

President Trump repeatedly put forward budgets that proposed savings and reforms towards a balanced budget and protected Social Security and Medicare. He has repeatedly committed not to cut Social Security and Medicare. As it pertains to Medicaid, until confirmed, I will not be able to assess any reform proposals for the President's consideration as part of the FY26 Budget.

Question #11

In his first term, President Trump did not sign any legislation that significantly reduced deficits,

[6] The President's 2020 Budget: Hearing Before the House Committee on the Budget, 116th Cong. (2019) (testimony of Russell Vought)

as estimated by the Congressional Budget Office. Do you consider the term a success at addressing the nation's fiscal challenges?

President Trump proposed and sent to Congress budgets that contained more spending savings and reforms than any president in history. Congress chose to ignore those proposals and postpone dealing with our nation's fiscal challenges.

Question #12

To promote the Republican tax cuts in 2017, then-Treasury Secretary Mnuchin claimed that the tax cuts would pay for themselves.[7] *However, economists across the political spectrum agree that the tax cuts came nowhere close to paying for themselves. Do you think an extension of the 2017 Trump tax cuts would pay for itself?*

I believe that the Administration's tax policies will have a beneficial result on the economy, lead to more employers and more jobs that will dynamically generate revenue for the nation's finances. It will depend on the details of each final package to assess the extent of that dynamic effect.

Question #13

The non-partisan Committee for a Responsible Federal Budget estimated that President-elect Trump's campaign plans, tax extensions and otherwise, would add $7.75 trillion to the debt after 10 years. Admitting some uncertainly about what was actually being proposed, they found that the proposals would add at least $1.65 trillion to debt but potentially as much as $15.55 trillion.[8] *How do you square the President-elect's plans to increase deficits with your concern about rising deficits?*

If confirmed, I would immediately begin work on the President's FY26 budget that would include a fiscal goal and a cost accounting for all the Administration's proposals. The impact on the deficit of the Administration's proposals will not be known until that work is completed.

Question #14

During our recent meeting, you expressed your belief that the current level of taxation on the middle class is harmful to entrepreneurship. However, the $4.6 trillion extension of the 2017

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[7] Washington Post, 2017. Trump's treasury secretary: The tax cut 'will pay for itself'
[8] Committee for a Responsible Federal Budget, 2024. The Fiscal Impact of the Harris and Trump Campaign Plans

Republican tax bill would do nothing to reduce middle class taxes below their current level and instead would primarily benefit the very wealthy. If you believe that tax cuts for the middle class are important, why is the incoming Trump administration again pushing for a regressive tax cut rather than one that prioritizes the working and middle classes?

The TCJA reduced taxes for everyone, and extending that relief will prevent a massive tax increase on the middle class.

Question #15

You have proposed imposing undue administrative burdens on Medicaid beneficiaries by instituting so-called "work requirements" even though most Medicaid beneficiaries do work. In fact, Republicans tried instituting such work requirements in 2023, and estimates showed it would have kicked 21 million people off their health insurance. Meanwhile, CBO stated that those work requirements "would have a negligible effect on employment status," undercutting Republicans' own rationale.[9] *Do you still believe such work requirements are good policy if all they do is kick people off their health insurance without actually employing more people?*

The President has repeatedly supported work requirements in welfare programs to encourage participation in the labor force.

Question #16

In your 2023 Center for Renewing America Budget,[10] *you propose drastic cuts to social programs, including:*

• A 50 percent cut to Tenant Based Rental Assistance, phasing out to complete elimination after three years and affecting nearly 2.3 million households;
• Eliminating the LIHEAP program, which in 2023 served 5.9 million households;
• Repealing the ACA's Medicaid expansion, which would put tens of millions of low-income adults at risk of losing coverage; and
• A cut of over $512 billion to SNAP and Child Nutrition programs for food-insecure Americans.
Do you intend to continue advocating for these positions?

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[9] Congressional Budget Office, 2023. Re: CBO's Estimate of the Budgetary Effects of Medicaid Work Requirements Under H.R. 2811, the Limit, Save, Grow Act of 2023
[10] Center for Renewing America, 2022. A Commitment to End Woke and Weaponized Government

The CRA Budget was not a proposal from President Trump. In regard to the development of the FY26 Budget, I will not be able to begin formal development of it until being confirmed by the Senate.

Question #17

In 2019, you backed a proposal that would index the capital gains tax to inflation, a policy that would disproportionately benefit those with the highest incomes.[11] In that same year, OMB also proposed changes to the way "inflation is used to calculate the official definition of poverty" used by Census, which would have resulted in fewer families qualifying for critical SNAP, Medicaid, and other public assistance.[12] Do you intend to support the same proposed change to the inflation measure used to calculate the poverty level?

In 2019, OMB solicited public comment on the existing consumer inflation measures produced by the Bureau of Labor Statistics and the Bureau of Economic Analysis. The evaluation included a review of the CPI-U, CPI-W, C-CPI-U, CPI-E, CPI-U-RS, and PCEPI. The underlying statistical policy directive had not been comprehensively reviewed since 1978. The work was not completed during my time at OMB. OMB's role is to coordinate the activities of the statistical system to ensure its efficiency and effectiveness and to ensure the integrity, objectivity, impartiality, utility and confidentiality of the information collected by the statistical agencies. I intend to ensure these duties are carried out across statistical policy areas.

III. Federal Workers

Question #18

As we discussed during our meeting, you said in a speech: "We want the bureaucrats to be traumatically affected. When they wake up in the morning, we want them to not want to go to work because they are increasingly viewed as the villains. We want their funding to be shut down so that the EPA can't do all of the rules against our energy industry because they have no bandwidth financially to do so... We want to put them in trauma."[13] Could you please elaborate?

Certain bureaucracies have been weaponized against the American people. It is unacceptable for unelected bureaucrats to work to thwart the agenda of the duly-elected President of the United States, and carry out their own anti-democratic agenda with

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[11] Politico, 2019. Trump again flirts with easing capital gains taxes.
[12] New York Times, 2019. Trump Administration Seeks to Redefine Formula for Calculating Poverty.
[13] ProPublica, 2024. "Put Them in Trauma": Inside a Key MAGA Leader's Plans for a New Trump Agenda

impunity. I continue to have a high view of career civil servants who faithfully serve our country over many years and every president while in office.

Question #19

Despite your view towards bureaucracies in general and some federal workers in particular, when previously asked about OMB's workforce, you responded that, in your view, OMB has far too few analysts relative to the growing size and scope of the federal government, and that analysts are stretched thin in attempting to track billions of dollars, along with their other responsibilities. Can you square the logic of OMB, specifically, needing more employees due to an increasingly populous and complex country but other agencies needing to cut back on personnel?

I will work tirelessly to secure the resources necessary for OMB analysts to have the bandwidth to be proficient in the programs, regulations, or management functions, in their purview. And I will protect them from the immense amount of busy work that is not an appropriate use of their time. The reason that OMB needs more resources is because the federal government has grown exponentially, the debt has exploded, and the portfolios of the very analysts the country needs to find solutions to these realities are far too broad.

Question #20

In your chapter in Project 2025, you write: "Success in meeting the challenge will require a rare combination of boldness and self-denial: boldness to bend or break the bureaucracy to the presidential will and self-denial to use the bureaucratic machine to send power away from Washington and back to American families, faith communities, local governments, and states."[14] *Can you elaborate?*

It is not simply enough to restore democratic control of the administrative state by ensuring the President governs the executive branch. It is vital to reduce its size and scope.

Question #21

In a January 2023 interview, you advocated for the names and roles of federal employees to be made public and if necessary, debate the funding of their salary in Congress.[15] *Would you support career OMB employees being targeted and identified for potential defunding?*

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[14] Russell Vought, 2023. Mandate for Leadership: Chapter 2
[15] Media Matters, 2023. Rep. Matt Gaetz (R-FL) and former Trump official Russ Vought discuss using new House rules to target and remove the anonymity of individual bureaucrats

No, I respect the expertise and knowledge of the best federal civil servants. If confirmed, I am looking forward to working with the OMB career staff again.

Question #22

As Director, would you work to protect the privacy and safety of your employees at OMB, including the prevention of doxing, other violations of privacy, and general targeting of career civil servants?

Yes.

IV. Debt Limit

Question #23

Recently, you have come around to President-elect Trump's view that the debt limit should be raised and not used as a bargaining chip. However, in the past you thought that the presumed risks of default were "overblown," as a Treasury Secretary could simply prioritize some payments over others.[16] *However, just last month, GAO wrote that "Treasury officials underscored that prioritization would constitute a default on government obligations and is extraordinarily risky and untested. They noted Treasury's systems are not designed to accommodate prioritization."*[17] *How do you respond?*

President Trump has repeatedly called on the debt limit to be increased.

Unfortunately, the debt limit has become a tool for the opposing party to use as leverage against the current administration, as opposed to serving as a fiscal warning that can prompt bipartisan action to address the debt. Given that increasing reality, it is not surprising that many voices across the political spectrum have begun to look for alternatives.

V. Independent Agencies

Question #24

In an interview with Tucker Carlson, you said: "Number one is going after the whole notion of

[16] C-SPAN, 2023. Russ Vought on the Debt Limit and Federal Spending
[17] Government Accountability Office, 2024. Debt Limit: Statutory Changes Could Avert the Risk of a Government Default and Its Potentially Severe Consequences

independence. There are no independent agencies. Congress may have viewed them as such — SEC, or the FCC, CFPB, the whole alphabet soup — but that is not something that the Constitution understands….as an administration, the whole notion of an independent agency should be thrown out… You can apply the concept of destroying independence at every agency."[18] *Can you elaborate?*

If I am confirmed as OMB Director, I will follow the advice of the OMB General Counsel, DOJ's Office of Legal Counsel, and ultimately the President on this issue.

Question #25

You have previously said that the "Department of Justice is not an independent agency," and that "If anyone brings it up in a policy meeting in the White House, I want them out of the meeting."[19] *Can you elaborate?*

If I am confirmed as OMB Director, I will follow the advice of the OMB General Counsel, DOJ's Office of Legal Counsel, and ultimately the President on this issue.

VI. Reproductive Rights

Question #26

You have stated that you wanted to get to "abolition" on abortion.[20] *You also wrote in Project 2025 about your desire to abolish the Gender Policy Council, which works to advance gender equality, including reproductive rights. Can you explain how you intend to use the role of OMB Director to address abortion if you are confirmed?*

The President has been very clear about his stance on abortion, and I will execute his policy agenda.

Question #27

Do you think contraception should be illegal? Do you think the federal government should have a role in restricting access to contraception medications like mifepristone?

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[18] Media Matters, 2024. Russ Vought: "The whole notion of an independent agency should be thrown out"
[19] Washington Post, 2024. Trump loyalist pushes 'post-Constitutional' vision for second term
[20] ProPublica, 2024. "Put Them in Trauma": Inside a Key MAGA Leader's Plans for a New Trump Agenda.

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The President has been very clear about his support for contraception, and I will execute his policy agenda.

Question #28

At least 22 advisory board members of Project 2025, of which you were a participant, have advocated for the elimination of no-fault divorce.[21] Do you agree with this position?

I am being nominated to execute the President's policy agenda, not the agenda of outside organizations.

VII. Miscellaneous

Question #29

You served as Acting OMB Director during the 2018-2019 government shutdown, the longest in U.S. history. Later, in an interview, you said that shutdowns "have always been either a net positive or win" for the Republican Party.[22] In your view, do shutdowns not pose harm to American families? Do you think shutdowns are an effective way to govern?

I support restoring the budget process to what it was in years past so that there is more alignment to finish the spending bills before the new fiscal year begins. I do not believe government shutdowns are a goal to be striven for or a positive end themselves.

Question #30

In a 2023 speech you gave at the Theology of American Statecraft, you argue for a biblical basis for immigration restrictions, stating the rule of law "necessitates the separation of families," and adding, "failing to apply all of the immigration laws fairly and without preferential treatment perverts God's standard of justice, allowing states and cities to declare themselves sanctuaries in violation of federal laws, in violation of God's moral precepts to government."[23] Please expand on this philosophy and how you intend on overseeing Trump's deportation plans should you be confirmed as OMB Director. Will you commit to advising the President to ensure humane treatment of unauthorized immigrants? How do you intend on treating children during Trump's proposed deportation plans?

[21] Media Matters, 2024. Project 2025 partners want to make divorce a lot harder

[22] The Charlie Kirk Show, 2024. Corrupt Fani Willis + Will Biden's SEALs Shoot Trump? + Danica Patrick | Vought, Patrick | LIVE

[23] Theology of American Statecraft, 2023. Speech Given at Dirksen Senate Office Building, American Moment.

Yes, if confirmed, I will work hard to make sure that the necessary resources exist to conduct humane and necessary deportations and enforce all immigration laws.

Question #31

In a 2021 Newsweek opinion article, you write that your definition of "Christian Nationalism" is "A commitment to an institutional separation between church and state, but not the separation of Christianity from its influence on government and society."[24] The Constitution states in the First Amendment that "Congress shall make no law respecting an establishment of religion." Please explain how you intend to separate your personal views from your actions as OMB Director.

I served at OMB for four years, including as director of the agency. I have a strong record when it comes to treating individuals of all faiths with respect and dignity.

Question #32

Your authored chapter of Project 2025 calls for the reshaping of the U.S. Global Change Research Program (USGCRP) and for "a whole-of-government unwinding" to "climate fanaticism."[25] You also advocate for the elimination of the Interagency Working Group on the Social Cost of Carbon. How would OMB under your leadership aim to mitigate the impacts of climate change?

President Trump has always been a strong advocate of protecting the environment, and the best way to accomplish that is a strong economy. It is not wise to hurt the economy and starve it of energy while relying on China economically which has a poor environmental record.

Question #33

In a 2022 interview, you denied the results of the 2020 election.[26] Do you still think the 2020 election was stolen?

I believe that the 2020 election was rigged.

Question #34

[24] Russell Vought, 2021. Is There Anything Actually Wrong with Christian Nationalism? | Opinion
[25] Russell Vought, 2023. Mandate for Leadership: Chapter 2
[26] Diamond and Silk, 2022. Diamond & Silk Chit Chat Live Joined By Russell Vought

You have said, "George Floyd was obviously not about race, it was about destabilizing the Trump Administration," adding that your organization (the Center for Renewing America) was publishing a "50-page paper designed for lawyers to know that the president has the ability, both along the border and elsewhere, to maintain law and order and with the military." You go on to elaborate that your work at CRA was to be able to build a shadow OMB, where "when a president says what legal authorities do I need to shut down the riots, we want to be able to shut down the riots and not have the legal community or the defense community come in and say, 'that's an inappropriate use of what you are trying to do.'"[27]

a. Do you believe that the Posse Comitatus Act prevents President-elect Trump – or any future president – from deploying the U.S. military for law enforcement purposes within the United States?

If I am confirmed as OMB Director, I will follow the advice of the OMB General Counsel, DOJ's Office of Legal Counsel, and ultimately the President on this issue.

b. Do you believe all Americans, including protestors, are entitled to freedom of speech under the U.S. Constitution? Do you support the use of the U.S. military to curtail constitutionally-protected actions?

Yes, I believe all Americans are entitled to freedom of speech under the Constitution.

If I am confirmed as OMB Director, I will follow the advice of the OMB General Counsel, DOJ's Office of Legal Counsel, and ultimately the President on this issue.

Question #35

In an April 2024 speech at the Center for Renewing America Donor Conference, you alluded to the decision to honor the life of John McCain by having him lie in state in the Capitol Rotunda, saying "Why is everyone now, including failed presidential candidates who served a few terms in the Senate, lying in state?" Can you elaborate?

I am being nominated to serve as the Director of the Office of Management and Budget. Such decisions are not within my purview, if confirmed.

Question #36

In the biographical and financial questionnaire that you submitted to the Senate Budget Committee, you indicated that you have always paid your taxes on time. The 2023 tax return that

[27] Centre For Climate Reporting, 2024. Undercover in Project 2025

you also submitted to the Committee indicates your tax return was filed and the amount paid well past the April 15 deadline and even after you were selected as the nominee for this position. Can you explain this discrepancy?

I filed my 2023 tax return on March 19, 2024. In December, in compiling my writings for this committee, I discovered that $500 in income for an article I wrote had been inadvertently omitted from my income total, and I promptly filed an amended return to pay $175 in taxes on December 10, 2024.

Pre-Hearing Questions for the Record
from Senator Murray
for Russell Vought
Nomination To Be Director of the Office of Management and Budget
January 22, 2025
Senate Budget Committee

Question #1:

In your 2021 budget as OMB Director, you proposed significant cuts to Medicare, Medicaid, and SNAP, citing the need for fiscal health, and you have continued to advocate for these cuts through your post-OMB work. At the same time, you have been a vocal supporter of the tax cuts enacted in the first Trump Administration, which added trillions of dollars to the deficit—far exceeding the savings from the spending cuts you have proposed.

How do you reconcile supporting tax cuts that dramatically worsen the nation's fiscal position while justifying deep cuts to programs that millions of vulnerable Americans rely on in the name of fiscal health?

The fiscal health of the country depends on a growing economy and thus extending President Trump's tax cuts is a vital component of a balanced fiscal plan. President Trump's budgets were committed to protecting Medicare from cuts, while finding savings in welfare programs to encourage people to enter the labor force.

Question #2:

Numerous studies, including those from the Congressional Budget Office, have shown that increased IRS funding reduces the deficit by improving tax enforcement and closing the tax gap. Given this evidence, do you support recent efforts to rescind IRS funding, which worsens the deficit? If so, why?

I am concerned that increased IRS funding, particularly at the levels witnessed in recent years, would lead to a flood of new auditors that would likely target many small businesses with endless, annual audits. In addition, I am concerned that mandatory funding for the IRS like that contained in the Inflation Reduction Act reduces the oversight of the enforcement process.

Question #3:

Do you commit to provide documents and information in a thorough and timely matter when requested to:

1. *Me and my staff?*
2. *The Government Accountability Office?*
3. *Appropriations Committee members of both parties?*

Yes, subject to the advice of counsel.

Question #4:

Do you commit to follow the Impoundment Control Act in all applicable circumstances and to defend the constitutionality of the law?

President Trump has stated that the ICA is unconstitutional because it "handcuffs" the President's ability to effectively manage taxpayer resources and prevent waste, fraud, and abuse. I agree with the President's position. I also set forth my views as OMB Director in my January 19, 2021, letter to John Yarmuth, Chairman of the House Committee on the Budget, which is available at: trumpwhitehouse.archives.gov/wp-content/uploads/2021/01/Response-to-House-Budget-Committee-Investigation.pdf.

If I am confirmed as the Director of OMB, I will follow the advice of legal counsel, and ultimately the President, with respect to the implementation of the ICA.

Question #5:

Please describe in detail the process you will use to communicate with the Appropriations Committee and Congress about funds you intend to impound.

In all my responsibilities at OMB, I make it a priority to communicate with all committees of jurisdiction subject to the advice of legal counsel.

Question #6:

Do you commit to following the letter of appropriations laws as enacted - even when they instruct spending money on policy priorities you or President Trump disagree with?

If I am confirmed as OMB Director, I will follow the advice of OMB General Counsel, and ultimately the President on this issue.

Question #7:

How do you intend to ensure OMB apportions funds consistent with appropriations law? Do you intend to have political appointees approve apportionments, or ensure that responsibility remains primarily with career staff?

As you may know, during the first Trump Administration, I delegated this signing authority for apportionments to a Program Associate Director, and it led to increased effectiveness in being wise stewards of taxpayer dollars. If I am confirmed as OMB Director, I will review and decide to whom to delegate this authority.

Question #8:

In what circumstances will you advise President Trump to impound funds? What funds will you advise President Trump are not appropriate or available for impoundment?

If I am confirmed as OMB Director, I will follow the advice of OMB General Counsel, and ultimately the President on this issue.

Question #9:

Do you see any limits in the President's ability to impound funds? If so, what are they?

If I am confirmed as OMB Director, I will follow the advice of OMB General Counsel, and ultimately the President on this issue.

Question #10:

What will the relationship be between the "Department of Government Efficiency (DOGE)" and OMB?

My understanding is that DOGE will provide recommendations to the Trump Administration, including OMB, to assess and potentially adopt. Any authorities used to implement will be exercised by OMB and other components as currently constituted.

Question #11:

Who pays the salaries of people working for DOGE and who do those people report to? What formal or informal relationship will DOGE employees have with OMB?

I have not been privy to the relevant DOGE planning discussions, but DOGE will be an incredible partner to the work of OMB.

Question #12:

What commitments can you provide this committee regarding providing transparency by you and OMB staff regarding any coordination and meetings with DOGE staff, given it is not a nongovernmental entity?

I have not been privy to the relevant DOGE planning discussions, but the Trump Administration is committed to upholding the highest ethical standards in general.

Question #13:

Do you agree that any deal on FY25 appropriations must abide by all bipartisan agreements made during negotiations of the Fiscal Responsibility Act (FRA), including the full amount of NDD resources that were agreed to as part of the FRA?

I will not be able to advise the President on FY25 spending levels until being confirmed by the Senate, and thus am unable to assess the appropriate levels of discretionary spending.

Question #14:

At the time of its passage, you strongly criticized the FRA. What is your opinion of it now and would you recommend President Trump support an agreement that adhered to the FRA?

I will not be able to advise the President on FY25 spending levels until being confirmed by the Senate, and thus am unable to assess the appropriate levels of discretionary spending.

Questions for the Record
from Senator Lindsey Graham
for Russell Vought
The Nomination of the Honorable Russell T. Vought, of Virginia, to be Director of the Office of Management and Budget
1/22/2025
Senate Budget Committee

Questions #1-8
Foreign Aid – Executive Order

In President Trump's Executive Order pausing foreign aid, the E.O. states "OMB shall enforce this pause through its apportionment authority." It also states that the Secretary of State is required to consult with the OMB Director on every decision related to foreign assistance, including on determining whether to continue or cease aid programs.

Please elaborate on the relationship between OMB and the Department of State in respect to foreign policy funding and decisions. For instance, what if OMB and the State Department disagree on a particular program? Will OMB use its apportionment authority to block aid that the Secretary of State has determined is appropriate to continue upon completion of this review? Who is ultimately in charge of foreign policy?

President Trump is ultimately in charge of foreign policy and his E.O. on "Reevaluating and Realigning United State Foreign Aid" was issued in order to align foreign assistance spending with his foreign policy vision. OMB is working closely with foreign service professionals and development experts at the Department of State and U.S. Agency for International Development on the implementation guidance. Both OMB and the State Department will work together in a policy process to align decisions with President Trump's viewpoints, and the use of apportionment is envisioned merely to ensure that that view cannot be obstructed by the bureaucracy.

What is the definition of "foreign development assistance" in the E.O.? Is this definition limited to authorities under the under the "Development Assistance" account (sections 103, 105, 106, 214, and sections 251-255, and chapter 10 of part I of the Foreign Assistance Act)?

OMB and the State Department are currently working on these questions now as they implement the E.O.

Does this E.O. encompass economic, humanitarian, multilateral, global health, or security assistance? In other words, does the E.O. impact any funding other than development assistance, including funds appropriated under titles I, II, IV, V, and VI of the SFOPS bill?

OMB and the State Department are currently working on these questions now as they implement the E.O,

What is the total amount of foreign aid funding impacted by the E.O. by fiscal year? Please explain how you determined this number.

OMB and the State Department are currently working on these questions now as they implement the E.O,

Question #9

Impoundment

In multiple press interviews you have mentioned your desire to restore impoundment authority. And, your organization, the Center for Renewing America, published an article by your incoming OMB General Counsel arguing that the Impoundment Control Act is unconstitutional. As OMB Director, can you envision circumstances where you would seek to impound funds appropriated by Congress?

President Trump ran on restoring impoundment authority which presidents utilized effectively for nearly two hundred years to help prevent waste and abuse. I support his view on that. No appointee, including me, will be able to effectuate any impoundment without the President's authority. I will defer to the advice of legal counsel and ultimately the President on this issue.

Question #10-11

Made In America

The Infrastructure Investment and Jobs Act (IIJA) codified the Made in America Office within OMB. The statutory role of this office is to provide greater oversight and transparency of Made in America waivers and ensure relevant agencies properly carryout Buy America policies. Under the Biden Administration, the Made in America Office did not fully carry out its purpose and role. Additionally, in 2021 Congress passed the Make PPE in America Act, which strengthens efforts to onshore production of personal protective equipment (PPE) in the United States by requiring federal agencies to issue long-term contracts for American-made PPE.

My understanding is that DHS, HHS and other agencies are not fully complying with this law and that OMB's Made in America Office is tasked with ensuring compliance and greater domestic production of PPE.

If confirmed, what role do you envision OMB's Made in America Office to serve?

If confirmed, I will ensure that the Made in America Office continues to work with Agencies to enforce compliance with domestic preference statutes, including the Make PPE in America Act. Made in America laws and policies are critical to increasing reliance on domestic supply chains and ultimately reducing the need to spend taxpayer dollars on foreign-made goods.

If confirmed, do you commit to assist with greater production of domestic goods, and specifically PPE, when possible?

Yes. If confirmed, the Made in America Office will continue to use every policy tool available to bring manufacturing back to the United States in strategic alignment with the

President's America First Trade Policy Executive Order, particularly in key industries such as PPE.

Questions for the Record
from Senator Jeff Merkley
for Russell Vought
Nomination of the Hon. Russell Vought, of Virginia,
to be Director of the Office of Management and Budget

January 22, 2025

Question #1

During yesterday's hearing, you refused to answer my question about whether President Trump's executive order entitled "Unleashing American Energy" constituted a "rescission" of Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) funds under the Impoundment Control Act, or an illegal impoundment. To ask again:

a) Will the administration send a rescission message to Congress seek approval to rescind this funding?

b) Neither the executive order, nor the related guidance issued by OMB's Acting Director, specify whether the "pause" in IRA and IIJA funding encompassed obligated funds as well as unobligated funds. So to clarify: Is this a proposal to cancel obligated, but not yet outlaid, funds – thus illegally abrogating binding contracts that the federal government has made?

c) Mr. Vought, one final question on this executive order: Does rescinding funds from the Inflation Reduction Act or the bipartisan infrastructure law – halting construction, ensuring needed bridges don't get build – help working families?

The Unleashing American Energy Executive Order did not rescind any funds from the Inflation Reduction Act or Infrastructure Investment and Jobs Act, and no rescission of such funds is currently proposed.

Question #2

As someone deeply committed to protecting Americans' constitutional rights, I remain gravely concerned that the Trump administration may once again attempt to misuse the military to suppress domestic dissent, undermining the very freedoms our armed forces are sworn to protect.

The Supreme Court has consistently upheld the importance of protecting First Amendment rights, including free speech, assembly, and protection from unwarranted government interference. Additionally, existing case law and statutory restrictions, like the Posse Comitatus Act, establish strong legal protections that prohibit the use of the military to suppress political speech.

- Mr. Vought, do you unequivocally reject the use of the U.S. military as a tool to suppress or silence domestic dissent, including peaceful protests, which are a protected exercise of free speech and assembly under the First Amendment?

- How would you ensure that federal resources under your purview are not misused in ways that infringe upon Americans' fundamental constitutional rights?

I am deeply committed to the Constitution and firmly believe that all Americans are entitled to exercise their Constitutionally-protected rights. If I am confirmed as OMB Director, I will faithfully uphold the Constitution.

Question #3

Americans, on average, spend over $1,400 on prescription drugs every year – more as a total per capita than patients in any other country – largely because American consumers are charged disproportionately higher drug costs by pharmaceutical companies. For example, according to a 2023 report from the Kaiser Family Foundation, the list price for four weekly shots or a 30-day supply of Novo Nordisk's Ozempic costs $936 in the United States, compared to only $83 in France.

In late 2020, President Trump issued an executive order to ensure that Medicare didn't pay more for prescription drugs than other similarly developed countries. However, the Biden administration ultimately rescinded the policy following a court order that stopped the program from going into effect.

a) As we discussed when we met in my office, America invests more in the research and development of pharmaceutical drugs, yet Americans get some of the worst prices. Yes or no, do you agree that Americans deserve the best prices for drugs, instead of the worst?

b) A recent analysis from the Congressional Budget Office found that international reference pricing would lower average prices in the United States by more than 5 percent. In the first Trump administration, the Centers for Medicare and Medicaid published an interim final rule to ensure that Medicare didn't pay more for prescription drugs than other similarly developed countries. As OMB Director, will you commit to utilizing international reference pricing to lower the cost of drugs for Americans?

c) I introduced the *End Price Gouging for Medications Act*, which would require the Secretary of Health and Human Services to ensure Americans do not pay more for prescription drugs than the lowest price per drug in 11 other countries – Japan, Germany, the United Kingdom, France, Italy, Canada, Australia, Spain, the Netherlands, Switzerland, and Sweden. Can I count on you and the Trump administration to partner with me to get this passed?

(a-c): Recent research shows the U.S. pays significantly higher prices on average for prescription drugs than other industrialized countries. During the campaign, the President committed to increasing transparency, promoting choice and competition, expanding access to prescription drug options, and protecting Americans from excessive costs. If confirmed, I look forward to working with Congress to accomplish these goals.

<u>Question #4</u>

Project 2025, of which you were a key author, proposes restrictions on funding for abortion, including a prohibition of funding for women to travel to another state to access abortion services, and cuts to Medicaid funding to States that require health insurance plans to offer coverage of abortion services.

As OMB Director in the first Trump administration, you helped usher in sweeping regulatory changes to federal programs that forced Planned Parenthood and other full-spectrum abortion providers out of the Title X program – the only domestic federal program dedicated solely to family planning and related preventive health services. Further, in an exchange with Sen. Murray during yesterday's hearing, you were clear about the extremism of your personal views with respect to reproductive rights.

a) Do you support a federal prohibition on Title X funding to health care providers that provide or refer patients to abortion care?

If I am confirmed, I will follow the President on this issue.

b) Do you support cutting Medicaid funding for states that require health insurance plans to offer coverage of abortion services?

If I am confirmed, I will follow the President on this issue.

Question #5

In 2022, you referred to an "untruth that rejects human beings as created distinctly male and female with biological differences that cannot be erased and that matter for the proper ordering and health of society."

Project 2025, which you co-authored, calls for the President to "direct agencies to rescind regulations interpreting sex discrimination provisions as prohibiting discrimination on the basis of sexual orientation, gender identity, transgender status, [and] sex characteristics."

And, finally, in a video obtained by ProPublica and Documented of two speeches Mr. Vought delivered during events for the Center for Renewing America, you used the extremist language of "transgender sewage that's being pumped into our schools and institutions."

a) Do you believe that a landlord should be able to refuse to rent a commercial apartment to an applicant solely because the applicant is gay? How about if the applicant is transgender?

This matter is not relevant to the job duties of the OMB Director. To the extent it ever becomes relevant, I will rely on the advice of the OMB General Counsel and the DOJ on legal issues.

b) Do you believe that a criminal defendant should be allowed to object to a gay individual serving on a jury solely because the potential juror is gay? How about if the potential juror is transgender?

This matter is not relevant to the job duties of the OMB Director. To the extent it ever becomes relevant, I will rely on the advice of the OMB General Counsel and the DOJ on legal issues.

c) Do you believe that an owner of a restaurant should be able to turn away a customer solely because the customer is gay? How about if the customer is transgender?

This matter is not relevant to the job duties of the OMB Director. To the extent it ever becomes relevant, I will rely on the advice of the OMB General Counsel and the DOJ on legal issues.

d) Do you believe that banks should be able to refuse to provide banking services, loans, or bank accounts to person solely because the person is gay? How about if the person is transgender?

This matter is not relevant to the job duties of the OMB Director. To the extent it ever becomes relevant, I will rely on the advice of the OMB General Counsel and the DOJ on legal issues.

e) Should the federal government be able to refuse to hire a person solely because the applicant is gay? How about if the applicant is transgender?

I will rely on the advice of the OMB General Counsel and the DOJ on legal issues.

f) In *Bostock v. Clayton County*, the Supreme Court held that employment discrimination based on gender identity and sexual orientation is illegal under Title VII's prohibition of sex discrimination. As OMB Director, what steps will you take to ensure that federal rules reflect this precedent?

I will rely on the advice of the OMB General Counsel and the DOJ on legal issues.

Question #6

The executive order to set up the so-called "Department of Government Efficiency" seems to simply re-name the U.S. Digital Service and work only on IT modernization. At the same time, Elon Musk will have an office in the same building you work in, and the President's rhetoric makes it sound like DOGE will do a lot more than try to procure better software for the federal government.

a) Mr. Vought, now that the EO has been issued, what can you tell us about DOGE's structure?

DOGE is a separate entity within the Executive Office of the President, serving as an incredible partner to the work of OMB.

b) Will you report to Elon Musk?

No.

Question #7

The Consolidated Appropriations Act of 2022 mandates that OMB make available to the Congress and the public all documents apportioning an appropriation. Do you commit to following this requirement?

Yes, as resources permit and subject to the advice of counsel.

Questions for the Record
from Senator Murray
for Russell Vought
Nomination To Be Director of the Office of Management and Budget
January 22, 2025
Senate Budget Committee

Question #1:

The Trump tax cuts are projected to cost more than $4 trillion over the next decade, with the benefits overwhelmingly going to the wealthiest Americans and large corporations.

While you've argued that extending these tax cuts is vital to a growing economy, multiple analyses—including from the Congressional Budget Office—have shown that the cuts have significantly worsened the deficit without generating enough growth to offset their cost. At the same time, Republicans have suggested paying for these tax cuts by slashing programs like Medicaid, health insurance subsidies, and nutrition assistance to cover the shortfall.

Do you still support extending the Trump tax cuts, even knowing they increase the deficit?

I believe that the Administration's tax policies will have a beneficial result on the economy, lead to more employers and more jobs that will dynamically generate revenue for the nation's finances. The impact of the Administration's tax policy will depend on the details of each final package to assess the extent of that dynamic effect.

Question #2:

What do you believe is a responsible tax rate for working Americans, compared to a responsible tax rate for billionaires and corporations? How will you monitor whether working Americans are achieving the economic growth that has been promised to them?

President Trump ran on cutting taxes, and in particular, extending the TCJA tax cuts in order to prevent a massive tax increase on the middle class. I believe that the Administration's tax policies will have a beneficial result on the economy, leading to more employers and more jobs.

Question #3:

Under a series of legal agreements and a consent decree, the federal government has an obligation to complete the cleanup of the Hanford Site in Washington state. While the cleanup mission has made important progress in recent years, keeping it on track through the end of the decade will require significant funding increases.

How will you approach providing the necessary funding for Hanford?

I need to be updated on the details of the Hanford project and funding. If I am confirmed as the OMB Director, I will assess what is achievable within the appropriate levels of spending.

Question #4:

You have supported efforts to drastically reduce the size of the federal workforce, including advocating for Schedule F, which would strip civil service protections from countless federal employees and allow for mass firings—which you have previously stated will occur. These policies threaten to replace expertise with political loyalty, disrupt critical services like Social Security, disaster relief, and national security, and erode public trust in the independence of our federal agencies.

How do you justify policies that would risk hollowing out critical expertise in federal agencies, and will you commit to us today that such disruptions would not harm essential government functions?

Schedule F is not a tool to fire career civil servants. It is an employment classification to ensure the Administration has people who are working to implement the policies the President ran on. To effectively carry out the broad array of activities assigned to the executive branch under law, the President and his appointees must rely on men and women in the Federal service employed in confidential, policy-determining, policy-making, or policy-advocating positions. Faithful execution of the law requires that the President have appropriate management oversight regarding this select cadre of professionals.

Question #5:

I have asked you in pre-hearing questions, during our pre-hearing meeting, and at your Budget Committee nomination hearing to commit to following the Impoundment Control Act and I am deeply concerned by your refusal to provide a clear, affirmative response.

If confirmed as Director, will you faithfully follow the law as set out in the Impoundment Control Act?

If I am confirmed as OMB Director, I will faithfully uphold the Constitution and the laws of the United States. I will follow the advice of legal counsel, and ultimately the President, with respect to the implementation of the ICA.

Question #6:

In the light of President Trump's Executive Orders halting funds for implementation of IRA, IIJA, and other critical laws, Washington state grantees are facing uncertainty about the future of their contracts and whether they will be appropriately compensated for their work.

Do you believe it is appropriate for federal agencies to be halting the distribution of appropriated funds?

The Unleashing American Energy Executive Order did not rescind any funds from the Inflation Reduction Act or Infrastructure Investment and Jobs Act, and no rescission of such funds is currently proposed. OMB explained in Memorandum M-25-11 (Jan. 21, 2025) that the initial pause only applied to funds supporting programs, projects, or activities that may be implicated by the policy established in Section 2 of the Unleashing American Energy Executive Order. That memorandum also explained that agency heads may disburse funds (implicated by the policy in the executive order) as they deem necessary after consulting with OMB.

Question #7:

In the light of President Trump's Executive Orders halting funds for implementation of IRA, IIJA, and other critical laws, Washington state grantees are facing uncertainty about the future of their contracts and whether they will be appropriately compensated for their work.

Do you believe it is appropriate for federal agencies to be issuing stop work orders for ongoing contracts?

The Unleashing American Energy Executive Order did not rescind any funds from the Inflation Reduction Act or Infrastructure Investment and Jobs Act, and no rescission of such funds is currently proposed. OMB explained in Memorandum M-25-11 (Jan. 21, 2025) that the initial pause only applied to funds supporting programs, projects, or activities that may be implicated by the policy established in Section 2 of the Unleashing American Energy Executive Order. That memorandum also explained that agency heads may disburse funds (implicated by the policy in the executive order) as they deem necessary after consulting with OMB.

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Questions for the Record

from Senator Wyden

for Russell Vought

The Nomination of the Honorable Russell T. Vought, of Virginia, to be Director the Office of Management and Budget

Jan. 22, 2025

Senate Budget Committee

Question #1:

In your 2023 Center for Renewing America budget proposal, you proposed repealing both of the Affordable Care Act's major coverage expansions: Medicaid expansion's enhanced federal funding and the Affordable Care Act's marketplace subsidies. ***[1]*** *The Congressional Budget Office (CBO) has estimated such policies would result in millions losing health coverage. Each person that loses their health insurance coverage will see their own out of pocket healthå care costs rise while the richest Americans receive tax breaks from the funding cuts to these programs.*

Do you dispute that millions of Americans will lose their health insurance if Republicans in Congress move ahead with these proposals? How do you justify millions of working-class Americans losing their health coverage in pursuit of funding Republican priorities like extending tax handouts to the wealthy?

The CRA Budget was not a proposal from the President. If confirmed, I will work with the Administration to protect the most vulnerable and provide the affordability, choice, and control Americans want, and the high-quality care that all Americans deserve.

Question #2:

During your time as OMB director, you claimed that the nearly $1 trillion cut to Medicaid in the President's Fiscal Year 2021 budget was not a cut–but simply "reducing the cost of healthcare." ***[2]*** *Today, Congressional Republicans are similarly purporting that cutting Medicaid spending by $918 billion through per capita caps is "not cutting the program" but making it "sustainable."* ***[3]*** *However, research shows that Medicaid is already an incredibly efficient program–with per enrollee spending growing only 30% since 2008 in Medicaid,* *compared to 50% for Medicare and 80% for private insurance.**[4]***

How can reductions in federal funding that CBO and other analysts know would lead to states slashing eligibility, provider reimbursement rates, and benefits not be considered cuts to Medicaid?

Until confirmed, I will not be able to assess any reform proposals for the President's consideration as part of the FY26 Budget.

Question #3:

*You claimed during your OMB confirmation hearing that policies like the enhanced federal match for Medicaid expansion has extended the program beyond "populations that it was originally designed for." However, expert analysis shows drastic cuts to the Medicaid program, such as through per capita caps, will negatively impact those communities you purport to protect, such as children, new mothers, people with disabilities, and seniors.**[5]** Additionally, Medicaid expansion directly supports these populations. For example, 6 in 10 non-elderly Medicaid adults with disabilities do not receive Supplemental Security Income (SSI), and thus do not qualify for Medicaid on another basis.**[6]***

Do you agree Medicaid cuts, such as through per capita caps or repealing the enhanced match for Medicaid expansion, would negatively impact populations like children, new mothers, people with disabilities, and seniors?

The populations mentioned in your question are no longer the sole populations covered by Medicaid. Non-traditional Medicaid enrollees, including able-bodied, working-age adults, receive a higher federal reimbursement percentage than traditional enrollees. This has diverted resources away from traditional Medicaid enrollees like low-income children and people with disabilities, increased Medicaid improper payments, and contributed to large and growing federal deficits.

Question #4

IRS Criminal Investigation (IRS CI) is an important law enforcement agency that regularly leads federal investigations exposing fentanyl trafficking and money laundering in the U.S. by Mexican cartels and associated criminal syndicates from China. IRS CI's skills are regularly used by its federal partners to trace financial flows of narcotics and human trafficking to support criminal investigations and U.S. sanctions targeting. For example, IRS CI was the lead investigative agency in the largest international fentanyl/opioid seizure in U.S. history. This operation took down a massive drug trafficking operation and seized 864 kg of drugs, including an astounding 64kg of fentanyl and fentanyl laced opioids, enough to kill thousands of people. The operation also led to the arrest of 288 dangerous criminals.

Question: Do you believe maintaining funding for IRS CI is important to national security or public safety?

IRS CI has an important role in protecting national security and public safety, including as a key player in sanctions enforcement and its investigative efforts to combat illicit finance, money laundering, cybercrime, ransomware, and terrorist financing. If confirmed, I will consider IRS funding levels as part of my work on the President's FY 2026 Budget.

Question #5:

In a recent interview with Tucker Carlson, you defended your 2019 decision to withhold Congressionally appropriated aid to Ukraine. The Government Accountability Office concluded the withholding of aid was illegal, directly violating the Impoundment Control Act of 1974. GAO also found that, under your leadership, the Office of Management and Budget illegally "incurred obligations to review a Department of Labor final rule and notice of proposed rulemaking" during a government shutdown and the Inspector General of the Department of Housing and Urban Development concluded that "OMB inappropriately delayed disaster relief funding for Puerto Rico following devastation after Hurricane Maria." You appeared to commit to continuing this pattern in your interview when you asserted that OMB "has the ability to turn off the spending that's going on at the agencies" and that "we can do that in foreign aid. We can do that in all sorts of ways. It's kind of crazy." I am concerned about your stated commitment to withhold appropriated funds in violation of the law, in the case of laws with which you disagree or personally believe to be unconstitutional.

Question: As long as the Impoundment Control Act remains the law of the land, will you commit to distributing Congressionally appropriated funding under the law?

Question: Do you agree that all Americans, including the President and his appointees, are bound by laws unless and until they are found unconstitutional by our federal courts?

Question: Why should Congress confirm a nominee who defends his decision to defy duly enacted legislation and suggests he will do so again?

If I am confirmed as OMB Director, I will faithfully uphold the Constitution and the laws of the United States. I will follow the advice of legal counsel, and ultimately the President, with respect to the implementation of the ICA.

Question #6:

In a 2023 speech, you stated that "we want the bureaucrats to be traumatically affected" by the policies and actions you support and continued, "When they wake up in the morning, we want them to not want to go to work because they are increasingly viewed as the villains….We want to *put them in trauma." You recently reaffirmed your commitment to traumatizing civil servants in an interview with Tucker Carlson, stating, "they say, 'he called for trauma within the bureaucracies.' Yeah, I called for trauma within the bureaucracies."*

Question: Why should Americans trust someone to lead a federal agency who wants to traumatize his employees any more than a business would want to hire a CEO who said he wanted to traumatize his workers and make other Americans come to see them as 'the villains'?

I don't want to traumatize OMB employees, and I don't think they are villains.

Question: Why is traumatizing and villainizing employees you disagree with or assert are part of 'weaponized bureaucracy' an effective management strategy and why would it not produce discord and chaos at OMB that would hurt not only civil servants, but the millions of Americans whom the agency serves?

The civil servants at OMB are among the most resourceful and innovative individuals I have worked with. It has been my privilege to work alongside them, and I look forward to leading and supporting them as Director once again, if confirmed, to deliver on the President's policies.

OMB's mission goes beyond crafting the President's Budget. It encompasses the management of the federal government, reforming regulation, and coordinating policy across agencies to ensure efficient and effective implementation of the American people's will as expressed by both their legislative and executive representatives. A strong interagency process delivers the best results for all Americans, and I believe OMB's collaborative ethos is key to achieving those outcomes.

Question #7:

In the section of the Project 2025 Mandate for Leadership document that you authored, you wrote of the Trump Administration's decision to require Program Associate Directors to personally sign off on agency funding apportionments, and that "[n]o Director should be chosen who is…not aggressive in wielding the tool on behalf of the President's agenda, or who is unable to defend the power against attacks from Congress." Although you have repeatedly asserted that Congress should not decide upon your nomination on the basis of statements you have made about the agency you are nominated to lead, what you meant by these written arguments is relevant to your capacity to manage one of the most important agencies in the federal government in conformance with the law.

Question: What "attacks" from Congress do you anticipate and by what methods would an OMB Director legally "defend" against them?

Question: What does it mean for an OMB Director to be "aggressive in wielding" apportionments "on behalf of the President's agenda"?

Question: Why should Congress confirm a nominee expressly adversarial to its constitutionally mandated duty to determine funding apportionments pursuant to duly enacted legislation signed into law by the President?

As you know, during the first Trump Administration, I delegated the signing authority for apportionments to a Program Associate Director. If I am confirmed as OMB Director, I will review and decide to whom to delegate this authority.

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[1] A Commitment to End Woke and Weaponized Government: 2023 Budget Proposal. Center for Renewing America. Dec. 7, 2022. https://americarenewing.com/wp-content/uploads/2024/03/Budget-Center-for-Renewing-America-FY23.pdf.

[2] Press Briefing by Acting OMB Director Russ Vought. Trump White House Archives. Feb. 10, 2020. https://trumpwhitehouse.archives.gov/briefings-statements/press-briefing-acting-omb-director-russ-vought/.

[3] Press Briefing by Acting OMB Director Russ Vought. Trump White House Archives. Feb. 10, 2020. https://trumpwhitehouse.archives.gov/briefings-statements/press-briefing-acting-omb-director-russ-vought/.

[4] A Per Capita Cap for Medicaid: Solution in Search of a Problem? KFF. Jan. 10, 2025. https://www.kff.org/quick-take/a-per-capita-cap-for-medicaid-solution-in-search-of-a-problem/.

[5] Medicaid Per Capita Cap Would Harm Millions of People by Forcing Deep Cuts and Shifting Costs to States. Center for Budget and Policy Priorities. Jan. 7, 2025. https://www.cbpp.org/research/health/medicaid-per-capita-cap-would-harm-millions-of-people-by-forcing-deep-cuts-and.

[6] People with Disabilities Are At Risk of Losing Medicaid Coverage Without the ACA Expansion. KFF. Nov. 2, 2020. https://www.kff.org/medicaid/issue-brief/people-with-disabilities-are-at-risk-of-losing-medicaid-coverage-without-the-aca-expansion/.

Questions for the Record
from Senator Sheldon Whitehouse
for Russell T. Vought
The Nomination of the Honorable Russell T. Vought, of Virginia, to be Director of the Office of Management and Budget
January 22, 2025
Senate Budget Committee

Please answer each question and sub-question individually and as specifically as possible.

1. You are the President of the Center for Renewing America (CRA), a 501(c)(3) organization. Last year, CRA paid you over $540,000.

a. Who is funding CRA?

CRA is not obligated to share its donors.

b. Have you ever participated in fundraising for CRA?

Yes.

c. Will you disclose CRA's donor information to U.S. government ethics officials who have a duty to screen for conflicts?

CRA is not obligated to share its donors.

d. If no, how can OMB's recusal and conflict of interest policies be effective if you fail to disclose who is ultimately bankrolling your pay at CRA?

I have fully complied with the Office of Government Ethics and the OMB ethics attorneys and will continue to do so.

2. Who wrote the letter you signed on December 18, 2023, asking the Judicial Conference to investigate Justice Ketanji Brown Jackson? Who did the research behind it? Did Mark Paoletta have any involvement? If you refuse to answer, please state the specific privilege you are invoking.

I signed the letter and take full responsibility for its contents and the research behind it.

3. In 2023, you said, “The Department of Justice is not an independent agency. Anyone who brings that up in the White House, I want them out of the meeting.” Will you instruct anyone who brings up DOJ independence to leave a White House meeting?

No.

4. Have you discussed any Executive Orders issued by President Trump on January 20, 2025, or thereafter with Mr. Trump or members of his team?

The President has decided on the policies contained in these Executive Orders. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President’s policies, including those set forth in his Executive Orders and other directives.

5. Who wrote the January 20, 2025, executive order entitled “Initial Rescissions of Harmful Executive Orders and Actions”?

I was not a member of the President’s Campaign team nor of his Transition team. The President has decided on the policies contained in this Executive Order. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President’s policies, including those set forth in his Executive Orders and other directives.

a. Did you provide input or play any role in the development or drafting of this executive order?

I was not a member of the President’s Campaign team nor of his Transition team. The President has decided on the policies contained in this Executive Order. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President’s policies, including those set forth in his Executive Orders and other directives.

b. Did CRA, Project 2025, or any other group outside the presidential transition provide input or play any role in the development or drafting of this executive order?

I was not a member of the President’s Campaign team nor of his Transition team. The President has decided on the policies contained in this Executive Order. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully

implement the President's policies, including those set forth in his Executive Orders and other directives.

c. If yes, please identify the group(s).

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6. Who wrote the January 20, 2025, executive order entitled "Restoring Freedom of Speech and Ending Federal Censorship"?

I was not a member of the President's Campaign team nor of his Transition team. The President has decided on the policies contained in this Executive Order. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President's policies, including those set forth in his Executive Orders and other directives.

a. Did you provide input or play any role in the development or drafting of this executive order?

I was not a member of the President's Campaign team nor of his Transition team. The President has decided on the policies contained in this Executive Order. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President's policies, including those set forth in his Executive Orders and other directives.

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7. Who wrote the January 20, 2025, executive order entitled "Ending the Weaponization of the Federal Government"?

I was not a member of the President's Campaign team nor of his Transition team. The President has decided on the policies contained in this Executive Order. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President's policies, including those set forth in his Executive Orders and other directives.

a. Did you provide input or play any role in the development or drafting of this executive order?

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Order. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President's policies, including those set forth in his Executive Orders and other directives.

8. Who wrote the January 20, 2025, executive order entitled "Putting America First In International Environmental Agreements"?

I was not a member of the President's Campaign team nor of his Transition team. The President has decided on the policies contained in this Executive Order. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President's policies, including those set forth in his Executive Orders and other directives.

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9. Who wrote the January 20, 2025, executive order entitled "Application of Protecting Americans from Foreign Adversary Controlled Applications Act to TikTok"?

I was not a member of the President's Campaign team nor of his Transition team. The President has decided on the policies contained in this Executive Order. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President's policies, including those set forth in his Executive Orders and other directives.

a. Did you provide input or play any role in the development or drafting of this executive order?

I was not a member of the President's Campaign team nor of his Transition team. The President has decided on the policies contained in this Executive Order. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President's policies, including those set forth in his Executive Orders and other directives.

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10. Who wrote the January 20, 2025, executive order entitled "Withdrawing the United States from the World Health Organization"?

I was not a member of the President's Campaign team nor of his Transition team. The President has decided on the policies contained in this Executive Order. I

appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President's policies, including those set forth in his Executive Orders and other directives.

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11. Who wrote the January 20, 2025, executive order entitled "Restoring Accountability to Policy-Influencing Positions Within the Federal Workforce"?

I was not a member of the President's Campaign team nor of his Transition team. The President has decided on the policies contained in this Executive Order. I appeared as a nominee to be the OMB Director and, if confirmed, I will faithfully implement the President's policies, including those set forth in his Executive Orders and other directives.

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12. Who wrote the January 20, 2025, executive order entitled "Holding Former Government Officials Accountable For Election Interference And Improper Disclosure Of Sensitive Governmental Information"?

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18. Who wrote the January 20, 2025, executive order entitled "Restoring The Death Penalty And Protecting Public Safety"?

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29. Who wrote the January 20, 2025, executive order entitled "Designating Cartels And Other Organizations As Foreign Terrorist Organizations And Specially Designated Global Terrorists"?

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31. In an interview with Charlie Kirk, you said the following about officials who investigated Mr. Trump and his allies: "It can't just be hearings. It has to be investigations, an army of investigators that lead to firm convictions." Who should be investigated and convicted?

The Department of Justice and relevant agency Inspectors General offices have jurisdiction over such investigations and prosecutions, not OMB.

32. Did Joe Biden win the 2020 Presidential Election?

I believe that the 2020 election was rigged.

33. I co-authored legislation last year with Vice President-Elect Vance that would end tax breaks for mergers between large corporations that allow them to merge tax-free if properly structured. Would you consider supporting the Vice President Vance's and my Stop Subsidizing Giant Mergers Act (S. 4011, 118th Congress)?

If confirmed, I will follow the advice of the President on this issue. The President has not laid out in detail his vision for tax policy.

34. When you last appeared before the Senate Budget Committee, you told me that the "vast majority of the scientific evidence" suggests that climate change is real. Since then, you have decried "climate extremism."

a. *The Economist* last year ran a cover article warning that climate change could wipe out $25trn of value from the global housing stock by 2050. Would you characterize that as "climate extremism"?

I will faithfully implement the President's energy agenda and will empirically examine the relevant evidence.

b. The former Chief Economist of Freddie Mac in the research note, "Life's a Beach," warned that as climate change leads to rising sea levels and spreading flood plains, "the economic losses and social disruption may happen gradually, but they are likely to be greater in total than those experienced in the housing crisis and Great Recession." Would you consider this warning to be "climate extremism"?

I will faithfully implement the President's energy agenda and will empirically examine the relevant evidence.

c. Deloitte's "Global Turning Point" report warns that "unchecked climate change could cost the global economy US$178 trillion over the next 50 years." Is Deloitte peddling "climate extremism"?

I will faithfully implement the President's energy agenda and will empirically examine the relevant evidence.

35. Much of the funding from IIJA and IRA has been contractually obligated. This is a legally binding agreement; however, the Executive Order "Unleashing American Energy" calls on agencies to ignore these agreements. When will the executive order be clarified so that states can honor these contractual obligations?

The Unleashing American Energy Executive Order did not rescind any funds from the Inflation Reduction Act or Infrastructure Investment and Jobs Act, and no rescission of such funds is currently proposed. OMB explained in Memorandum M-25-11 (Jan. 21, 2025) that the initial pause only applied to funds supporting programs, projects, or activities that may be implicated by the policy established in Section 2 of the Unleashing American Energy Executive Order. That memorandum also explained that agency heads may disburse funds (implicated by the policy in the executive order) as they deem necessary after consulting with OMB.

36. Even with the recent OMB guidance, states remain confused about the status of their discretionary and formula funds. As a result, they are holding back funding for major infrastructure projects, including repairs and replacements of bridges. Please explain your understanding of the negative effects felt by state departments of transportation, local communities, businesses, and recipients of federal infrastructure funding resulting from the issuance of the Executive Order "Unleashing American Energy."

The Executive Order and OMB guidance make clear that the funding pause applies only to the Green New Deal funds implicated by the policy established by Section 2 of the Executive Order.

Questions for the Record
from Senator Kennedy
for Russell T. Vought
nomination of Mr. Russell Vought, to be Director of the Office of Management and Budget Director
January 22, 2025
Senate Budget Committee

Question #1:
Director Vought:

As you are aware, the United States will be host to the 2028 Olympics & Paralympics in Los Angeles. The 2028 Games will bring an unprecedented scale of international visitors to the United States, and federal government support is paramount to guarantee they are run safely and effectively.

The Games are projected to bring over five million unique attendees, 15,000 athletes, 30,000 broadcast and media groups, and over 150 heads of state and government to the United States, the equivalent cumulative of seven Super Bowls per day for 16 consecutive days. Strong leadership and commitment by the Executive branch and fluid coordination across federal agencies is vital to ensure the Games are safe, secure and successful.

1. Will you commit to including in the FY26 budget federal support for the 2028 Olympics and Paralympics?

2. Will you commit to working with federal agencies on their resource needs going forward from FY26 to FY29 for staging, planning, and securing the Games? Will you commit to issuing a formal OMB directive in 2025 to provide a framework for federal agency support for the Olympics and help ensure federal support for the Games ramps up in 2025?

3. Do you support the creation of a Federal Task Force to prepare for hosting the Games? If yes, will you commit to working with the Task Force?

The first Trump Administration was instrumental in bringing the 2028 Olympic and Paralympic games to the United States. Now this Administration will continue the work we started to ensure that the Olympics showcase the United States on the world stage. Like previous Olympic games, the Federal government will continue to support the host cities to ensure the events are safe and successful. The Federal government has an important role to play in securing these types of large-scale events, and while it is too soon to know the division of responsibilities or the financial resources necessary for the Olympics, OMB will

continue to work with agencies and Congressional partners (including a task force if one is created) to ensure sufficient resources are available for Federal support.

Questions for the Record
from Senator Chris Van Hollen
for Russell Vought
The Nomination of the Honorable Russell T. Vought, of Virginia, to be Director of the Office of Management and Budget
January 23, 2023
Senate Budget Committee

Question #1:
Under President Trump's leadership, will the administration attempt to ascertain or otherwise consider an individual's personal political beliefs when assessing employment, promotion, or termination? Under your leadership at OMB, will you attempt to ascertain or otherwise consider an employee's personal political beliefs when making decisions regarding employment, promotion, or termination?

No.

Question #2:
The White House website currently claims that only 6% of federal employees work in person. Does this statistic come from a survey conducted by the Federal News Network, which was described by FNN as a "non-scientific survey of respondents who self-reported that they are current federal employees, and were self-selected"? If not, can you provide the data behind this assertion and its source?

Fairness requires that federal office employees show up to the worksite each day like most other American workers. It's important that federal workers go where the work is. I'm not in a position to comment on the methodologies of that report. I look forward to examining the data with OMB staff if confirmed.

Question #3:
OMB provides actual data on the amount of telework and onsite work taking place among the federal workforce. OMB states that 54% of federal workers perform completely in-person, onsite jobs and telework-eligible employees spend over 60% of their work hours at traditional work sites. Do you believe the data from OMB? If not, what data do you have to the contrary and what is its source?

Fairness requires that federal office employees show up to the worksite each day like most other American workers. It's important that federal workers go where the work is. I'm not in a position to comment on the methodologies of that report. I look forward to examining

the data with OMB staff if confirmed.

Question #4:
During your previous stint at OMB, the GAO reported they had a difficult time getting responses from your team and the State Department on potential impoundments, and they considered this failure to provide a response to "have constitutional significance" since the GAO has been designated by Congress to assist in enforcement of the Impoundment Control Act, including by civil lawsuit. Will you commit that you, your general counsel, and your agency will provide prompt responses to inquiries from the GAO related to the Impoundment Control Act and apportionment of funds?

Yes, I will commit, subject to legal advice and ultimately to the President's supervision, as all executive branch employees and officers are bound to do.

Question #5:
Section 204 of the Financial Services and General Government Appropriations Act, 203 (division E of Public Law 117-328) requires OMB to operate and maintain a system to publicly post each document apportioning an appropriation. Will you comply with the requirements of the law and continue to make apportionment documents publicly available?

Yes, as resources permit and subject to the advice of counsel.

Question #6:
The Executive Order titled 'Reevaluating and Realigning United States Foreign Aid' grants the OMB Director significant authority in determining whether U.S. foreign assistance programs align with the President's foreign policy goals. The order tasks you with making key decisions about whether such programs should continue, be modified, or be eliminated.

Given that your background is primarily in budgetary and financial oversight and domestic policy, please outline your qualifications to assess the efficacy of US foreign assistance programs.

How will you handle situations where the expertise of foreign service professionals and development experts might conflict with the political objectives driving these reviews?

OMB is working closely with foreign service professionals and development experts at the Department of State and U.S. Agency for International Development on the implementation guidance for this E.O. in order to align these programs with President Trump's foreign policy agenda.

Question #7:
Additionally, this Executive Order explicitly directs agencies to pause both new obligations and disbursements of all foreign aid until a review is conducted, the basis of which is to determine alignment with the President's foreign policy goals. In 2020, the GAO, in determining that the President violated the Impoundment Control Act when he withheld US security assistance appropriated by Congress, wrote that "faithful execution of the law does not permit the President to substitute his own policy priorities for those that Congress has enacted into law," noting that "OMB withheld funds for a policy reason, which is not permitted under the Impoundment Control Act. The withholding was not a programmatic delay. Therefore, we conclude that OMB violated the ICA." How does this EO, which directs the withholding of funds appropriated by Congress based on a policy determination made, at least in part, by OMB, not violate the Impoundment Control Act if implemented?

As I stated during my hearing, I disagree with GAO's decision, as set forth in my January 19, 2021 letter.

Question #8:
Additional Executive Orders made in the President's first few hours in office direct agencies to immediately withhold funding provided by Congress through the Bipartisan Infrastructure Investment and Jobs Act and the Inflation Reduction Act. Does this apply to all funding, including formula funds? Does it apply to funds that have already been obligated? Is it the Administration's intention to refuse to honor contracts with states, cities, and other recipients? Given the GAO's clear determination that a policy disagreement is not a sufficient justification for a deferral, how does the Administration justify withholding funds that Congress has appropriated?

The Unleashing American Energy Executive Order did not rescind any funds from the Inflation Reduction Act or Infrastructure Investment and Jobs Act, and no rescission of such funds is currently proposed. OMB explained in Memorandum M-25-11 (Jan. 21, 2025) that the initial pause only applied to funds supporting programs, projects, or activities that may be implicated by the policy established in Section 2 of the Unleashing American Energy Executive Order. That memorandum also explained that agency heads may disburse funds (implicated by the policy in the executive order) as they deem necessary after consulting with OMB.

Questions for the Record
from Senator Alex Padilla
for the Honorable Russell Vought
The Nomination of the Honorable Russell Vought to be Director of the Office of Management and Budget
January 22, 2025
Senate Budget Committee

Question #1:

In response to my questions during your nominations hearing on Wednesday, January 22, 2025, you said, quote "I would not politicize the disbursing of federal funds in any capacity," and "This President has always been a firm distributor of federal resources to areas that need disaster money and I don't expect that to change." I think this is a mischaracterization of your time at OMB the first time around since California did not forget President Trump's tweets and comments following devastating fires in 2018 that he "[had] ordered FEMA to send no more money," unless we "raked" our forests. Given similar comments made about conditioning or otherwise politicizing critical recovery funding for the current fires in Southern California, I want to make sure we get the commitment you made to me during the committee on the record in writing as well.

- Do you commit for the written record not to politicize disaster funding and deny or slow the disbursement of funds provided by Congress for American families and businesses that have been devastated by natural disasters?

President Trump has never politicized the disbursement of federal resources, nor will I. I will follow his direction as to the disbursement of federal funds.

- Do you commit for the written record that you will prioritize getting congressionally appropriated funding out to Californians devasted by the ongoing fires as quickly as possible?

President Trump has never politicized the disbursement of federal resources, nor will I. I will follow his direction as to the disbursement of federal funds.

Question #2:

President Trump, in his slew of Executive Orders Monday, directed all agencies to immediately pause the disbursement of funds appropriated through the Inflation Reduction Act or the Infrastructure Investment and Jobs Act. The IRA is responsible for creating more than 400,000 new clean energy jobs and spurring more than $422 billion in investments across the country, with Republican-led states projected to receive the lion's share of grants and subsidies. There's a reason why Republicans continue their political rhetoric of repealing the IRA but have so far opposed any legislative effort to target even limited portions of the law; it's spurred manufacturing and infrastructure construction in their districts. This provision of the Executive Order specifically states that the OMB Director will be charged with approving disbursements.

- Can you explain in detail how you would implement this Executive Order?
- How would you explain to all of my colleagues, particularly those on the other side of the aisle, why you're imperiling billions of dollars and thousands of jobs in their states?

The Unleashing American Energy Executive Order did not rescind any funds from the Inflation Reduction Act or Infrastructure Investment and Jobs Act, and no rescission of such funds is currently proposed. OMB explained in Memorandum M-25-11 (Jan. 21, 2025) that the initial pause only applied to funds supporting programs, projects, or activities that may be implicated by the policy established in Section 2 of the Unleashing American Energy Executive Order. That memorandum also explained that agency heads may disburse funds (implicated by the policy in the executive order) as they deem necessary after consulting with OMB.

Question #3:

President Trump, in his slew of Executive Orders Monday, ordered the federal government to stop all permits for wind energy projects and ordered a review of exiting federal leases. In late 2022, the Bureau of Ocean Energy Management auctioned five leases in the Morro Bay and Humboldt Bay areas of California for offshore wind development. These leases have the potential to generate approximately 4.6 gigawatts of energy and $757.1 million for the U.S. Treasury's General Fund. This move is antithetical to the administration's proclamations about energy dominance and energy independence, because adding diverse energy sources is the only viable path to achieving this goal.

- What is the legal mechanism you intend to use to withdraw from legally-binding contracts?
- Can you explain President Trump's specific opposition to wind power, given its strong bipartisan support in this chamber?
- How would you make up the revenue lost by these lease sales?

The Executive Order on offshore wind temporarily withdraws all areas of the outer continental shelf from offshore wind leasing and temporarily ceases federal offshore wind permitting practices pending the completion of a comprehensive assessment and review of Federal wind leasing and permitting practices. It specifically states that nothing in the withdrawal affects rights under existing leases in the withdrawn areas. The Executive Order does not withdraw from any legally binding contracts and temporarily ceasing permitting practices pending a review does not impact revenue from previous lease sales.

Question #4:

Immigration and Customs Enforcement determined that it would cost $26.9 billion in the first year to enforce the Laken Riley Act, which, and I quote from ICE, "would be impossible for ICE to execute within existing resources." Neither the House nor Senate versions of the bill include additional funding despite ICE's own internal estimates showing the agency would need 110,000 more detention beds, 10,000 more enforcement and removal operations personnel, and more than 7,000 additional attorneys and support personnel.

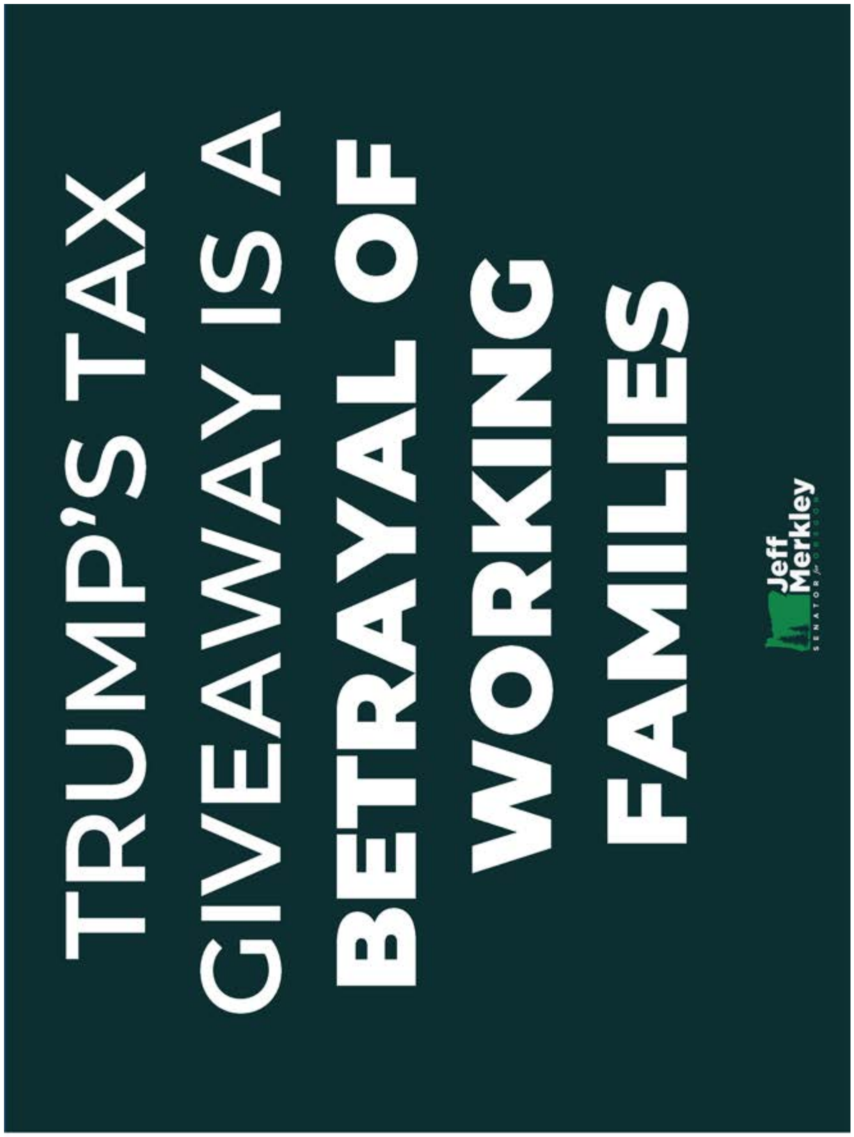
- How and where do you intend to find the nearly $27 billion in the first year to implement and enforce the law? What about the cost to maintain operations in subsequent years?

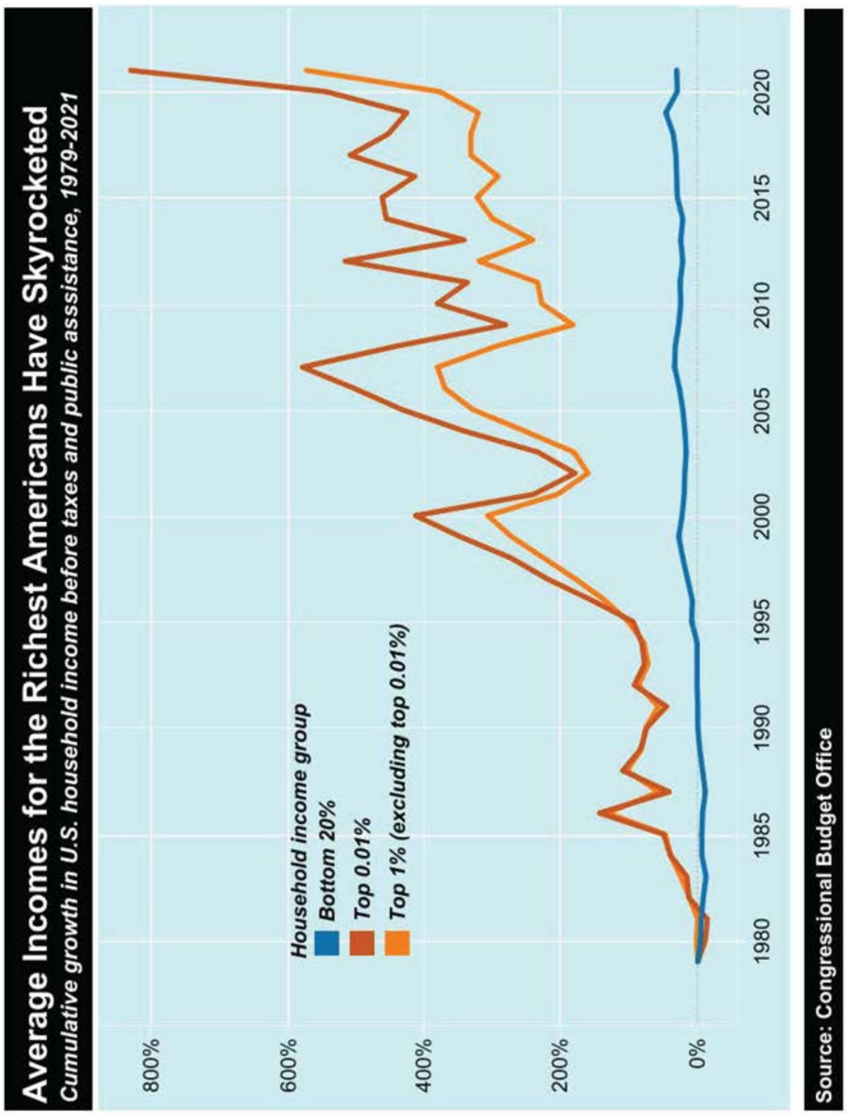
DHS and ICE are still examining how to operationalize the requirements in the Laken Riley Act, and what the associated costs will be. I look forward to working with Congress to provide funding for this and other immigration enforcement-related requirements in the coming weeks, should I be confirmed.

Question #5:

- You've previously served as OMB Director and been involved in congressional spending discussions. To what specific level do you expect the debt ceiling will need to be raised in order to accommodate all of the extra spending that President Trump is proposing?

The President believes it is important to increase the debt limit so that it cannot be used as leverage against the administration's policy agenda. If confirmed, I look forward to working with you on this necessary increase.

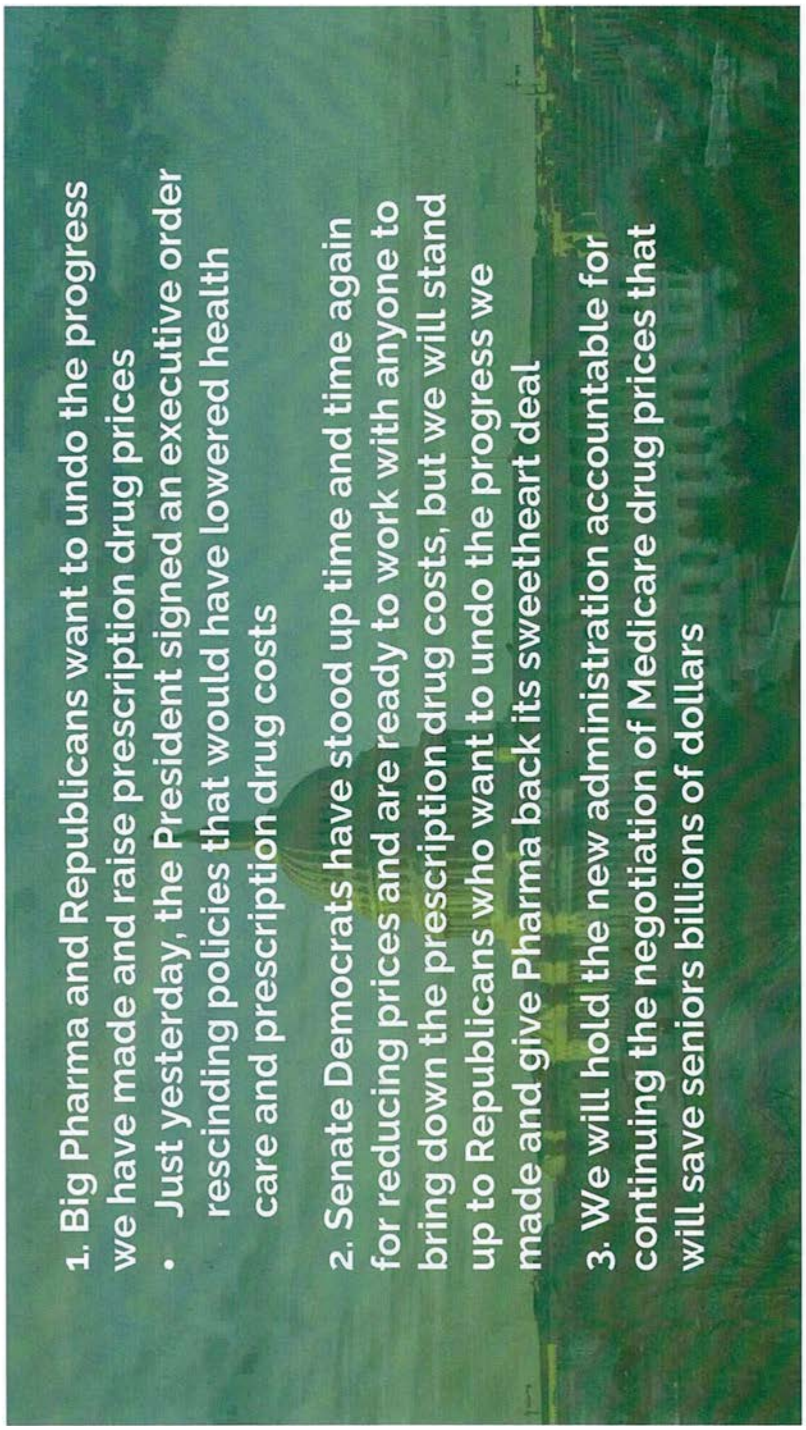

TRUMP'S TAX
GIVEAWAY IS A
BETRAYAL OF
WORKING
FAMILIES
Jeff Merkley


Average Incomes for the Richest Americans Have Skyrocketed
Cumulative growth in U.S. household income before taxes and public asssistance, 1979-2021
800%
600%
400%
200%
0%
1980
1985
1990
1995
2000
2005
2010
2015
2020
Household income group
Bottom 20%
Top 0.01%
Top 1% (excluding top 0.01%)
Source: Congressional Budget Office

Medication	Savings After Negotiation	Percent Reduced
Januvia	$414	79%
Fiasp	$376	76%
Farxiga	$378	68%
Enbrel	$4,751	67%
Jardiance	$376	66%
Stelara	$9,141	66%
Xarelto	$320	62%
Eliquis	$290	56%
Entresto	$333	53%
Imbruvica	$5,615	38%

Amy Klobuchar

Medication	Seniors That Took Drug Last Year
OZEMPIC, RYBELSUS, WEGOVY	2.3 million
TRELEGY ELLIPTA	1.3 million
XTANDI	35,000
POMALYST	14,000
IBRANCE	16,000
OFEV	24,000
LINZESS	627,000
CALQUENCE	15,000
AUSTEDO; AUSTEDO XR	26,000
BREO ELLIPTA	634,000
TRADJENTA	278,000
XIFAN	104,000
VRAYLAR	116,000
JANUMET; JANUMET XR	243,000
OTEZLA	31,000


1. Big Pharma and Republicans want to undo the progress we have made and raise prescription drug prices
• Just yesterday, the President signed an executive order rescinding policies that would have lowered health care and prescription drug costs
2. Senate Democrats have stood up time and time again for reducing prices and are ready to work with anyone to bring down the prescription drug costs, but we will stand up to Republicans who want to undo the progress we made and give Pharma back its sweetheart deal
3. We will hold the new administration accountable for continuing the negotiation of Medicare drug prices that will save seniors billions of dollars

GAO U.S. GOVERNMENT ACCOUNTABILITY OFFICE
441 G St. N.W.
Washington, DC 20548

B-331564

January 16, 2020

The Honorable Chris Van Hollen
United States Senate

Subject: *Office of Management and Budget—Withholding of Ukraine Security Assistance*

On December 23, 2019, you sent a letter to the Comptroller General concerning the withholding of security assistance funds for Ukraine during fiscal year 2019. Enclosed is our legal decision on this matter. GAO has concluded that the Office of Management and Budget (OMB) violated the Impoundment Control Act (ICA) by issuing a series of apportionment schedules with footnotes that made security assistance funds unavailable for obligation.

In the summer of 2019, the OMB withheld from obligation funds appropriated to the Department of Defense (DOD) for security assistance to Ukraine. In order to withhold the funds, OMB issued a series of nine apportionment schedules with footnotes that made all unobligated balances unavailable for obligation.

Faithful execution of the law does not permit the President to substitute his own policy priorities for those that Congress has enacted into law. OMB withheld funds for a policy reason, which is not permitted under the ICA. The withholding was not a programmatic delay. Therefore, we conclude that OMB violated the ICA. We also question the Administration's actions regarding funds appropriated to the Department of State (State) for security assistance to Ukraine.

If you have any questions, please contact Shirley A. Jones, Managing Associate General Counsel, at (202) 512-8156, or Omari Norman, Assistant General Counsel for Appropriations Law, at (202) 512-8272.

Thomas H. Armstrong
General Counsel

Enclosure

GAO U.S. GOVERNMENT ACCOUNTABILITY OFFICE
441 G St. N.W.
Washington, DC 20548

Decision

Matter of: Office of Management and Budget—Withholding of Ukraine Security Assistance

File: B-331564

Date: January 16, 2020

DIGEST

In the summer of 2019, the Office of Management and Budget (OMB) withheld from obligation funds appropriated to the Department of Defense (DOD) for security assistance to Ukraine. In order to withhold the funds, OMB issued a series of nine apportionment schedules with footnotes that made all unobligated balances unavailable for obligation.

Faithful execution of the law does not permit the President to substitute his own policy priorities for those that Congress has enacted into law. OMB withheld funds for a policy reason, which is not permitted under the Impoundment Control Act (ICA). The withholding was not a programmatic delay. Therefore, we conclude that OMB violated the ICA.

DECISION

In the summer of 2019, OMB withheld from obligation approximately $214 million appropriated to DOD for security assistance to Ukraine. *See* Department of Defense Appropriations Act, 2019, Pub. L. No. 115-245, div. A, title IX, § 9013, 132 Stat. 2981, 3044–45 (Sept. 28, 2018). OMB withheld amounts by issuing a series of nine apportionment schedules with footnotes that made all unobligated balances for the Ukraine Security Assistance Initiative (USAI) unavailable for obligation. *See* Letter from General Counsel, OMB, to General Counsel, GAO (Dec. 11, 2019) (OMB Response), at 1–2. Pursuant to our role under the ICA, we are issuing this decision. Congressional Budget and Impoundment Control Act of 1974, Pub. L. No. 93-344, title X, § 1015, 88 Stat. 297, 336 (July 12, 1974), *codified at* 2 U.S.C. § 686. As explained below, we conclude that OMB withheld the funds from obligation for an unauthorized reason in violation of the ICA.[1] *See* 2 U.S.C. § 684. We also question actions regarding funds appropriated to the Department of State (State) for security assistance to Ukraine.

OMB removed the footnote from the apportionment for the USAI funds on September 12, 2019. OMB Response, at 2. Prior to their expiration, Congress then rescinded and reappropriated the funds. Continuing Appropriations Act, 2020, Pub. L. No. 116-59, div. A, § 124(b), 133 Stat. 1093, 1098 (Sept. 27, 2019).

In accordance with our regular practice, we contacted OMB, the Executive Office of the President, and DOD to seek factual information and their legal views on this matter. GAO, *Procedures and Practices for Legal Decisions and Opinions*, GAO-06-1064SP (Washington, D.C.: Sept. 2006), *available at* www.gao.gov/products/GAO-06-1064SP; Letter from General Counsel, GAO, to Acting Director and General Counsel, OMB (Nov. 25, 2019); Letter from General Counsel, GAO, to Acting Chief of Staff and Counsel to the President, Executive Office of the President (Nov. 25, 2019); Letter from General Counsel, GAO, to Secretary of Defense and General Counsel, DOD (Nov. 25, 2019).

OMB provided a written response letter and certain apportionment schedules for security assistance funding for Ukraine. OMB Response (written letter); OMB Response, Attachment (apportionment schedule). The Executive Office of the President responded to our request by referring to the letter we had received from OMB and providing that the White House did not plan to send a separate response. Letter from Senior Associate Counsel to the President, Executive Office of the President, to General Counsel, GAO (Dec. 20, 2019). We have contacted DOD regarding its response several times. Letter from General Counsel, GAO, to Secretary of Defense and General Counsel, DOD (Dec. 10, 2019); Telephone Conversation with Deputy General Counsel for Legislation, DOD (Dec. 12, 2019); Telephone Conversation with Office of General Counsel Official, DOD (Dec. 19, 2019). Thus far, DOD officials have not provided a response or a timeline for when we will receive one.

BACKGROUND

For fiscal year 2019, Congress appropriated $250 million for the Ukraine Security Assistance Initiative (USAI). Pub. L. No. 115-245, § 9013, 132 Stat. at 3044–45.

[1] On October 30, 2019, Senator Chris Van Hollen asked the Comptroller General about this matter during a hearing before the Senate Committee on the Budget. *Chief Financial Officers Act of 1990: Achieving the Vision: Hearing Before the Senate Committee on the Budget,* 116th Cong. (2019), (statement of Sen. Van Hollen), *available at* https://www.budget.senate.gov/chief-financial-officers-act-of-1990-achieving-the-vision (last visited Jan. 13, 2020). We also received a letter from Senator Van Hollen regarding this matter. Letter from Senator Chris Van Hollen to Comptroller General (Dec. 23, 2019).

The funds were available "to provide assistance, including training; equipment; lethal assistance; logistics support, supplies and services; sustainment; and intelligence support to the military and national security forces of Ukraine." *Id.* § 9013, 132 Stat. at 3044. The appropriation made the funds available for obligation through September 30, 2019. *Id.*

DOD was required to notify Congress 15 days in advance of any obligation of the USAI funds. *Id.* § 9013, 132 Stat. at 3045. In order to obligate more than fifty percent of the amount appropriated, DOD was also required to certify to Congress that Ukraine had taken "substantial actions" on "defense institutional reforms." John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232, div., A, title XII, § 1246, 132 Stat. 1636, 2049 (Aug. 13, 2018) (amending National Defense Authorization Act for Fiscal Year 2016, Pub. L. No. 114-92, div. A, title XII, § 1250, 129 Stat. 726, 1068 (Nov. 25, 2015)). On May 23, 2019, DOD provided this certification to Congress. Letter from Under Secretary of Defense for Policy, to Chairman, Senate Committee on Foreign Relations (May 23, 2019) (DOD Certification) (noting that similar copies had been provided to the congressional defense committees and the House Committee on Foreign Affairs). In its certification, DOD included descriptions of its planned expenditures, totaling $125 million. *Id.*

On July 25, 2019, OMB issued the first of nine apportionment schedules with footnotes withholding USAI funds from obligation. OMB Response, 1–2. This footnote read:

> "Amounts apportioned, but not yet obligated as of the date of this reapportionment, for the Ukraine Security Assistance Initiative (Initiative) are not available for obligation until August 5, 2019, to allow for an interagency process to determine the best use of such funds. Based on OMB's communication with DOD on July 25, 2019, OMB understands from the Department that this brief pause in obligations will not preclude DOD's timely execution of the final policy direction. DOD may continue its planning and casework for the Initiative during this period."

Id.; *see id.*, Attachment. On both August 6 and 15, 2019, OMB approved additional apportionment actions to extend this "pause in obligations," with footnotes that, except for the dates, were identical to the July 25, 2019 apportionment action.[2] *Id.*,

[2] The initial apportionment footnote made USAI funds unavailable for obligation until August 5, 2019. OMB Response, Attachment. OMB did not sign the next apportionment until August 6, 2019. *See id.* On August 6, 2019, the amounts were made unavailable for obligation until August 12, 2019. *Id.* While the next footnote was issued on August 15, 2019 it stated that funds were unavailable for obligation "until August 12, 2019." *Id.* Despite the dates listed in each apportionment footnote,

at 2 n. 2. OMB approved additional apportionment actions on August 20, 27, and 31, 2019; and on September 5, 6, and 10, 2019.[3] *Id.* The footnotes from these additional apportionment actions were, except for the dates, otherwise identical to one another. *Id.*, Attachment. They nevertheless differed from those of July 25 and August 6 and 15, 2019, in that they omitted the second sentence that appeared in the earlier apportionment actions regarding OMB's understanding that the pause in obligation would not preclude timely obligation. *Id.* The apportionment schedule issued on August 20 read as follows:

> "Amounts apportioned, but not yet obligated as to the date of this reapportionment, for the Ukraine Security Assistance Initiative (Initiative) are not available for obligation until August 26, 2019, to allow for an interagency process to determine the best use of such funds. DOD may continue its planning and casework for the Initiative during this period."

Id., Attachment. The apportionment schedules issued on August 27 and 31, 2019; and on September 5, 6, and 10, 2019 were identical except for the dates. *Id.* On September 12, 2019, OMB issued an apportionment that removed the footnote that previously made the USAI funds unavailable for obligation. OMB Response, at 2; *id.,* Attachment. According to OMB, approximately $214 million of the USAI appropriation was withheld as a result of these footnotes. OMB Response, at 2. OMB did not transmit a special message proposing to defer or rescind the funds.

DISCUSSION

At issue in this decision is whether OMB had authority to withhold the USAI funds from obligation.

The Constitution specifically vests Congress with the power of the purse, providing that "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law." U.S. Const. art. I, § 9, cl. 7. The Constitution also vests all legislative powers in Congress and sets forth the procedures of bicameralism and presentment, through which the President may accept or veto a bill passed by both Houses of Congress, and Congress may subsequently override a presidential veto. *Id.*, art. I, § 7, cl. 2, 3. The President is not vested with the power to ignore or amend any such duly enacted law. *See Clinton v. City of New York,*

OMB provided that the "pause in obligations was *extended*" on both August 6, 2019 and August 15, 2019. *See* OMB Response, at 2, fn. 2 (emphasis added).

[3] The apportionment footnote issued on August 20, 2019 made USAI funds unavailable for obligation until August 26, 2019. OMB Response, Attachment. OMB did not sign the next apportionment until August 27, 2019. *See id.* Despite the date listed in the apportionment footnote, OMB provided that the "pause in obligations was *extended*" on August 20, 2019. *See* OMB Response, at 2, fn. 2 (emphasis added).

524 U.S. 417, 438 (1998) (the Constitution does not authorize the President "to enact, to amend, or to repeal statutes"). Instead, he must "faithfully execute" the law as Congress enacts it. U.S. Const., art. II, § 3.

An appropriations act is a law like any other; therefore, unless Congress has enacted a law providing otherwise, the President must take care to ensure that appropriations are prudently obligated during their period of availability. *See* B-329092, Dec. 12, 2017 (the ICA operates on the premise that the President is required to obligate funds appropriated by Congress, unless otherwise authorized to withhold). In fact, Congress was concerned about the failure to prudently obligate according to its Congressional prerogatives when it enacted and later amended the ICA. *See generally,* H.R. Rep. No. 100-313, at 66–67 (1987); *see also* S. Rep. No. 93-688, at 75 (1974) (explaining that the objective was to assure that "the practice of reserving funds does not become a vehicle for furthering Administration policies and priorities at the expense of those decided by Congress").

The Constitution grants the President no unilateral authority to withhold funds from obligation. *See* B-135564, July 26, 1973. Instead, Congress has vested the President with strictly circumscribed authority to impound, or withhold, budget authority only in limited circumstances as expressly provided in the ICA. *See* 2 U.S.C. §§ 681–688. The ICA separates impoundments into two exclusive categories—deferrals and rescissions. The President may temporarily withhold funds from obligation—but not beyond the end of the fiscal year in which the President transmits the special message—by proposing a "deferral."[4] 2 U.S.C. § 684. The President may also seek the permanent cancellation of funds for fiscal policy or other reasons, including the termination of programs for which Congress has provided budget authority, by proposing a "rescission."[5] 2 U.S.C. § 683.

In either case, the ICA requires that the President transmit a special message to Congress that includes the amount of budget authority proposed for deferral or rescission and the reason for the proposal. 2 U.S.C. §§ 683–684. These special messages must provide detailed and specific reasoning to justify the withholding, as set out in the ICA. *See* 2 U.S.C. §§ 683–684; B-237297.4, Feb. 20, 1990 (vague or general assertions are insufficient to justify the withholding of budget authority). The burden to justify a withholding of budget authority rests with the executive branch.

There is no assertion or other indication here that OMB intended to propose a rescission. Not only did OMB not submit a special message with such a proposal,

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[4] Budget authority proposed for deferral must be prudently obligated before the end of its period of availability. 2 U.S.C. § 684; B-329092, Dec. 12, 2017.

[5] Budget authority proposed for rescission must be made available for obligation unless, within 45 calendar days of continuous congressional session, Congress has completed action on a rescission bill rescinding all or part of the amount proposed for rescission. 2 U.S.C. § 683.

the footnotes in the apportionment schedules, by their very terms, established dates for the release of amounts withheld. The only other authority, then, for withholding amounts would have been a deferral.

The ICA authorizes the deferral of budget authority in a limited range of circumstances: to provide for contingencies; to achieve savings made possible by or through changes in requirements or greater efficiency of operations; or as specifically provided by law. 2 U.S.C. § 684(b). No officer or employee of the United States may defer budget authority for any other purpose. *Id.*

Here, OMB did not identify—in either the apportionment schedules themselves or in its response to us—any contingencies as recognized by the ICA, savings or efficiencies that would result from a withholding, or any law specifically authorizing the withholding. Instead, the footnote in the apportionment schedules described the withholding as necessary "to determine the best use of such funds." *See* OMB Response, at 2; Attachment. In its response to us, OMB described the withholding as necessary to ensure that the funds were not spent "in a manner that could conflict with the President's foreign policy." OMB Response, at 9.

The ICA does not permit deferrals for policy reasons. *See* B-237297.3, Mar. 6, 1990; B-224882, Apr. 1, 1987. OMB's justification for the withholding falls squarely within the scope of an impermissible policy deferral. Thus, the deferral of USAI funds was improper under the ICA.

When Congress enacts appropriations, it has provided budget authority that agencies must obligate in a manner consistent with law. The Constitution vests lawmaking power with the Congress. U.S. Const., art. I, § 8, cl. 18. The President and officers in an Administration of course may consider their own policy objectives as they craft policy proposals for inclusion in the President's budget submission. *See* B-319488, May 21, 2010, at 5 ("Planning activities are an essential element of the budget process."). However, once enacted, the President must "take care that the laws be faithfully executed." *See* U.S. Const., art. II, § 3. Enacted statutes, and not the President's policy priorities, necessarily provide the animating framework for all actions agencies take to carry out government programs. *Louisiana Public Service Commission v. FCC*, 476 U.S. 355, 374 (1986) ("[A]n agency literally has no power to act . . . unless and until Congress confers power upon it."); *Michigan v. EPA*, 268 F.3d 1075, 1081 (D.C. Cir. 2001) (a federal agency is "a creature of statute" and "has no constitutional or common law existence or authority, but only those authorities conferred upon it by Congress").

Faithful execution of the law does not permit the President to substitute his own policy priorities for those that Congress has enacted into law. In fact, Congress was concerned about exactly these types of withholdings when it enacted and later amended the ICA. *See* H.R. Rep. No. 100-313, at 66–67 (1987); *see also* S. Rep. No. 93-688, at 75 (1974) (explaining that the objective was to assure that "the practice of reserving funds does not become a vehicle for furthering Administration policies and priorities at the expense of those decided by Congress").

OMB asserts that its actions are not subject to the ICA because they constitute a programmatic delay. OMB Response, at 7, 9. It argues that a "policy development process is a fundamental part of program implementation," so its impoundment of funds for the sake of a policy process is programmatic. *Id.*, at 7. OMB further argues that because reviews for compliance with statutory conditions and congressional mandates are considered programmatic, so too should be reviews undertaken to ensure compliance with presidential policy prerogatives. *Id.*, at 9.

OMB's assertions have no basis in law. We recognize that, even where the President does not transmit a special message pursuant to the procedures established by the ICA, it is possible that a delay in obligation may not constitute a reportable impoundment. *See* B-329092, Dec. 12, 2017; B-222215, Mar. 28, 1986. However, programmatic delays occur when an agency is taking necessary steps to implement a program, but because of factors external to the program, funds temporarily go unobligated. B-329739, Dec. 19, 2018; B-291241, Oct. 8, 2002; B-241514.5, May 7, 1991. This presumes, of course, that the agency is making reasonable efforts to obligate. B-241514.5, May 7, 1991. Here, there was no external factor causing an unavoidable delay. Rather, OMB on its own volition explicitly barred DOD from obligating amounts.

Furthermore, at the time OMB issued the first apportionment footnote withholding the USAI funds, DOD had already produced a plan for expending the funds. *See* DOD Certification, at 4–14. DOD had decided on the items it planned to purchase and had provided this information to Congress on May 23, 2019. *Id.* Program execution was therefore well underway when OMB issued the apportionment footnotes. As a result, we cannot accept OMB's assertion that its actions are programmatic.

The burden to justify a withholding of budget authority rests with the executive branch. Here, OMB has failed to meet this burden. We conclude that OMB violated the ICA when it withheld USAI funds for a policy reason.

Foreign Military Financing

We also question actions regarding funds appropriated to State for security assistance to Ukraine. In a series of apportionments in August of 2019, OMB withheld from obligation some foreign military financing (FMF) funds for a period of six days. These actions may have delayed the obligation of $26.5 million in FMF funds. *See* OMB Response, at 3. An additional $141.5 million in FMF funds may have been withheld while a congressional notification was considered by OMB. *See* E-mail from GAO Liaison Director, State, to Staff Attorney, GAO, *Subject: Response to GAO on Timeliness of Ukraine Military Assistance* (Jan. 10, 2020) (State's Additional Response). We have asked both State and OMB about the availability of these funds during the relevant period. Letter from General Counsel, GAO, to Acting Director and General Counsel, OMB (Nov. 25, 2019); Letter from General Counsel, GAO, to Secretary of State and Acting Legal Adviser, State (Nov. 25, 2019). State provided us with limited information. E-mail from Staff Attorney, GAO, to Office of General Counsel, State, *Subject: RE: Response to GAO on Timeliness of Ukraine Military Assistance* (Dec. 18, 2019) (GAO's request for additional information); E-mail from GAO Liaison Director, State, to Assistant General Counsel for Appropriations Law, GAO, *Subject: Response to GAO on Timeliness of Ukraine Military Assistance* (Dec. 12, 2019) (State's response to GAO's November 25, 2019 letter); State's Additional Response. OMB's response to us contained very little information regarding the FMF funds. *See generally* OMB Response, at 2–3.

As a result, we will renew our request for specific information from State and OMB regarding the potential impoundment of FMF funds in order to determine whether the Administration's actions amount to a withholding subject to the ICA, and if so, whether that withholding was proper. We will continue to pursue this matter.

CONCLUSION

OMB violated the ICA when it withheld DOD's USAI funds from obligation for policy reasons. This impoundment of budget authority was not a programmatic delay.

OMB and State have failed, as of yet, to provide the information we need to fulfill our duties under the ICA regarding potential impoundments of FMF funds. We will continue to pursue this matter and will provide our decision to the Congress after we have received the necessary information.

We consider a reluctance to provide a fulsome response to have constitutional significance. GAO's role under the ICA—to provide information and legal analysis to Congress as it performs oversight of executive activity—is essential to ensuring respect for and allegiance to Congress' constitutional power of the purse. All federal officials and employees take an oath to uphold and protect the Constitution and its core tenets, including the congressional power of the purse. We trust that State and OMB will provide the information needed.

Thomas H Armstrong

Thomas H. Armstrong
General Counsel

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EXECUTIVE OFFICE OF THE PRESIDENT OF THE UNITED STATES

Russ Vought

In its opening words, Article II of the U.S. Constitution makes it abundantly clear that "[t]he executive power shall be vested in a President of the United States of America."[1] That enormous power is not vested in departments or agencies, in staff or administrative bodies, in nongovernmental organizations or other equities and interests close to the government. The *President* must set and enforce a plan for the executive branch. Sadly, however, a President today assumes office to find a sprawling federal bureaucracy that all too often is carrying out its own policy plans and preferences—or, worse yet, the policy plans and preferences of a radical, supposedly "woke" faction of the country.

The modern conservative President's task is to limit, control, and direct the executive branch on behalf of the American people. This challenge is created and exacerbated by factors like Congress's decades-long tendency to delegate its lawmaking power to agency bureaucracies, the pervasive notion of expert "independence" that protects so-called expert authorities from scrutiny, the presumed inability to hold career civil servants accountable for their performance, and the increasing reality that many agencies are not only too big and powerful, but also increasingly weaponized against the public and a President who is elected by the people and empowered by the Constitution to govern.

In *Federalist* No. 47, James Madison warned that "[t]he accumulation of all powers, legislative, executive, and judiciary, in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny."[2] Regrettably, that wise and cautionary note describes to a significant degree the modern executive branch, which—whether controlled by the bureaucracy or by the President—writes federal policy, enforces that policy, and often adjudicates whether that policy was properly drafted and enforced. The overall situation is constitutionally dire, unsustainably expensive, and in urgent need of repair. Nothing less than the survival of self-governance in America is at stake.

The great challenge confronting a conservative President is the existential need for aggressive use of the vast powers of the executive branch to return power—including power currently held by the executive branch—to the American people. Success in meeting that challenge will require a rare combination of boldness and self-denial: boldness to bend or break the bureaucracy to the presidential will and self-denial to use the bureaucratic machine to send power away from Washington and back to America's families, faith communities, local governments, and states.

Fortunately, a President who is willing to lead will find in the Executive Office of the President (EOP) the levers necessary to reverse this trend and impose a sound direction for the nation on the federal bureaucracy. The effectiveness of those EOP levers depends on the fundamental premise that it is *the President's agenda* that should matter to the departments and agencies that operate under his constitutional authority and that, as a general matter, it is the President's chosen advisers who have the best sense of the President's aims and intentions, both with respect to the policies he intends to enact and with respect to the interests that must be secured to govern successfully on behalf of the American people. This chapter focuses on key features of and recommendations for several of the EOP's important components.

U.S. OFFICE OF MANAGEMENT AND BUDGET (OMB)

OMB assists the President in the execution of his policy agenda across the government by employing many statutory and executive procedural levers to bring the bureaucracy in line with all budgetary, regulatory, and management decisions. Properly understood, it is a President's air-traffic control system with the ability and charge to ensure that all policy initiatives are flying in sync and with the authority to let planes take off and, at times, ground planes that are flying off course. OMB's key roles include:

- **Developing and enforcing** the President's budget and executing the appropriations laws that fund the government;
- **Managing** agency and personnel performance, procurement policy, financial management, and information technology;
- **Developing** the President's regulatory agenda, reviewing new regulatory actions, reviewing federal information collections, and setting and enforcing federal information policy; and

- **Coordinating and clearing** agency communications with Congress, including testimonies and views on draft legislation.

OMB cannot perform its role on behalf of the President effectively if it is not intimately involved in all aspects of the White House policy process and lacks knowledge of what the agencies are doing. Internally to the EOP, ensuring that the policy-formulation procedures developed by the White House to serve the President include OMB is one of any OMB Director's major responsibilities. A common meme of those who intend to evade OMB review is to argue that where "resources" are not being discussed, OMB's participation is optional. This ignores both OMB's role in all downstream execution and the reality that it has the only statutory tools in the White House that are powerful enough to override implementing agencies' bureaucracies.

The Director must view his job as the best, most comprehensive approximation of the President's mind as it pertains to the policy agenda while always being ready with actual options to effect that agenda within existing legal authorities and resources. This role cannot be performed adequately if the Director acts instead as the ambassador of the institutional interests of OMB and the wider bureaucracy to the White House. Once its reputation as the keeper of "commander's intent" is established, then and only then does OMB have the ability to shape the most efficient way to pursue an objective.

Externally, the Director must ensure that OMB has sufficient visibility into the deep caverns of agency decision-making. One indispensable statutory tool to that end is to ensure that policy officials—the Program Associate Directors (PADs) managing the vast Resource Management Offices (RMOs)—personally sign what are known as the apportionments. In 1870, Congress passed the Anti-Deficiency Act[3] to prevent the common agency practice of spending down all appropriated funding, creating artificial funding shortfalls that Congress would have to fill. The law mandated that all funding be allotted or "apportioned" in installments. This process, whereby agencies come to OMB for allotments of appropriated funding, is essential to the effective financial stewardship of taxpayer dollars. OMB can then direct on behalf of a President the amount, duration, and purpose of any apportioned funding to ensure against waste, fraud, and abuse *and* ensure consistency with the President's agenda and applicable laws.

The vast majority of these apportionments were signed by career officials—the Deputy Associate Directors (DADs)—until the Trump Administration placed this responsibility in the hands of the PADs and thereby opened wide vistas of oversight that had escaped the attention of policy officials. The Biden Administration subsequently reversed this decision. No Director should be chosen who is unwilling to restore apportionment decision-making to the PADs' personal review, who is not aggressive in wielding the tool on behalf of the President's agenda, or who is unable to defend the power against attacks from Congress.

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It should be noted that each of OMB's primary functions, along with other executive and statutory roles, is carried out with the help of many essential OMB support offices. The two most important offices for moving OMB at the will of a Director are the Budget Review Division (BRD) and the Office of General Counsel (OGC). The Director should have a direct and effective relationship with the head of the BRD (considered the top career official within OMB) and transmit most instructions through that office because the rest of the agency is institutionally inclined toward its direction and responds accordingly. The BRD inevitably will translate the directions from policy officials to the career staff, and at every stage, it is obviously vital that the Director ensure that this translation is an accurate one.

In addition, many key considerations involved in enacting a President's agenda hinge on existing legal authorities. The Director must ensure the appointment of a General Counsel who is respected yet creative and fearless in his or her ability to challenge legal precedents that serve to protect the status quo. This is vital within OMB not only with respect to the adequate development of policy options for the President's review, but also with respect to agencies that attempt to protect their own institutional interests and foreclose certain avenues based on the mere assertion (and not proof) that the law disallows it or that, conversely, attempt to disregard the clear statutory commands of Congress.

In general, the Director should empower a strong Deputy Director with authority over the Deputy for Management, the PADs, and the Office of Information and Regulatory Affairs (OIRA) to work diligently to break down barriers within OMB and not allow turf disputes or a lack of visibility to undermine the agency's principal budget, management, and regulatory functions. OMB should work toward a "One OMB" position on behalf of the President and represent that view during the various policymaking processes.

Budget. The United States today faces an untenable fiscal situation and owes $31 trillion on a debt that is steadily increasing. The OMB Director should present a fiscal goal to the President early in the budget development process to address the federal government's fiscal irresponsibility. This goal would help to align the months-long process of developing the actual proposals for inclusion in the budget.

Though some mistakenly regard it as a mere paper-pushing exercise, the President's budget is in fact a powerful mechanism for setting and enforcing public policy at federal agencies. The budget team includes six Resource Management Offices that, together with the BRD and other components, help the Director of OMB to develop and execute detailed agency spending plans that bear on *every* major aspect of policy formation and execution at federal agencies. Through initial priority-setting and ongoing supervision of agency spending, OMB's budget team plays a key role in executing policy across the executive branch, including at many agencies wrongly regarded as "independent."

The RMOs, each of which is led by a political appointee known as the PAD and a career DAD, are separated into six functional units:

- National Security.
- Natural Resources, Energy, and Science.
- Health.
- Education, Income Maintenance, and Labor.
- Transportation, Justice, and Homeland Security.
- Treasury, Commerce, and Housing.

Because the RMOs are institutionally ingrained in nearly all policymaking and implementation across the executive branch, they play a critical role in helping the Director to implement the President's public policy agenda. However, because each RMO is responsible for formulating and supervising such a wide range of policy details, many granular but critical policy decisions are effectively left to the career professionals who serve across Administrations.

To enhance the OMB Director's ability to help the President drive policy at the agencies, the existing six RMOs should be divided into smaller subject-matter areas, allowing for more PADs, and each of these PADs should have a Deputy PAD. This expanded pool of RMOs with additional political leadership would enable more comprehensive direction and oversight of policy development and implementation.

Regardless of whether Congress adopts the President's full set of budget recommendations, the President should reintroduce the concept of administrative pay-as-you-go, or administrative PAYGO. This simple procedural requirement imposes budget neutrality on the discretionary choices of federal agencies, of which there are many in nearly all areas of policymaking. This simple step forces the executive branch to control what it can control. The principle may occasionally yield to other overarching requirements, such as a presidential regulatory budget, but in nearly all cases, administrative PAYGO plays a unique and indispensable role in enforcing fiscal responsibility at federal departments and agencies.

The President should use every possible tool to propose and impose fiscal discipline on the federal government. Anything short of that would constitute abject failure.

Management. The Management Office of OMB (the "M-Side" as it is often called) is responsible for carrying out several important agency oversight functions, many of which are statutory. The Management team includes the following offices led by presidentially appointed Senate-confirmed individuals:

- The Office of Federal Procurement Policy (OFPP).
- The Office of Performance and Personnel Management (OPPM).
- The Office of Federal Financial Management (OFFM).
- The Office of the Federal Chief Information Officer (OFCIO).
- The Made in America Office (MIAO), which was added by the Biden Administration and is not a Senate-confirmed slot.

Each of these offices has responsibilities and authorities that a President can use to help drive policy across the government. It is vital that the Director and his political staff, not the careerists, drive these offices in pursuit of the President's actual priorities and not let them set their own agenda based on the wishes of the sprawling "good government" management community in and outside of government. Many Directors do not properly prioritize the management portfolio, leaving it to the Deputy for Management, but such neglect creates purposeless bureaucracy that impedes a President's agenda—an "M Train to Nowhere."

OFPP. This office plays a critical role in leading the development of new policies and regulations concerning federal contracting and procurement. Through the Federal Acquisition Regulatory Council, which is generally chaired by the OFPP Administrator, OFPP helps the Director to set a wide range of policies for all of those who contract with the executive branch. In the past, those governmentwide contracting rules have played a key role in helping to implement the President's policy agenda. This office should be engaged early and often in OMB's effort to drive policy, including by obtaining transparency about entities that are awarded federal contracts and grants and by using government contracts to push back against woke policies in corporate America.

OPPM. Through this office, the Director helps federal agencies to establish their performance goals and performance review processes. OPPM also works with the U.S. Office of Personnel Management (OPM) to establish and manage personnel policies and practices across the federal government. The Director should instruct OPPM to establish annual performance goals and review processes for agencies that reflect the President's agenda. OPPM should also be part of the President's strategy to set and enforce sensible policies and practices for the federal workforce.

OFFM. This office helps the Director to root out waste, fraud, and abuse in federal programs—for example, through the Do Not Pay program. It should be part of efforts to save precious taxpayer resources.

OFCIO. This office guides the federal government's use and adoption of Internet-based technologies to improve government operations and save taxpayer money. As a function of its leadership role, it is critical in interagency discussions on a wide range of technology issues. The office thus is an important part of the President's efforts to modernize, strengthen, and set technology-adoption policy for the executive branch.

MIAO. Building on the example and work of the Trump Administration, President Biden established this office to centralize, carry out, and further develop the federal government's Buy-American and other Made-in-America commitments. Its work ought to be continued and further strengthened.

Regulatory and Information Policy. OMB's OIRA plays an enormous and vital role in reining in the regulatory state and ensuring that regulations achieve important benefits while imposing minimal burdens on Americans. The President should maintain Executive Order (EO) 12866,[4] the foundation of OIRA's review of regulatory actions. The Administration should likewise maintain the recent extension of those standards to regulatory actions of the U.S. Department of the Treasury.[5] Regulatory analysis and OIRA review should also be required of the historically "independent" agencies as the Office of Legal Counsel has found is legally permissible.[6]

If the current Administration proceeds with its declared intent to modify aspects of EO 12866 or review OMB Circular A-4,[7] the related document that provides the foundation for cost-benefit analysis, the next President should immediately begin to undo those changes and develop a rigorous, data-driven approach that will result in the least burdensome rules possible. The next President should also revive the directive in Executive Order 13891[8] that significant guidance documents also must pass through OIRA review.

Because OIRA review often leads to fewer regulatory burdens, more regulatory benefits, and better coordination of regulatory policy, funding for OIRA tends to pay large dividends. Yet over the years, funding for OIRA has diminished. This trend should be reversed. The budget should also include sufficient full-time equivalent (FTE) employees to form regulatory advance teams that would consult with agencies on cost-benefit analysis and good regulatory practices at the beginning of the rulemaking process for the most important regulations. These teams would help agencies take cost-benefit analysis into account from the beginning of their rulemaking efforts, which in turn would result in higher-quality regulations and a swifter eventual OIRA review. To preserve the integrity of OIRA review, the staff who consult at the beginning of a rulemaking should not handle its eventual review.

The next President should also reinstate the many executive orders signed by President Trump that were designed to make the regulatory process more just, efficient, and transparent. Executive Orders 13771,[9] 13777,[10] 13891,[11] 13892,[12] 13893,[13] 13924 Section 6,[14] 13979,[15] and 13980[16] should be revived (with modifications as needed). Executive Order 13132[17] on federalism should be strengthened so that state regulatory and fiscal operations are not commandeered by the federal government through so-called cooperative federalism programs. Additionally, the President should revise and sign an updated version of President Ronald Reagan's Executive Order 12630[18] on federal takings.

The next President should strengthen implementation of the Information Quality Act,[19] robustly use the authority of the Paperwork Reduction Act,[20] carefully enforce the Privacy Act,[21] and ensure the sound execution of OIRA's statistical and other information policy functions. Regulatory cooperation agreements can also promote the further adoption of good regulatory practices, which improve market conditions for America and her allies. OIRA should also work with other components of OMB to revise and apply OMB's uniform Guidance for Grants and Agreements[22] and ensure that federal contract and grant guidelines satisfy EO 12866 and other centralized standards as appropriate.

But executive reforms and actions, while vital, are not enough: Congress also must act. The next President should work with Congress to pass significant regulatory policy and process reforms, which could go a long way toward reining in the administrative state. Excellent examples of such legislation include the Regulatory Accountability Act,[23] SMART Act,[24] GOOD Act,[25] Early Participation in Regulations Act,[26] Unfunded Mandates Accountability and Transparency Act,[27] and REINS Act.[28]

Finally, the next President should work with Congress to maximize the utility of the Congressional Review Act (CRA),[29] which allows Congress to undo midnight regulatory actions (including those disguised as "guidance") on an accelerated timeline. To leverage the CRA's power to the maximum extent, Congress and the President should enact the Midnight Rules Relief Act,[30] which would help to ensure that multiple regulatory actions could be packaged and voted on at the same time. Immediate and robust use of the CRA would allow the President to focus his rulemaking resources on major new regulatory reforms rather than devoting months or years to undoing the final rulemakings of the Biden Administration.

Legislative Clearance and Coordination. OMB plays a critical role in ensuring that the executive branch is aligned on legislative proposals and language, agency testimonies, and other communications with Congress. The Director should use these authorities to enforce policy and message consistency aggressively and promote the effective engagement of the executive branch in legislative processes.

NATIONAL SECURITY COUNCIL (NSC)

The National Security Council (NSC) was established by statute to support the President in developing and implementing national security policy by coordinating across relevant departments and agencies, integrating authorities and resources toward common ends, and objectively assessing progress toward established goals. Led by the National Security Advisor (NSA), the NSC staff will be successful in implementing the President's national security goals only if it is made up of personnel with technical expertise and experience as well as an alignment to the President's declared national security policy priorities. The NSC must then chart a course that articulates and achieves the President's national security goals and objectives. The President should empower a strong NSC that not only has the power to convene the policy process, but also is entrusted with the full power of the presidency to drive the bureaucracy.

In organizing (by means of Presidential Directive[31]) an NSC staff that is more responsive and aligned with the President's goals and empowered to implement them, the NSA should immediately evaluate and eliminate directorates that are not aligned with the President's agenda and replace them with new directorates as appropriate that can drive implementation of the President's signature national security priorities. In addition to realigning the staff organization to the President's priorities, the NSA should assign responsibility for implementation of specific policy initiatives to senior NSC officials from across the NSC staff structure. These officials should develop, direct, and execute tangible action plans in coordination with multiple agencies to achieve measurable, time-defined milestones.

Aligning NSC staff to the President's national security goals will provide clearer direction, a mandate for action, and a baseline of accountability that can be used to evaluate staff performance and the NSC's overall progress. Accountable senior officials, themselves either political appointees or a minimum number of career detailees, who are selected and vetted politically and report directly to political staff should be the main day-to-day managers for interagency coordination and implementation of their assigned national security policy objectives. They should provide policy analysis for consideration by the broader NSC and relevant agencies and ensure timely responses to decisions made by the President. The accountable senior officials should be established at the direction of the NSA and draw on personnel and expertise from beyond the NSC, including OMB, the National Economic Council, and relevant federal agencies.

The NSC staff and principals should work in tandem with the National Economic Council and OMB at all levels, presenting a united effort to achieve the President's goals and drawing on the latter's statutory authorities to guide the bureaucracy. To accomplish national objectives effectively, foreign policy should fully incorporate the economic instruments of national power. National security policy must also include the prioritized allocation of resources. When policies are divorced from the resources required to implement them, they are stillborn—academic exercises that undermine our national security and leave departments and agencies to their own devices.

The accountable senior officials should be empowered to identify, recruit, clear, and hire staff who are aligned with and willing to shepherd the President's national security priorities. NSC staff leads, under the direction of the NSA, should have the discretion to reduce the number of positions that need high-level clearances,

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and the NSC should be adequately resourced and authorized to adjudicate and hold security clearances internally with investigators who work directly for the NSC and whose sole task is to clear NSC officials. If certain staff are determined not to need high-level clearances, the question becomes whether they should be part of the NSC at all.

The NSC should take a leading role in directing the drafting and thorough review of all formal strategies: the National Security Strategy, the National Defense Strategy, the Nuclear Posture Review, the Missile Defense Strategy, etc. In particular, the National Defense Strategy, which by tradition has evaded significant review, should be prioritized for White House review by the NSC and OMB. Both should also conduct reviews of operational war plans and global force planning and allocations with the Secretary of Defense to align them with presidential priorities and review all key policy and guidance intended for implementation by the heads of the Department of Defense, the Department of State, and the Intelligence Community before they are authorized for distribution. The NSC should rigorously review all general and flag officer promotions to prioritize the core roles and responsibilities of the military over social engineering and non-defense matters, including climate change, critical race theory, manufactured extremism, and other polarizing policies that weaken our armed forces and discourage our nation's finest men and women from enlisting to serve in defense of our liberty.

The NSC staff will need to consolidate the functions of both the NSC and the Homeland Security Council (HSC), incorporate the recently established Office of the National Cyber Director, and evaluate the required regional and functional directorates. Given the aforementioned prerequisites, the NSC should be properly resourced with sufficient policy professionals, and the NSA should prioritize staffing the vast majority of NSC directorates with aligned political appointees and trusted career officials. For instance, the NSA should return *all* nonessential detailees to their home agencies on their first day in office so that the new Administration can proceed efficiently without the personnel land mines left by the previous stewards and as soon as possible should replace all essential detailees with staff aligned to the new President's priorities. The HSC has overseen pandemic response, and its incorporation is important.

In the end, change requires intervention, and the NSC staff should be appropriately recruited, manned, and empowered to achieve the President's national security and foreign policy objectives and maintain robust policy analysis and discussion while minimizing resistance from those who have an agenda or who jealously guard their resources and autonomy at the expense of national security and sound policy development. This resistance and inertia can be inadvertently enabled by a small and unempowered NSC.

Additionally, the White House Chief of Staff and NSA must ensure that the NSC is functioning in tandem with the rest of the White House staff to benefit from the best strategic thinking of the President's top advisers. History shows that an unsupervised NSC staff can stray from its statutory role and adversely affect a President and his policies. Moreover, while the NSC should be fully incorporated into the White House, it should also be allowed to do its job without the impediment of dually hatted staff that report to other offices. For instance, the NSC needs its own counsel to inform what legal options can be provided to the President. The White House Counsel should be part of that policy process as the President's top legal adviser. These recommendations provide a clear road map for rapidly sizing and solidifying the NSC staff to support and achieve the President's objectives beginning on Inauguration Day.

NATIONAL ECONOMIC COUNCIL (NEC)

The National Economic Council is one of the policy councils serving the President along with the NSC and the Domestic Policy Council (DPC). The Director serves as principal adviser to the President on domestic and international economic policy and communicates the President's economic message to the media. The Deputy Director is responsible for the day-to-day operation of the council, which includes chairing the committee that coordinates economic policy development at the Deputy Secretary level. In effect, the Director and Deputy Director are the officials who are primarily responsible for the development of economic policymaking for the Administration. Once a policy is adopted, it is the appropriate agency's responsibility to implement it. The NEC's policy process is also used to determine whether the President should support or oppose legislation passed by Congress.

In addition to its leadership, the NEC has policy experts (for example, Special Assistants to the President or SAPs) who are responsible for developing and coordinating, as well as advising the President, on specific issues. It is essential that the policy expertise of the NEC reflect the current environment's most pressing issues. Today, this would include (among other topics) taxes, energy and environment, technology, infrastructure, health care, financial services, workforce, agriculture, antitrust and competition policy, and retirement programs. NEC's SAPs should have a working knowledge of how the Administration can implement policy through the rulemaking process, although it is not necessary that they be experts on regulation themselves, particularly given OMB's role. This will facilitate the NEC's effectiveness in coordinating Administration policy.

The NEC needs to work closely with other offices within the Executive Office of the President to promote innovation by the private sector and create an environment that will stimulate economic activity while reducing federal spending and debt. This includes working with the DPC, NSC, OMB, Council of Economic Advisers, Office of Intergovernmental Affairs, Office of Cabinet Affairs, White House Counsel, Council on Environmental Quality, Office of Legislative Affairs,

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and Office of Science and Technology Policy. To this end, the NEC Director should chair a standing meeting with the principals from each of the other EOP offices to enhance coordination from within the White House.

In the past, there has been tension among the DPC, NEC, and NSC over jurisdiction. It is important to set clear jurisdictions at the start of an Administration to prevent needless and counterproductive turf fights. In addition, the Principal Deputy for international economic policy is jointly appointed at NEC and NSC and could end up serving two different interests. To avoid such problems, international economic policy should be entirely coordinated from NEC.

It will be especially important for the NEC to work seamlessly with the Council of Economic Advisers (CEA), which provides the President and the White House offices with the latest economic data and forecasts, as well as estimates of the economic impact of proposed policies, and prepares the annual *Economic Report of the President*. The CEA is not a policy council and therefore does not run policy processes, which is the responsibility of the NEC, DPC, and NSC. However, the CEA does play a key role in ensuring that any policy considered by the councils is rigorously evaluated for its economic impacts.

The NEC works closely with the White House Office of Communications and Office of Speechwriting to ensure that the White House's messaging and media engagement communicate the President's economic policy effectively.

The NEC also plays a key role in advancing the President's economic agenda by advising the Office of Presidential Personnel on appointments to key economic posts, including positions in financial regulatory agencies. The NEC helps to ensure that each economic post is held by a person who shares the President's policy priorities and works well with the rest of the Administration's economic team. The financial regulators are run partly by civil servants (some of whom were political appointees in prior liberal Administrations) who often resist a conservative Administration's policies. It is therefore critical that an Administration not only appoints capable individuals to lead these agencies, but also has personnel who can be hired into senior staff positions within the agencies.

A few areas will be especially important if the NEC is to develop a well-defined economic policy agenda. One is the promotion of innovation as a foundation for economic growth and opportunity. Another is the creation of an environment that fosters economic growth through tax reform and the elimination of regulatory and procedural barriers.

OFFICE OF THE U.S. TRADE REPRESENTATIVE (USTR)

The Office of the U.S. Trade Representative provides the President with the internal White House resources necessary to formulate and execute a unified, whole-of-government approach to trade policy. The President should ensure that the USTR is empowered to serve in that leadership role, much as other

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EOP components organize and drive a coordinated policy agenda on behalf of the President.

The People's Republic of China's predatory trade practices have disrupted the open-market trading system that has provided mutual benefit to all participating countries—including China—for decades. The failure of the World Trade Organization (WTO) to discipline China for abrogation of its trading commitments has seriously undermined its credibility and made it a largely ineffective institution. The United States, through an empowered USTR, must act to rebalance and refocus international trading relationships in favor of democratic nations that embrace free, fair, and open trade principles built on market-driven economies.

Chapter 26 of this book outlines recommended trade policy priorities for the incoming President. However, regardless of the approach, successful implementation of that trade agenda will require the President to articulate a clear policy direction and instructions for the executive branch to operate in a coordinated fashion under the leadership of an empowered USTR.

To address these and other challenges, protect the American worker, and secure free and open markets for our communities and businesses, the next President must leverage the institutional resources and strength of the USTR and neither allow institutional interests to drive a fragmented trade policy that is developed from the ground up nor cater to parochial interests across government and Washington's broader industry of influence.

The USTR's mission is vitally important in reorienting the global trading system in a direction that is open, fair, and prosperous. In order to achieve the President's policy goals, a strong USTR must be empowered to set trade policy from the White House with the authority and resources to represent the interests of the President's trade agenda with adequate budget, staff, analysis, and expertise to engage meaningfully in internal and interagency policy deliberations. The USTR should organize and harness existing interagency trade committees to serve the President's trade agenda and drive a consensus among federal stakeholders, dispose of legacy advisory committees with members who serve special interests, direct action to implement policy priorities, measure progress toward implementing the President's agenda, and hold agencies and officials accountable for delivering the President's agenda. The USTR's leadership should not only coordinate and enforce the President's agenda across the federal community, but also set and enforce the President's trade agenda internally.

Trade policy and priorities should be set by the President and implemented by the U.S. Trade Representative in cooperation with the other economic and national security officials, not by the range of governmental and nongovernmental interests that attempt to force their policy preferences on the USTR. A strong USTR empowered with the necessary resources, authorities, and interagency cooperation will protect U.S. interests in the global marketplace more effectively.

COUNCIL OF ECONOMIC ADVISERS (CEA)

Congress established the Council of Economic Advisers in 1946 to advise the President on economic policy based on data, research, and evidence. The CEA is one of the oldest congressionally created offices within the White House complex and plays a broad role in bringing economic expertise to Administration policy across a large range of policy areas. The CEA has one presidentially appointed and Senate-confirmed chair, two presidentially appointed members who assist and often have expertise that complements the chair, and approximately 40 staff employees.

Statutorily, the CEA is charged with being the President's principal source of economic advice. However, this role has diminished over time as its policy appraisal and especially formulation and recommendation functions have been taken over or diluted by other economic policy bodies within the White House. By law, the CEA is required to publish an annual *Economic Report of the President* within 10 days after submission of the budget. This report is not just a messaging document; it is an opportunity to provide greater rigor in support of policy areas that the White House is prioritizing and to build up the external credibility of those ideas.

A future conservative Administration should utilize the CEA as the senior internal White House economists much as the White House Counsel's office functions as the senior internal White House lawyers. This does not mean that there are no economists in other offices. There are, just as there often are lawyers in the policy councils and other White House offices, but the CEA's role, like the White House Counsel's, is to employ its unique expertise (particularly on the technical side) to ensure that sound analysis is contributing to and shaping the policy discussion.

In practice, this means that CEA staff do not "coordinate" the policy process in the way that the DPC or NEC would, but they should be integral to the EOP's policy development processes. CEA staff should support sound policy development and execution by actively contributing to running policy dialogues, proactively raising issues that need to be addressed, consulting on questions that arise, and guiding EOP and agency officials on the analytical foundations of policy. Structurally, the White House Chief of Staff should ensure that the CEA has a seat at the policymaking table on all relevant policy.

Senior economists traditionally have not gone through the Office of Presidential Personnel process and more often than not are hired on an academic-year cycle. As a result, senior economists hired in the summer of a presidential election year tend to remain on staff until the next summer even if a President from the opposite party takes power and installs a new slate of CEA political appointees for chair, members, etc. Although these hiring practices create some continuity, the presence of senior economists who were never fully vetted for their alignment with White House policy objectives or who were holdovers from a recently departed Administration can breed skepticism and distrust of the CEA by other units within the White

House, creating the risk that the CEA's role in the policymaking process will be diminished. A future Administration should consider hiring that reflects the White House calendar (mid-January) and involves the Office of Presidential Personnel.

NATIONAL SPACE COUNCIL (NSPC)

The National Space Council is responsible for providing advice and recommendations to the President on the formulation and implementation of space policy and strategy. It is charged with conducting a whole-of-government approach to the nation's space interests: civil, military, intelligence, commercial, or diplomatic. Historically, it has been chaired by the Vice President at the President's direction, and its members consist of members of the Cabinet and other senior executive branch officials as specified by the President in Executive Order 13803.[32] The NSpC's purpose is to ensure that the President's priorities relative to space are carried out and, as necessary, to resolve policy conflicts among departments and agencies that are related to space.

Space projects and programs are risky, complex, expensive, and time consuming—although commercial space innovations are lowering costs and accelerating schedules. Nevertheless, while fiscal discipline should not be ignored, long-term policy stability is crucial to investors, innovators, industry, and agencies. Policy stability is easier when policies and programs are aligned with long-term national interests as opposed to those of particular advocacy groups or political factions. The Trump Administration's major space policies—including the U.S. Space Force, the Artemis program to land the next Americans on the moon, and support for a strong commercial space sector—have endured under the Biden Administration.

Major challenges remain in implementation and regulatory reform to keep up with rapidly evolving space markets and competitors. These include the long-term sustainability of space activities in light of increasing orbital debris; creation of space situational awareness services for civil and commercial uses; management of mega-constellations; licensing of new commercial remote sensing capabilities; keeping up with licensing demands due to high launch rates; transitioning International Space Station operations to multiple, privately owned space platforms; and (most important) accelerating the acquisition and fielding of national security space capabilities in response to an increasingly aggressive China.

The Vice President should have a clear understanding with the National Security Advisor and the White House Counsel that they and their respective staffs will work within the White House to determine the scope and leadership of policy reviews that can overlap multiple areas of responsibility. A similar understanding is necessary with the heads of other policy councils such as the NEC, DPC, and National Science and Technology Council (NSTC).

As a result of the President's direction and the Vice President's leadership, the NSpC under the Trump Administration was able to coordinate a wide range of

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space policy reviews, legislative proposals, and regulatory reforms smoothly. The NSpC generally led on space issues within the EOP, but other White House offices also took on space topics.

- As a member of the NSpC, and in coordination with other members, the Office of Science and Technology Policy developed a national space weather strategy, research and development (R&D) plans to mitigate the effects of orbital debris, and protocols for planetary protection to avoid biological contamination of celestial bodies.
- The Council of Economic Advisers did research on the economic benefits of space property rights.
- OMB's Office of Information and Regulatory Reform updated and streamlined commercial launch licensing and commercial remote sensing satellite rules.

During the Trump Administration, if a topic was purely military, such as standing up the U.S. Space Command, the NSC took the lead. If a topic cut across military, civil, and commercial sectors, as was the case with cybersecurity in space, the NSpC and NSC would cochair the policy review groups.

Trusted, collegial relationships across the White House complex are critical to successful space policy development, implementation, and oversight. Nowhere is this more important than in the relationship between the NSpC staff and OMB staff who oversee civil and national security–related space spending. Teamwork between the NSpC and OMB staff can communicate clear presidential priorities to departments and agencies, facilitating smooth development of the President's budget request. The NSpC and OMB have many opportunities to collaborate in promoting presidential priorities while finding offsets in lower-priority programs and funding lines.

OFFICE OF SCIENCE AND TECHNOLOGY POLICY (OSTP)

The White House Office of Science and Technology Policy (OSTP) was created by the National Science and Technology Policy, Organization, and Priorities Act of 1976.[33] Before its creation, Presidents received their advice and counsel on such matters through advisers and boards that had no statutory authority. The Director of OSTP is one of the few Senate-confirmed positions within the Executive Office of the President. Consistent with other laws, the President may delegate to the Director of OSTP directive authority over other elements of the executive branch. Other EOP policy officials and organizations such as the NSC and NEC are formally only advisory with relevant agency directives issued by the President.

The OSTP's functions, as contained in the law, are to advise the President of scientific and technological considerations, evaluate the effectiveness of the federal effort, and generally lead and coordinate the federal government's R&D programs. If science is being manipulated at the agencies to support separate political and institutional agendas, the President should increase the prominence of the OSTP's Director either formally or informally. This would elevate the role of science in policy discussions and subsequent outcomes and theoretically help to balance out agencies like the Departments of Energy, State, and Commerce and the Environmental Protection Agency and Council on Environmental Quality. The OSTP can also help to bring technical expertise to regulatory matters in support of OMB.

The OSTP should continue to play a lead role in coordinating federal R&D programs. Recent legislation, especially the CHIPS and Science Act,[34] has expanded federal policy and funding across the enterprise, and there is a need for more significant leadership in this area both to ensure effectiveness and to avoid duplication of effort. As befitting its location in the White House, the OSTP must be concerned with advancing national interests and not merely the parochial concerns of departments, agencies, or parts of the scientific community.

During the Trump and Biden Administrations, there has been a bipartisan focus on prioritizing R&D funding around the so-called Industries of the Future (IOTF). Under President Trump, IOTF priorities were artificial intelligence (AI), quantum information science (QIS), advanced communications/5G, advanced manufacturing, and biotechnology. Under President Biden, this list has been expanded to include advanced materials, robotics, battery technology, cybersecurity, green products and clean technology, plant genetics and agricultural technologies, nanotechnology, and semiconductor and microelectronics technologies. These priorities should be evaluated and narrowed to ensure consistency with the next Administration's priorities.

Given a long list of priorities, coordinating efforts across agencies and measuring success are extremely challenging. The OSTP and OMB are required to work together on an annual basis to prioritize the funding requests and whatever Congress adds on top of them, but there continues to be concern about mission creep and funds expended on nonscientific R&D.

The President should also issue an executive order to reshape the U.S. Global Change Research Program (USGCRP) and related climate change research programs. The USGCRP produces strategic plans and research (for example, the National Climate Assessment) that reduce the scope of legally proper options in presidential decision-making and in agency rulemakings and adjudications. Also, since much environmental policymaking must run the gauntlet of judicial review, USGCRP actions can frustrate successful litigation defense in ways that the career bureaucracy should not be permitted to control. The process for producing assessments should include diverse viewpoints. The OSTP and OMB should jointly assess the independence of the contractors used to conduct much of this outsourced government research that serves as the basis for policymaking. The next President should critically analyze and, if required, refuse to accept any USGCRP assessment prepared under the Biden Administration.

The President should also restore related EOP research components to their purely informational and advisory roles. Consistent with the Global Change Research Act of 1990,[35] USGCRP-related EOP components should be confined to a more limited advisory role. These components should include but not necessarily be limited to the OSTP; the NSTC's Committee on Environment; the USGCRP's Interagency Groups (for example, the Carbon Cycle Interagency Working Group); and the Federal Coordinating Council for Science, Engineering, and Technology. As a general matter, the new Administration should separate the scientific risk assessment function from the risk management function, which is the exclusive domain of elected policymakers and the public.

Finally, the next Administration will face a significant challenge in unwinding policies and procedures that are used to advance radical gender, racial, and equity initiatives under the banner of science. Similarly, the Biden Administration's climate fanaticism will need a whole-of-government unwinding. As with other federal departments and agencies, the Biden Administration's leveraging of the federal government's resources to further the woke agenda should be reversed and scrubbed from all policy manuals, guidance documents, and agendas, and scientific excellence and innovation should be restored as the OSTP's top priority.

COUNCIL ON ENVIRONMENTAL QUALITY (CEQ)

The Council on Environmental Quality is the EOP component with the principal task of administering the National Environmental Policy Act (NEPA)[36] by issuing regulations and interpretive documents and by overseeing the processes of individual permitting agencies' own NEPA regulations, including categorical exclusions. The CEQ also coordinates environmental policy across the federal government, and its influence has waxed and waned across Administrations.

The President should instruct the CEQ to rewrite its regulations implementing NEPA along the lines of the historic 2020 effort and restoring its key provisions such as banning the use of cumulative impact analysis. This effort should incorporate new learning and more aggressive reform options that were not included in the 2020 reform package with the overall goal of streamlining the process to build on the Supreme Court ruling that "CEQ's interpretation of NEPA is entitled to substantial deference."[37] It should frame the new regulations to limit the scope for judicial review of agency NEPA analysis and judicial remedies, as well as to vindicate the strong public interest in effective and timely agency action.

The Federal Permitting Improvement Steering Council (FPISC), of which the CEQ is a part, has been empowered by Congress through significant new funding and amendments to FAST-41.[38] The President should build on this foundation to

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further empower the FPISC by making its Executive Director an EOP appointee with delegated presidential directive authority over executive branch permitting agencies. For instance, the implementation of Executive Order 13807's One Federal Decision[39] revealed many ways that the systems established by EO 13807 can be improved. The new President should seek to issue a new executive order to create a unified process for major infrastructure projects that includes giving project proponents more control of any regulatory clocks.

The President should issue an executive order establishing a Senior Advisor to coordinate the policy development and implementation of relevant energy and environment policy by officials across the EOP (for example, the policy staff of the NSC, NEC, DPC, CEQ, and OSTP) and abolishing the existing Office of Domestic Climate Policy. The Senior Advisor would report directly to the Chief of Staff. The role would be similar to the role that Brian Deese and John Podesta had in the Obama White House. This energy/environment coordinator would help to lead the fight for sound energy and environment policies both domestically and internationally.

The President should eliminate the Interagency Working Group on the Social Cost of Carbon (SCC), which is cochaired by the OSTP, OMB, and CEA, and by executive order should end the use of SCC analysis.

Finally, the President should work with Congress to establish a sweeping modernization of the entire permitting system across all departments and agencies that is aimed at reducing litigation risk and giving agencies the authority to establish programmatic, general, and provisional permits.

OFFICE OF NATIONAL DRUG CONTROL POLICY (ONDCP)

Congress created the Office of National Drug Control Policy (ONDCP) through the Anti-Drug Abuse Act of 1988[40] to serve as a coordinative auxiliary for the President on all matters related to drug policy. The next President's top drug policy priority must be to address the current fentanyl crisis and reduce the number of overdoses and fatalities. This crisis resulted in the deaths of more than 100,000 Americans in 2021.

The next Administration must reaffirm a commitment to preventing drug use before it starts, providing treatment that leads to long-term recovery, and reducing the availability of illicit drugs in the United States. The drug trafficking environment is exponentially more dynamic and dangerous today than it was just five years ago as powerful synthetic opioids (fentanyl and its analogues) are mixed into other drugs of abuse. Drug trafficking organizations are extremely nimble and able to adapt quickly to federal government actions and changes in user behavior. Disrupting the flow of drugs across our borders and into our communities is of paramount importance, both to save lives and to bolster our public health efforts. For these reasons, the Director of ONDCP should make it a point to consult with federal border enforcement officials.

The National Drug Control Program agencies represented a total of $41 billion in fiscal year 2022. Whereas the position for overseeing budget activities is traditionally held by a career official, it is imperative that a political appointee lead the ONDCP budget office to ensure coordination between the OMB Program Associate Director and the ONDCP budgetary appointee.

ONDCP grant-making activities have been controversial over the years, particularly within conservative Administrations concerned that the White House lacks the expertise to oversee such programs directly. The ONDCP administers two grant programs: the Drug-Free Communities Support Program and the High Intensity Drug Trafficking Areas Program. While it makes sense to transfer these programs eventually to the Department of Justice and Department of Health and Human Services, respectively, it is vital that the ONDCP Director ensure in the immediate term that these grant programs are funding the President's drug control priorities and not woke nonprofits with leftist policy agendas. Thus, the President must insure that the ONDCP is managed by political appointees who are committed to the Administration's agenda and not acquiesce to management by political or career military personnel who oversaw the prior Administration's ONDCP.

GENDER POLICY COUNCIL (GPC)

The President should immediately revoke Executive Order 14020[41] and every policy, including subregulatory guidance documents, produced on behalf of or related to the establishment or promotion of the Gender Policy Council and its subsidiary issues. Abolishing the Gender Policy Council would eliminate central promotion of abortion ("health services"); comprehensive sexuality education ("education"); and the new woke gender ideology, which has as a principal tenet "gender affirming care" and "sex-change" surgeries on minors. In addition to eliminating the council, developing new structures and positions will have the dual effect of demonstrating that promoting life and strengthening the family is a priority while also facilitating more seamless coordination and consistency across the U.S. government.

Specifically, the President should appoint a position/point of contact with the rank of Special Assistant to the President or higher to coordinate and lead the President's domestic priorities on issues related to life and family in cooperation with the Domestic Policy Council. This position would be responsible for facilitating meetings, discussions, and agreements among personnel; coordinating Administration policy; and ensuring agency support for implementation of policies related to the promotion of life and family in the United States.

OFFICE OF THE VICE PRESIDENT (OVP)

The Vice President is elected to the second highest office in the nation and plays a constitutionally vital role as President-in-waiting. The Vice President is also

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the President of the Senate and is charged with breaking tie votes in that body. In recent years, the Vice President has been granted office space in the West Wing and the Eisenhower Executive Office Building.

The OVP is another one of the levers that the President should use to execute his agenda. This is particularly true because there is significant and unique leverage that the Vice President's leadership of the OVP can evoke to shape policy discussions and outcomes. Every other appointed White House official serves at the pleasure of the President, whereas the Vice President is elected, and the process for filling vacancies in that Article II constitutional office, which includes confirmation of a replacement Vice President by a majority of both Houses of Congress, is governed by the Twenty-Fifth Amendment.[42]

The Vice President has his or her own economic advisers, domestic policy and national security staff, and daily intelligence briefings. The Vice President should fill his or her office with strong and sound policy minds to effectively assist the President in fulfilling his agenda.

The Vice President is also a statutory member of the National Security Council.[43] In theory, in light of the fact that the Vice President is a member of the Smithsonian Institution's Board of Regents,[44] there is nothing to prevent Congress from assigning the Vice President additional statutory duties.

All of the component councils and offices discussed in this chapter include real policy development and implementation authority, and a robust OVP should be fully integrated into all policy-formation procedures. Only a Vice President who is deeply steeped in the interworking of the interagency and policy councils can offer useful advice and prove helpful in accomplishing the President's agenda. It is also obvious, in view of the fact that many former Vice Presidents have gone on to be elected President in their own right,[45] that the Vice Presidency can act as a training ground for presidential office.

In the past, the Vice President has been tasked with leading certain initiatives or issues. For example, Mike Pence was tasked with coordinating the federal response to COVID-19, and both Pence and Kamala Harris have chaired the National Space Council. Vice Presidents Richard Cheney and Dan Quayle were also active on the deregulatory front and in imposing regulatory moratoria. However, OVP officials should be fully integrated into each and every process from the start of a new Administration and not have to wait to be invited to join various meetings or working groups on an ad hoc basis. For example, the budget and regulatory review processes are linchpins in the execution of policy, and the OVP should have a seat at the table through every phase of policy development.

Past Vice Presidents have also spent significant time abroad serving as a type of brand ambassador for the White House and, more broadly, for the United States, announcing Administration priorities and coordinating with heads of state and other top officials of foreign governments. The Vice President, as President of the

Senate, often serves as a presidential emissary to the Senate and thus can be especially helpful in securing passage of the President's legislative agenda.

To the extent that he or she desires, a Vice President can have a direct role in shaping Administration policy. A Vice President who regularly attends meetings and disperses staff across the interagency and policy councils is a Vice President whose voice will be heard.

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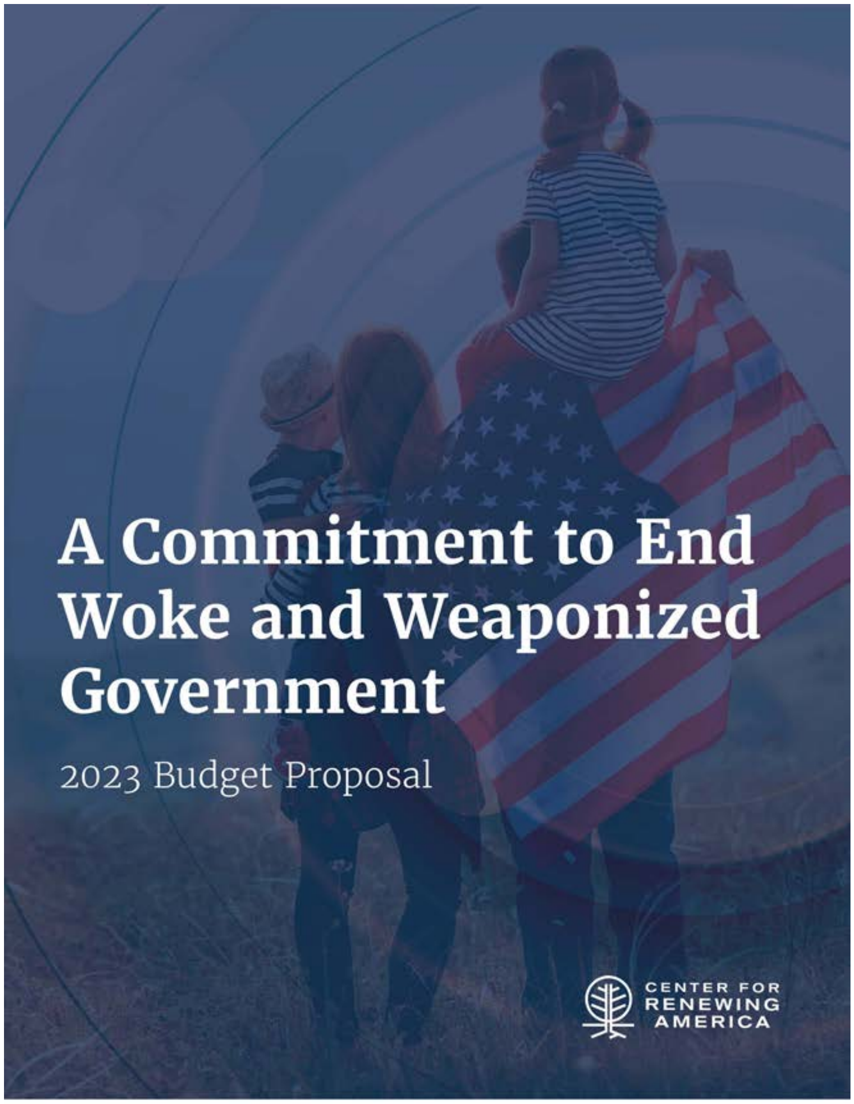
A Commitment to End Woke and Weaponized Government
2023 Budget Proposal
CENTER FOR RENEWING AMERICA

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INTRODUCTION

December 7, 2022

"He will take the best of your fields and vineyards and olive orchards and give them to his servants. He will take the tenth of your grain and of your vineyards and give it to the officers and to his servants…He will take the tenth of your flocks, and you shall be his slaves. And in that day, you will cry out because of your king, whom you have chosen for yourselves."

1 Samuel 8:10-18

The evidence of America's fiscal brokenness is everywhere. Inflation—an economic phenomenon the experts promised was permanently relegated to history—is now running at forty-year highs, making all of life more expensive but worse, making fools out of all those taught to save their money for the deferred gain of building and investing. The nation owes $31 trillion and counting, and the interest the Treasury Department must pay is steadily marching higher and higher. The annual cost of interest payments will exceed the Pentagon's budget within the next ten years.

The notion of "fiscal discipline" itself might as well be in a time capsule. Congress considers no budgets, legislation never hits against cost limitations, and every partisan disagreement is "solved" simply by spending more on the pet programs of the opposing party. The Federal Reserve creates trillions of dollars with a few keyboard clicks payable to big banks who will be paid interest for not lending, in exchange for subsuming the nation's debt, which alleviates policymakers from experiencing the hangover of their financial mismanagement—all while clamoring about the importance of its "independence" to escape government by the people.

So yes, the need for a budget—a fiscal plan—could not be more immediate. But there are some serious challenges facing any renewed effort to deal with this fiscal nightmare, and any budget intended for results must consider these.

FIRST, as bad as the fiscal situation is in the US, another immediate threat facing the American people cannot be ignored. The global COVID pandemic made it painfully obvious that a small scientific elite could shut down the economy, keep people from running their businesses, mandate an experimental drug be jabbed into another's body to participate in society, and denigrate health treatments that could have saved millions. On the heels of this wrenching national experience is the growing awareness that the national security apparatus itself is arrayed against that half of the country not willing to bend the knee to the people, institutions, and elite worldview that make up the current governing regime. Instead of fulfilling their intended purpose of keeping the American people safe, they are hard-wired now to keep the regime in power. And that includes the emergence of political prisoners, a weaponized, SWAT-swaggering FBI, the charges of "domestic terrorism" and "disinformation" in relation to adversaries' exercise of free speech, and the reality that the NSA is running a surveillance state behind the protective curtain of "national security." The immediate threat facing the nation is the fact that the people no longer govern the country; instead, the government itself is increasingly weaponized against the people it is meant to serve.

Furthermore, the nation is just beginning to wake up to and meet the threat of a century-long cultural revolution that divides the country on the basis of race and "identity," disintegrates the institutions of western civilizations from within, teaches rising generations to hate their country and each other, and encourages the destruction of neighborhoods and cities which by extension are not worth saving. This revolution started in left-wing universities but has long since become the central worldview of the regime's governing elites. As the rioting and destruction in the aftermath of George Floyd's death revealed, "woke" went mainstream, and a multitude sought to tear down its own society. It is not just in the streets but also in schools, workplaces, corporate boardrooms, and churches in the form of Critical Race Theory. Instead of being a haven from such toxicity, a place for citizens to come together to serve the betterment of the public, the government is now a main distribution channel. The federal bureaucracy is the movement's funding source, and through lucrative grants and contracts, the bit steering private businesses to — coercively regulate the narrative. Its open borders beget multiculturalism aimed at cultural incoherence. The US is even exporting it to other countries by funding gay pride events and LGBT activists in other countries under the guise of foreign aid.

In short, America cannot be saved unless the current grip of woke and weaponized government is broken. That is the central and immediate threat facing the country—the one that all our statesmen must rise tall to vanquish. The battle cannot wait. However, this woke and weaponized regime requires the resources of taxpayers to flourish and can be starved in order to dismantle it. Of course, these spending cuts will result in significant savings for the taxpayers. Thus, the main priority of this first Budget from the Center for Renewing America is to consciously and indelibly link the efforts of getting our nation's finances in order with removing the scourge of woke and weaponized bureaucracy aimed at the American people.

SECOND, over the last two decades, the debates about fiscal responsibility have been (intentionally and unintentionally) mired in the quicksands of strategic incompetence and lacking any common sense. There has been a conviction by reformers that because so-called mandatory spending—"entitlements" or the spending that is on auto-pilot without annual decisions by Congress—is the largest portion of the federal budget and growing in the very near future, then it and only it must be the necessary target of fiscal reformers to the exclusion of discretionary spending. Not content there, because Social Security and Medicare, in particular, are large, mathematical drivers of this spending growth, fiscal seriousness demanded that they be the lead ox to be gored. Never mind the public's perception that they had paid into dedicated trust funds and knew lawmakers had been dipping into these surpluses for decades to fund their pet programs.

As this conviction took hold, fiscal reformers lost their bearings. They forgot that while they had very little leverage each year to tackle mandatory spending, they had ample annual opportunities to tackle the discretionary spending that funded the federal government bureaucracies. As a result, nothing has occurred. The pain caucus beat their heads against a brick wall of political reality shouting about "entitlements!" Meanwhile, the political cartel comprised of the spending committees, the defense industrial complex, and the Left kept the finger pointed toward the shiny object. Many knowingly play both sides.

The second priority of this Budget is to end this charade and to focus the debate on the spending that is the easiest to cut practically and morally because it is funding the bureaucracies arrayed against the public. It is a nod to common sense. When families decide to get on a budget, they do not target the largest and immovable items of their spending, like their mortgage, first. They aim to restrain discretionary spending—they eat out less, shop less, and find cheaper ways of entertaining themselves. Then they look at what makes sense for the immovables—how to refinance their debt or make major life changes. Politically, a similar approach is the only way the American people will ever accept major changes to mandatory spending. They are simply not going to buy the notion that their earned entitlements must be tweaked while the federal government is funding Bob Dylan statues in Mozambique or gay pride parades in Prague. This Budget mathematically must include substantial reforms to mandatory spending to achieve balance—although importantly, there are no benefit reductions to Social Security or Medicare beneficiaries—strategically, it will emphasize the discretionary cuts needed to save the country from tyranny and prove to the country that the road to balance can really be walked again.

THIRD, budgeting is too often an exercise in accounting and austerity, where every program takes a hit, rather than an opportunity to examine what in fact the country is spending money on. Nor is budgeting typically aimed at maintaining a political coalition necessary to vote for the plan. It should be. The Left has no interest in ever regaining fiscal rationality. Why should their spending priorities be protected? Particularly when such programs are damaging the very communities supporting the government with their taxes. Why should billions be spent on thousands of interwoven nonprofits, all with a vested interest in furthering multiculturalism through an open border strategy and engaging in lawfare against any effort to control the border? Why should billions be spent on Section 8 vouchers that spread crime and disfunction into safe neighborhoods as part of "affordable housing" activism hostile towards single-family homes? This Budget is an effort to separate the spending the nation desperately needs (a massive Navy, a completed border wall, infrastructure, etc.) from spending that is not just simply unaffordable but ruining communities and funding organizations that hate the country.

With all that being said, this Budget approach is fairly straightforward. It establishes the fiscal goal of getting to balance within ten years, believing both that a goal is necessary and that balance continues to be the only one relatable to the American people's experience. It then meets that fiscal goal by emphasizing robust economic growth and sizable spending reductions. Both are vital. You cannot cut your way to balance—the target will keep getting bigger as revenues dry up while the public experiences the pain of unemployment and austerity at the same time. Nor can you balance the budget through growth alone. This Budget assumes economic policies that will generate growth of 3 percent, and it includes nearly $9 trillion in savings over ten years from spending cuts and reforms. Of that amount nearly $3 trillion comes from discretionary spending, primarily dismantling the woke and weaponized bureaucracy, and $6 trillion originates from reforms to mandatory spending that increase participation in the labor force, reduce welfare, end the inflationary drivers of subsidizing student loans, inject common sense into health spending, etc. Again, it makes no reductions to Social Security retirement or Medicare benefits. The Budget should serve as a template for the next Congress to combat inflation and deal with the country's fiscal recklessness and align that effort towards addressing the immediate threats facing the country. It is also proof to policymakers that balance is indeed possible.

One last disclaimer. This first Budget does not attempt to offer solutions to some of the most pressing long-term problems facing the country that should preoccupy conservative policymakers in the near future. For instance, the families of the West are not having enough babies for their societies to endure. Raising a family in America with only one parent working outside the home is often unaffordable, and public policy often incentivizes that trend. Much can be learned and adopted from a country like Hungary that has arrested such decline. However, this Budget is a start to an ongoing discussion that should include such policy innovations.

The Center for Renewing America hopes that it furthers a new commitment to deal with the nation's finances—one oriented towards the most immediate threats facing the country and informed by a realistic strategy of getting the American people on board with the project.

Russ Vought
President, Center for Renewing America

A FOUNDATION OF ECONOMIC GROWTH

The nation's fiscal outlook is in such a serious predicament because of both reckless spending and destructive policies that are anti-growth and must be overturned. Policies based on climate extremism have pinned down the energy industry, inflicting great harm to tens of millions of American families and workers. Burdensome regulations and mandates have squeezed working-class households even further, while vast new programs touted under the dubiously-titled Inflation Reduction Act and Infrastructure Investment and Jobs Act (IIJA) demand yet more revenue from an overtaxed and burdened citizenry.

Balancing the budget requires significant spending cuts and dynamic economic growth. The policies contained in this Budget are designed to unleash an explosion of such growth. It assumes the restoration of the Trump-era regulatory reform agenda, a full unleashing of the American energy industry with zero concern for the proclivities of climate extremists, full repeal of the non-infrastructure portions of the inflation-driving IIJA, and preservation of the Trump-era tax cuts along with full expensing for all capital investments to ensure that working-class Americans and small businesses remain on a growth trajectory well into the future.

Real GDP: The Budget projects the pace of growth to increase by 3.1 percent in 2023 before declining slightly to 2.8 percent at the end of the Budget's forecast window. These growth projections steadily accelerate over existing Congressional Budget Office (CBO) baseline numbers. The Budget leans heavily into regulatory reform, revitalization of the American energy industry, and extending lower tax rates from the Tax Cuts and Jobs Act (TCJA). These policies are married to a 14 percent immediate cut in discretionary spending and nearly $6 trillion in mandatory program savings through the forecast window to generate a robust and sustained growth outlook for the next decade. In sum, the proposal assumes that these economic policies will ensure productivity grows at an annual rate of 0.5 percent with projected growth-generated deficit reductions of $3.8 trillion through 2032.

Interest Rates: The current 10-year Treasury note is over 4 percent and will finish 2022 at 3 percent for the entirety of the year. The Budget assumes a steady increase in the yield above projected CBO estimates with elevated levels of 3.9 percent beginning in 2023 before a significant decline to 3.2 percent starting in 2025 and lasting through the end of the Budget window. The Budget's deficit reduction proposals and mandatory spending reforms allow a substantial reduction in the money supply with the U.S. Treasury able to step back from floating an elevated number of bonds.

Labor Force Growth: The Budget assumes substantial growth in the labor force over its lifetime. Specifically, the proposal forecasts a 7.8 percent increase over CBO baseline projections with regard to growth in the labor force for a total of 185.7 million Americans participating in the workforce by 2032. This is an increase of 14.5 million

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workers above the current projected baseline numbers.

General Inflation: Expectations for inflation assume continued elevated rates through 2023 and are generally above the CBO baseline projections throughout the lifetime of the Budget. The proposal assumes, however, that the Budget's sustained deficit reduction actions, mandatory policy reforms, and pro-growth policies will coincide with a substantial reduction in the money supply and overall spending, resulting in a steadily declining Consumer Price Index (CPI-U) rate that levels off at 2.2 percent by 2026 and remains flat through 2032. Inflation is projected to increase the deficit relative to the CBO baseline by $262 billion over the course of the budgetary window.

Regulatory Reform: The Budget proposes a return to the Trump-era regulatory reform policies that spurred strong economic growth prior to the onset of the COVID-19 pandemic and the Biden administration's intentional re-implementation of onerous bureaucratic red tape. This includes the readoption of policies implemented under Executive Orders 13771 and 13777, which required agencies to put together a task force to recommend regulations for repeal, implemented a 2-for-1 protocol for major regulations, and curbed significant rules to reduce impacts on working households and families. In the first four years of the Trump administration, 73 percent fewer significant rules were released than during the eight years of the Obama administration. By comparison, the number of regulations issued in 2017 was only one-third of those issued in the first years of both the Bush and Obama administrations.

These reforms–alongside the reinstatement of the 2020 regulatory caps proposed by the Office of Information and Regulatory Affairs (OIRA)–would provide more than $200 billion per year in regulatory savings through FY32.

Unleash American Energy: The Budget proposes to fully open America's energy capabilities in recognition that higher energy prices act as a tax on consumers and producers since nearly all consumption and production processes require energy input. Under the Trump administration, the United States became a net exporter of natural gas for the first time in American history. The proposal assumes a reinstatement of prior policies that would necessitate the immediate unshackling of the reliable energy industry from the zealous hold of climate extremists within the federal bureaucracy. This includes expedited approval for oil and gas leases and permitting on public lands, lifting of the prohibition to drill and develop energy in the Outer Continental Shelf, resumed energy exploration and pipeline development in the Arctic National Wildlife Reserve (ANWR), and full repeal of Executive Orders 13990, 13992, and 14008.

Weaponized regulations within the EPA and Department of Energy promoting elements of the Green New Deal, the Paris Climate Accord, and the war on oil and natural gas are assumed to be repealed. This includes a repeal of the destructive "social cost of carbon" regulatory scheme, termination of efforts to weaponize air quality regulation to inhibit energy production, loosened development guidelines under the National Environmental Policy Act (NEPA), accelerated LNG exports and application approvals, and rescission of misguided pipeline construction restrictions from the Federal Energy

Regulatory Commission (FERC) among others.

Preserve the Trump Tax Cuts: The Budget proposes an extension of the Trump tax cuts from the Tax Cuts and Jobs Act (TCJA) through FY32. Some of the business provisions in the TCJA are set to expire starting January 1, 2023, with the totality of the law's changes for individuals sunsetting in 2026. The proposal assumes that the provisions within the TCJA are extended into FY32 to maximize growth potential for working families and small businesses throughout the lifetime of the Budget. This means maintaining the 20 percent deduction for non-salary pass-through businesses, preserving the increased standard deduction for both single and married filers, keeping the State and Local Tax (SALT) deduction cap in place, and continuing a lowered corporate tax rate of 21 percent. However, all energy-related tax distortions are assumed to be repealed with the exception of the black lung excise tax and the five-year cost recovery rate.

Additionally, the proposal assumes the enactment of full expensing for all capital investments and assets. This provision protects businesses from the erosion of real value with regard to their investments that naturally occur over time due to inflation and depreciation. Such a change is estimated to increase economic output by 2.3 percent and add over 440,000 new jobs.

Spending Restraint: The Budget proposes $10 trillion in savings over the next ten years relative to CBO's baseline. Reductions in government spending–particularly reductions to the weaponized branches of government–will free up resources for core federal priorities and create the right conditions for sustained economic growth.

The combined elements of the proposal's spending reforms–which include reforms to means-tested welfare programs and entitlements–will ensure that Americans are empowered and encouraged to manage their way through job transitions and ultimately return to the workforce to provide for their families and households. These policies amplify labor force participation growth by embracing sophisticated work-oriented policy reforms in programs like SNAP and Medicaid that put the long-term health of individuals and households ahead of the bloated largesse of federal bureaucrats. Furthermore, deficit spending has a tendency to diminish economic opportunity in the future through a shift toward debt-saddled spending in the present. This approach not only sacrifices long-term growth and opportunity for the dubious benefit of strengthening a hostile bureaucracy at odds with the well-being of workers, but also exacerbates the risk of a debt crisis–as evidenced by America's $31 trillion and counting national debt.

The Budget recognizes the historical and economic reality that sustained long-term growth in the years ahead requires funding reductions now. Progressive policies that have poured gasoline on the inflationary fire while deepening the fiscal hole that the Budget aims to climb out of have only exacerbated the need for such immediate and transformative solutions.

DEPARTMENT OF JUSTICE

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Justice	33.5	37.7	31.2

The Budget proposes $31.2 billion in discretionary funding for the Department of Justice (DOJ) in FY23, a decrease of 6.9 percent over FY21 enacted levels. These funding reductions are targeted against a department that has gone rogue regarding the rule of law and served as the tip of the spear in the federal government's ongoing war against the American people.

The Budget proposes numerous policy changes that include significant cuts to the department's general legal activities, specifically the highly politicized Civil Rights Division and Environment and Natural Resources Division, full elimination of the "equity" obsessed Community Relations Service, an immediate zeroing out of the State Criminal Alien Assistance Program (SCAAP), and a downpayment on a transformative restructuring of the Federal Bureau of Investigation (FBI) to disarm and defang its weaponized posture toward Americans who do not share the political bent of the bureaucratic elite. The Budget also eliminates taxpayer-funded grants to radical left-wing organizations such as the Soros-linked Acacia Center, which was recently awarded $41 million by the DOJ to help illegal immigrants avoid deportation.

In concert, the Budget provides for a 7.5 percent increase in funding above FY21 levels for the US Marshals Service and a small increase for the Drug Enforcement Agency (DEA) in recognition of rapidly-escalating crime rates due to dangerous progressive policies at the state and local levels that have prioritized criminals over victims.

The rule of law has not only been politicized, it has been weaponized against the American people in service to a radical progressive ideology that defines justice solely as the advancement of the woke religion.

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Discretionary Savings

Federal Bureau of Investigation

The Budget proposes to fundamentally restructure and reform the Federal Bureau of Investigation beginning with substantial changes to the agency's intelligence and counterintelligence apparatus. The longtime leadership at the FBI has lost the confidence of significant portions of the American public due to a seemingly endless spate of corrupt and weaponized activity against law-abiding Americans, conservative citizens, and politicians disfavored by the governing elite. In many respects, the Bureau has become the praetorian guard of a corrupt bureaucracy determined to preserve its power through intimidation and persecution instead of faithfully serving the people from whom its legitimacy derives.

The FBI would receive $8.6 billion in FY23, a decrease of $1.3 billion or 13 percent relative to FY21 ($9.9 billion). Significant portions of the spending reductions come from changes to the intelligence and counterintelligence divisions including an overhaul of processes and procedures to dismantle the agency's weaponization.

The list of abuses within the FBI is long and growing: targeting concerned parents at school board meetings as "domestic terrorists," raiding the homes of pro-life activists at gunpoint, misleading federal judges to confiscate millions of dollars in private property from safe-deposit boxes, leaking private health and personal information of agency whistleblowers to intimidate and discredit patriotic agents, refusing to investigate the over 100 firebombings and acts of vandalism against pro-life pregnancy centers, and of course, the unprecedented political raid at Mar-a-Lago of a former president utilizing a suspiciously broad search warrant under dubious legal reasoning.

The Budget includes funding reductions within specific subdivisions of the Bureau that are not salvageable due to a willful and repeated pattern of partisan lawfare waged against Americans who do not share the bureaucracy's increasingly woke and progressive worldview. Some components of the Bureau's mission remain intact, including the agency's vital counterterrorism responsibilities. However, the Budget necessitates an end to the politicized targeting of Americans with non-progressive or conservative views. This includes any such activities within the counterterrorism division.

The Budget does increase funding for one key area within the Bureau: the Criminal Investigative Division. The Budget calls for $4 billion, an increase of $618 million or 18.3 percent over FY21 levels, to thwart the increasing societal destruction caused by progressive policies at the state and local levels that have defunded police, refused to prosecute criminals, and released violent felons into communities. These changes aim to lay the foundation to restore the American people's trust in the Bureau's commitment to the Constitution and the rule of law absent a more drastic fallback option to abolish the agency and reconstitute a new one.

Reprioritizing Funding in the Intelligence Branch: The Budget advocates for a fundamental overhaul of the Bureau's intelligence branch in lieu of the agency's openly hostile posture toward citizens, officials, and entities that are politically unaligned with the ruling elite's radically woke worldview. *Save $840 million compared to FY21.*

Reprioritizing Funding in Counterintelligence and Counterterrorism: The proposal advocates for a fundamental overhaul of the Bureau's counterintelligence division in lieu of the agency's openly hostile posture toward citizens, officials, and entities that are politically unaligned with the ruling elite's radically woke worldview. Additionally, the Budget realigns funding resources to ensure the Bureau's critical counterterrorism mission remains a core mission unobstructed by a woke agenda. *Saves $957 million in FY21.*

General Legal Activities

The Budget proposes significant funding reductions within the DOJ's general legal activities, especially the highly-politicized Civil Rights Division (CRD), and the Environment and Natural Resources Division. The corruption and weaponized culture within DOJ's Civil Rights Division has been evident for years. An IG report released in 2013 revealed that the Voting Section within the CRD had engaged in a practice of only communicating with far-left activist organizations such as the ACLU and NAACP Legal Defense Fund to fill prospective job openings within the civil service. Kristen Clarke, current head of the CRD, recently authorized DOJ agents to engage in armed raids on the homes of pro-life activists while turning a blind eye to over 100 acts of far-left extremists vandalizing and firebombing churches and women's pregnancy centers in the wake of the Dobbs decision.

The Environment and Natural Resources Division is typically tasked with prosecuting violations of the Clean Air Act and other environmental statutes, but has been weaponized as part of the Biden administration's war on American energy to target natural gas facilities and the coal industry in a zealous bid to advance a destructive green energy agenda.

Disarm Weaponized Bureaucrats: The Budget proposes a substantial reduction for the Civil Rights Division and Environment and Natural Resources Division. Specifically, the funding reductions include a 50 percent immediate cut to both the Civil Rights Division and the Environment and Natural Resources Division. These two offices have been at the forefront of extreme partisan weaponization within the DOJ, utilizing federal law enforcement agencies and resources to target and persecute political opponents who do not align with the extreme progressive worldview of the Washington elite. Both offices receive an immediate funding reduction of 50 percent with commensurate loss of personnel. *Saves $136 million in FY21.*

Eliminate Office of Environmental Justice: The Budget proposes to terminate the recently-created Office of Environmental Justice, a subdivision of the Environment and Natural Resources Division. The office is designed to serve as a central hub for radical climate extremism and in particular, the criminal enforcement arm of the Department of Justice with regard to the intersection of climate change and criminality. The office is the beginning of a weaponized effort to target American citizens who refuse to adhere to a destructive green energy agenda.

Community Relations Service

The Budget proposes a total defunding of the DOJ's woke and weaponized Community Relations Service (CRS) as part of its effort to disarm an ideologically-militant department. This subdivision was originally created in Title X of the Civil Rights Act of 1964 as an agency tasked with maintaining dialogue and ensuring a smooth transition out of the era of segregation. It has since transformed into an agency driven by race essentialism and radical gender theory–hunting for "hate crimes" defined through the prism of critical race theory and intersectional progressivism. The existence of CRS serves only to perpetuate the continuing efforts of Washington to label citizens as "oppressors" or "oppressed." This weaponization pits citizens against one another, tearing apart the civil fabric necessary for a constitutional republic to survive. *Saves $18 million compared to FY21.*

Office of Justice

The Budget proposes significant funding changes to Office of Justice programs. These funding reductions are intended to eliminate harmful programs and exorbitant grants to organizations that feed off taxpayer money to perpetuate a woke agenda throughout civil society. Specifically, the proposal moves to immediately terminate the State Criminal Alien Assistance Program (SCAAP) as part of an effort to achieve both balance and eliminate federal efforts that undermine the rule of law in service to a radical left-wing ideology fundamentally at odds with the interests of the American people. Furthermore, the Budget eliminates myriad grant programs from the Office of Justice, which in the past have included $2.2 million for the Vera Institute of Justice, which advocates for an end to cash bail and reducing the incarceration of violent criminals, $600,000 to Legal Services NYC, which advocates for sanctuary city policies and race-based economic development, and $521,000 to the Center for Children's Law and Policy, which seeks to impose race essentialism into the juvenile justice system without regard for the victims of violent juvenile crime.

The Office of Justice would receive $1.8 billion in FY23, a decrease of $485 million or 21.6 percent relative to FY21. Accordingly, with these reductions, the Budget begins the process of defanging federal law enforcement's adherence to a radical progressive agenda that seeks to undermine equal justice under the law.

Eliminate the SCAAP Program: The Budget proposes the immediate termination of the SCAAP program which reimburses state, local, and tribal governments for prior year costs associated with incarcerating criminal illegal aliens. The program provides funding to state and local governments that are self-declared sanctuary jurisdictions and refuse to follow federal immigration law. SCAAP detracts from resources and efforts that should instead be spent on border security and interior enforcement–chief responsibilities of the federal government under the US Constitution's Article IV, Section 4 guarantee clause. *Saves $244 million compared to FY21.*

Reform Grant Programs: The Budget proposes significant reforms to the Office of Justice with regard to taxpayer-funded grants through the Edward Byrne Memorial Justice Assistance Grant program as well as smaller competitive and formula grants. Specifically, the proposal ensures that any prospective recipient with a focus or emphasis on equity, race essentialism, or radical gender theory is disqualified from receiving taxpayer funding. *Saves $241 million compared to FY21.*

DEPARTMENT OF HOMELAND SECURITY

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Homeland Security	53.8	56.7	57.1

The Budget proposes $57.1 billion in discretionary funding for the Department of Homeland Security (DHS) in FY23, an increase of 6 percent over FY21 enacted levels. These increased resources are designed to bolster the resources of the federal government to regain operational control of the southern border, finish the completion of the border security wall, and protect the American people from the devastation wrought by willfully reckless policies enacted by the Biden administration.

However, this Budget assumes a significant cultural transformation within DHS, through both leadership changes and reforms. Leadership at DHS has intentionally defanged the department's core mission and shown that they are more interested in virtue signaling punishment for agents performing their duty than protecting the American people from border-driven chaos. Since January 2021, border agents have apprehended over 3.7 million illegal immigrants at the southern border. This does not include nearly 1 million "got-aways" in which border-crossers evaded apprehension and disappeared into the interior of the United States. Over 71,000 Americans died from fentanyl poisonings in 2021, a 23 percent increase in just one year. The Budget proposes numerous policy changes to address these catastrophic consequences. This includes expenditures necessary to complete the border wall, significant funding and personnel increases for Customs and Border Protection (CBP) designed to surge security to the southern border, refocusing Immigration and Customs Enforcement (ICE) toward expedited processing and deportation, an increase in resources for the US Coast Guard to boost vessel capacity and enhance interdiction capabilities in response to increased cartel sophistication with regard to drug smuggling and human trafficking, and a significant reduction in the cumbersome and ineffective bureaucracy of the Transportation Security Administration (TSA).

Simultaneously, the Budget addresses the reality that DHS has been a central part of the federal government's targeting of conservatives and critics of favored regime narratives. The Budget proposes the full elimination of the weaponized Office of Intelligence and Analysis, which took the lead in labeling conservatives as "far-right" domestic extremists.

Similarly, the University of Nebraska's partnership with DHS–which is designed to monitor and target conservatives and non-progressives as enemies of the state–has also been cut. In addition to these targeted cuts, the proposal reduces funding for the Cybersecurity and Infrastructure Security Agency (CISA) in lieu of that agency's censorship campaign during the 2020 election. Specifically, the Budget eliminates CISA's activities within the so-called Election Integrity Partnership, in which the agency colluded with a handful of private tech firms and left-wing organizations to censor stories and social media activity deemed "disinformation."

Americans should not have to fear that the federal government will target their political commentary on the Internet in a bid to silence dissent and infringe on their First Amendment rights.

The proposed funding enhancements to key agencies and policy changes are designed to force a total reprioritization of DHS subdivisions back to the fundamental mission of protecting the homeland, citizens, and communities from the ongoing invasion of deadly drugs, human trafficking, and criminals stemming from a wide-open border.

Discretionary Savings

Customs and Border Protection

The Budget proposes to significantly improve the capabilities of CBP to address the ongoing invasion occurring along the southern border. It assumes a restoration of common-sense policies that the Biden administration has abandoned such as an end to catch-and-release, a renewed declaration of emergency, and a resumption of construction of the border wall system to better deter illegal immigration and trafficking of dangerous narcotics like fentanyl.

CBP would receive $18.6 billion in FY23, an increase of $3.7 billion or 25.6 percent relative to FY2021 ($14.8 billion), including $5 billion for completing the border wall system along the US-Mexico border. The increased funding levels account for a significant boost in personnel as well as a commensurate surge of infrastructure to defend the US border from cartels and their operatives. Reflected in CBP's increased funding are also policy changes that assume Title 42 removal authority is maintained, Remain-in-Mexico protocols are restored, and integration of efforts to clear hazards and Carrizo cane along the Rio Grande in Texas are implemented.

Increased Border Patrol Agents: CBP's current mission profile has transformed from security to babysitting with personnel mired in processing record numbers of illegal immigrants crossing into the United States instead of turning them away. There are currently fewer than 20,000 border patrol agents. The Budget proposes a near-doubling of this number with funding allocated to hire an additional 18,000 men and women to better safeguard the territorial integrity of the United States. Catch-and-release is ended and agents are once again empowered to do their job.

Such a large increase in the force cannot be handled by Federal Law Enforcement Training Centers (FLETC) alone. Therefore, new hires who are already law enforcement trained will be trained within CBP on existing Title 8 authority as well as the limited elements of the CBP law enforcement environment that differ from traditional law enforcement. In recognition of these officers' lower overall training cost to CBP, signing bonuses for these particular officers are included as part of the recruitment effort.

Completing the Border Wall System: The Budget proposes significant resources to get the border wall construction back on track toward completion. While significant portions of the security barrier were completed before January 2021, the remaining construction has since been frozen with material lying dormant.

Immigration and Customs Enforcement

The Budget integrates a series of funding enhancements and policy changes to better equip ICE for a sustained campaign of interior enforcement in tandem with a bolstered CBP mission. ICE's reach would be significantly expanded with the addition of 5,000 new agents for increased deportation measures, detainment infrastructure, and enforcement capacity. Assumed within the Budget is an increase in worksite enforcement penalties for employers who willfully violate provisions of the Immigration and Nationality Act regarding the unlawful employment of illegal aliens.

ICE would receive $9.9 billion in FY23, an increase of $2.0 billion or 24.6 percent relative to FY2021 ($8.0 billion) to align the enforcement and detainment capabilities of ICE with the enhanced border security mission of CBP. Far-left activists have demonized the men and women of ICE, who are tasked, without adequate resources, to sort through the human chaos and misery caused by unsecured borders and unenforced immigration policies. The mission of ICE is essential to the safety and well-being of the American people. The Budget begins a long and continuous process to recognize that reality with the funding and policies necessary to meet the moment.

In recognition of the severe challenge presented by the number of illegal aliens needing to be deported, the Budget also accomplishes major savings and streamlines adjudication by requiring every alien who is ruled to be in the United States unlawfully to return to his/her home country as a precondition for any appeal of such ruling. This would be applied on a going-forward basis to any then-current rulings, with no federal court review, all with a phase-in of six months for already-existing rulings. Within one year, this would dramatically reduce the immigration caseload, thereby allowing those non-citizens who try to "play by the rules" to have their cases heard faster and more efficiently, which in turn will result in a significant reduction in case backlogs. Such an approach will positively impact both ICE and USCIS within DHS, as well as EOIR in DOJ.

Increased ICE Agents and Detainment Infrastructure: There are currently 20,000 law enforcement and support personnel employed within ICE in comparison to an estimated 15 million illegal aliens residing in the United States. The Budget proposes a 25 percent increase in total agency personnel with funding allocated to hire an additional 5,000 men and women to enhance interior enforcement and deportation capabilities. The same law enforcement signing bonus referenced for new CBP officers with law enforcement experience will also be offered to new ICE (ERO) agents with law enforcement experience. Additionally, the Budget provides new resources for detainment facilities, anti-human trafficking measures, and multi-agency task forces to deter cartel and illicit criminal activity.

US Coast Guard

The Budget proposes a significant boost to the United States Coast Guard in order to begin to catch the Coast Guard up in its aging capital assets and to align resources with the broader effort to deter cartel-driven drugs, human trafficking, and criminal activity before it reaches the families and communities inside the United States. In addition, the Coast Guard has an important part to play in achieving the national security priority of maritime supremacy. Specifically, the proposal calls for accelerating force development through the procurement and building of additional ships, addressing aging infrastructure, increasing personnel capacity, and enhancing multi-agency integration for operations in the Gulf of Mexico, Pacific, and Atlantic coastlines.

The Coast Guard would receive $12.1 billion in FY23, an increase of $1.2 billion or 10.7 percent relative to FY2021 ($11.0 billion). The proposal assumes a heightened role in the Gulf of Mexico and Atlantic to intercept and thwart cartel-sponsored drug subs as well as an enhanced profile along the Pacific to safeguard against fentanyl and opioid distribution lines from China to the cartels in Mexico and their criminal illegal gangs in West Coast cities.

Transportation Security Administration

The Budget proposes a sweeping series of reforms to improve efficiency and diminish the cumbersome bureaucracy of the Transportation Security Administration. Among the many reforms to the TSA proposed is the elimination of exit lane staffing within secure areas of airports and the transfer of that responsibility to individual airport operators. Additionally, the proposal eliminates the TSA's Visible Intermodal Prevention and Response (VIPR) teams as such forces are duplicative of state and local law enforcement assets and have not proven effective. Critically, the Budget institutes a gradual replacement of TSA screeners with private security screeners.

The proposal calls for a funding reduction of $3 billion compared to FY2021 enacted levels ($7.13 billion) for a total of $4.1 billion in proposed FY2023 spending. Numerous empirical studies have shown that private security is just as capable–and in many cases more so–than TSA-employed screeners at detecting and thwarting security threats.

Additionally, the Screening Partnership Program, which integrates private security agencies in the airport security process, is currently being modeled at more than 20 airports across the United States. The SPP has shown lower overall costs, improved efficiency, and commensurate or better security protocols in comparison to TSA metrics. The Budget builds on that program's success.

Cybersecurity and Infrastructure Security Agency

The Budget proposes numerous changes to the operations of the Cybersecurity and Infrastructure Security Agency. Among the key changes to CISA's funding stream is the complete elimination of the agency's public-private cooperation with the so-called "Election Integrity Partnership" and the curbing of the agency's engagement in domestic political activity. CISA's collusion with far-left organizations to silence thousands of stories and social media posts during the 2020 election under the guise of fighting "misinformation" was performed on behalf of left-wing political activists. Such weaponization by a federal agency not only undermines the rule of law, but assails the fundamental constitutional rights of American citizens.

The proposal calls for a funding reduction of $265 million compared to FY21 enacted levels ($2.02 billion) for a total of $1.76 billion in proposed FY23 spending. The core mission of CISA is one that is vital to the security of the United States, especially in an age where cyberattacks are increasingly the preferred method of attack by hostile foreign actors. However, the politicization of this critical agency jeopardizes the entire mission of CISA and puts the American people at risk. The Budget ensures that CISA's core mission returns to thwarting cyberattacks and protecting America's critical infrastructure as opposed to engaging in domestic political activity.

Mandatory Savings

The Budget incorporates a series of proposed changes to department fees designed to offset the resource drain that the Biden administration's open border policies have inflicted on the department's operational capabilities. In total, the Budget proposes mandatory policy changes that are expected to save $12.65 billion over ten years.

Adjust Collection and Use of User Fees: The Budget modifies existing user fees to ensure that those fees reflect the full cost of services provided to entities interacting with the Department with adjustments for inflation. *Saves $8.2 billion over ten years.*

Establish an Immigration Services Surcharge: Given the way that an influx of illegal immigrants has taxed the resources of the Department in recent years, the Budget proposes a 10 percent increased processing fee for immigration services to offset growing expenses. *Saves $4.3 billion over ten years.*

Increased Worksite Enforcement Measures: The Budget proposes a 35 percent increase to all penalty amounts charged against employers who violate existing Immigration and Nationality Act provisions regarding the unlawful employment of illegal aliens. Saves $147 million over ten years.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Health & Human Services	108.6	138.0	86.4

The Budget proposes $86.4 billion in discretionary funding for the Department of Health and Human Services (HHS) in FY23, a decrease of 20.4 percent over FY21 enacted levels. These spending reductions are designed to mitigate and thwart the harm imposed on the American people by woke public health policies and weaponized agencies that have lost the trust of the country.

The Budget proposes numerous policy reforms that include reprioritizing the core mission of the Centers for Disease Control and Prevention (CDC), ending destructive gain-of-function research at the National Institutes of Health (NIH), eliminating ineffective programs at the Administration for Children and Families (ACF), eliminating the Office of the Assistant Secretary for Health (OASH), defunding unscientific and medically-dubious policies promoting gender transition procedures, and cultivating a culture within HHS that respects the sanctity of life and returns to the first principle of health: do no harm.

Discretionary Savings

Centers for Disease Control and Prevention

The Budget proposes to refocus spending within the Centers for Disease Control and Prevention to recommit the CDC to its core mission and work to restore the public's faith in the agency's expertise. The current director of the CDC, Dr. Rochelle Walensky, admitted that the agency had largely failed in its mission to inform the public during the onset and aftermath of the COVID-19 pandemic, calling her agency's actions "confusing and overwhelming." This failure stems in large part due to guidance put out by the CDC that too often served a political agenda instead of public health interests, evidenced by the CDC's collaboration with teachers' unions to keep schools closed and children in remote learning environments wholly inadequate for educational advancement and protection from the virus. In many respects, the CDC is simply doing too much that is not focused on fighting infectious diseases.

The CDC would receive $4.4 billion in FY23, a decrease of $2.6 billion or 37.3 percent relative to FY21 ($7.0 billion). Policy changes within the CDC reflected by reduced funding levels include a narrower focus set on merely monitoring sexually transmitted diseases as opposed to spending over a billion dollars on easily preventable diseases or depleting agency resources on expansive efforts rooted in "health equity" to combat diseases largely confined to population groups that engage in risky behavior. Additionally, the Budget repurposes the agency's Chronic Disease Prevention and Health Promotion center toward basic healthy lifestyle habits and cancer prevention initiatives. The agency's emphasis on utilizing a "health equity" lens with regard to its public health messaging is revoked in its entirety along with subdivisions that exist solely to advance a woke agenda behind the pretext of public health data and science.

The work that the CDC is designed to do is important and therefore requires the implementation of policies that repair the damage wrought by flawed and politicized masking, vaccine, virus mitigation, and school closure guidance.

Narrower Focus on Sexually Transmitted Diseases: The Budget proposes a drastically diminished approach toward sexually transmitted diseases that limits the CDC's mission to monitor and issue basic guidance with regard to myriad infectious diseases transmitted through sexual activity. The agency's current "health equity" agenda siphons substantial resources in the name of a woke political agenda for niche and small population groups at the expense of broader public health. However, the Budget ensures $100 million to continue monitoring HIV/AIDS rates. *Saves $864 million compared to FY21.*

Repurposed Chronic Disease Mission: The CDC's infrastructure for Chronic Disease Prevention and Health Promotion is bloated, inefficient, and redundant. The Budget proposes a repurposed emphasis on cancer screening and prevention along with the incorporation of activities that promote basic wellness. The vast majority of chronic diseases can be prevented by maintaining a healthy diet, frequent exercise, and healthy weight while avoiding common risk factors such as tobacco use and poor nutrition. *Saves $619 million compared to FY21.*

Eliminate National Center for Environmental Health: The Budget proposes moving the existing public health guidance currently found within the National Center for Environmental Health to the Agency for Toxic Substances and Disease Registry, which already exists to inform the public about environmental health hazards. The existing funding stream for the National Center for Environmental Health is zeroed out. *Saves $205 million compared to FY21.*

Eliminate Global Health Center: The Budget proposes zeroing out the Center for Global Health due to the center's redundant mission profile within the broader context of the CDC as well as its infusion of critical race theory in its "global health equity" initiatives. The inclusion of radical ideologies that view the world through the prism of race and oppressor versus oppressed populations undermines the credibility of public health experts. *Saves $591 million compared to FY21.*

National Institutes of Health

The Budget proposes a series of significant reforms and spending cuts to the National Institutes of Health in an effort to curb the agency's increasingly weaponized posture toward the American public. Nearly three years after the onset of the COVID-19 pandemic, questions remain about the full extent of NIH's known involvement in advancing gain-of-function research, which intentionally enhances the virulence of diseases to ostensibly improve the efficacy of future treatments. This is compounded by initiatives such as UNITE, an NIH effort designed to purportedly end "structural racism" in medical research, widespread institutional support for morally and medically dubious gender transition procedures on minors and adults, and grantmaking that supports the harvesting of fetal tissue from aborted and unborn children.

The NIH would receive $32.5 billion in FY23, a decrease of $9.0 billion or 21.5 percent relative to FY21 ($41.5 billion). Accordingly, with these reductions, the Budget begins the process of steering the agency back to health services research away from its woke agenda.

Eliminate Woke Bureaucracy: The Budget proposes an across-the-board reduction evenly-distributed among all institutes within NIH to eliminate and remove offices that are infused with critical race theory and gender theory–in particular the UNITE initiative. Among the subdivisions that are defunded are the Office of Equity, Diversity, and Inclusion and equity grants issued by the agency for the purpose of promulgating propagandized research from activists like Jack Turban on destructive gender transition experiments. Radical identity politics have no place in government, especially in agencies that deal with public health, as such emphasis poses a serious risk to both health research and patient outcomes. *Save $100 million compared to FY21.*

Reprioritize NIAID's Mission: The Budget proposes a 50 percent funding reduction at the National Institute of Allergy and Infectious Diseases (NIAID) from FY201 in lieu of ongoing concerns surrounding the institute's role in propelling risky and potentially destructive gain-of-function research: particularly at the Wuhan Institute of Virology where the COVID-19 virus is suspected to have originated. The very fact that NIAID went so far as to restart funding to the Wuhan Institute even after the COVID-19 pandemic and the resulting public outcry over taxpayer funding of its research shows this institute's bureaucratic arrogance and the resulting need for it be restructured. This reduction will force a reprioritization of resources at the institute to focus on basic research to treat and prevent infectious diseases. *Saves $3.1 billion compared to FY21.*

Eliminate Critical Race Hub: The National Institute on Minority Health and Health Disparities is zeroed out in lieu of that institute's promulgation of critical race theory into the public health research sphere. Infectious diseases which predominantly impact minority communities will be folded back under the fundamental immunology research division or other existing divisions as appropriate. *Saves $660 million compared to FY21.*

Eliminate Foreign Influence in Public Health: The Fogarty International Center embeds America's public health research efforts with the designs of corrupt foreign regimes such as the Communist Party of China and compromised entities like the World Health Organization, jeopardizing both the broader research mission and overall legitimacy of the agency. The Fogarty Center's increasing emphasis on "global health equity" intends to export woke identity politics into the medical research fields of poorer and developing nations. *Saves $960 million compared to FY21.*

Reduce the Indirect Cost Rate: The Budget proposes a significant reduction in the indirect cost rate that the NIH makes to universities, research hospitals, and other research institutions down to a flat 10 percent. This change will bring the rate in line with private foundations, such as the Gates Foundation, and dramatically reduce the cost of overhead at the agency while also encouraging agency administrators to implement more judicious decisions during the grantmaking process. *Saves $5 billion compared to FY21.*

Administration for Children and Families

The Budget proposes substantial changes to the Administration for Children and Families (ACF) with an emphasis on reducing and eliminating ineffective and questionable programs along with curbing agency subdivisions that reward the political left at the expense of the national interest.

ACF would receive $14.7 billion in FY23, a decrease of $10.0 billion or 40.6 percent relative to FY21 ($24.7 billion). Among the many changes proposed is a significant reduction to the Office of Refugee Resettlement (ORR) with a reallocation of funds designed to maintain existing program integrity with regard to anti-human trafficking efforts while shutting down government subsidies to the nonprofit network that enables open border policies. The Budget also proposes a reduction for Head Start, which serves as little more than a federal daycare program, with major indoctrination potential, and a subsidy for dual-income parents. The Low Income Home Energy Assistance Program (LIHEAP) is zeroed out in order to both refocus ACF's existing resources and in lieu of the vast majority of states implementing state-level "disconnection policies" that prevent utility companies from sudden disconnection of energy needs in many circumstances.

The stated purpose of ACF is to promote the economic and social well-being of families and communities. However, the agency's recent release of its Equity Action Plan supercharged a prioritization toward implementing a far-left agenda committed to ideas rooted in both critical race theory and radical gender theory. The well-being of families and communities cannot be achieved without substantial resource realignment that eliminates woke prioritization and reduced involvement in activities that have a demonstrated record of failure with questionable benefit to the very populations they are intended to help.

Repurposing the Office of Refugee Resettlement: The Budget proposes significant policy changes within the ORR that fundamentally refocus the agency on protecting unaccompanied minors and bolstering anti-human trafficking efforts. The remaining programs are significantly reduced or in some cases eliminated–including Afghan refugee assistance resources–in order to realign the agency's priorities to protect American citizens as the first principle in service to its broader mission. *Saves $430 million compared to FY21.*

Reduced Funding for Head Start: The Budget proposes a 50 percent funding reduction for the Head Start program. Empirical studies released by both HHS and private organizations over the last decade have only underscored Head Start's ineffectiveness for the children enrolled in the program. Some metrics have even shown that Head Start participants have worse behavior and academic outcomes than children who do not enroll in the program. Among the reforms proposed is the elimination of the Early Childhood Learning & Knowledge Center, which prioritizes "anti-racism" indoctrination for pre-Kindergartener participants. *Saves $5.4 billion compared to FY21.*

Eliminate the Wasteful LIHEAP Program: The Low Income Home Energy Assistance Program has a history rife with fraud and abuse. Over a decade ago, the Government Accountability Office (GAO) determined that the program lacks basic oversight and has the propensity to provide funding to individuals with fake addresses and fake energy bills. Furthermore, state-level policies in at least 42 states prevent utility companies from sudden energy disconnections in many circumstances, emphasizing that LIHEAP is no longer necessary at a programmatic level. *Saves $3.7 billion compared to FY21.*

Eliminate Redundant Block Grants: The Budget proposes the elimination of the Community Services Block Grant (CSBG), which remains unauthorized and duplicates the services provided by existing programs such as the Emergency Food Assistance Program within the Department of Agriculture. Grantee organizations that receive CSBG money also receive funding from a variety of sources–including other federal programs. As such, CSBG represents only 5 percent of total grantee funding. *Saves $745 million compared to FY21.*

Mandatory Savings

The Budget proposes a series of significant policy reforms to mandatory programs administered through the Department of Health and Human Services. This includes structural policy changes to improve the integrity of the Medicaid program and separate Medicaid from the regulatory nightmare of Obamacare, while providing states with the flexibility to reprioritize Medicaid spending for the most vulnerable population groups. Importantly, the Budget ensures that the Medicaid program's spending trajectory remains flatlined. Along similar lines, the Budget proposes changes to Medicare that include modifications to uncompensated care payments as well as the elimination of bad debt reimbursements for non-rural hospitals. The proposal also equalizes payments for outpatient hospital services so they fall in line with physician rates and implements changes to Medicare Part D to ensure the program runs more efficiently. Importantly, the Budget maintains the current benefit structure for Medicare beneficiaries.

Medicare would grow, on average, at 6 percent year-over-year, while Medicaid would flat line compared to their current trajectories of 7 percent and 3 percent respectively. These changes will ensure improved long-term sustainability for those who rely upon the benefits conferred by mandatory programs while enhancing the overall fiscal trajectory of federal spending.

Medicaid

Eliminate FMAP Floor: Current law calculates states' Medicaid matching rates based on a state's income relative to the national average. The Medicaid statute also establishes a minimum Federal Medical Assistance Percentage (FMAP) of 50 percent, meaning the federal government pays for at least half of a state's Medicaid costs. This minimum FMAP rate encourages wealthy, liberal states, who otherwise would receive a match far lower than 50 percent, to keep expanding their Medicaid programs—one reason why wealthier states have some of the largest programs. The Budget would help to reduce the distortionary effects of the current Medicaid formula by eliminating the 50 percent floor on a state's match. *Saves $653 billion over ten years.*

Strengthen Program Integrity: Recent estimates suggest that as much as one-quarter of all Medicaid spending falls into the category of improper payments, in large part because states do not properly ensure all individuals enrolled in Medicaid are eligible for benefits. The Budget would allow the federal government to recoup payments from states that spend Medicaid dollars on ineligible or misclassified beneficiaries. *Saves $6.7 billion over ten years.*

Continue DSH Reductions: The Budget extends current law reductions to Medicaid Disproportionate Share Hospital (DSH) payments, reflecting the fact that hospitals can use these payments to offset care provided to illegal immigrants. *Saves $45.2 billion over ten years*

Re-Prioritize Medicaid: The Budget repeals the authorizations created by Obamacare that permit states to expand their Medicaid programs to able-bodied, working-age adults. This proposal would allow states to refocus their efforts on the most vulnerable populations—including the aged, blind, and disabled—for whom Medicaid was originally designed to assist. This policy helps disentangle Medicaid from the regulatory mess that is Obamacare.

At the same time, the Budget requires that able-bodied adults of working age work, or look for work, to receive benefits. Current law imposes work requirements for participants in programs like Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP), but does not extend those requirements to recipients of Medicaid benefits. By providing incentives for individuals to engage with their communities, this proposal will improve the physical and mental health and well-being of Medicaid beneficiaries. *Saves $1.1 trillion over ten years.*

Repeal Provider Taxes: Current law permits state Medicaid programs to assess taxes of up to six percent on providers (e.g., hospitals, doctors, etc.). States use those taxes paid by providers to draw down federal Medicaid matching funds, which they end up returning back to providers. Multiple bipartisan fiscal commissions have criticized this strategy, which amounts to legalized money laundering by states; as Vice President in 2011, Joe Biden himself reportedly called provider taxes a "scam." The proposal would prohibit provider taxes, eliminating one of the main ways that states "game the system" to receive more Medicaid dollars from Washington. *Saves $502.6 billion over ten years.*

Medicare

Reform Graduate Medical Education: Current law provides Graduate Medical Education (GME) payments to hospitals through the Medicare program, to help finance the costs associated with teaching hospitals that train the next generation of medical students. The federal government also funds a share of GME costs paid by state Medicaid programs. Instead of using indirect subsidies through Medicare and Medicaid, the Budget would create an explicit new grant program to fund medical education programs at teaching hospitals, while growing that program at a slightly lower rate than current projections for GME through Medicare and Medicaid. *Saves a net of $52.4 billion over ten years.*

Modify Uncompensated Care Payments: The Budget would make several changes to payments to hospitals for uncompensated care. This proposal would move uncompensated care payments from the Medicare Trust Fund to the Treasury General Fund, while growing these payments every year according to increases in the Consumer Price Index. In addition, the Budget would allocate uncompensated care payments based on a hospital's share of charity care and non-Medicare bad debt, as reported to the federal government. *Saves $114.7 billion over ten years.*

Eliminate Payments to Hospitals for Bad Debt: Under current law, Medicare reimburses hospitals and other providers for 65 percent of their allowable bad debt. The Budget would eliminate these bad debt payments for non-rural facilities, aligning

Medicare with the practice of most private insurers. This change would encourage hospitals to recoup payments they are owed while extending the life of the Medicare Trust Fund. *Saves $44.3 billion over ten years.*

Site-Neutral Payments for Post-Acute Care: Right now, payment levels and reimbursement criteria vary widely for four separate types of facilities that provide post-acute care after hospital stays—skilled nursing facilities, home health agencies, inpatient rehabilitation facilities, and long-term care hospitals. For instance, medical providers can receive higher fees by providing the same service in a different location, in which case seniors also pay higher co-pays and cost-sharing. The Budget would pay providers based on the type of care given and the patient's underlying medical conditions, rather than the location of the services provided. *Saves $133.5 billion over ten years.*

Modify Hospice Payments in Nursing Facilities: Currently, Medicare pays hospice programs the same amount for services provided in nursing homes and skilled nursing facilities as those provided in private homes. This proposal reduces payments for hospice services provided in nursing homes and skilled nursing facilities, recognizing the fact that Medicare and Medicaid payments to these facilities already account for the cost of providing personal care services. *Saves $4.5 billion over ten years.*

Site-Neutral Payments for Physician Office Visits: In recent years, many hospital systems have acquired physician practices, in part because they have financial incentives to do so. Hospitals have attempted to reclassify physician offices they have purchased as extensions of the hospital, allowing providers to bill for services at a higher rate under the hospital outpatient fee schedule—even though the patient is receiving the same service in the same office. The Budget would eliminate this abusive practice, lowering payments to providers and reducing beneficiary cost-sharing levels. *Saves $57.9 billion over ten years.*

Pay Certain Outpatient Hospital Services at the Physician Fee Schedule Rate: Under current law, Medicare reimburses services provided in hospital outpatient departments at much higher levels than those provided in physician offices. The Budget would equalize payments for services like clinic visits, regardless of the location of the service provided, while exempting rural hospitals from the potential for payment reductions. *Saves $145.8 billion over ten years.*

Medicare Advantage Risk Scores: For seniors who choose to have their Medicare benefits delivered through private Medicare Advantage plans, the program provides monthly payments to plans for each enrollee, with the payments adjusted based on beneficiaries' risk—i.e., expected health expenses given their age, chronic conditions, etc. The Budget would make two changes to the risk adjustment formula, first by basing risk scores on two years of a beneficiary's diagnostic data, and second by eliminating the use of health risk assessments in calculating risk scores. These changes could reduce any potential disparity in risk between enrollees in Medicare Advantage plans and those in traditional Medicare. *Saves $90.8 billion over ten years.*

Medicare Advantage Bonus Payments: The Medicare Advantage payment formula gives supplemental payments to plans with high-quality ratings. However, certain counties with low spending and high historical enrollment in Medicare Advantage qualify for double payments, with potential bonuses twice as large as in other counties. The Budget would eliminate this "double-bonus" structure. High-quality plans would still receive bonuses, but the maximum bonus would total 5 percent (the same maximum nationwide), rather than allowing 10 percent bonuses in certain areas. *Saves $24.1 billion over ten years.*

Automatic Enrollment: When seniors currently apply for Social Security, the federal government automatically enrolls them not in the "best" Medicare plan for them, the plan with the lowest out-of-pocket costs, or the one with the highest quality. Instead, the federal government enrolls seniors in government-run Medicare by default. This proposal would change the default enrollment option to the lowest-cost plan in a given region, whether a Medicare Advantage plan or traditional Medicare. Seniors could decide to change plans without penalty, but this change would encourage competition among Medicare plans in the marketplace, potentially lowering premiums for seniors, while reducing federal Medicare spending. *Saves $97.8 billion over ten years.*

Other Reforms

Drug Pricing Reform: The Budget proposes several reforms that will help to bring down drug prices, while also saving taxpayers money. For instance, the Budget would create the first catastrophic cap on beneficiaries' out-of-pocket spending in the Medicare Part D prescription drug benefit. The Budget would also institute reforms, like a ban on "pay-for-delay" arrangements, that would hasten cheaper generic drugs to the market. *Saves $178 billion over ten years.*

Medical Liability Reform: Our nation's $4 trillion spending on health care stems in part from defensive medicine—doctors and hospitals performing unnecessary tests and procedures for fear of a lawsuit. Enacting common-sense medical liability reform will lower healthcare costs in general, while also reducing spending for federal healthcare programs. Moreover, because Medicare takes liability insurance premiums into account when calculating payments to physicians—and because beneficiaries pay a 20 percent co-insurance on the cost of any physician visit—reforms that reduce liability insurance premiums will ultimately save beneficiaries money via lower cost-sharing. *Saves $40.3 billion over ten years.*

Reduce TANF Block Grant and Eliminate Contingency Fund: In a growing economy with low unemployment, states should focus their efforts on moving recipients of Temporary Assistance to Needy Families (TANF) off of welfare and into work. As such, the Budget includes a 10 percent reduction to the TANF block grant and eliminates the TANF Contingency Fund. *Saves $21.3 billion over ten years.*

Discontinue Social Services Block Grant: The Government Accountability Office has previously criticized the Social Services Block Grant program to states and territories as fragmented, overlapping with similar government programs, and lacking in accountability. As such, the Budget would eliminate this duplicative program. *Saves $16.6 billion over ten years.*

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Housing	59.6	71.9	33.8

The Budget proposes $33.8 billion in discretionary funding for the Department of Housing and Urban Development (HUD) in FY23, a decrease of 43.3 percent over FY21 enacted levels. These spending reductions are designed to maintain the highest impact programs that provide housing and support for vulnerable Americans most in need, eliminating wasteful programs which undermine this access and mitigating the harms imposed on the American people by woke bureaucracies that infuse federal spending with far-left identity politics. HUD will no longer be focused on expanding the number of Americans on a government program, but rather on how many it can help achieve financial independence.

The Budget proposes numerous policy reforms that include reprioritizations to focus on the core mission of HUD, providing access to safe, decent, and affordable housing and moving Americans from assistance to self-sufficiency. The Budget proposes to end the Community Development Fund program which is ineffective and loaded with waste, fraud, and general abuse of taxpayer resources. The Budget proposes to eliminate specific programs which purport to assist at-risk populations but end up being merely a source of funding for third-party peddlers of identity politics and their promotion of harmful gender ideology. The Budget proposes to significantly scale back the Fair Housing and Equal Opportunity program which is overly committed to breaking up single-family homes in favor of low-income housing which destroys our beautiful suburbs.

The Budget proposes to significantly reduce Tenant-Based Rental Assistance (formerly Sec. 8) grants with a 50 percent reduction from FY21 and phases to a complete elimination after three years. These grants are a magnet for crime, significantly reduce property values, and act as a beacon for implementing the Left's so-called fair housing agenda wherein progressives in DC centrally plan the composition of American neighborhoods.

HUD's Management and Administration bureaucracy is dramatically reduced in the Budget proposal. The Office of Fair Housing is cut by fifty percent, the Office of

Community Planning and Development is eliminated, as well as the Office of Equity Advancement, which pushes divisive racial concepts. In all, the Budget refocuses resources and cultivates a culture within HUD that respects its core purpose of building self-sufficiency.

The Budget proposes to defund this woke bureaucracy's actions and policies that do not serve the best interests of the citizens but instead fully embrace leftwing identity politics. The work that HUD is designed to do is to help Americans become self-sufficient and therefore requires the implementation of policies that repair the damage wrought by flawed and politicized ideology.

Discretionary Savings

Eliminate Community Development Fund: The Budget proposes to completely eliminate funding for the Community Development Block Grant Program (CDBG). The Budget proposes devolving community and economic development activities to the state and local levels and redirects federal resources to higher-priority activities. CDBG provides grants to cities and counties to develop their communities. CDBG emerged in its current state in 1974 with allocations based on a formula determined by income distribution and housing measures. Among approved projects include a range of activities from municipal infrastructure projects, to housing rehabilitation, to tree planting, and improvements to parks and recreational facilities, youth centers, sidewalks, and child care centers.

Nevertheless, the program is not well-targeted and leads to wasteful spending that does not serve a national purpose. Indeed, towns like Greenwich, Connecticut – the wealthy enclave on the East Coast, wherein the median household income is $167,000, more than twice the national median, yet has received millions of CDBG over the years. Greenwich continually ranks as one of the wealthiest towns in America and can surely fund its own tree planting, and sidewalk improvements. It is wasteful to keep sending millions of dollars to help with the local needs of one of the wealthiest communities in America. This is true across the board. Decidedly local needs should be met by those who will benefit most. Self-sufficiency develops resilient communities, not federal subsidies. *Saves $3.4 billion compared to FY21.*

Defund Woke Identity Politics: The Budget proposes to defund programs that deplete agency resources on expansive efforts rooted in "equity" that go well beyond combating housing disparities largely confined to population groups that engage in risky behavior, and instead function merely to direct resources to left-leaning advocacy groups. For example, through its Housing Opportunities for Persons with AIDS (HOPWA) program, HUD funds Vivent Health a nonprofit advocacy group that champions "health equity" and "social justice" and declares there is an ongoing "war against the LGBTQIA+ community." Federal programs should respect taxpayers' desires not to see their resources flowing to private groups that advocate for unscientific gender policies and divisive issues that they do not agree with. Such compelled financial support for partisan political positions does nothing to provide safe and affordable housing to vulnerable populations. Rather it serves a political agenda and a collaboration with left-wing ideologues instead of serving the public interest. This is a prime example of HUD simply doing too much and not focusing on actual housing. *Saves $410 million compared to FY21.*

Reprioritize Fair Housing: The Budget proposes a series of significant reforms and spending cuts to better accomplish HUD's fair housing and equal opportunity mission. A spending reduction of $47 million relative to FY21 ($73 million) is proposed to accomplish these objectives for a total of $26 million in proposed FY23 spending. Policy changes within HUD reflected by adjusted funding levels include a narrower focus set in an effort to curb the agency's increasingly weaponized posture toward American suburbs. Currently, there are 77 fair housing agencies, in 34 States and 43 localities, and some 94 private organizations. These groups conduct investigations, interview witnesses, collect evidence, and render judgments. These agencies see the suburbs with their single-family zoning laws as ripe for discrimination complaints.

One group that receives fair housing grants, the National Fair Housing Alliance, (nearly $2 million since FY17) is markedly partisan. For example, it worked with a coalition of six other left-leaning groups to declare that "The Trump Administration is attacking civil rights protections . . . [and] this is just the beginning if we don't stop this."

Now, the Biden Administration is reinstating two Obama-area regulations – one on disparate impact and the other on fair housing – designed purportedly "to address systemic racism" and to increase "racial equity across the nation." Both are solutions in search of a problem and will increase regulatory attacks on suburbia. The regulations would restrict so-called "exclusionary zoning," that is, single-family zoning, which allows only single-family homes to be built in certain areas. While single-family homes are sometimes more expensive than multi-family units such as apartments, townhomes, or duplexes, there is nothing inherently discriminatory in them. Indeed, as Biden himself noted, the "Suburbs are by and large integrated...There's many people today driving their kids to soccer practice and black and white and Hispanic in the same car as there have been any time in the past." Harvard's Edward Glaeser notes the same thing, the suburbs are integrated and "all-white neighborhoods are effectively extinct." This is also true of many affluent suburban neighborhoods.

Stable racial integration is achieved through similar household income levels, not by social engineering. There is no indication that suburbanites, no matter their ethnic background, want low-income housing forced upon them. President Trump echoed this point explaining, "our suburbs are diverse and thriving communities where the majority of African Americans, Hispanic Americans, and Asian Americans now live. . . . You know the suburbs, people fight all of their lives to get into the suburbs and have a beautiful home." Indeed, they do not deserve to have the HUD fair housing police banging down their door to find the systemic racist.

The agency's emphasis on utilizing an "equity" lens is revoked in its entirety along with subdivisions that exist solely to advance a woke agenda behind the pretext of radical identity politics which have no place in government. The Budget proposes to dramatically reduce funding which will require a significantly narrowed focus on ending true discrimination while preserving our beautiful suburbs. *Saves $47 million compared to FY21.*

Eliminate Tenant-Based Rental Assistance: Formerly called Section 8, HUD's Tenant-Based Rental Assistance vouchers are a hook for implementing the Left's fair housing agenda. The department views this program as reversing "the effects of residential segregation in the pursuit of racial equity," which is a far cry from what was originally conceived as a market-based alternative to the failed housing projects.

The theory was to eliminate housing projects and instill the responsible behavior required for participation in the private market. For example, in the private market renters must have a good credit history, save for a security deposit, prove employment, pay rent on time, and follow the rules to avoid eviction. The Section 8 reality is nothing like the private market and does not bear the same fruit. Instead, the program brings with it crime, decreased property values, and results in dependency, and subsidized irresponsibility. *Saves $12.5 billion compared to FY21.*

Eliminate Woke Bureaucracy: The Budget proposes a refocus of HUD's Management and Administration divisions with an overall reduction totaling 8.7 percent. The Department through its Education and Outreach grants funds to left-leaning groups including the New Jersey Citizen Action, whose mission is to "combine on the ground organizing, legislative advocacy, and electoral campaigns to win progressive policy and political victories," and the Mississippi Center for Justice, which recently described federal immigration enforcement as "morally reprehensible," and Asian Americans for Equality, a left-leaning activist group sometimes associated with the Communist Workers' Party.

Through its Homeless Assistance Grants and its Continuum of Care Program ($2.5 billion) HUD funds groups that push radical gender ideology. Including the Virginia LGBT Life Center which has been granted millions of dollars over the last five years. Its activities include providing "Trans+ Affirming Resources and Referrals, Community Health Clinic (Primary Care), Gender Affirming Hormone Therapy, PrEP Services, counseling for gender transitioning (gender exploration, referrals for hormones and surgeries, gender marker changes, etc.), and relationship issues (including family or social rejection)."

Through its Mortgage Counseling program, HUD funds UnidosUS with 300 affiliates across the country, its key issues include addressing the "racism embedded in our systems," "broadening ways for people to enter the country" and "accessible paths to citizenship," supporting "Latinx individuals in their journey," and election activities.

The Budget proposes an across-the-board 8.7 percent reduction from Management and Administration to eliminate and remove offices that are infused with critical race theory and gender theory–in particular, the Fair Housing Office is reduced by 50 percent (-$40 million), the Office of Community Planning and Development is eliminated (-$122 million). The Office of Diversity, Equity Inclusion and Accessibility is eliminated. Among the subdivisions that are defunded are the grants issued by the agency for the purpose of promulgating propagandized research for these activists. *Saves $159 million compared to FY21.*

DEPARTMENT OF DEFENSE

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Defense	703.7	773.0	787.1

The Budget provides $787.1 billion in discretionary funding for the Department of Defense (DOD) in FY23, an increase of 11.9 percent over FY21 enacted levels. The Budget proposal is designed to re-prioritize and refocus defense expenditures on addressing the long-term, enduring, and growing threats to US interests by funding capabilities to compete with and deter a rising, ambitious, and aggressive China. The Budget would provide increased resources annually for the next five years (FYDP) and then freeze spending in the last five years of the budget window to account for a reduction in US commitments.

The Budget prioritizes critical strategic military capabilities required to deter and deny Chinese aggression. Shortcomings with regard to thwarting China are visible and include the embarrassment of the poorly planned and executed 2021 withdrawal from Afghanistan, the provocations and mismanagement that led to Russia's invasion of Ukraine, the policies that have driven Russia into the arms of China which intends aggression against the US and our interests, low morale among active-duty servicemembers, and failures to achieve recruitment goals at home.

The Budget also remedies the self-inflicted harm imposed by political and military leaders that emphasizes social justice, progressive dogma, and climate issues against the dedicated men and women of our armed forces who joined to defend our country. Instead, they must now defend themselves against intimidation, anti-American indoctrination, and attack from manufactured investigations into false and exaggerated allegations of extremism, the promotion of the divisive and Marxist-derived ideology of critical theory, and the exploitation of the military and its resources to fund experimentation of unmarketable and unwanted climate change initiatives in service to a secular, woke religion. All of which diverts precious resources and attention from the mission of addressing real and imminent threats to US national security. More importantly, woke indoctrination serves as one of those very threats–breeding hostility among the ranks of the enlisted with its focus on identity-driven grievances as well as rewarding failed leadership in the name of an ideology that permeates the very essence of the communist Chinese regime.

Expands US Maritime Superiority: The Budget renews the nation's commitment that began with the Trump Administration's release of the FY22 Shipbuilding Plan to invest in restoring maritime superiority and prioritizing military capabilities necessary to protect American interests around the world, defend America's homeland, and sustain enduring peace through strength to deter Chinese aggression. The Budget builds on Congressional support to match the Trump Shipbuilding Plan in FY22 and proposes $31.3 billion in FY23 for 15 battle force ships. It then continues to accelerate procurement to reach a fleet of 355 ships in 2031, including increasing annual procurement of Virginia Class submarines to 3 per year by FY2025 and expanding the industrial base to include a second shipyard to increase production of the Constellation Class Frigates. In addition, this Budget protects the current fleet of Littoral Combat Ships from early decommissioning, maintaining fleet readiness and extending the value of the taxpayers' investment in these recently commissioned ships.

Expands the Shipbuilding Industrial Base: Expansion of the US Navy Fleet requires an industrial base capacity that can support an increase in shipbuilding and greater capacity for ship maintenance and repair, requiring investments in the shipbuilding industry, ship repair capabilities, and the resources needed to operate, train, and equip the fleet. The Budget proposes robust industrial base investments, including $3.0 billion for the Shipyard Infrastructure Optimization Plan to ensure the Navy's nuclear aircraft carriers and submarines are available to meet the Nation's needs.

Enhances Deterrence By Funding Strategic Forces Modernization for the Nuclear Triad, Missile Defense, and Space: The Budget continues support for the US policy of strategic deterrence through the modernization of the nuclear triad, including $5.0 billion for the B-21 bomber, $6.3 billion for the Columbia-class submarine, $3.6 billion for the Ground-Based Strategic Deterrent, and $199 million in seed funding to develop the nuclear-capable Sea-Launched Cruise Missile (SLCM). The Budget also prioritizes Missile Defense, continuing development of the NGI All-Up Round (AUR) to increase current fleet size for homeland defense intercept to 64 interceptors (44 GBIs and 20 NGIs), pursues Space Development Agency's (SDA) investments to develop and demonstrate a hypersonic tracking layer by supporting development and fielding of hypersonic missile defense capabilities, and funds THAAD, Patriot, and SM-6. The Budget continues support for Israeli Cooperative BMD Programs, including the Iron Dome system, David's Sling Weapon System and Arrow-3 System. Space Force investments in the Budget upgrade and sustain strategic and tactical missile warning and tracking systems, including the Next Generation Overhead Persistent Infrared to track ballistic and hypersonic threats, Upgraded Early Warning Radars and service life extension of legacy early warning systems.

Prioritizes Long-Term Affordability and Fiscally Responsible National Security: The Budget pays for increases in long-term capital investments in shipbuilding, strategic forces, modernization, industrial base capacity, and other national defense priorities while reducing over-extended commitments of the men and women of our Armed Forces, incentivizing allies to fund their self-defense, divesting of legacy systems, and balancing management of ballooning personnel costs while preserving pay and benefits for our soldiers, sailors, airmen, and marines. The Budget restores the national commitment to fiscal responsibility within national security by bringing focus to mission fundamentals, downsizing bloated overhead of the Pentagon, the general officer corps, the civilian workforce, and the Office of the Secretary of Defense. As such, the Budget has identified more than $5.3 billion to be redirected to Navy shipbuilding and other national security priorities and transitioning to a flat topline.

Refocusing US Dollars on American Defense and Incentivizing European Allies to Pay for Their Own Self-Defense: The Budget transitions the responsibility and burden of defense of Ukraine from US-led to a European-led effort, eliminating further funding for the European Deterrence Initiative (EDI) and Ukraine's defense and redevelopment. EDI was initiated in June 2014 in response to the Russian Federation annexation of Crimea, and has invested $30B over those past 8 years only to fail in its attempts to deter aggression, and only succeeded in disincentivizing European allies from increasing funding for their own self-defense. The US has already provided over $20 billion in security assistance and billions more in development funding to Ukraine, paving the way for European allies to shoulder the burden of Ukrainian defense and redevelopment. By eliminating the EDI program, the Budget identifies savings to transition to the Indo-Pacific theater.

Ensures Readiness: The Budget invests $125 billion in force readiness across the Army, Navy, Marine Corps, and Air Force to maintain the best trained and equipped fighting force in the world. The Budget funds Army core readiness and readiness enablers accounts, emphasizing the high-priority Pacific Deterrence Initiative, ground maneuver forces, and aviation readiness. The Budget funds Navy aviation, ship, and combat support readiness activities, including the Optimized Fleet Response Plan, ship depot maintenance, and aviation readiness to improve mission-capable rates across the fleet. The Marine Corps readiness funding increased over FY2022 levels to maximize ground combat and aviation readiness accounts to sustain critical operational, maintenance and training programs. The Budget also prioritizes investment in Air Force core readiness and readiness enabler accounts for increased flying hours and weapon system sustainment, and maintaining the inventory of aircraft, space systems, and other weapon systems.

Reduces Army End Strength: The Budget reduces authorized Army active duty end strength to 465,000 from 485,000 authorized in FY22, resulting in a savings of over $2.8 billion in FY23 and $15.5 billion over the FYDP. Given the Army's continued recruitment challenges and the Department's pivot to a maritime and aviation-focused Indo-Pacific strategy to deter the advance of China, the Budget begins a strategic and long-term effort to redirect savings away from ground forces and Army end strength resources to accelerate modernization of maritime, space, airpower, and strategic capabilities and enhance the nation's ability to compete, deter, and win against our near-peer adversaries. Military compensation costs, which include pay and a wide range of healthcare, retirement, and other benefits, constitute roughly one-third of DOD's total budget. These costs per person have grown at a much higher rate than the overall DOD budget. Constraining end strength is one means of protecting the rest of the DOD's budget to ensure America's service members have the modernized equipment and weapon systems to defend the Nation and prevail on the battlefield.

Divests Legacy Force Structure Ill-Suited to the Future Fight: The Budget supports DOD's effort to divest $2.2 billion of legacy systems in FY23 by discontinuing the use of older and less capable systems so that DOD can more effectively focus resources on modernized platforms that support both high-intensity conflict and operations in highly contested environments.

Savings from Reforms, Efficiencies, and Headquarter Personnel Reductions: DOD continues to pursue management reforms, including the reduction of management and overhead costs, to redirect savings toward higher priorities in readiness, lethality and modernization with the goal to fund "more teeth with less tail." The Budget proposes a multi-year effort to reform business processes, downsize headquarters personnel, reduce the civilian workforce, and shrink the bloated and over-funded general and flag officer corps as critical initiatives to streamline the Department and maximize the taxpayers' investment in national security.

Removing Woke Mandates: Since assuming leadership of the Pentagon, the Biden administration has prioritized distracting the Pentagon workforce and, more importantly, the men and women who have volunteered to risk their life and limb to protect our nation from their core mission by imposing progressive policies such as radical gender theory, critical race theory, and climate change policies that distract precious attention and resources from the unifying mission to defend the republic. They have attempted to disguise their intimidation with buzz words masking manufactured constructs such as extremism in the military and imposing vaccination requirements, only to intimidate and coerce the DoD workforce into compliance. This Budget prohibits the spending of appropriated dollars on training, screening, or other indoctrination efforts with respect to critical theory, vaccine mandates, and climate change initiatives.

Elimination of Diversity Officers: The imposition of woke dogma throughout the highest ranks of the Pentagon and the officer corps of the U.S. Armed Forces poses a direct threat to unit cohesion, fighting effectiveness, and unity of purpose. The Budget eliminates the Office of Diversity, Equity, and Inclusion, all of its personnel, and defunds unit-level diversity officers, whose sole purpose is to invoke and promote Marxist-derived ideologies of critical theory into the minds and hearts of men and women whose mission is to defend their nation and fight for their fellow brothers and sisters against America's enemies.

Service Academy Course Correction: The service academies have begun indoctrinating officers into divisive concepts such as Critical Race Theory, radical gender theory, and climate extremism. This includes the Naval Academy recommending midshipmen read Ibram X. Kendi's How to Be an Antiracist, West Point incorporating courses that instruct cadets on how to "address whiteness" as a means of dismantling "systemic racism," and professors at the Air Force Academy teaching young officers that racism in America is "endemic." The Budget eliminates all funding for programs, courses, reading assignments, activities, or events in the service academies that incorporate such destructive falsehoods in service to Marxist-derived ideology.

Prohibition on Progressive Symbolism: The Budget prohibits the various branches of the military, forward operating bases, individual units, and all chains of command from virtue signaling support on social media, on bases, and as part of official duties for progressive causes that intentionally seek to divide the nation in the name of woke extremism. This includes symbols and events associated with Pride month, LGBTQ initiatives, Black Lives Matter, and climate change advocacy. Approved symbols for use are limited to the flag of the United States of America, various state flags, branch flags, unit flags, and historic military flags of the United States.

DEPARTMENT OF STATE AND FOREIGN AID

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
State & Foreign Aid	57.5	67.6	31.6

The Budget proposes $31.6 billion in discretionary funding in FY23 for the Department of State, the US Agency for Internal Development (USAID), and other federal entities engaged in foreign aid, a decrease of 45.1 percent over FY21 enacted levels.

The Budget provides the required resources to strategically promote and defend America's diplomatic, economic, and national security interests in an era of global unrest, upheaval, and renewed great power competition. It does this by streamlining funding and realigning international engagement to promote American interests, and ensuring that every dollar spent at home and abroad advances the values and priorities of the American people and not the global elites.

These cuts are designed to drastically reduce taxpayer resources wasted abroad on diplomatic programs that do little to nothing to advance our American interests, often undermining them instead. The proposed budget also seeks to minimize the harm imposed by an increasingly woke American foreign policy on our international allies and partners. Every year, the State Department and USAID spend billions on frivolous legacy programs that serve the special interests of a very few, elite American cosmopolitans at best, or actively embarrass the United States and expose vulnerabilities to our enemies at worst.

The Budget proposes numerous policy reforms. These include: reducing Diplomatic Program spending with new cuts to public diplomacy, significantly reducing contributions to International Organizations by defunding dues for the North Atlantic Treaty Organization (NATO), the World Health Organization (WHO), and the Pan American Health Organization (PAHO), ending contributions to International Peacekeeping, reducing Foreign Military Financing (while maintaining support for Israel), eliminating the ineffective International Narcotics and Law Enforcement Bureau, and eliminating the Global Media Fund. At USAID, the Budget reduces operating expenses, provides targeted cuts to Global Health Programs including eliminating the pro-abortion Family Planning programs, zeros out the Economic Support and Development Fund, and almost entirely eliminates funding for Migration and Refugee Assistance, leaving a small portion to continue operating the Humanitarian Migrants to Israel (HMI) Program. The Budget also proposes the complete elimination of funding for the Millennium Challenge Corporation. Finally, for international programs run through the Treasury and other international contributions made by the United States, the Budget eliminates a host of these unnecessary and wasteful multilateral assistance programs.

As stated, the Budget serves to protect the American people from woke foreign aid spending, and waste, fraud, and abuse both at home and overseas. It helps end the American progressive export of radical gender ideology, and largely meaningless support for democracy programs that are often veiled fronts for liberal cultural colonialism. Americans deserve to be represented by a diplomatic core that puts American interests first both in Foggy Bottom and on foreign soil. This Budget delivers on that mandate.

Discretionary Savings

Department of State

The Budget proposes to significantly reduce and refocus the overall expenditures at the Department of State while still providing all of the necessary resources to defend and advance American diplomatic, economic, and security interests abroad. The US faces an age of renewed Great Power competition, with an increasingly aggressive China in the Indo-Pacific, while rogue states such as Iran and North Korea continue to demand our attention and the renewal of a State-led maximum pressure campaign. That said, in the aftermath of the Biden Administration's disastrous Afghanistan withdrawal, it is evident that the age of US-funded nation-building is over. The path forward must begin with a renewed commitment to our homeland. It is critical that our allies in both the Indo-Pacific and European theaters begin to bear a larger share of defense and diplomatic spending. This allocation should be more than enough for the Department of State to execute its core mission of advancing "the national security and economic prosperity of the United States through diplomacy, enhanced security, and fair economic competition" but without continuing frivolous adventurism and ideological colonialism.

To encourage this return to core priorities that place America first, the Budget accelerates US departure from failed and sovereignty-stealing international bodies by defunding dues for NATO, WHO, the PAHO, and other International Organizations, saving taxpayers over $2 billion in the process. Furthermore, it reduces spending on Diplomatic Programs by over 8 percent, eliminating some of the worst cases of waste, fraud, and abuse at State, including a variety of programs that do nothing more than promote LGBTQIA+ ideology overseas–often forcing it on countries who reject such commitments.

The Budget also eliminates funding for the United Nations International Peacekeeping treaty commitments, saving almost $1.5 billion. Finally, the Budget eliminates the US Agency for Global Media, including the Voice of America, a US-funded international news outlet that was chartered to promote American values, but regularly undermines America's interests, promotes, radical leftist ideology, and amplifies the propaganda of our enemies instead.

If adopted, this Budget represents a spending reduction of $26 billion relative to FY202. These reductions will not only promote fiscal responsibility, diplomatic realism, and ideological sanity in US foreign policy, but it will also drive the State Department to address its perennial mismanagement, bureaucratic bloat, and mission drift.

Eliminate Waste, Fraud, and Abuse in Diplomatic Programs: The Diplomatic Programs (DP) account is one of the largest line items in the State Department's budget, with $8.8 billion provided in FY21. Funding passes through this account to 41 bureaus and offices, 195 countries, and 276 diplomatic posts. One of the three major programmatic allocations under DP is Public Diplomacy (PD), which is largely executed by the Office of the Under Secretary of State for Public Diplomacy and Public Affairs (R). The unfortunate reality is that hundreds of millions of PD dollars go to woke and wasteful programs that celebrate degenerate vices, promote climate nonsense, push the LGBTQIA+ agenda, and undermine American standing with international partners who do not approve of the sexual and cultural revolution being exported by America and Western Europe.

A few examples of taxpayer dollars going towards such programs, particularly in nations that do not welcome the LGBTQIA+ agenda, include:

- Funding to Centro Ecuatoriano Norteamericano (CENA) in Ecuador, a non-profit organization supported by the US Embassy and Consulate in Ecuador, to "promote diversity and inclusion" through "12 drag theater performances."
- Funding to Valodu Muzejs to support poetry collection and online poetry reading that highlights the LGBT community.
- Funding to YAAJ Transformando Tu Vida A.C. to develop digital platforms to support LGBT+ youth, digital workshops, and training after the health emergency.
- Funding to ARA ART, O.S. to leverage the Prague pride events and march to highlight ongoing inequalities including overall invisibility of the Roma LGBT community, as part of a regional initiative.
- Funding to Cámara de Comerciantes LGBT de Colombia for LGBTI economic empowerment in Colombia in the context of the economic emergency caused by COVID-19.
- Funding to Associação Lambda to promote the positive visibility of the LGBT community through various activities, such as live webinar, production of audiovisual videos with the participation of human rights activists, radio & tv interviews, and testimonial videos.
- Funding to Association Aides Senegal to organize and hold three trainings for 24 LGBTI activists from Fatick, Kaffrine, and Tambacounda.
- Funding to Busselton Mardi Gras, Inc. to support the LGBTQIA+ community movie night and events.

These woke and wasteful expenditures do nothing to promote American interests abroad or deliver on advancing our core diplomatic, economic, and national security interests. *Saves $800 million compared to FY21.*

End Educational and Cultural Exchange Programs: The Budget proposes to eliminate all funding ($740 million) for the Department of State's Educational and Cultural Exchange Programs, administered by the Bureau of Educational and Cultural Affairs (ECA). These programs began in the early 1960s as a means of introducing young Americans to foreign countries and cultures and bringing foreign students to the US as well. However, with the rise of the information age and increased options for study abroad programs at the collegiate, graduate, and doctoral levels, the necessity for such programs has been eclipsed. Furthermore, as part of the overall bureaucratic growth in the Department of State, ECA now administers over 70+ different programs, many of which provide no tangible return on investment toward critical international priorities or national security interests. In 2018 the Department of State Office of Inspector General (OIG) released an audit of approximately $400 million worth of cooperative agreements across 12 programs between 2014-2016. Between just these 12 programs, OIG found that "ECA officials did not monitor the 12 cooperative agreements awarded...in accordance with Federal regulations and Department policy." Unsurprisingly, ECA funds have been a regular source of wasteful spending, including programs like the Community College Initiative (CCI) which used $15.6 million to provide free community college to foreign students. In this era of fiscal insanity, and increased global unrest, the US must make hard choices and prioritize accordingly, and cultural exchange programs simply are not a priority. *Saves $740 million compared to FY21.*

Reduce Contributions to International Organizations: The Budget recommends significant reductions to overall US contributions to International Organizations (IO) that do not advance US foreign policy interests including NATO, WHO, and PAHO. The reductions include completely defending treaty contributions for these three organizations. NATO was founded for the purposes of deterrence in Europe and collective defense in the event of an attack. Over the last few decades, European nations have increasingly coasted off of American largess. It is past time for NATO allies to begin paying their fair share for their European national security interests. The US contributes far more to NATO than any other partner, even as the majority of treaty allies fail to meet their required two percent of GDP contributions. With the war in Ukraine, it has become evident that it is no longer in US interests to continue funding NATO and risk being involved in a land war on the European continent. This reduction is not intended to be permanent, but rather to serve as an incentive for the remainder of allied partners to begin paying their portion and to prompt a conversation about the future structure, composition, and purpose of NATO. However, the WHO and PAHO have proven themselves to be irredeemably political organizations that advance globalist agendas and undermine American sovereignty. During the COVID-19 pandemic, the WHO repeatedly amplified Chinese propaganda about the origins of the virus. Unlike NATO, this Budget recommends eliminating WHO and PAHO dues in order to effect withdrawal from these organizations. *Saves $670 million compared to FY21.*

End Contributions to International Peacekeeping: The Budget would end US contributions to UN peacekeeping operations. UN peacekeeping has been proven time and time again to have little ability to stabilize and manage areas of conflict, provide promised services, and ensure quality control in protecting against waste, fraud, and abuse of its overall UN budget of approximately $7 billion. Further, it came to light in 2017 that UN peacekeepers had committed acts of sexual abuse on women and children and faced little accountability. Since 2017, more allegations have been brought forward. This conduct further underscores the necessity to end all US monetary support for peacekeeping activities. *Saves $1.5 billion compared to FY21.*

Eliminate Global Media Fund: The US Agency for Global Media and its mouthpieces around the world via Voice of America disseminate US government-funded news. Such tools have been found to often use the weight of the US government to promote radical social and cultural policies abroad, including LGBTQ ideology and pro-abortion movements, in nations targeted as being socially or culturally conservative. Additionally, radical woke US propaganda does nothing to enhance or further core diplomatic activities abroad that further US security and economic interests. In that sense, such spending is wasteful and better channeled into other areas. *Saves $803 million compared to FY21.*

Reduces Foreign Military Financing (FMF) Grants: The United States provides billions of dollars annually in security assistance to other countries in the form of grants and loans. The proposed budget introduces a 9.7% cut aimed at eliminating grants that go to wealthy NATO and major non-NATO allies capable of making arms purchases outright or at a minimum should only be eligible for loans under FMF. This cut incentivizes NATO and major non-NATO investment in self-sustaining defense capabilities, increasing burden sharing and decreasing the cost level shouldered almost entirely by the United States. Remaining funds preserve legal obligations to provide security assistance to Israel, as well as ensuring funds are available for security assistance to Taiwan. *Saves over $600 million compared to FY21.*

Ends Aimless and Ineffective International Narcotics and Law Enforcement Bureau: The Bureau of International Narcotics and Law Enforcement (INCLE) within the Department of State is essentially a money pit for paying State Department bureaucrats to "train and build partner capacity" for combating illicit drugs. However, the "training" provided is almost entirely centered on building the recipient nation's justice systems, law enforcement protocols, and the amorphous goal of "eliminating corruption" broadly within governments. Not only has this mission been abused by State Department bureaucrats to push elements of the woke agenda, but these activities also do little to combat the flow of illicit drugs and by extension illegal migration into the United States. The funds spent by INCLE would be better channeled toward border enforcement and Coast Guard missions to combat drug trafficking flows into the United States. The Budget would cut all funding to the INCLE. *Saves over $1.4 billion compared to FY21.*

USAID

USAID was created to function as America's arm of generosity to people in circumstances of extreme need around the globe. USAID's current budget reflects a very different mission, one focused primarily on a social and cultural agenda that serves the radical and disturbed whims of woke global elites. The Budget realigns USAID to its original mission, eliminating its unsanctioned cultural change mission and directing remaining functions toward serving US interests abroad.

The Budget proposes a significant reduction and consolidation of duplicative aid programs, including the Democracy Fund, the Economic Support Fund, and specially dedicated assistance to Europe, Eurasia, and Central Asia. USAID has a systemic problem of channeling funding through a multitude of different accounts with amorphous purposes like "democracy promotion" which overlap with other funding streams with similar goals. The Budget is intent on eliminating this duplication and aid that is not serving a direct strategic interest of US national security.

Finally, the Budget targets USAID programs that push a radical social and cultural agenda antithetical to American values. USAID programs focused on "global health" and "gender equality" often include abortion promotion and LGBTQIA+ agenda advocacy as core planks of their mission. The Budget would end support for pro-abortion family planning programs and promotion of abortion abroad as a legitimate plank of "reproductive health," while ensuring funding is preserved to support ongoing care to current HIV/AIDS patients. Further, the Budget would end the majority of overzealous contributions to migration and refugee assistance.

Reduction in Bureaucratic Bloat: In recent years, offices in USAID have been created or cemented for purposes that are both redundant and aimed specifically at serving radical agendas on gender and health. Examples include the hub for Gender Equality and Women's Empowerment and creating a permanent gender coordinator position. Further, established offices like the Office of Population and Reproductive Health and the inclusive development hub also make abortion promotion and radical gender ideology part of their core missions. None of these offices or hubs serve a vital role in the core mission of USAID which is to deliver life-saving aid and supplies to populations in need around the world. Aid should never be weaponized to entice acceptance abroad to a taboo and dangerous social and cultural agenda. *Saves $66 million compared to FY21.*

Ends Wasteful and Non-Strategic Aid: USAID operates several initiatives that employ taxpayer resources for "capacity building" projects abroad. Such initiatives are designed to "help" other nations structure economies, governmental institutions, social programs, and societal norms and values. Two problems arise. First, the US typically foots the largest portion of the bill for this type of "aid" whereas other wealthy nations and international organizations like the UN contribute little but expect the programs to continue indefinitely. Second, these programs typically produce little return on investment. The US does not gain strategic or reliable allies, nor are these programs leveraged toward specific US foreign policy interests, making the levels of spending difficult to justify to the American people. As an example, the Economic Support Fund, the Democracy Fund, and Assistance for Europe, Eurasia, and Central Asia all separately fund largely duplicative "capacity-building" missions abroad. The Budget eliminates all Economic Development funding to ensure US aid abroad is channeled to directly further US security interests and does not incentivize dependency in particular regions by having region-specific funds. *Saving $4.2 billion compared to FY21.*

Ends Funding for Pro-Abortion Family Planning in Global Health Programs: The Budget proposes $5.8 billion for Global Health Programs, a 37 percent reduction in spending from FY21. These cuts maintain funding for programs that continue to provide care for those currently receiving care because of HIV, but otherwise reduces the Bush-era US President's Emergency Plan for AIDS Relief (PEPFAR). The US has spent billions in helping control and reverse the HIV/AIDS epidemic. At this point in the effort, it is better for host countries and civil society to bear the ongoing burden of managing HIV/AIDS at the local level. The US will continue to provide targeted assistance that serves our national interest by focusing on countries with increased HIV/AIDS burdens. The Budget also proposes to eliminate Family Planning programs, a savings of approximately $237 million. These programs are used to normalize and push access to abortion and promote the LGBTQIA+ agenda as part of "family planning" and under the euphemism of "reproductive health." USAID even boasts that their Family Planning programs have led to a reduction in family sizes, and by inference, global population, writing that "when USAID launched its family planning program in 1965, fewer than 10 percent of women in the developing world (excluding China) were using a modern contraceptive method, and the average family size was over six. Today, in the 31 countries where USAID focuses its support, modern contraceptive prevalence has increased to 32 percent, and the average family size has dropped to 4.2." *Saves $3.4 billion compared to FY21.*

Eliminates the Vast Majority of Migration and Refugee Assistance: The US has historically offered over-generous support to those seeking to come to our homeland when fleeing international disasters, war, and unrest. Along with being too generous without any regard to a domestic and cultural benefit, many refugees fail to receive proper vetting. In September of 2022, two Afghan refugees were "accused of attempting to sexually assault children and physically abusing a woman in separate incidents while living at Fort McCoy in Tomah." Many other examples of similar behavior exist. Furthermore, the best place for international refugees and displaced persons to be cared for is in the safest neighboring country closest to their own homeland, so that they can return as expeditiously as possible to begin the task of rebuilding and national restoration. The Budget proposes a $3.4 billion reduction to the Migration and Refugee Assistance, while maintaining $46 million to continue the operation of the Humanitarian Migrants to Israel (HMI) Program. This will enable the US to continue to support solutions for international displacement that put the interests of American citizens first. *Saves $3.4 billion compared to FY21.*

Multilateral Assistance

The Budget proposes to end most of the program focused on "financial diplomacy" abroad, given that the majority of these activities are primarily used as US-funded bailouts given to countries where capital investment is incredibly risky and the national debt is unsustainable with the goal of creating economic conditions that are more hospitable to economic investment. Unfortunately, these programs usually fail to substantially change the economic conditions and more often than not create a cycle of dependency.

The US is also the largest contributor to numerous international banks focused on "development." These contributions are run through the Treasury Department to institutions like the World Bank and region-specific development banks. The Budget eliminates the majority of US contributions in this space, cutting waste to better route taxpayer resources to strategic interests.

Eliminating Unnecessary and Wasteful Multilateral Assistance: The United States makes contributions to two major World Bank programs, the International Bank for Reconstruction and Development and the International Development Association. Both programs provide loan guarantees, loans, and grants to primarily low-income countries. Similar to contributions made to debt restructuring, the US is the largest contributor to both programs. Large-scale programs designed to artificially distort the market by lending and subsidizing investments in countries with high-risk environments do not advance US strategic interests and in fact, create a perpetual cycle of dependency for capital without the necessary incentive of possible failure. *Saves $1.2 billion compared to FY21*

African Development Bank, African Development Fund, Asian Development Fund: The African Development Bank (ADB) and African Development Fund (ADF) exist to generate and finance economic growth and development on the African continent for the purposes of poverty alleviation. The Asian Development Fund supports projects in developing member countries by seeking to generate economic growth through both public and private sector operations. With an operating budget that exceeds $22 billion for FY21, ending the US annual contributions of approximately $47 million will have no impact on their enduring mission or future success. The Asian Development Fund is more than capable of pursuing its key commitments without American contributions. *Saves $273 million compared to FY21.*

Eliminates Funding for the Millennium Challenge Corporation: The Millennium Challenge Corporation (MCC) was created to reshape how the US administered foreign aid by requiring certain standards in law, human rights, and economic freedom from beneficiary nations to incentivize long-term change in corrupt, underdeveloped nations traditionally inhospitable to facilitating economic growth. Unfortunately, this new model has not produced desired results which is why Congress has repeatedly kept funding at minimal levels rather than increasing to the originally conceived $5 billion annually. Further, the MCC produces no tangible gains for US strategic interests. In fact, at its inception, the Millennium Challenge Corporation was intentionally insulated from serving US foreign policy interests. The Budget would eliminate funding for the MCC. *Saves $912 million compared to FY21.*

DEPARTMENT OF EDUCATION

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Education	73.0	88.3	54.1

The Budget proposes $54.1 billion in discretionary funding for the Department of Education (ED) in FY23, a decrease of 25.9 percent over FY21 enacted levels. To turn back the far-left tide that marched into public education classrooms, the Budget proposes a substantial funding reduction for FY2023. These reductions are designed to mitigate and thwart the weaponization of the public education system which is an existential threat to the American Republic. The Budget's numerous proposals seek to end the left's concerted and intentional efforts to make neo-racism and gender theory the core of elementary, secondary, and post-secondary education. This pervasive attempt by the left to create a generation of revolutionaries to literally overthrow the country is eliminated and responsibility for public education returned to the states enabling parents to better exercise their rights to educate their children.

Under the Biden Administration, ED embedded "equity" throughout the entirety of its operations. Its comprehensive strategy focuses funding, third-party contracts, and regulations pertaining to postsecondary and K-12 institutions not on equal access but on "equity" and addressing "systemic racism." For example, ED is providing millions of dollars to establish new regional "Equity Assistance Centers," to train teachers on racial inequities and "socially transition" a child without the parent's knowledge. The Department has provided more than $60 million to existing programs to train teachers and school boards in the how-tos of critical gender and race theories on inclusivity and equity. The Department also implemented a rule outlining "culturally responsive learning" for grants predicated on 1619 Project propaganda and Ibram Kendi's radical CRT teachings.

ED is not just engaged in promoting and funding woke propaganda, but it is weaponized against parents. Emails obtained after public information requests indicated Biden Education Secretary Miguel Cardona collaborated with the National School Board Association teachers' union and the White House to mobilize the Biden Justice Department against concerned parents by opening domestic terrorism investigations into them.

ED has adopted radical gender theory in its proposed Title IX rule that would gut protection for women and girls to advance biological untruths in the name of radical gender theory. The Department's direct support of COVID-style mandates, grooming minors for so-called gender transition, and labeling objecting parents as domestic terrorists requires a reckoning of how deeply flawed the federal education system has become.

The woke-rot is endemic, from funding "culturally responsive STEAM" to "Latinx DEI" in community colleges, and "anti-racism" in St. Louis charter schools, wherein schools "commit… to push for effective public policy and … advocates at the state and local levels, and works with its neighbors to engage in anti-racist and anti-bias dialogue." The Department has embraced the left's agenda which is wholly antithetical to sustaining our strong, prosperous, and American nation and must accordingly be dismantled.

Discretionary Savings

Eliminate Woke Training and School Improvement Programs: The Budget proposes the creation of a single block grant program to consolidate nearly 30 varying elementary and secondary education programs. The Department has embarked on a mission to embed critical theory in all of its programs and funding streams, this consolidation into a single block grant program significantly reduces staffing and administrative costs but also degrades the opportunity for woke bureaucrats to meddle in the education policies of local school districts. Aside from significantly reducing the Department's administrative costs and bureaucracy, this reform institutes greater oversight and accountability to monitor and halt the Department's increasing emphasis on critical theory and other radical ideologies used in grantmaking decisions.

The Budget also proposes to significantly eliminate several teacher training programs which function as consortiums for critical theory. For example, the Department recently awarded a $1.9 million grant to an Illinois non-profit designed to train teachers to "center equity" and be "culturally responsive" in the classroom in order to "address the enduring and systemic inequities in school systems." In another instance, it awarded a $2.7 million grant to a Rhode Island non-profit designed to train teachers and administrators to "address the root causes of educational inequities" and transform systems by dismantling systemic racism and a $1.5 million grant to the University of Texas Arlington to instruct teachers on how to blend math with social-emotional learning (SEL) and other Critical Theory concepts.

These programs received $24.8 billion in FY21 and would be replaced with a $16.2 billion block grant in FY23. The block grant would not include funding for Impact Aid and special education and disabilities grants which would continue to receive high levels of funding elsewhere. *Saves $8.2 billion compared to FY21.*

Restore Value in Higher Education: Costs of college tuition have skyrocketed 175 percent in the last 4 decades, far exceeding inflation rates. Meanwhile, the value of the degree has not kept pace. Indeed, colleges and universities are no longer institutions of academic rigor, freedom of inquiry, or speech. Instead, students and faculty are at the mercy of woke administrators. For example, administrators at Yale Law School threatened to obstruct the character and fitness portion required for a bar license of one of its students for little more than an uncouth email he sent. Faculty at the University of Pennsylvania, Georgetown University Law Center, and Princeton University have all faced threats of termination or demotion for expressing their opinions. ED is complicit in funding this degradation. These institutions receive hundreds of millions of taxpayer dollars every year; in 2019 totals were $98 billion in federal student aid, $41 billion in grants, and $10 billion in contracts.

Yet the American university is often now little more than an indoctrination camp. In order to realize the actual value in post-secondary credentialing, the Budget proposes to eliminate the federal student loan program, the largest subsidy to woke colleges and universities. Instead, the Budget proposes to refocus federal student aid in two specific ways. First, it is targeted to those with true financial needs, and second, it emphasizes and maintains robust funding on Career and Technical Education ($2 billion) so that increasingly every high school in America can have a CTE program.

Reorient Pell Eligibility: While providing $16.9 billion in FY23, the Budget proposes a series of discretionary policy changes to the Pell program, specifically reforming eligibility criteria through the implementation of tighter means-testing. This change ensures that Pell grants are only available to students with an expected family contribution of zero and restores the program to one that is truly needs-based. Furthermore, the Budget reforms halt the unchecked expansion of the Pell program, which has undergone a series of recent statutory changes broadening questionable eligibility criteria during the pandemic. *Saves $7.6 billion compared to FY21.*

Abolish Federal TRIO Programs: The federal government spends a significant amount of funding preparing particular students for postsecondary education. The TRIO Programs are a collective of eight programs that are meant to train particular students for college. This reveals an ongoing bias towards subsidizing a college degree that may not be the best path to a career. In addition, these programs often simply do not work. For instance, only six percent of participants in the McNair Post Baccalaureate Achievement Program from 1989 through 1998 had earned their doctoral degree by 2003. According to GAO, ED relies on self-reported data to determine program efficacy, which the Department has little means of verifying. In addition, ED has never studied the effectiveness of 3 of the eight programs.

Rather than expensive, yet pretended gestures, the Budget proposes to eliminate the Washington mentality that attempts to channel every person toward a four-year degree, regardless of desire, need, or aptitude. Especially as these institutions have not proved an overall adequate return on investment and instead force woke ideology into every aspect of their degree programs. The Budget maintains appropriate support for various career paths, from apprenticeships to a four-year degree for students with demonstrated need. *Saves $2.1 billion compared to FY21.*

Mandatory Savings

Phase-out the Federal Student Loan Program: Over the past half-century, federal involvement in lending to students has failed to make college more affordable. According to the federal Department of Education, average college tuition, room and board, and fees have increased by more than 175 percent since 1980, even after adjusting for inflation. Instead, generous federal subsidies have encouraged universities to increase tuition, quite often to grow both bureaucracy and amenities not essential to their academic mission. Additionally, the prospect of large-scale student loan forgiveness of the kind the Biden Administration recently enacted, raises the specter of the federal government providing a mass subsidy to a small portion of the population, many of whom come from affluent backgrounds.

Moreover, the return on investment (ROI) for a quarter of bachelor's degrees is negative, i.e. the person would have been better off not getting the degree at all. More than half (68 percent) of visual arts and music degrees have negative ROI, as do most degrees in philosophy and religious studies (60 percent), and nearly 30 percent of psychology, English, liberal arts, or humanities degrees all have negative ROI. Even 31 percent of life sciences or biology degrees have a negative ROI. Beyond specific degree programs, post-secondary institutions have seen a marked decline in academic rigor. One study followed 2,300 students at 24 universities over the course of four years and found that 1/3 of them showed no improvement in critical thinking and writing skills. Setting aside the earnings potential, further declines in academic rigor are evidenced by the finding that 57 percent of college graduates failed a civic literacy exam. Finally, only 42 percent of alumni when surveyed strongly agreed that they were challenged academically in college, meaning more than half did not agree.

For these reasons, the budget proposes eliminating all elements of the Federal Student Loan Program— Stafford and PLUS loans. Saves $16.6 billion over ten years.

Limit Graduate Student Loans: During the phase-out period, the Budget proposes to consolidate all graduate loans into a single program with one interest rate and a cap. Students could borrow amounts up to the cost of attendance minus other aid. This would put reasonable limits and requirements on graduate borrowers during the phase-out of the federal loan program. *Saves $25.1 billion over ten years.*

Eliminate Subsidized Student Loans: During the phase-out period, and in order to simplify the program, the Budget proposes to eliminate subsidized loans. There is a logical failure in differentiating between loans based on income at the time of borrowing, when the entire point of the loan is to acquire a degree that affords a job and wage that will enable paying off said loan no matter the income level before the degree was acquired. There is no merit to granting certain low-income individuals a subsidy at the time of loan issuance when there is no payment at all on the loan for a certain period of time. The Budget proposes to eliminate these subsidized loans. *Saves $18.1 billion over ten years.*

Repealing these programs would eliminate a major driver of the rising cost of tuition, encouraging students and parents to make more budget-conscious choices about where and when they participate in higher education, and the degree and career paths they choose.

The Pell Grant program would remain, to serve low-income students most in need of tuition assistance. But blank check policies from Congress would cease, restoring accountability to university administrators who currently believe they can raise tuition at will, knowing that federal subsidies mean students will not have to pay for colleges' uncontrolled spending.

Create Single Income-driven Student Loan Repayment Plan: The Budget proposes to consolidate Income-Driven Repayment (IDR) into a single IDR plan. Existing IDR plans include five suboptions for repayment, Income Contingent Repayment (ICR), Income-Based Repayment (IBR), New IBR, Pay As You Earn (PAYE), and Revised Pay As You Earn (REPAYE), under the Budget proposal all of these would be simplified into a single IDR plan. Single IDR would set a borrower's monthly payment at a low but reasonable percentage of the individual's discretionary income. This Single IDR plan requires borrowers to make monthly repayments based on their income and therefore ability to repay. *Saves $59.4 billion over ten years.*

Eliminate Standard Repayment Cap: The Budget's Single IDR plan also eliminates the standard repayment cap to ensure that high-income, high-balance borrowers make payments commensurate with their income. Saves $27.6 billion over ten years.

Both reforms will ensure that gainfully employed individuals pay off their loans in a timely manner. Especially high-income, high-balance borrowers who can be legitimately expected to pay a greater share of their loans than they would have been required to under the other so-called income driven repayment plans.

Combined AGI for Married Filing Separately: Married borrowers who file separately would have their repayments determined based on both their and their spouse's income. *Saves $4.9 billion over ten years.*

Eliminate Public Service Loan Forgiveness: The Budget proposes to eliminate the Public Service Loan Forgiveness (PSLF) program. The PSLF program has proved to be complicated to navigate, and inefficiently targeted to support only government and not-for-profit sector job seekers. This inappropriately offers taxpayer subsidies to grow the woke bureaucracy. *Saves $52.2 billion over ten years.*

Eliminate Mandatory Pell Grant Add-On: While most funding for the federal Pell Grant program comes through the discretionary budget, another mandatory payment increases the maximum Pell Grant by $1,060. The Budget eliminates these supplemental Pell Grant payments. This change would allow Congress to determine the proper amount to spend on the Pell Grant program annually, allowing for greater oversight at a time when universities continue to raise tuition at above-inflation rates. *Saves $62.6 billion over ten years.*

DEPARTMENT OF THE TREASURY

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Treasury	13.5	16.2	10.6

The Budget proposes $10.6 billion in discretionary funding for the Department of the Treasury in FY23, a decrease of 21 percent over FY21 enacted levels. These funding reductions are primarily aimed at disarming a weaponized and newly-bolstered Internal Revenue Service (IRS) from targeting hardworking Americans and struggling families in a craven effort to sustain the broader bureaucracy's radical progressive agenda.

The Budget cuts off funding for the recent hiring of 87,000 new IRS agents, enacts significant funding reductions to the agency's enforcement division, and initiates modest decreases to operations within taxpayer services. The proposal eliminates the Community Development Financial Institutions Fund (CDFI) in recognition that institutions within the low-income lending and financial services industry have matured since CDFI's creation in 1994 and discards the recent focus within the Office of Inspector General (IG) on progressive cultural initiatives while implementing massive funding reductions within Treasury's International Programs. The proposal also proposes a series of substantive policy reforms within the mandatory programs overseen by Treasury–including anti-fraud reforms for both the Earned Income Tax Credit (EITC) and the child tax credit, bailout protection provisions within the two major government-sponsored enterprises (GSEs) at Fannie Mae and Freddie Mac, and elimination of wasteful energy tax credits provided to well-heeled corporations.

The insatiable appetite of the federal leviathan for ever more spending and revenue jeopardizes the economic health of the republic. It also heaps insult upon injury for the struggling working-class Americans who are asked to hand over more of their hard-earned money to a weaponized bureaucracy that seeks to destroy their values with their own resources. The Budget begins the process of restitution–through decisive reforms designed to take the target off the back of working Americans and their families.

Discretionary Savings

The Budget proposes significant funding reductions for the Internal Revenue Service beginning with an immediate halt to the hiring of 87,000 new tax enforcement officers authorized under the dubiously-titled Inflation Reduction Act. The IRS has a well-known history of weaponization against groups and political organizations disfavored by the bureaucratic elite as evinced by the Tea Party targeting scandal under Lois Lerner. Recent examples include the denial of tax-exempt status to the nonprofit Christians Engaged due to a stated rationale that the Bible's teachings are apparently synonymous with the Republican Party. Meanwhile, the IRS turns a blind eye to the Southern Poverty Law Center (SPLC) and other far-left organizations that engage in partisan voter registration and outreach–without any consequence to their tax-exempt status–so long as the organizations don't endorse specific candidates. Such duplicitous actions willingly flaunt existing guidelines and statutes, revealing a two-tiered system for the exclusive benefit of progressive ideologues.

The IRS would receive $9.5 billion in FY23, a decrease of $2.4 billion or 20.3 percent relative to FY21 ($11.9 billion). The primary component of the spending reductions to the IRS comes from a 50 percent cut to the agency's taxpayer enforcement division.

Hardworking American citizens and their families should not be targeted for harassment amid state-sanctioned tax grabs designed to satiate the appetite of the federal bureaucracy and fund its destructive woke agenda. The Budget proposes an end to taxpayers funding their own harassment. *Saves $2.4 billion compared to FY21.*

Community Development Financial Institutions Fund

The Budget proposes to eliminate funding for the Community Development Financial Institutions Fund (CDFI) and its commensurate grant programs. The CDFI industry has matured and these institutions should have access to substantial private capital for the purpose of extending credit and providing financial services to low-income communities. Since the program's establishment in 1994, over 1,100 Treasury-certified CDFIs have been created throughout the country. These include a wide array of credit unions, venture capital funds, and community development banks present in all 50 states as well as the District of Columbia.

The proposal maintains funding for administrative expenses to support ongoing CDFI Fund program activities and extends the Bond Guarantee Program. However, in recognition of the success of this initiative and the maturation of the industry in which CDFI intended to help, the proposal zeroes out CDFI's discretionary and direct loan grant programs. *Saves $256 million compared to FY21.*

Mandatory Savings

The Budget proposes a series of significant policy reforms to mandatory programs administered through the Department of the Treasury. This includes structural policy changes to Fannie Mae and Freddie Mac to mitigate future risk of taxpayer bailouts, anti-fraud measures for the Earned Income Tax Credit (EITC) welfare program, and programmatic changes regarding the eligibility criteria for the child tax credit to tighten the integrity of a program that was used as a political prop by the Biden administration during the passage of the $1.9 trillion American Rescue Plan with the promulgation of the advanced child tax credit.

In total, the Budget proposes mandatory policy changes to programs administered through Treasury that are expected to save $901.8 billion over a 10-year budget window ending in FY32. These changes will ensure improved long-term sustainability for those who rely upon the benefits conferred by mandatory programs while enhancing the overall fiscal trajectory of federal spending.

Increase Fees Charged to Government-Sponsored Enterprises: In 2008—due to the effects of a housing crash that lending giants Fannie Mae and Freddie Mac helped to create—the government had to take both government-sponsored enterprises (GSEs) into conservatorship. Rather than leaving these two GSEs on the government books, and running the risk of another large taxpayer-funded bailout, a better reform would eliminate the federal government's role in subsidizing mortgages, allowing private markets to provide liquidity. To start that process, the Budget would increase the guarantee fees the federal government charges the GSEs by 0.15 percent, while reducing the maximum mortgage loan the GSEs can underwrite by five percent per year. *Saves $34.4 billion over ten years.*

Improve Tax Administration and Program Integrity: The Budget proposes changes to the program integrity cap, increasing anti-fraud enforcement efforts over programs like the Earned Income Tax Credit (EITC) in ways that will save taxpayers money. *Saves $81.6 billion over ten years.*

Repeal Energy-Related Tax Credits: The Budget proposes eliminating certain ineffective energy tax credit programs that provide subsidies to corporations while not delivering proper value for taxpayers' money. Specifically, the proposal targets the Renewable Energy Investment Tax Credit (ITC) and the Carbon Oxide Sequestration credit as both elevate a radical green agenda specifically designed to increase consumer costs and the price of electricity in service to woke climate extremism. *Saves $198 billion over ten years.*

Program Integrity for Child Tax Credit and EITC: Current law allows individuals without a Social Security number (SSN) to work in the United States to claim the EITC and dependent tax credit, provided that the child for whom they claim the credit has a valid SSN. This proposal would ensure that only those authorized to work in the United States could claim these credits, by requiring all filers who claim them to have a valid SSN. *Saves $72.8 billion over ten years.*

Repeal Obamacare Subsidies: The regime of welfare subsidies for health insurance, administered through the federal tax code, has helped to increase insurance premiums. During the first four years of Obamacare's implementation, premiums more than doubled, harming families who do not qualify for insurance subsidies. Rather than retaining Obamacare's distortionary regime—which provides some subsidies to some people, only if they choose to purchase insurance the government defines in the way the government demands—the Budget repeals these inflationary subsidies that go to people with incomes as high as $111,000, allowing individuals to purchase the coverage they most value. *Saves $642.4 billion over ten years.*

DEPARTMENT OF LABOR

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Labor	12.5	14.6	7.5

The Budget proposes $7.5 billion in discretionary funding for the Department of Labor (DOL) in FY23, a decrease of 39.8 percent over FY21 enacted levels. DOL is meant to serve American workers by providing training opportunities to improve skills and enter the workforce, maintain appropriate working conditions, and secure retirement benefits. The Budget refocuses DOL on its highest priority functions and restores fiscal discipline by eliminating programs that are duplicative, ineffective, or outside DOL's mission. For example, the Department's Climate Action Plan purports to co-opt most DOL programs into training for "equitable, energy sector… jobs and industries critical to delivering a clean energy future." Meanwhile, the Budget proposes two premium reforms that ensure the solvency of the Pension Benefit Guarantee Corporation (PBGC).

The Budget puts American workers first by refocusing investments in training programs that are effective, enforcing worker safety laws, and eliminating woke bureaucracy that is weaponized against the American people. To that end, the Budget increases funding for apprenticeships by 8.1 percent compared to FY21. Apprenticeships are proven to help workers build skills and remain competitive in a dynamic economy. The Budget also provides funding to maintain DOL core functions with increases directed at those programs that protect working conditions for workers.

However, putting the American worker first also means putting the taxpayer first. The Budget eliminates those programs that do not serve the broader labor market or American workforce but instead push a partisan political agenda. For example, the Civilian Climate Corps and Veterans Clean Energy Training programs, which are wholly "focused on equitable, energy sector strategies" and preparing for "a clean energy future" are eliminated.

Discretionary Savings

International Labor Affairs: The Bureau of International Labor Affairs' mission is primarily focused outside the United States. It is occupied with "global labor standards," enforcing trade agreements, and promoting "racial and gender equity." It also purports to "combat child labor and human trafficking." Yet, the Biden Administration's lack of immigration enforcement has served as a support to the cartels in their human trafficking at the US Southern Border. The preoccupation with radical race and gender theories abroad is wholly outside the scope of promoting and putting the American worker first. For those reasons, the Bureau of International Labor Affairs is significantly scaled back, by 80.6 percent compared to FY21. The remaining funds should be used to enforce labor standards in agreements with trading partners and halt the human trafficking going on at our Southern Border. *Saves $77.5 million compared to FY21.*

Eliminate Ineffective Programs: The Government Accountability Office (GAO) study on Federal Employment Training Programs found there are some 43 programs serving similar populations and purposes across the federal government. DOL houses the majority with 19. The Budget seeks to refocus and eliminate programs where necessary to reduce inefficient duplication.

Job Corps centers are among the most expensive training programs but do not adequately prepare youth for the workforce. Of late, Job Corps centers have also been plagued with significant safety violations. According to a GAO study, from July 2016 to June 2017 Job Corps centers reported 13,673 safety and security incidents involving students, including 3,926 drug-related incidents and 2,593 assaults. In addition, the Department added the Job Corps programs to the Biden Administration's Justice40 initiative which directs that 40 percent of "certain Federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution." The Budget, therefore, proposes to eliminate the ineffective Job Corps program while simultaneously funding apprenticeships, which have a strong track record of providing skilled employees and higher wages ($200 million) and other youth training activities. *Saves $1.8 billion compared to FY21.*

YouthBuild is meant to be a pre-apprenticeship program for those who have dropped out of high school. The program provides about $90 million in grants per year and by its own estimation assists 5,000 individuals a year. That is a cost of $18,000 per individual served. Under the Biden Administration, YouthBuild is also part of the Justice40 initiative and its funding priorities are to "provide training in green construction." While YouthBuild recognizes the harmful impacts of the lack of resilient community support and so tries to create artificial communities, the federal government is not a replacement for resilient local communities. This program is eliminated and responsibility for vibrant communities is returned to the states. *Saves $96.4 million compared to FY21.*

Broadly, as with Job Corps and YouthBuild, the Department's Youth Activities are focused on providing employment and training opportunities for disadvantaged 16-24-year-olds, including connections to summer jobs. However, the program also provides millions in grants to woke third parties, including UnidosUS ($3.8 million in 2017 for reentry employment), which hosts townhalls on "the Future of Policing in America," and is "committed to showing all Americans what structural racism is" and how to end it. Each of these youth-related activities is the primary responsibility of states and local communities. The federal government is no replacement for a community that values educating its young people and the accountability to become productive members of the community. The practice of sending taxpayer dollars to third parties with distinctively leftward policy priorities is eliminated. *Saves $921.1 million compared to FY21.*

Adult Employment and Training Activities program is substantially reduced and returned to states and employers with the primary responsibility for educating the workforce. However, the Budget preserves funding for military spouse training. *Saves $762.6 million compared to FY21.*

The US Employment Service System (Wagner-Peyser employment service) originated during the Great Depression and is outdated for connecting workers to employers in the internet age. Indeed, the Workforce Innovation and Opportunity Act (WIOA) attempted to address some of this by requiring workforce development programs to co-locate into a one-stop delivery system. The Budget proposal eliminates the duplication and returns the entirety of the mission to connect workers with employers to states. *Saves $670 million compared to FY21.*

End Funding to Woke Third Parties: The Occupational Safety and Health Administration (OSHA) has doled out millions in grants to woke third parties via its Susan Harwood Grants. Ostensibly the funding is meant to provide training on worker safety and health hazards, however, these grants serve as a pipeline to woke third parties like California Rural Legal Assistance, Inc., whose programs include "community equity," to advance environmental justice, and "indigenous program," to promote "the original inhabitants of Latin America who lived and thrived for thousands of years before Spanish speaking Europeans arrived," and its "LGBTQ+," to fight such injustices like "unwelcoming education and health care systems." GRID Alternatives is also an OSHA grantee. Its focus is on "low-income solar policy" and bills itself as "the nation's largest nonprofit solar installer." Finally, Make the Road New York, "the largest progressive grassroots immigrant-led organization in New York state [that] helps deal with "deeply entrenched systems of oppression." The point is that such organizations have a very specific set of partisan policy ideas and preferences and the taxpayer should not be forced to subsidize the woke ideology of private third parties. The Budget proposes to eliminate funding to partisan entities that advocate for partisan policies. *Saves $115.2 million compared to FY21.*

Mandatory Savings

The Budget requires a renewed focus on protecting potential workers through improvements to the unemployment insurance program and the American worker upon retirement.

Reform PBGC Premiums: With respect to multi-employer pensions guaranteed by the federal Pension Benefit Guarantee Corporation (PBGC), the Budget proposes two reforms. First, the Budget creates a variable-rate premium, in which employers get assessed based on their level of pension under-funding, and thus the likelihood that the federal government would have to step in and take over the pension plan. Second, for employers looking to exit a multi-employer pension plan, the Budget proposes an exit premium equal to 10 times the maximum variable-rate premium, in an attempt to prevent firms from "dumping" their liabilities on the federal government. Enacting these two changes will preserve the PBGC multi-employer program's solvency for approximately 20 years. *Saves $27 billion over ten years.*

Improve Unemployment Program Integrity: To improve the efficiency of the unemployment compensation program, the Budget proposes grants to states to tackle improper payments. The proposal would require states to use existing tools to strengthen program integrity, while granting new authorities to spend UI funds on efforts to root out waste, fraud, and abuse. *Saves $10.1 billion over ten years.*

NATIONAL SCIENCE FOUNDATION

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
EPA	8.5	10.5	3.9

The Budget proposes $3.9 billion in discretionary funding for the National Science Foundation (NSF) in FY23, a decrease of 54.4 percent over FY21 enacted levels. NSF originated in 1950 primarily to "promote the progress of science; to advance the national health, prosperity, and welfare; [and] to secure the national defense." The Budget's spending decreases reflect a 50 percent cut to research to force a reprioritization of the core mission of NSF and eliminate the leftward march of the agency and its funding choices. NSF is a major source of funding for universities, which have depleted their efficacy as research institutions by adopting radical gender and race ideology and infusing it in every aspect of their activities.

With its 2,000-member staff and billion-dollar budget, the NSF is a massive funding enterprise. Every year, NSF issues thousands of grants. Most of its funding, 80 percent, goes to colleges and universities; 13 percent funds private industry, and the rest goes to federally funded research and development centers or other recipients. In addition to research grants, NSF provides funding for infrastructure, facilities, and equipment. Unfortunately, the NSF grants and contracts are not well targeted and instead become another forum for wasteful spending to prop up woke ideologues. A sampling of recent grants illuminates this reality.

NSF granted Allegheny College $1.4 million to increase "diversity and inclusion in STEM" via mentorship. Allegheny College is a small (1,800 student body) private liberal arts college with an average class size of 11 and student to faculty ratio of 11:1 and annual tuition plus fees of $69,656. There fails to be an actual need for additional taxpayer funding for this well-off private institution.

NSF granted the America Society of Engineering Education, "the only national convener of important influencers," and with its own annual budget of $17 million, $473,325 for a "virtual community" to "promote LGBTQ inclusion in engineering." NSF also granted the University of Illinois $15,000 for the same purposes.

NSF granted Education Development Center Inc., which is a global non-profit with "programs to improve education, health, and economic opportunity worldwide," $2.2 million to "promote informal Latinx science learning" through a "culturally responsive Telenova series."

Restore America's Estuaries, a climate change advocacy organization, received $49,634 to "enhance DEI" in "the coastal sector." Finally, the Science Museum of Minnesota with about $138 million in assets, was granted about $200,000 for "museum-community conversations that intersect STEM and racial justice."

The Budget's 50 percent reduction to research funding requires NSF to make better decisions and target grants to actual research that will benefit the whole country, not just propagandize for woke ideology. This saves $4.6 billion in FY23.

ENVIRONMENTAL PROTECTION AGENCY

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
EPA	9.2	11.9	6.5

The Budget proposes $6.5 billion in discretionary funding for the Environmental Protection Agency (EPA) in FY23, a decrease of 29.5 percent over FY21 enacted levels. These funding reductions encompass a series of reforms that reorient the agency back to its core mission of ensuring Americans have breathable air, clean water, and unpolluted environments that are accessible to the public. Fundamentally, the EPA's radical shift toward climate extremism and a destructive green energy regulatory agenda is little more than a declaration of war on hard-working Americans and their families. Programs that pour tax dollars into such extreme initiatives, such as the Information Exchange Outreach program, are eliminated while other areas, like criminal enforcement of bureaucratic whims, have been drastically reduced in a bid to alleviate the negative impacts such policies have on employers and working households. The Budget ensures that superfund sites remain prioritized and funding levels for the Water Infrastructure Finance and Innovation Act (WIFIA) remain in place. Overall, the reallocations emphasize the EPA's core function in preserving clean air, clean water, and clean environments while ensuring the agency has the capacity to respond to environmental disasters and hazard clean-up.

As part of the Budget's emphasis on halting a woke agenda leveraged by federal bureaucrats and agencies, the Equity Action Plan is fully eliminated and defunded. EPA has engaged in myriad actions that have weaponized government against the American people in a bid to force compliance with far-left ideological standards. This includes the elimination of competitive grants through the Office of General Counsel (OGC) to DEI-obsessed organizations like the Ivy Planning Group as well as an end to targeted enforcement policies that have sent Americans to prison in the name of climate extremism. No American should spend almost two of their last years of life in jail (as Navy veteran Joe Robertson did) simply because they dare to build retaining ponds on their property. As such the enforcement division within the Environmental Programs and Management subdivision is reduced. The Environmental Justice fund is completely zeroed out as that program is little more than a repository for funneling tax dollars to woke organizations seeking to advance costly and destructive green energy mandates on working Americans. The Budget eliminates the Environmental Information Exchange

Network, which issues millions in competitive grants on the basis of race essentialism while marrying environmental safety with radical critical race theory.

The Budget also includes significant spending cuts to State & Tribal Assistance Grants achieving nearly $1.2 billion in FY23 savings and dislodges federal interference in state and local air quality through funding reductions to duplicative and inefficient categorical grant programs. The proposal ensures that states can request additional flexibility in how they carry out activities required under federal statute. Furthermore, the Budget completely eliminates the agency's Geographic Programs which fund ecosystem protection activities that are inherently state and local in nature. This reallocation ensures the EPA can refocus its resources on its core mission.

Discretionary Savings

Reduction in Categorical State and Tribal Assistance Grants: The Budget significantly reduces funding for the EPA's categorical grant programs including state and tribal assistance grants. Many states have been delegated authority to implement and enforce federal statutes under the Clean Air Act, Clean Water Act, and Safe Drinking Water Act. The proposal seeks to reduce these grants to ensure that state environmental activities do not exceed EPA's statutory requirements and to remove federal interference from state and local environmental protection efforts. *Saves $1.7 billion compared to FY21.*

Elimination of Geographic Programs: The Budget completely eliminates the agency's Geographic Programs funding stream which engages in ecosystem protection activities. These activities, which include the Great Lakes, Chesapeake Bay, and Puget Sound, are inherently state and local in nature. Elimination of this program ensures the agency can remain focused on core national priorities while freeing up state and local entities to spearhead restoration activities and management. *Saves $483 million compared to FY21.*

Elimination of the Information Exchange Network: The proposal zeroes out the agency's slush fund for "environmental education" and race-based competitive grants. The Environmental Information Exchange Network doles out taxpayer money to well-connected entities on the basis of race essentialism to advance a radical green energy regulatory agenda in the name of "equity." In reality, this program weaponizes federal resources against working families and small businesses through the promulgation of cost-driving mandates and coercing recipients to adopt harmful policies in the name of climate extremism. *Saves $116 million compared to FY21.*

Reallocation of Research Funding: The Budget proposes to reconfigure and restructure the EPA's activities in research and development to focus on priorities that align with statutory obligations. Extramural funding in the form of grants to non-federal entities would cease, including to organizations like the National Resources Defense Council, which engages in "climate litigation" against coal workers and helped shut down the Keystone XL pipeline. The EPA would continue to perform important environmental research to support basic and early-stage R&D in environmental and human health sciences. The proposal also ensures that EPA will continue to carry out lead exposure modeling to protect the health of vulnerable populations. *Saves $240 million compared to FY21.*

Elimination of Environmental Justice Fund: The Budget completely eliminates funding for the agency's equity-based environmental justice initiatives. These programs serve as taxpayer-funded repositories to reward organizations and entities advancing a radical climate change agenda, including illegal immigration advocacy groups like CASA de Maryland, which serves as a front for promoting sanctuary city policies and open borders. *Saves $11 million compared to FY21.*

Defanging Extreme Enforcement: The proposal takes significant measures to curb the agency's aggressive pivot toward climate extremism through its enforcement arm. The weaponization of an environmental agency toward working Americans in essential energy industries, agriculture, and small businesses cannot continue and the Budget ensures that such activities are brought to a swift end. *Saves $52 million compared to FY21.*

DEPARTMENT OF TRANSPORTATION

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Transportation	25.3	26.8	27.9

The Budget proposes $27.9 billion in discretionary funding for the Department of Transportation (DOT) in FY23, an increase of 10.0 percent over FY21 enacted levels. The spending increases reflect additional allocations for highways, railways, ports, and airports, and important reforms to provide critical investments in the Nation's infrastructure. For example, the Budget proposes to increase funding for the nation's airports by 50 percent compared to FY21 levels.

Beyond the annual appropriations and fully funding the current surface transportation program, the Budget maintains the Infrastructure Investment and Jobs Act's (IIJA) 10-year reauthorization of the Highway Trust Fund and $187 billion for additional infrastructure investments, across DOT modes. The Budget proposes to build a strong, modern, transportation infrastructure network that advances the Nation's safety, economy, mobility, and global competitiveness.

The Budget proposes reforms to the rail sector that fund modernization and redirect resources to areas that are most valuable and provide the greatest return on investment. To that end, the Budget would reduce funding for restoration and enhancement activities, and deployment of magnetic trains, and simultaneously increase funding for the Consolidated Rail Safety and Improvements Program (CRISI) by $625 million to $1.0 billion. CRISI grants fund capital projects that will improve the safety, efficiency, or reliability of passenger and freight rail transportation systems.

The Budget proposes increased funding for the nation's ports, $520 million over FY21 to $750 million, a 226 percent increase. The Port Infrastructure Development program provides grants to fund projects that improve land-based transportation facilities within and around coastal seaports. US supply chains depend on efficient ports. The Budget prioritizes ports to better integrate American commerce across multiple modalities. The US economy and commerce operate in a dynamic, complex, and global system, the Budget's prioritization of port infrastructure will enable us to better meet the demands of this system.

The Budget proposes to reorganize federal support for local transit. It reduces funding for the Inactive Transit Program, Technical Assistance & Training, Research, and Administrative Expenses and redirects funding to Capital Investment Grants which receive $2.2 billion, an 11.6 percent increase over FY21. The Budget proposed increase will provide funding for local transit projects that can be targeted to the most impactful projects with a higher share of local and private funding. Spending should be directed to transit with the most regionally significant and focused on maintaining current transit assets.

Finally, the Budget proposes to reduce funding in other areas that are outside the Department's mission. For example, the Disadvantaged Business Enterprise (DBE) is eliminated ($4.7 million). The DBE purports "to remedy ongoing discrimination and the continuing effects of past discrimination" in federal transportation contracts, but is little more than a moniker for woke bureaucrats inserting social justice into DOT programs.

DEPARTMENT OF ENERGY

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Energy	41.9	48.2	37.2

The Budget proposes $37.2 billion in discretionary funding for the Department of Energy (DOE) in FY23, a decrease of 11.1 percent from FY21 enacted levels. These reductions target wasteful and misguided "green energy" initiatives, ideologically driven and woke programs, and mission drift at DOE. The funding requested and prioritized puts America back on the path to energy independence, furthers scientific research, and fully funds critical national security priorities like continued nuclear modernization.

DOE's clear mission is to "ensure America's security and prosperity by addressing its energy, environmental and nuclear challenges through transformative science and technology solutions." Under the Biden Administration, the DOE has failed to deliver on the heart of that mandate—ensuring American energy security and prosperity. Soaring gas prices and rising electricity costs, combined with millions wasted on renewables and green energy programs that cannot compete without taxpayer subsidies, have left millions of Americans wondering if our national energy policies are intended to benefit everyday citizens or serve the interests of wealthy, well-connected elites who are peddling climate crisis narratives and renewable energy scams. The Budget proposal refocuses the DOE back to executing its main mission by fully funding the National Nuclear Security Administration (NNSA), significantly reducing funding for the Office of Energy Efficiency & Renewable Energy, eliminating the unnecessary Advanced Research Projects Agency-Energy (ARPA-E), and ending the Office of Economic Impact and Diversity Climate Justice program.

Full Funding for Nuclear Modernization: The Budget fully funds the National Nuclear Security Administration (NNSA). It requests a total of $21.4 billion, an 8.5% increase from FY21 enacted levels. Updating America's nuclear triad provides critical and strategic deterrence in an age of renewed Great Power competition. Ensuring that the US. has modernized and reliable intercontinental ballistic missiles and delivery systems is the cornerstone of a safe, secure, and effective nuclear arsenal. Furthermore, this Budget prioritizes improvements to other aging NNSA infrastructure, funding for state-of-the-art physical security, cybersecurity, and information technology, funding for enhanced nuclear counterterrorism and emergency operations, and funding for Naval Reactors.

Stops the Sell Off the Strategic Petroleum Reserves: The Strategic Petroleum Reserves (SPR) is a critical piece of the US national security and energy infrastructure. It was created in 1975 as the world's largest supply of emergency crude oil. The purpose of the SPR is to insulate the US energy supply from volatility in international oil markets and to guarantee key energy supplies in times of emergency or crisis. Due to the reckless, anti-fossil fuel agenda of the Biden Administration, President Biden has tapped the SPR repeatedly to try and blunt the rising energy costs associated with his anti-energy independence policies. This is a gross misuse of the SPR, which was intended for true emergencies. This Budget zeroes out funding for executing any further sell-off of the SPR, saving taxpayer dollars and forcing the Biden Administration to pursue domestic energy production instead.

Discretionary Savings

Wasteful Climate Programs: Under the Biden Administration, every agency of the federal government has been weaponized in the service of a woke agenda, and the DOE is no exception. The DOE's Office of Economic Impact and Diversity has taken the lead in implementing a wasteful agenda to promote "energy justice" by implementing the White House's Justice40 initiative. The DOE is also pursuing a misguided and reckless goal of an "equitable clean energy economy" and putting "America on a path to net-zero carbon emissions by 2050." Net-zero carbon emissions is an unattainable absurdity that will ensure the United States remains dependent on foreign oil and foreign energy, trapping us in an enduring national security crisis. The Budget eliminates all funding for the DOE's Office of Economic Impact and Diversity in FY23, saving $10.1 million compared to FY21 enacted levels. The Budget also proposes a 20% reduction for the Office of Environmental Management, providing $6 billion for FY23 as opposed to the $7.58 billion from FY21 enacted. *Saves $1.6 billion compared to FY21*

Reduces Misspent Funds on Science and Renewables: The Budget proposes $719.5 million for Energy Efficiency and Renewable Energy (EERE) programs. This represents a 74.8% reduction in FY21 levels of $2.9 billion. Taxpayer funding for "Sustainable Transportation," "Renewable Power," and "Energy Efficiency" programs, grants, and research must be targeted toward the goal of energy independence and domestic job creation. The DOE has no business funding programs that spend taxpayer dollars on renewable energy development in Nepal, Mexico, and Nicaragua through grants to GRID Alternatives, for example. While the Budget assumes a significant reduction, it provides nearly $720 million further America's leadership in the development of emerging energy technologies to power market-sustainable and serious renewable energy solutions. *Saves $2.1 billion compared to FY21.*

Ends Woke and Weaponized Grant Requirements: The DOE's Office of Science is the lead Federal agency supporting scientific research for energy. True science is the pursuit of truth–and race, gender, and sexual orientation play no part in that noble endeavor. Furthermore, taxpayer-funded research at DOE should be directed toward projects that directly support American energy and national security interests. In October of 2022, the Office of Science Funding Opportunity Announcements (FOAs) and the DOE National Lab Announcements issued a notice that beginning in 2023, all applicants will be required to submit a Promoting Inclusive and Equitable Research (PIER) Plan along with their proposal. According to DOE, a PIER Plan "should describe the activities and strategies applicants will incorporate to promote diversity, equity, inclusion, and accessibility in their research projects." As part of the 16.9 percent reduction in Science spending, the Budget proposes eliminating these PIER Plan requirements, which only undermine energy science and research, subverting it to a woke agenda.

Mandatory Savings

The Budget proposes a series of long-term reforms to mandatory programs administered through DoE. These changes will ensure Power Marketing Administrations (PMAs) implement changes to their rate structures consistent with utilities operated by the private sector. Additionally, the reforms include efforts to develop interim storage capacity for spent nuclear fuel.

In total, the Budget proposes mandatory policy changes that are expected to save $15.4 billion over ten years.

Divest Power Marketing Administration Transmission Lines: The Budget divests transmission assets held by the Bonneville Power Administration, which currently operates 15,000 miles of high-voltage transmission lines and 261 substations. Additionally, the proposal sells the electricity transmission assets of the Southwestern Power Administration and the Western Area Power Administration. Ownership of transmission assets is best carried out by the private sector where there are appropriate market and regulatory incentives. *Saves $4.1 billion over ten years.*

Reform Power Marketing Administrations: The Budget would allow federal Power Marketing Administrations (PMAs) to implement a utility rate structure that considers rates charged by comparable utilities in the private sector. This change would allow the federal government to recoup its spending on PMA activities more quickly while removing regulatory language that holds PMAs' rates to arbitrarily low levels, distorting the marketplace and discouraging private utilities from investing in generation and transmission. *Saves $8.6 billion over ten years.*

Restart Nuclear Waste Fund Fee: The Budget restores a fee to finance the Nuclear Waste Fund, which finances efforts to develop an interim storage program and continue the safe and secure management of spent nuclear fuel. No funding is assumed for the Yucca Mountain Nuclear Waste Repository. *Saves $2.7 billion over ten years.*

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DEPARTMENT OF AGRICULTURE

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Agriculture*	24.4	28.5	21.7

*Funding for Food for Peace is included in the State and International Programs total. Although the funds are appropriated to the Department of Agriculture, the funds are administered by the US Agency for International Development (USAID). However, the discussion is contained in this chapter.

The Budget proposes $21.7 billion in discretionary funding for the Department of Agriculture (USDA) in FY23, a decrease of 10.8 percent over FY21 enacted levels. These spending decreases reflect an across-the-board realignment within the USDA to ensure existing programs are better managed and more efficient in their execution. Targeted funding reductions include the elimination of increasingly radical grant approvals to far-left organizations driving an agenda of race essentialism within the food and agriculture industry as well as the zeroing out of the McGovern-Dole food program due to years of empirical data from the Governmental Accountability Office (GAO) showing high costs with dubious results. Additionally, the proposal completely eliminates the outdated Food for Peace program, wherein US exports crops and food to developing countries that purchase the goods with their currencies in exchange for economic development projects on the ground. The proposal also ensures that the Farm Safety Agency continues apace with its operations so that farmers receive the support they may need.

As part of the Budget's overarching theme of halting the woke agenda propagated by federal agencies and bureaucrats, the National Institute of Food and Agriculture (NIFA) receives a $605 million spending reduction from FY21 enacted levels. The agency has engaged in a deluge of radical grant approvals to organizations advancing Critical Race Theory within the food and agriculture industries. Examples include nearly $1.4 million in grants to Planting Justice, an organization in Oakland, California that advances a "food justice" agenda to fight alleged systemic racism in the industrialized food system, $200,000 to the University of Florida for a grant to "enhance diversity" in food economics, and over $350,000 to the Soros-backed Tides Center for indigenous community food projects. Additionally, the Budget proposes nearly $900 million in funding decreases for the Food and Nutrition Service (FNS), which has also doled out over $900,000 in grants to the Soros-backed Tides Center as well as thousands to the Earth Island

Institute, an environmental activist organization dedicated to ending reliable energy in the name of "climate justice."

The Budget also includes significant policy reforms on the mandatory side for USDA's programs. This includes the implementation of work requirements and elimination of the minimum benefit in the Supplemental Nutrition Assistance Program (SNAP), reform of child nutrition programs into a single block grant, and limiting payment acreage for both the Price Loss Coverage (PLC) and Agricultural Risk Programs (ARC) to prevent excess guarantee payments with regard to crop production shortfalls. These policy changes, combined with a restructuring of USDA's discretionary funding priorities, not only pave a path toward fiscal sustainability, but also ensure that America's food and agricultural agencies remain uncorrupted by the Left's radical woke agenda.

Discretionary Savings

Food for Peace: The Budget eliminates the McGovern-Dole foreign aid program (P.L. 480). This program is outdated and routinely empowers corrupt local officials and entities in developing nations. When delivered, US food assistance often has the unfortunate effect of cratering local food prices, which frequently hurts local markets and farmers despite well-intentioned efforts. As Americans increasingly face food problems at home amid record inflation and skyrocketing debt, it is critical to scale back wasteful and potentially harmful foreign aid initiatives. *Saves $1.7 billion compared to FY21.*

National Institute of Food and Agriculture: The Budget incorporates a series of proposals to mitigate grant proposals from NIFA to far-left organizations and entities espousing race essentialism within the food and agriculture industry. This is designed to protect activities related to food and crop development from radical ideologies intending to pit citizens against one another in an oppressed versus oppressor mindset predicated on tenets of Critical Race Theory. Among the myriad grants issued by NIFA to organizations espousing such ideologies include nearly $350,000 for the Tides Institute, a George Soros-backed entity engaged in indigenous community food development projects under the guise of "equity" as well as the Oakland-based organization Planting Justice, which aims to advance "food justice" by dismantling alleged systemic racism in the food industry. Other recipients include a $200,000 grant to the University of Florida to "enhance diversity" in food economics and a $300,000 grant to Northern Arizona University to promote "culturally responsive forestry" initiatives for native populations amid the "climate crisis." NIFA would receive $1 billion in FY23. Accordingly, the Budget begins the process of disarming this government agency from engaging in grantmaking activities designed to perpetuate societal division through the lens of wokeness and critical race theory. *Saves $605 million compared to FY21.*

Food and Nutrition Service: The Budget mirrors proposals implemented for NIFA into FNS in an intentional effort to eliminate funding for far-Left organizations and entities touting race essentialism. The agency currently touts its efforts to promote health equity–meaning its focus is not on serving all Americans, but rather on identifying government-favored groups of people deemed to be marginalized through the Marxist-derived prism of radical gender theory and CRT. The FNS has issued numerous grants to radical groups, including $900,000 to the Soros-backed Tides Center and $80,000 to the Earth Island Institute, an activist organization that is dedicated to ending reliable sources of energy for the cause of "climate justice." *Saves $898 million compared to FY21.*

US Forest Service: The Budget proposes significant funding reductions for the Forest Service as part of an effort to better allocate federal resources and combat excessive woke ideology within the federal bureaucracy. The Forest Service has engaged in a series of initiatives to advance race essentialism within its mission profile, including a $250,000 grant to Federal Management Partners to implement a diversity, equity, and inclusion program through the agency's Office of Civil Rights and grants to the radical Earth Island Institute. *Saves $411 million compared to FY21 levels.*

Mandatory Savings

The Budget proposes a series of significant policy reforms to mandatory programs administered through USDA. This includes structural reforms to the SNAP food stamp program to better target funding for people in need, while also restoring mechanisms designed to move people out of dependency and back toward the dignity of work. Along similar lines, the Budget consolidates various child nutrition services into a single block grant to provide greater oversight, reduce overhead, and eliminate duplicative funding streams. The proposal also implements reforms to crop insurance subsidies, a full phaseout of the Title I dairy and sugar programs which increase food prices and thereby compound the harm that working-class Americans are experiencing from record inflation, and restructures the guarantee payment formula in both the PLC and ARC crop programs to prevent excessive expenditures due to crop shortfalls.

In total, the Budget proposes mandatory policy changes that are expected to save $632.9 billion over ten years. These changes will ensure improved long-term sustainability for those who rely upon the benefits conferred by mandatory programs while enhancing the overall fiscal trajectory of federal spending.

Crop Programs

Eliminate Title I Programs: Title I of the 2018 farm bill authorized specialized programs for the dairy and sugar industries, along with programs for producers of other commodities. The subsidies provided to the dairy and sugar industries only serve to keep the domestic price of food higher, exacerbating inflation at a time of struggling family budgets. The Budget would allow Title I aid programs to lapse, saving taxpayer dollars and helping to counteract rising food prices. *Saves $39.2 billion over ten years.*

Tighten Farm Payment Eligibility Rules: The Budget proposes significant funding reductions for the Forest Service as part of an effort to better allocate federal resources and combat excessive woke ideology within the federal bureaucracy. The Forest

Service has engaged in a series of initiatives to advance race essentialism within its mission profile, including a $250,000 grant to Federal Management Partners to implement a diversity, equity, and inclusion program through the agency's Office of Civil Rights and grants to the radical Earth Island Institute. *Saves $411 million compared to FY21 levels.*

Reduce Crop Insurance Subsidies: Currently, the federal government provides an average 60 percent subsidy to farmers for the cost of crop insurance, with farmers paying the remaining 40 percent of the insurance premium. This proposal would reduce the federal government's share of the crop insurance premium to an average of 40 percent while reducing federal reimbursements to insurance companies for administrative expenses. *Saves $25.3 billion over ten years.*

Limit Payment Acreage: The Budget would lower the payment acreage for which commodity producers can receive guarantee payments from the federal government if their crops fall short. For the Price Loss Coverage program, payment would be based on 30 percent of base acres when the national market price falls short of pre-determined amounts set in law. For the Agricultural Risk Coverage program, payment would be based on 30 percent of base acres when revenue falls short of guaranteed amounts at the county level, or 23 percent of base acres when revenue falls short of guaranteed amounts at the individual farm level. *Saves $20.6 billion over ten years.*

Reform Commodity Purchases: A 1935 law authorizes an appropriation equal to 30 percent of the prior year's customs fees to encourage domestic consumption of commodities. The Budget would remove the link between the appropriation and annual customs receipts, instead linking the appropriation to the 10-year historical spending average, adjusted for inflation. *Saves $9.6 billion over ten years.*

Nutrition Programs

Reform the Child Nutrition Program: The budget would convert a collection of child nutrition programs into a block grant, with the block grant amount increasing every year according to inflation. This change would provide states with significantly more flexibility to manage their programs while reducing the bureaucracy and red tape associated with running numerous federal nutrition programs. *Saves $100 billion over ten years.*

Reform the Supplemental Nutritional Assistance Program: The Budget includes a series of substantial reforms to the Supplemental Nutritional Assistance Program (SNAP). Consistent with other sections of the Budget, it proposes work requirements for able-bodied adults to promote community engagement and a transition to self-sufficiency. These proposals would build on actions taken by the Trump administration to crack down on states' abuse of waivers for able-bodied adults that began under the Obama administration. Further reforms in this vein contained in the Budget include an elimination of the minimum benefit and a six-person maximum allotment per household.

In addition, the Budget converts a portion of the SNAP benefit to the USDA Harvest Box, which would see the federal government partnering with the private sector to deliver benefits while promoting American-grown foods provided directly to beneficiaries. The Budget also limits total SNAP spending to pre-pandemic levels, operating effectively as a cap. These and other changes would modernize and improve the program while providing an appropriate safety net for individuals in need. *Saves a total of $412 billion over ten years.*

Other Reforms

Eliminate In-Kind International Food Aid: Providing in-kind food aid overseas imposes high transportation costs with minimal benefits, making it less efficient than other types of government assistance. As such, the Budget proposes eliminating this program. *Saves $1.7 billion over ten years.*

Streamline Conservation Programs: This proposal would prohibit new enrollment in the Conservation Stewardship Program while limiting new enrollment in the Conservation Reserve Program. Limiting enrollment to smaller land tracts would reduce the volume of federal subsidies being given away to wealthier farmers to explicitly not farm large tracts of land. *Saves $9.1 billion over ten years.*

Establish New User Fees: Similar to the way the Food and Drug Administration funds inspections related to prescription drugs and medical devices, the Budget proposes a new user fee to cover the full costs of the USDA inspection regime for meat, poultry, and egg products. *Saves a total of $6 billion over ten years.*

DEPARTMENT OF INTERIOR

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Interior	14.9	17.9	12.8

The Budget proposes $12.8 billion in discretionary funding for the Department of Interior (DOI) in FY23, a decrease of 14.1 percent over FY21 enacted levels. These spending decreases reflect a diminished Department mission profile in light of significant operations burdens from maintenance backlogs, wasteful programs that frequently fail to meet basic criteria justifying their existence, and an increasingly woke agenda through the National Park Service (NPS) that funnels millions in taxpayer dollars to far-left organizations. The Budget maintains funding levels for national park maintenance and upkeep while resuming drilling permits for critical energy needs at a time of skyrocketing inflation and destructive green energy initiatives.

Within the proposal, the NPS receives an immediate $320 million decrease in funding due to its role as a catalyst for showering far-left organizations with taxpayer money. Among some of the more recent recipients of NPS grants are the New York Office of Parks, Recreation and Historic Preservation, which received $50,000 for so-called LGBT "historic sites," the Gay and Lesbian Community Center of Philadelphia, which received $30,000 for an LGBT "engagement initiative," and the Hoonah City School District, which received $22,000 for "culturally responsive school programs" that propagate radical Critical Race Theory on children in the classroom. Simultaneously, the Budget reduces funding for land acquisition given the nearly $20 billion maintenance backlog on roughly 700 million acres of federal land, transitions the Heritage Partnership Program into the hands of state, local, and private entities, and significantly reduces funding for the US Geological Survey's Ecosystems Research program.

Overall, the Budget takes immediate steps to free up resources within the Department to more effectively manage the federal lands backlog, curb mission creep into divisive woke policies, eliminate failed programs, and restore a sense of pride to the Department's important roles in maintaining our national parks.

DEPARTMENT OF COMMERCE

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Commerce	8.9	11.7	7.0

The Budget proposes $7.0 billion in discretionary funding for the Department of Commerce (DOC) in FY23, a decrease of 21.5 percent over FY21 enacted levels. These spending decreases are designed to curb excessive mission creep in key agencies, halt steadily increasing climate extremism within the department, and eliminate the prioritization of woke agendas within grantmaking subdivisions. Additionally, the Budget maintains funding levels for the Census Bureau as well as the Patent & Trademark Office.

As part of the Budget's overarching theme of restoring mission focus to key agencies and departments, the National Oceanic and Atmospheric Administration (NOAA) would receive $4.3 billion in FY23, a decrease of $1.1 billion or 20.4 percent relative to FY2021 ($5.4 billion). This includes the elimination of the agency's focus on climate extremism, an end to the pilot projects promoting "climate justice," and the zeroing out of the Mission Support department which has become a major hub for Critical Race Theory within the agency. The Budget also eliminates funding for both the Sea Grant and Coastal Zone Management programs whose functions are better left to local authorities. Funding for the hyper-woke and crony Economic Development Administration (EDA) is zeroed out. This includes the full elimination of the agency's Equity Impact Investment program, which prioritizes race-based preferences in grantmaking determinations for taxpayer funding of local projects. The management accounts within Commerce receive a 20 percent funding reduction compared to FY21 to abolish funding support for the diversity, equity, and inclusion initiatives.

Overall, the proposed funding levels reorient the core mission of NOAA, eliminate the vast majority of wasteful and woke grants within the EDA, remove woke infrastructure within key department subdivisions, and ensure a consistent mission for both the Census Bureau and the Patent & Trademark Office.

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DEPARTMENT OF VETERANS AFFAIRS

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Veterans Affairs	104.5	135.2	135.2

The Budget proposes $135.2 billion in discretionary funding for the Department of Veterans Affairs (VA) in FY23, an increase of 29.4 percent over FY21 enacted levels. The Budget proposes to fully fund the Department in the current fiscal year, while adopting reforms that are designed to eliminate woke weaponized policies that degrade the ability of the VA to care for those veterans most in need and to align taxpayer resources to veterans with service-connected disabilities. The Budget proposes to significantly scale back the opportunities for a woke bureaucracy to prey upon the veteran, who is reliant on provided care, as a means to assert a radicalized agenda. Inserting far-left identity politics into a non-partisan agency tasked with serving veterans must stop.

The Budget proposes sufficient taxpayer resources to meet the needs of veterans over the coming decades, knowing that the impact of two decades of war will have significant downstream effects. The explosive growth in VA spending is a tangible reminder of the human cost that generations of servicemembers have paid to defend our country. This alone is a strong argument in favor of scaling back foolish US overseas commitments. Amidst such exploding costs, it is vital to make sure that the VA is able to budget targeted quality care and services towards the highest priority veterans. Furthermore, the VA budget has more than quadrupled in the last two decades. Unfortunately, this expansion has had little effect on improving patient care, meanwhile, VA personnel hiring has significantly outpaced new patient enrollment. As is quite common within the federal bureaucracy, the VA chronically overpays for services and facilities that private sector counterparts pay less for while getting better results.

VA infrastructure is also a chronic weight around the neck of the VA budgeting process. At any given time in the recent past, the VA has had hundreds of vacant and underutilized properties. Cuts to waste, fraud, and abuse within the VA must occur while prioritizing long-term plans for veteran services that rely upon partnerships to utilize existing private sector infrastructure. Attempting to build an entirely separate veteran services ecosystem in the age of telemedicine and in a country with medical clinics seemingly on every other block throughout most of America no longer makes sense, if it ever did.

Although the VA is already replete with woke ideology, efforts to make the VA system more efficient must be paired with also ensuring these partnerships protect veterans from third-party abuse and ideological radicalism. Recently, the Department of Veterans Affairs (VA) issued a new regulation, effective immediately, that allows the VA to perform abortions, even in states that have established legal protections for the unborn. This is a stark departure from a decades-long bipartisan agreement that taxpayer funds should not be used to perform or facilitate abortions. Even on routine medical checkups, veterans are often asked if they own a gun, regardless of whether it is related to a concern over self-harm. While the VA does not currently perform gender transition operations, it does cover "medically necessary care, such as hormone therapy, mental health care, preoperative evaluation, and post-operative and long-term care following gender confirming surgery." This is care unrelated to injuries sustained in the line of service, paid for by the American taxpayer. The VA has already started the rulemaking process seeking to expand services to cover gender transition surgeries directly as well. The VA has invested heavily in Critical Race Theory, Anti-Racism (to be read as pro-racism), and Equity trainings meant to lay the groundwork to prioritize care and services towards people based on skin color, regardless of actual life circumstances. All of these partisan agenda-driven activities divert taxpayer dollars from serving our veterans.

Discretionary Savings

VA Infrastructure Reforms: Vacant and underutilized properties controlled by the VA number over 300 properties according to the 2022 Federal Real Property Profile (FRPP). These properties must be sold to streamline the efficacy of taxpayer dollars dispensed through the VA budget. The current model of spending billions of dollars on physical buildings and related infrastructure is outdated and fails to provide the ease of access that veterans deserve. Many veterans drive long distances even for simple routine checkups that their local private clinics would have been better suited to address. Long drive and wait times add to veterans' reluctance to seek the care they may need, often exacerbating the problem and leading to more long-term healthcare costs that preventative care would have addressed. Veterans also notice considerably improved staff treatment and care from private clinics where employees are more answerable to their employers.

End VA-Sponsored Abortion Services: A new VA regulation permitting abortion services is seemingly narrowed to exclude most pregnancies except in cases of rape, incest, and the health of the mother, but the terms are ill-defined and could be so broadly interpreted so as to justify all abortions. This action by the Biden administration not only violates the long-standing spirit of the Hyde amendment, but it also violates the Veterans Healthcare Act of 1992, which clearly prohibits the VA from providing or even counseling veterans in favor of abortion.

End VA-sponsored "gender affirming care": Though the current policy of the VA is that it will not perform "gender affirming care" it does provide a significant number of pre and post-operation supplementary procedures such as hormone therapy, mental health care, preoperative evaluation, and post-operative and long-term care following "gender-confirming" surgery. These are all procedures unrelated to a service-connected injury or condition. Furthermore, the VA is seeking to codify a rule that would expand the scope of "gender affirming care" to include performing top and bottom surgeries.

End Enrollment in VA Health for Low-Priority Groups: The VA provides health care to veterans, who face little to no out-of-pocket spending, based on a priority group classification determined by income and disability status. The approximately 2 million veterans in priority groups 7 and 8 do not have a service-connected disability, and have financial means to fund their care, with a household income at least three times the federal poverty level. The Budget would end the eligibility of these healthier, financially secure groups for federally-funded health care provided by the VA. *Saves $59.1 billion in discretionary spending over ten years.*

Mandatory Savings

The Budget proposes a series of significant policy reforms to mandatory programs administered through Veteran Affairs. This includes structural policy changes that take into account the purpose of direct disability payments, which is to reflect lost wages during working-age years, while avoiding overpayment, and ensuring there is no double dipping into Social Security past the age of retirement. These reformed programs would still provide a substantial lifetime benefit to those who qualify and who need assistance. Proposed reforms would also end coverage of disabilities unrelated to military duties and training. As seen with recent burn pit legislation, many conditions are considered qualified disabilities as presumptively connected despite overwhelming evidence that many conditions have no scientifically established link to the presumptive cause. When the scientific community cannot establish a service connection to demonstrated symptoms and conditions, Congress should not ignore that fact. Presumptive connections must be based on scientific findings. Should science later establish a connection, submitted claims can be retroactively approved, and backpay to the date of the first claim awarded. These reforms would drastically reduce overpayment of benefits and ensure the VA is prioritizing the highest priority veterans. Lastly, there is a culture of low-priority veterans, fully capable of working, with minimal or no impact on the use of extremities and mental faculties, being assigned direct payments, and being granted access to healthcare services. This lowers the overall ability of the VA to ensure the highest priority veterans are getting the care they deserve. VA direct payments for effectively fully functioning and able-bodied adults must be ended. Ensuring that minimally rated veterans do not take up valuable resources spent better elsewhere in the VA.

In total, the Budget proposes mandatory policy changes to entitlement programs administered through VA that are expected to save $136 billion over a 10-year Budget window ending in FY2032. VA would still grow 4 percent per year, compared to the current trajectory of 4.3 percent. These changes will ensure improved long-term sustainability for those who rely upon the benefits conferred by mandatory programs while enhancing the overall fiscal trajectory of federal spending.

Reduce VA Disability Benefits at Social Security Retirement Age: While VA disability benefits are intended to compensate former service members for the earnings they would be expected to lose due to their service-connected injuries, the payments currently have no link to whether veterans are working, or the earnings they receive from their work. The Budget would reduce these disability payments by 30 percent at age 67 for those who start receiving disability compensation after 2022, reflecting the fact that, upon reaching full retirement age, veterans should not continue to receive compensation based on an assumed loss of earnings from work. *Saves $24.7 billion over ten years.*

End Unemployability Benefits at Social Security Retirement Age: In addition to compensation payments based on the level of a veteran's disability, the Department also provides supplemental individual unemployability benefits for those veterans with a disability rating between 60 percent and 90 percent whom the VA determines cannot maintain substantial gainful employment due to their service-connected disability. This proposal would eliminate those supplemental payments for all veterans over age 67, the full retirement age for Social Security for individuals born after 1959. *Saves $40.4 billion over ten years.*

Narrow Eligibility for Disability Compensation: The VA makes disability compensation payments based on a scale that rates service members' injuries from zero (least severe) to 100 percent (most severe). The most common disability rating is 10 percent, suggesting that some applicants may file a disability claim primarily to receive VA benefits reserved for disabled veterans. The Budget would confine eligibility for disability payments to service members with a rating of 30 percent or higher. *Saves $38.2 billion over ten years.*

Exclude Disabilities Unrelated to Military Duties: Although the VA disability system compensates former service members for injuries they suffered while on active duty, not all injuries have a direct connection to the performance of military duties. The Government Accountability Office believes that seven conditions are unlikely to be caused or exacerbated by military service: heart disease; chronic obstructive pulmonary disease; Crohn's disease; hemorrhoids; multiple sclerosis; osteoarthritis; and uterine fibroids. Reflecting independent assessments that these conditions have little direct correlation to a service member's military duties, the Budget would eliminate consideration of these conditions as a factor when rating veterans' eligibility for VA disability compensation payments. *Saves $33 billion over ten years.*

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
NASA	23.3	26.0	22.6

The Budget proposes $22.6 billion in discretionary funding in FY23 for the National Aeronautics and Space Administration (NASA), a decrease of 3.0 percent from FY21 enacted levels

Maintaining full funding for NASA, our nation's only public civil space program, is a critical portion of government spending that generates an outsized return on the investment–one that is less than 0.5 percent of our total federal budget. The Budget prioritizes full funding for the Artemis Project, with the goal of returning American astronauts to the Moon and then looking onward to Mars. The Budget reduces duplicative and unnecessary NASA spending on STEM engagement and on wasteful Science programs (climate, carbon tracking, etc.) that are unrelated to deep space exploration. Overall, the Budget provides the resources needed to ensure America remains the world leader in space exploration during the twenty-first century.

Fully Funds Artemis Project to Return to the Moon: The last manned mission to the moon, Apollo 17, was 50 years ago (1972). In FY21, President Trump and NASA Administrator Jim Bridenstine recognized the strategic importance of returning American astronauts to the lunar surface by launching the Artemis Project, the next stage in human space exploration. The purpose of Artemis is to ensure that the US is capable of sending American astronauts on American rockets from American soil to the Moon as soon as possible. Along with securing a sustainable lunar presence and establishing the first step in a bold Moon-to-Mars strategy, funding and work on the Artemis Project enables discovery, innovation, and economic developments that are critical to our national security and national interests. However, under the Biden Administration, NASA is not immune from the left's woke onslaught. Indeed, the Artemis Project is now being advertised with promises that astronauts will be selected for the mission based on gender and race instead of competence and excellence.[1]

1 On the Artemis homepage, hosted by NASA, it promises that "With Artemis missions, NASA will land the first woman and first person of color on the Moon." This preemptive selection based on characteristics such as race and gender precludes selecting the most capable astronauts based on qualifications and expertise alone. Accessed October 31, 2022. https://www.nasa.gov/specials/artemis/.

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The Budget recognizes the importance of the Artemis Project, but funds are strictly limited to avoid such mission creep. The Budget allocates $8.8 billion for Deep Space Exploration, fully funding the Artemis Project, an increase of 37 percent from FY21 enacted.

Reduces Unnecessary Spending on Science & STEM: In an age of necessary fiscal restraint, every executive branch agency must focus on its core mission. For NASA, that is Deep Space Exploration, putting Americans back on the Moon, and looking to Mars. American taxpayer dollars should not be spent on NASA-funded duplicative STEM programs, which exist across the federal government including via the Department of Education. The Budget redirects those funds, $127 million, to NASA's core mission of space exploration. The Budget also proposes a 50 percent reduction in NASA Science programs and spending, reducing their misguided Carbon Reduction System spending and Global Climate Change programs. The Budget allocates $3.6 billion for NASA Science. *Saves $3.6 billion compared to FY21.*

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US ARMY CORPS OF ENGINEERS

Budget Authority in Billions

	FY21 Enacted	FY23 Biden	FY23 CRA
Army Corps	7.8	6.6	7.8

The Budget proposes $7.8 billion in discretionary spending for the US Army Corp of Engineers (USACE) in FY23. This proposal is identical to FY21 enacted levels, which was also $7.8 billion. The level of spending reflects the importance of USACE in updating the nation's crumbling national infrastructure, maintaining navigable waterways through routine dredging and harbor maintenance, and ensuring coordination with other federal agencies to support states and local communities in their response to, and recovery from, floods and other natural disasters.

USACE is our nation's premier civil works agency, operating under the authority of the Secretary of the Army within the Department of Defense (DoD). USACE has over 37,000 civilians and soldiers working to deliver engineering services and solutions for critical infrastructure projects at home and abroad. The mission of USACE is to "deliver vital engineering solutions, in collaboration with our partners, to secure our Nation, energize our economy, and reduce disaster risk." They pursue this mission primarily through their civil works programs, which has a threefold focus of 1) ensuring our nation has modern and serviceable commercial navigation, including serviceable dams; 2) providing aquatic ecosystem restoration; and 3) mitigating damage from floods and other natural disasters as well as supporting state and local recovery efforts.

The Budget maintains full funding for these civil works components, including all of USACE's main accounts: Investigations, Construction, Operation and Maintenance, the Harbor Maintenance Trust Fund, and the Mississippi River and Tributaries programs. This spending enables the continued planning and construction of water resource projects, operation and maintenance of infrastructure and navigation improvements, such as harbor dredging, and the management of disaster relief.

However, with this funding, USACE must also make critical reforms. These include: 1) aggressively working to accelerate the reduction of their project backlog (estimated to be worth approximately $109 billion); 2) continuing to reform the Harbor Trust Fund Maintenance funding structure to ensure fiscal responsibility and sustainability; 3) continuing to increase state and local cost-sharing to reduce taxpayer exposure; 4) providing accurate benefit-cost analysis for new projects; 5) finally, end the meritless DEI-based hiring practices.

With these funding levels, the Budget aims to accelerate the completion of ongoing projects and modernize the approval process of future projects. Specifically, the Budget proposes reforms for water resource projects, prioritizing greater levels of local cooperation. Thus, while it provides full funding, the Budget focuses federal resources where they are most needed by empowering states and local communities to complete water resource development projects on an accelerated timeline.

MISCELLANEOUS REFORMS

The Budget also proposes a series of policy reforms to improve fairness in and efficiency of federal retirement and insurance programs run by the Office of Personnel Management (OPM), and Social Security Administration (SSA). Finally, in order to increase operating capacity of the U.S. Postal Service (USPS) the Budget adopts a series of reforms recommended by President Trump's White House Postal Task Force. Each are detailed further in the sections that follow.

Create a Voucher Program for FEHB: The Federal Employees Health Benefit Program (FEHB) generally pays 75 percent of the cost of a worker's premium, regardless of the cost of the plan that worker selects. To encourage more cost-conscious decisions by federal employees, the Budget proposes converting the FEHB into a fixed payment that workers could use to pay for the insurance option they prefer, with that payment rising every year based on the chained inflation rate. *Saves $37.8 billion over ten years.*

Reform Federal Retirement Plans: The federal government continues to provide overly generous retirement benefits compared to organizations in the private sector. To ensure that federal compensation aligns with private sector benefits, the Budget makes several reforms to federal retirement plans, including 1) equalizing Federal Employee Retirement System (FERS) contributions between workers and the federal government; 2) reducing the FERS cost-of-living adjustment (COLA) and eliminating the Civil Service Retirement System COLA; 3) eliminating the Special Retirement Supplement; 4) changing the benefit calculation formula from the three years of highest salary to the five years of highest salary; and 5) reducing the interest rate on the G Fund in the Thrift Savings Plan. *Saves $124.8 billion over ten years.*

Reform the Postal Service: The Budget proposes changes based on the recommendations of the White House Postal Task Force to modernize and strengthen the US Postal Service. Specifically, the Budget would make changes to non-essential postal rates outside the universal service obligation; change delivery options; create partnerships with the private sector; and pursue pay parity between postal workers and other federal employees. *Saves $91.4 billion over ten years.*

Disability Applicants' Work History: Current law requires individuals over age 30 to have earned at least 20 quarters of coverage within the past decade—the equivalent of working for five out of the past ten years. To reduce the possibility that occasional workers receive disability benefits, the Budget would change the work history requirement to individuals who have earned 16 quarters of coverage within the past six years—the equivalent of working for four out of the past six years. *Saves $46.6 billion over ten years.*

Additional SSDI Reforms: The Budget proposal includes disability reforms to promote greater labor force participation (LFP). The percentage of LFP of working age people with disabilities is about 33 percent, less than half of the rate of the working age population with no disability. However, there are many jobs available that are not physically demanding, especially in the service-sector. The Budget removes barriers to work and improves services to help in a return to work for people with disabilities. The Budget also makes reforms to address unfairness in the system, close loopholes that invite fraud, such as overlapping unemployment and disability benefits, and reduce unnecessary bureaucracy. In addition to efforts to increase labor force participation, the Budget reduces retroactive benefits from 12-months to 6-months and creates a sliding scale for families that receive multiple benefits. *Saves $100.1 billion over ten years.*

Modernizing Vocational Assessment: Currently, the Social Security Administration assesses eligibility for disability benefits based on uniform guidelines that account for the person's medical, vocational, and functional ability to work. According to the Social Security Advisory Board (SSAB), between FY1980 and FY2010, the share of disability allowances based on medical condition alone declined from 57.9% to 37.9%, and conversely, the percentage of disability allowances based on vocational considerations increased from 25.9% to 54.3%. The vocational considerations are more subjective and include factors such as age, education, and work experience that are not specifically linked to any disabling medical condition. The result is that more and more people are added to the SSDI roles that are not truly disabled and unable to work in some capacity. The Budget would modify this rubric to focus more heavily on matching an applicant's mental and physical skills to the requirements of jobs, modernizing the disability system to meet a 21st century labor market. *Saves $135.2 billion over ten years.*

Extend the Joint Committee Sequester: In recognition of the need for fiscal discipline, the Budget extends the mandatory sequestration regime originally created by the Budget Control Act of 2011. *Saves $307.1 billion over ten years.*

Defund National Public Radio: The Budget proposes to eliminate the government funding stream to National Public Radio (NPR). While NPR is not directly funded by taxpayer dollars, the Corporation for Public Broadcasting (CPB) often provides taxpayer-funded grants to local media stations which then backchannel dues to NPR. Taxpayers should not be involved in funding media outlets in any capacity–particularly woke entities that broadcast live abortions and embrace radical ideologies like Critical Race Theory and gender theory. *Saves $1 billion over ten years.*

FY 2023 Center for Renewing America Budget Summary Tables

**Note: All years referred to in this report are federal fiscal years, which run from October 1 to September 30 and are designated by the calendar year in which they end. Numbers in the text and tables may not add up to totals because of rounding.*

Table S-1, Budget Totals

(In billions of dollars and as a percent of GDP)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals 2023 - 2027	Totals 2023 - 2032
Budget totals in billions of dollars:														
Receipts	4,047	4,836	4,954	4,890	4,983	5,150	5,332	5,616	5,934	6,270	6,637	7,021	25,299	56,777
Outlays	6,822	5,872	5,520	5,391	5,556	5,803	5,967	6,198	6,195	6,535	6,786	6,993	28,236	60,925
Deficit	-2,775	-1,036	-566	-501	-573	-653	-645	-582	-261	-265	-131	28	-2,937	-4,148
Debt held by the public	22,284	24,173	24,711	25,299	25,872	26,533	27,231	27,817	28,148	28,445	28,631	28,614		
Gross domestic product (GDP)	22,358	24,694	26,299	27,588	28,912	30,329	31,815	33,374	35,009	36,724	38,524	40,412		
Budget totals as a percent of GDP:														
Receipts	18.1%	19.6%	18.8%	17.7%	17.2%	17.0%	16.7%	16.8%	16.9%	17.1%	17.2%	17.4%	17.5%	17.3%
Outlays	30.5%	23.8%	21.0%	19.5%	19.2%	19.1%	18.8%	18.6%	17.7%	17.8%	17.6%	17.3%	19.5%	18.7%
Deficit	12.4%	-4.2%	-2.2%	-1.8%	-2.0%	-2.2%	-2.0%	-1.7%	-0.7%	-0.7%	-0.3%	-0.1%	-2.0%	-1.4%
Debt held by the public	99.60%	97.9%	94.0%	91.7%	89.5%	87.5%	85.6%	83.3%	80.4%	77.5%	74.3%	70.8%		
Memorandum, real net interest:														
Real net interest in billions of dollars	352	421	506	598	640	670	692	714	731	744	762	781	3,106	6,838
Real net interest as a percent of GDP	1.60%	1.7%	1.9%	2.2%	2.2%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	1.9%	2.1%	2.1%

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Table S-2, Baseline by Category [1]

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals 2023 - 2027	Totals 2023 - 2032
Outlays:														
Discretionary programs [2]														
Defense	742	760	795	814	842	863	885	914	924	953	976	998	4,199	8,964
Non-defense	895	962	963	984	1,020	1,067	1,111	1,144	1,172	1,202	1,233	1,262	5,145	11,158
Subtotal, discretionary programs	1,636	1,722	1,758	1,798	1,862	1,930	1,996	2,058	2,096	2,155	2,209	2,260	9,344	20,122
Mandatory Programs														
Social Security Old-Age and Survivor	988	1,070	1,171	1,253	1,328	1,404	1,482	1,572	1,664	1,760	1,858	1,957	6,638	15,449
Disabililty and SSI	197	202	209	214	228	240	252	264	261	275	285	294	1,143	2,522
Medicare	868	983	1,019	1,034	1,165	1,262	1,360	1,541	1,480	1,672	1,782	1,929	5,840	14,244
Medicaid	521	589	601	545	547	578	608	639	672	708	749	789	2,879	6,436
Other mandatory programs	2,260	907	674	611	565	548	504	525	487	495	487	491	2,902	5,387
Subtotal, mandatory programs	4,834	3,751	3,674	3,657	3,833	4,032	4,206	4,541	4,564	4,910	5,161	5,460	19,402	44,038
Net Interest	352	399	442	525	604	681	756	842	925	1,007	1,099	1,194	3,008	8,075
Total outlays	6,823	5,872	5,874	5,980	6,299	6,643	6,958	7,441	7,585	8,072	8,469	8,914	31,754	72,235
Receipts:														
Individual income taxes	2,044	2,623	2,579	2,542	2,539	2,771	2,970	3,049	3,170	3,301	3,436	3,582	13,401	29,939
Corporation income taxes	372	395	456	478	483	473	457	461	470	480	491	505	2,347	4,754
Social insurance and retirement receipts	1,314	1,465	1,572	1,625	1,669	1,726	1,786	1,853	1,923	1,995	2,072	2,150	8,378	18,371
All other receipts	317	354	283	279	290	310	336	352	370	385	403	424	1,498	3,432
Total receipts	4,047	4,837	4,890	4,924	4,981	5,280	5,549	5,715	5,933	6,161	6,402	6,661	25,624	56,496
Deficit	-2,776	-1,035	-984	-1,056	-1,318	-1,363	-1,409	-1,726	-1,652	-1,911	-2,067	-2,253	-6,130	-15,739

[1] CBO's May Baseline
[2] Includes Emergency Funds and IIJA

Table S-3, Proposed Budget by Category

(In billions of dollars and as a percent of GDP)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals 2023 - 2027	Totals 2023 - 2032
Outlays:														
Discretionary programs														
Defense	742	760	796	808	831	862	859	865	854	853	860	862	4,156	8,450
Non-defense	895	962	833	769	727	770	783	739	742	762	772	787	3,882	7,684
Subtotal, discretionary programs	1,636	1,722	1,629	1,577	1,558	1,632	1,642	1,604	1,569	1,615	1,632	1,649	8,038	16,134
Mandatory Programs														
Social Security Old-Age and Survivor	988	1,070	1,171	1,253	1,328	1,404	1,482	1,572	1,664	1,760	1,858	1,957	6,638	15,449
Disabililty and SSI	197	202	207	207	217	222	229	233	221	230	233	231	1,082	2,230
Medicare	868	983	989	996	1,108	1,199	1,255	1,411	1,349	1,525	1,620	1,748	5,547	13,200
Medicaid	521	589	516	358	352	368	388	410	432	458	488	510	1,982	4,280
Other mandatory programs [1]	2,260	907	502	402	355	308	279	254	201	202	175	117	1,846	2,795
Subtotal, mandatory programs	4,834	3,751	3,385	3,216	3,360	3,501	3,633	3,880	3,867	4,175	4,374	4,563	17,095	37,954
Net Interest [2]	352	421	506	598	639	670	692	714	731	744	762	781	3,105	6,837
Total outlays	6,823	5,894	5,520	5,391	5,557	5,803	5,967	6,198	6,194	6,534	6,768	6,993	28,238	60,925
Receipts:														
Individual income taxes	2,044	2,623	2,579	2,542	2,539	2,604	2,668	2,754	2,863	2,984	3,107	3,240	12,932	27,880
Corporation income taxes	372	395	456	430	425	406	388	416	425	442	458	477	2,105	4,323
Social insurance and retirement receipts	1,314	1,465	1,572	1,625	1,669	1,726	1,786	1,853	1,923	1,995	2,072	2,150	8,378	18,371
Other miscellaneous receipts [3]	317	354	347	293	351	414	479	593	722	848	1,000	1,154	1,884	6,201
Total receipts	4,047	4,837	4,954	4,890	4,984	5,150	5,322	5,616	5,933	6,269	6,637	7,021	25,299	56,775
Deficit	-2,776	-1,057	-566	-501	-573	-653	-645	-582	-261	-265	-131	28	-2,939	-4,150

[1] Includes mandatory offsetting receipts
[2] Revised to reflect higher interest rates
[3] Includes excise taxes, Federal Reserve remittances, customs, estate & gift, and miscellaneous government receipts; also includes aggregate impact on revenue from economic effects.

Table S-4, Mandatory and Receipt Proposals

(Deficit Increases (+) or Decreases (-) in Millions of Dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals 2023 - 2027	Totals 2023 - 2032
Mandatory Initiatives and Savings:													
Department of Agriculture:													
Eliminate Title 1 Specialty Programs..........	--	--	--	--	--	-700	-8,300	-7,800	-7,700	-7,400	-7,300	-700	-39,200
Tighten Farm Payment Eligibility Rules......	--	-273	-261	-249	-258	-284	-276	-291	-290	-293	-297	-1,325	-2,772
Reduce Crop Insurance Subsidies..............	--	-12	-2,515	-2,177	-2,806	-2,853	-2,903	-2,953	-2,998	-3,047	-3,085	-10,363	-25,349
Eliminate Redundant Farm Programs.........	--	-583	-650	-665	-621	-632	-641	-648	-658	-660	-659	-3,151	-6,417
Limit Payment Acreage..............................	--	0	0	0	0	0	- 4,600	-4,200	-4,100	-3,900	-3,800	0	-20,600
Reform Commodity Purchases (Section 132).........	--	-415	-436	-457	-479	-5,502	-524	-546	-570	-94	-618	-7,289	-9,641
Reform Child Nutrition Programs..............	--	-6,000	-8,000	-8,000	-9,000	-10,000	-10,000	-11,000	-12,000	-13,000	-13,000	-41,000	-100,000
Add SNAP Work Requirement & Harvest Food Boxes..	--	-11,818	-12,403	-13,408	-13,551	-13,870	-14,453	-14,542	-14,870	-15,498	-15,617	-65,050	-140,030
Limit SNAP Spending to Prepandemic Levels..	--	-28,904	-23,632	-24,441	-25,163	-25,921	-26,731	-27,636	-28,716	-29,872	-31,123	-128,061	-272,139
Eliminate International Food Aid................	--	-166	-166	-166	-166	-166	-166	-166	-166	-166	-166	-830	-1,660
Streamline Conservation Programs...........	--	-215	-427	-672	-892	-1,094	-1,131	-1,171	-1,181	-1,181	-1,181	-3,300	-9,145
Establish New User Fees.............................	--	-30	-675	-660	-660	-660	-660	-660	-660	-660	-660	-2,685	-5,985
Total, Agriculture	--	-48,416	-49,165	-50,895	-53,596	-61,682	-70,385	-71,613	-73,909	-75,771	-77,506	-263,754	-632,938
Department of Education:													
Create Single Income-Driven Loan Repayment Plan..	--	-963	-3,647	-5,780	-6,845	-6,951	-6,956	-7,178	-7,151	-6,750	-7,216	-24,186	-59,437
Eliminate Standard Repayment Cap...........	--	-1,942	-2,533	-2,682	-2,728	-2,749	-2,851	-2,929	-3,003	-3,053	-3,088	-12,634	-27,558
Combine AGI to Calculate Loan Payments for Married Filing Separately......................	--	-194	-321	-437	-507	-541	-554	-581	-588	-570	-607	-2,000	-4,900
Eliminate Subsidized Student Loans..........	--	-377	-1,180	-1,663	-2,048	-2,216	-2,285	-2,229	-2,111	-2,029	-1,973	-7,484	-18,111
Eliminate Public Service Loan Forgiveness.	--	-1,911	-3,348	-4,508	-5,265	-5,738	-5,945	-6,100	-6,198	-6,505	-6,651	-20,770	-52,169
Limit Graduate Student Loan Borrowing...	--	-181	-895	-1,430	-1,894	-2,361	-2,919	-3,684	-4,284	-3,778	-3,648	-6,761	-25,074
Phase-out the Federal Student Loan Program...	--	--	--	--	--	--	--	--	-1,207	-5,858	-9,548	--	-16,613
Eliminate Mandatory Pell Grant Add-On.....	--	-5,400	-5,700	-6,000	-6,200	-6,400	-6,500	-6,600	-6,600	-6,600	-6,600	-29,700	-62,600
Total, Education	--	-10,968	-17,624	-22,500	-25,487	-29,956	-28,010	-29,301	-31,142	-35,143	-39,331	-103,535	-266,462

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals 2023 - 2027	Totals 2023 - 2032
Department of Energy:													
Divest PMA Transmission Lines	--	--	-1,688	-364	-382	-349	-246	-254	-263	-271	-271	-2,783	-4,088
Restart Nuclear Fund Waste Fee	--	--	--	-346	-342	-334	-325	-325	-325	-325	-325	-1,022	-2,647
Reform Power Marketing Administrations	--	-1,297	-1,201	-693	-875	-373	-749	-617	-784	-1,089	-989	-4,439	-8,667
Total, Energy	--	-1,297	-2,889	-1,403	-1,599	-1,056	-1,320	-1,196	-1,372	-1,685	-1,585	-8,244	-15,402
Department of Health and Human Services:													
Eliminate FMAP Floor	--	--	-60,000	-62,000	-65,000	-69,000	-71,000	-75,000	-79,000	-82,000	-90,000	-256,000	-653,000
Strengthen Medicaid Program Integrity	--	-500	-530	-560	-590	-630	-670	-710	-750	-861	-920	-2,810	-6,721
Continue Medicaid DSH Reductions	--	--	--	--	-6,520	-6,490	-6,470	-6,450	-6,430	-6,406	-6,384	-13,010	-45,150
Repeal the Medicaid Expansion for Able-Bodied, Working-Age Adults & Institute Work Requirement	--	-84,600	-85,500	-90,000	-95,400	-102,600	-110,700	-119,700	-127,800	-137,700	-146,700	-458,100	-1,100,700
Repeal Medicaid Provider Taxes	--	--	42,000	46,000	-49,000	-52,000	-55,000	-58,000	-62,000	-65,000	-73,555	-189,000	-502,555
Reform Graduate Medical Education (GME)	--	-253	-1,930	-2,860	-3,750	-4,720	-5,710	-6,730	-7,820	-8,990	-10,190	-13,513	-52,953
Modify Medicare Uncompensated Care Payments	--	-7,170	-7,990	-8,870	-9.750	-10,660	-11,590	-12,570	-13,750	-15,558	-16,785	-44,440	-114,693
Eliminate Medicare Payments for Bad Debt to Hospitals	--	-2,590	-3,440	-3,730	-3,950	-4,180	-4,430	-4,690	-4,950	-5,917	-6,382	-17,890	-44,259
Site-Neutral Payments for Post-Acute Care	--	-5,140	-7,710	-11,040	-12,520	-13,530	-15,070	-15,210	-16,830	-17,722	-18,752	-49,940	-133,524
Modify Hospice Payments in Nursing Facilities	--	-310	-330	-360	-390	-420	-450	-490	-540	-590	-640	-1,810	-4,520
Pay Certain Outpatient Facilities at Physician Fee Schedule Rates	--	-8,710	-9,770	-10,900	-12,160	-13,550	-15,050	-16,700	-18,420	-19,553	-20,978	-55,090	-145,791
Site-Neutral Payments for Physician Office Visits	--	-3,670	-4,060	-4,480	-4,940	-5,420	-5,940	-6,500	-7,140	-7,605	-8,128	-22,570	-57,883
Modify Medicare Advantage Risk Scores	--	--	-7,430	-7,500	-7,400	-8,700	-9,400	-10,100	-11,900	-13,540	-14,780	-31,030	90,750
Modify Medicare Advantage Bonus Structure	--	--	-1,700	-2,000	-2,000	-2,400	-2,500	-2,700	-3,200	-3,640	-3,973	-8,100	-24,113
Automatic Enrollment in Medicare	--	-2,000	-4,000	-6,250	-8,000	-8,500	-10,000	-10,500	-12,000	-15,000	-21,500	-28,750	-97,750
Drug Pricing Reform	--	--	-12,000	-12,000	-18,000	-18,000	-21,000	-21,000	-23,000	-25,533	-27,448	-60,000	-177,981
Medical Liability Reform	--	-160	-593	-1,541	-2,511	-3,562	-4,844	-6,021	-6,799	-6,806	-7,421	-8,367	-40,298
Reduce TANF Block Grant & Eliminate Contingency Fund	--	-1,703	-2,050	-2,121	-2,155	-2,215	-2,211	-2,203	-2,223	-2,226	-2,202	-10,244	-21,309
Discontinue Social Services Block Grant	--	-1,360	-1,632	-1,700	-1,700	-1,700	-1,700	-1,700	-1,700	-1,700	-1,700	-8,092	-16,592
Total, Health and Human Services	--	-118,166	-252,665	-273,912	-305,736	-328,277	-353,775	-376,974	-406,252	-436,347	-478,438	-1,278,756	-3,330,542

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals 2023 - 2027	Totals 2023 - 2032
Department of Homeland Security:													
Adjust Collection & Use of Customs and Immigration User Fees	--	-340	-203	-225	-227	-252	-256	-286	-288	-309	-5,800	-1,247	-8,186
Establish Immigration Surcharge	--	-389	-398	-407	-416	-426	-436	-446	-456	-466	-477	-2,036	-4,317
Increase Worksite Enforcement Penalties	--	-13	-14	-15	-15	-15	-15	-15	-15	-15	-15	-72	-147
Total, Homeland Security	--	-742	-615	-647	-658	-693	-707	-747	-759	-790	-6,292	-3,355	-12,650
Department of Interior:													
Cancel Southern Nevada Public Land Management Act	--	-83	-69	-78	--	--	--	--	--	--	--	-230	-230
Repeal Geothermal Payments to Counties	--	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-20	-40
Total, Interior	--	-87	-73	-82	-4	-4	-4	-4	-4	-4	-4	-250	-270
Department of Labor:													
Reform PBGC Premiums	--	+15	-4,109	-3,079	-2,749	+2,208	-7,971	-2,810	-2,792	-2,825	-2,894	-7,714	-27,006
Improve UI Program Integrity	--	-111	-234	-805	-1,213	-1,730	-1,092	-1,268	-1,452	-1,797	-376	-4,093	-10,078
Reform the Federal Employees Compensation Act	--	-31	-24	-28	-16	-17	-17	-19	-19	-21	-20	-116	-212
Reform Trade Adjustment Assistance	--	-55	-119	-133	6	55	23	-2	-28	-50	-75	-246	-378
Increase H-1B Filing Fee to Fund Training & Education	--	-328	-211	-112	-18	--	--	--	--	--	--	-669	-669
Total, Labor	--	-510	-4,697	-4,157	-3,990	516	-9,057	-4,099	-4,291	-4,693	-3,365	-12,838	-38,343
Office of Personnel & Management:													
Reform FEHB Program with Vouchers	--	--	--	-734	-1,800	-2,935	-4,100	-5,300	-6,512	-7,641	-8,750	-5,469	-37,772
Reform Federal Retirement Plans	--	-4,272	-6,830	-8,775	-11,593	-12,571	-13,569	-14,683	-16,171	-17,498	-18,825	-44,041	-124,787
Total, Office of Personnel & Management	--	-4,272	-6,830	-9,509	-13,393	-15,506	-17,669	-19,983	-22,683	-25,139	-27,575	-49,510	-162,559
SSA Disability:													
Modernize Labor Vocational Factors to Encourage Labor Force Participation	--	-1,502	-4,493	-7,636	-10,391	-12,877	-15,262	-17,098	-18,893	-22,276	-24,777	-36,899	-135,205
Reform Disability Applicants' Work History	--	--	-700	-1,800	-3,000	-4,300	-5,400	-6,400	-7,400	-8,300	-9,300	-9,800	-46,600
Improve SSA Program Integrity	--	--	-406	-129	-671	-1,410	-2,021	-2,100	-2,047	-1,957	-1,812	-2,616	-12,553
Additional SSDI Reforms	--	-1,180	-1,483	-1,738	-3,842	-4,071	-8,476	-14,734	-17,487	-19,599	-27,449	-12,314	-100,059
Total, SSA Disability	--	-2,682	-7,082	-11,303	-17,904	-22,658	-31,159	-40,332	-45,827	-52,123	-63,338	-61,629	-294,417

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals 2023 - 2027	Totals 2023 - 2032
Department of Treasury:													
Increase Guarantee Fee Charged by GSEs...	--	-202	-1,053	-2,250	-3,588	-4,644	-5,291	-5,123	-4,587	-4,075	-3,625	-11,737	-34,438
Require SSN for Child Tax Credit & EITC......	--	-1,927	-7,134	-7,250	-7,330	-7,488	-7,776	-8,027	-8,294	-8,631	-8,938	-31,129	-72,795
Repeal ACA Tax Credit Subsidies................	--	-47,200	-48,000	-52,800	-62,400	-64,800	-68,000	-72,000	-73,600	-75,200	-78,400	-275,200	-642,400
Automate Tax Code for Easier Compliance.	--	-2,000	-3,000	-4,500	-5,250	-6,500	-7,625	-8,750	-9,875	-11,000	-12,125	-21,250	-70,625
Improve Tax Administration and Program Integrity..	--	-946	-1,359	-3,634	-5,399	-7,303	-9,550	-11,922	-12,956	-13,870	-14,643	-18,641	-81,582
Total, Treasury..	--	-52,275	-60,546	-70,434	-83,967	-90,735	-98,242	-105,822	-109,312	-112,776	-117,731	-357,957	-901,840
Department of Veterans Affairs:													
Reduce Disability Benefits at Social Security Retirement Age.............................	--	--	-900	-1,500	-1,900	-2,300	-2,700	-3,200	-3,600	-4,100	-4,500	-6,600	-24,700
End Unemployability Benefits at Social Security Retirement Age............................	--	--	-3,200	-4,200	-3,900	-4,500	-4,600	-4,800	-5,400	-4,600	-5,200	-15,800	-40,400
Narrow Eligibility for Disability Compensation..	--	--	-2,600	-3,600	-3,900	-4,100	-4,400	-4,600	-4,800	-5,000	-5,200	-14,200	-38,200
Exclude Disabilities Unrelated to Military Duties...	--	--	-2,400	-3,300	-3,500	-3,600	-3,700	-3,900	-4,000	-4,200	-4,400	-12,800	-33,000
Total, Veterans Affairs..............................	--	--	-9,100	-12,600	-13,200	-14,500	-15,400	-16,500	-17,800	-17,900	-19,300	-49,400	-136,300
Miscellaneous:													
Extend the Joint Committee Sequester......	--	--	--	--	--	--	--	--	--	--	-54,845	--	-54,845
Reform the Postal Service..........................	--	-7,007	-7,481	-7,801	-8,261	-8,760	-9,275	-9,892	-10,535	-11,208	-11,200	-39,310	-91,420
Total, Miscellaneous................................	--	-7,007	-7,481	-7,801	-8,261	-8,760	-9,275	-9,892	-10,535	-11,208	-66,045	-39,310	-146,265
Total, Mandatory Savings.........................	--	-246,422	-418,767	-465,243	-527,795	-570,311	-635,003	-676,463	-723,886	-773,588	-900,510	-2,228,538	-5,937,988
Tax Proposals:													
Make the TCJA Permanent..........................	--	--	48,383	59,031	236,029	382,775	355,894	368,128	371,572	379,347	390,753	726,218	2,591,912
Full Expensing of All Capital Assets............	--	--	144,000	149,000	143,000	141,000	111,000	86,000	65,000	47,000	24,000	577,000	910,000
Repeal Energy Tax Credits..........................	--	-6,090	-6,414	-10,299	-14,868	-20,047	-23,252	-25,584	-27,848	-30,399	-33,421	-57,718	-198,222
Total, Revenue Proposals.........................	--	-6,090	185,969	197,732	364,161	503,728	443,642	428,544	408,724	395,948	381,332	1,245,500	3,303,690
Memorandum:													
Revenue Increase from Economic Assumptions [1]..	--	-64,000	-158,000	-210,000	-249,000	-298,000	-367,000	-454,000	-545,000	-661,000	-774,000	-979,000	-3,780,000

[1] Assumes economic changes related to higher productivity, labor force growth, inflation, and real GDP

Table S-5, Funding Levels for Appropriated ("Discretionary") Programs by Category

(Budget authority in billions of dollars)

	Actual	Biden	CRA	Outyears									Totals	
	2021	2023	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023 - 2027	2023 - 2032
Defense:														
Base Funding Levels..............	741	813	824	844	865	886	890	891	892	893	894	895	4,310	8,775
Proposed Changes from Baseline	--	-1	10	8	7	8	-10	-32	-53	-76	-98	-119	23	-355
Non-Defense:														
Base Funding Levels..............	634	769	542	585	595	607	620	633	647	661	676	690	2,949	6,256
Proposed Changes from Baseline	--	-6	-233	-211	-222	-231	-241	-249	-257	-265	-273	-283	-1,138	-2,465
Base Discretionary Funding Allocation..................................	1,374	1,582	1,366	1,429	1,460	1,493	1,510	1,524	1,539	1,554	1,570	1,585	7,259	15,031
Non-Base Discretionary Funding Allocation (not included above):														
Infrastructure investments...............	--	--	37	37	37	37	40	--	--	--	--	--	187	187
Emergency and COVID-19 Supplemental Funding................................	198	--	--	--	--	--	--	--	--	--	--	--	--	--
Program Integrity............................	2	2	2	3	3	3	3	3	3	3	3	3	13	29
Disaster Relief...................................	17	20	17	17	17	17	17	17	17	17	17	17	85	170
Wildfire Suppression	2	3	3	3	3	3	3	3	3	3	3	3	13	26
21st Century Cures Appropriations....	1	1	--	--	--	--	--	--	--	--	--	--	--	--
Total, Non-Base Funding............	220	26	59	59	59	59	63	22	23	23	23	23	298	411
Grand Total, Discretionary Budget Authority........................	1,594	1,608	1,425	1,488	1,519	1,552	1,573	1,547	1,562	1,577	1,593	1,608	7,557	15,442

Table S-6, 2023 Discretionary Spending by Major Agency

(Budget authority in billions of dollars)

	2021	2023	2023	2023 CRA Less 2021 Enacted	
	Actual [1]	Biden	CRA	Dollar	Percent
Base Discretionary Funding:					
Cabinet Departments:					
Agriculture [2]	24.4	28.5	21.7	-2.6	-10.8%
Commerce	8.9	11.7	7.0	-1.9	-21.5%
Defense	703.7	773.0	787.1	+83.4	+11.9%
Education	73.0	88.3	54.1	-18.9	-25.9%
Energy (DOE)	41.9	48.2	37.2	-4.7	-11.1%
Health and Human Services (HHS) [3]	108.6	138.0	86.4	-22.2	-20.4%
Homeland Security	53.8	56.7	57.1	+3.2	+6.0%
Housing and Urban Development (HUD):					
HUD program level	59.6	71.9	33.8	-25.8	-43.3%
HUD receipts	-16.1	-11.1	-11.1	+5.0	-31.1%
Interior (DOI)	14.9	17.9	12.8	-2.1	-14.1%
Justice	33.5	37.7	31.2	-2.3	-6.9%
Labor	12.5	14.6	7.5	-5.0	-39.8%
State and International Programs [2,4]	57.5	67.6	31.6	-25.9	-45.1%
Transportation (DOT)	25.3	26.8	27.9	+2.5	+10.0%
Treasury [4]	13.5	16.2	10.6	-2.8	-21.0%
Veterans Affairs	104.5	135.2	135.2	+30.7	+29.4%
Major Agencies:					
Corps of Engineers (Corps)	7.8	6.6	7.8	--	--
Environmental Protection Agency	9.2	11.9	6.5	-2.7	-29.5%
General Services Administration	-0.9	1.3	0.2	+1.1	-126.0%
National Aeronautics and Space Administration	23.3	26.0	22.6	-0.7	-3.0%
National Science Foundation	8.5	10.5	3.9	-4.6	-54.4%
Small Business Administration	0.8	0.9	0.5	-0.2	-33.0%
Social Security Administration [3]	9.0	10.1	9.0	--	--
Other Agencies	23.3	28.1	20.1	-3.2	-13.6%

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	2021	2023	2023	2023 CRA Less 2021 Enacted	
	Actual 1	Biden	CRA	Dollar	Percent
Changes in mandatory program offsets	-26.0	-34.7	-34.7	-8.7	0.3
Subtotal, Base Discretionary Budget Authority (BA)	1,374.2	1,582.0	1,365.9	-8.3	-0.6%
Defense Base Subtotal	740.7	813.4	823.8	+83.1	+11.2%
Non-Defense Base Subtotal	633.5	768.6	542.1	-91.4	-14.4%
Non-Base Discretionary Funding:					
Emergency Requirements and COVID-19 Supplemental Funding:					
Agriculture	1.0	--	--	-1.0	N/A
Commerce	0.3	--	--	-0.3	N/A
Defense	1.0	--	--	-1.0	N/A
Education	81.6	--	--	-81.6	N/A
Energy (DOE)	-2.3	--	--	+2.3	N/A
Health and Human Services	73.8	--	--	-73.8	N/A
Homeland Security	2.8	--	--	-2.8	N/A
Housing and Urban Development	0.7	--	--	-0.7	N/A
Interior	0.4	--	--	-0.4	N/A
Justice	0.6	--	--	-0.6	N/A
Labor	1.5	--	--	-1.5	N/A
State and International Programs	5.9	--	--	-5.9	N/A
Transportation	27.0	--	--	-27.0	N/A
Treasury	0.5	--	--	-0.5	N/A
Corps of Engineers (Corps)	--	--	--	--	N/A
Small Business Administration	2.0	--	--	-2.0	N/A
Other Agencies	0.9	--	--	-0.9	N/A
Subtotal, Emergency Requirements	197.8	--	--	-197.8	N/A
Program Integrity:					
Health and Human Services	0.5	0.6	0.6	+0.1	+16.1%
Labor	0.1	0.3	0.3	+0.2	-210.8%
Social Security Administration	1.3	1.5	1.5	+0.2	+16.1%
Subtotal, Program Integrity	1.9	2.3	2.3	+0.5	+24.7

	2021	2023	2023	2023 CRA Less 2021 Enacted	
	Actual 1	Biden	CRA	Dollar	Percent
Disaster Relief:					
Homeland Security	17.1	19.7	17.1	--	--
Small Business Administration	0.1	0.1	0.1	--	--
Subtotal, Disaster Relief	17.3	19.9	17.3	--	--
Wildfire Suppression:					
Agriculture	2.0	2.2	2.2	+0.2	+8.3%
Interior	0.3	0.3	0.3	+0.0	+9.7%
Subtotal, Wildfire Suppression	2.4	2.6	2.6	+0.2	+8.5%
21st Century Cures Appropriations:					
Health and Human Services	0.5	1.1	--	-0.5	-100.0%
Infrastructure Investments:					
Transportation	--	--	36.6	+36.6	100.0%
Subtotal, Non-Base Discretionary Funding	219.8	25.9	58.8	-161.0	-73.2%
Total, Discretionary BA	1,594.0	1,607.9	1,424.7	-169.3	-11%

* Less than $50 million

[1] The 2021 levels are adjusted to add back CHIMPs enacted in 2021 appropriations Acts for a better illustrative comparison with 2023 proposals.

[2] Funding for Food for Peace Title II Grants is included in the State and International Programs total. Although the funds are appropriated to the Department of Agriculture, the funds are administered by the U.S. Agency for International Development (USAID).

[3] Funding from the Hospital Insurance and Supplementary Medical Insurance trust funds for administrative expenses incurred by the Social Security Administration that support the Medicare program are included in the Health and Human Services total and not in the Social Security Administration total.

[4] The State and International Programs total includes funding for the Department of State, USAID, Treasury International, and 11 international agencies while the Treasury total excludes Treasury's International Programs.

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Table S-7, Economic Assumptions

(Fiscal Years)

	2021	2022	2023	2024	2025	2026	2027	Projections 2028	2029	2030	2031	2032
Gross Domestic Product (GDP):												
Nominal level, billions of dollars.	22,363	24,694	26,299	27,588	28,912	30,329	31,815	33,374	35,009	36,724	38,524	40,412
Percent change, nominal GDP, year/year	6.8	10.4	6.5	4.9	4.8	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Real GDP, percent change, year/year	3.6	4.4	3.1	2.7	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Interest rates, percent:												
10-year Treasury notes	1.5	3.0	3.9	3.4	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2

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JAMA Health Forum.

Original Investigation

Changes in Medicaid Fee-for-Service Benefit Design for Substance Use Disorder Treatment During the Opioid Crisis, 2014 to 2021

Angela Shoulders, BS; Christina M. Andrews, PhD; Melissa A. Westlake, MSW; Amanda J. Abraham, PhD; Colleen M. Grogan, PhD

Abstract

IMPORTANCE Medicaid is the largest payer of substance use disorder treatment in the US and plays a key role in responding to the opioid epidemic. However, as recently as 2017, many state Medicaid programs still did not cover the full continuum of clinically recommended care.

OBJECTIVE To determine whether state Medicaid fee-for-service (FFS) programs have expanded coverage and loosened restrictions on access to substance use disorder treatment in recent years.

DESIGN, SETTING, AND PARTICIPANTS In 2014, 2017, and 2021, a survey on coverage for substance use disorder treatment was conducted among state Medicaid programs and the District of Columbia with FFS programs. This survey was completed by Medicaid program directors or knowledgeable staff. Data analysis was performed in 2022.

MAIN OUTCOMES AND MEASURES The following were calculated for a variety of substance use disorder treatment services (individual and group outpatient, intensive outpatient, short-term and long-term residential, recovery support, inpatient treatment and detoxification, and outpatient detoxification) and medications (methadone, oral and injectable naltrexone, and buprenorphine): (1) the percentage of Medicaid FFS programs covering these services and medications and (2) the percentage of Medicaid FFS programs using utilization management policies, such as copayments, prior authorizations, and annual maximums.

RESULTS This study had response rates of 92% in 2014 and 2017 (47 of 51 states) and 90% in 2021 (46 of 51 states). For the 2021 wave, data are reported for the 38 non-managed care organization plan-only states. Between 2017 and 2021, coverage of individual and group outpatient treatment increased to 100% of states, and use of annual maximums for medications decreased to 3% or less (n ≤ 1). However, important gaps in coverage persisted, particularly for more intensive services: 10% of Medicaid FFS programs (n = 4) did not cover intensive outpatient treatment, 13% (n = 5) did not cover short-term residential care, and 33% (n = 13) did not cover long-term residential care. Use of utilization controls, such as copays, prior authorizations, and annual maximums, decreased but continued to be widespread.

CONCLUSIONS AND RELEVANCE In this survey study of state Medicaid FFS programs, increases in coverage and decreases in use of utilization management policies over time were observed for substance use disorder treatment and medications. However, these findings suggest that some states still lag behind and impose barriers to treatment. Future research should work to identify the long-term ramifications of these barriers for patients.

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Key Points

Question How have coverage and utilization management policies for substance use disorder treatment varied over time for Medicaid fee-for-service programs?

Findings In this survey study of state Medicaid programs conducted in 2014, 2017, and 2021, coverage for substance use disorder treatment and medications increased, whereas use of utilization management policies decreased over time. However, barriers to receiving more intensive treatment services still existed in some states.

Meaning These findings suggest that access to care for substance use disorder is improving, but restrictions on coverage persist in many states.

+ Supplemental content

Author affiliations and article information are listed at the end of this article.

Introduction

Despite massive public investment, substance use disorder (SUD) remains an urgent public health challenge facing the US. Accidental drug poisoning has emerged as a leading cause of death for US individuals and accounts for more than one-third of unintentional, injury-related deaths.[1] In 2021 alone, there were more than 106 000 estimated drug-related overdose deaths, the highest number of overdose deaths ever recorded in a 12-month period to date.[2-5]

Decades of research have shown that SUD, especially opioid use disorder (OUD), can often be effectively managed with a combination of medication and psychosocial intervention.[6,7] However, ensuring access to treatment for all who need it remains a challenge. It is estimated that fewer than 20% of US individuals with SUD received any past-year treatment for SUD.[8] Among those with OUD, which carries an especially high risk of overdose and death, receipt of any medication approved by the US Food and Drug Administration (FDA) for the treatment of OUD remains low. In 2019, only one-quarter of US individuals with OUD received any FDA-approved medication for the treatment of OUD.[9]

Although access to care is undoubtably influenced by a broad range of factors, the evidence is clear that health insurance coverage plays a crucial role.[10] Because Medicaid is the largest payer of SUD treatment in the US and covers 38% of all individuals with OUD, it plays a key role in facilitating access to care.[11] In 2017, Medicaid paid for OUD treatment for slightly more than half of all individuals who received it nationwide.[11] The choices that state Medicaid programs make regarding coverage affect access to treatment for the 2 million individuals with SUD enrolled.[12]

In addition to defining SUD coverage, state Medicaid programs also employ utilization management protocols to manage access to SUD treatment. Such policies may meaningfully align use with medical necessity and/or controlling costs, which are the stated purposes of such controls. However, research suggests that utilization controls may play a role in restricting access to needed care and can prevent enrollees with SUD from initiating and remaining in treatment.[13-15]

Although approximately 70% of Medicaid enrollees are now serviced by managed care plans,[16] benefits policies for state fee-for-service (FFS) programs are influential for 3 major reasons. First, state FFS programs set the minimum coverage standard for which all Medicaid managed care organization (MCO) plans in that state must comply or obtain a special waiver to provide a comparable service in lieu of a service specified in the state Medicaid plan. In other words, Medicaid MCOs are required to cover at a minimum what is specified in the state plan amendment for its FFS program.[17] Second, as of 2020, 10 states covering more than 4.3 million individuals exclusively use FFS programs.[18,19] Finally, 15 state Medicaid programs that contract with MCO plans carve out at least some SUD treatments to FFS programs. Given this, roughly half of states cover at least some SUD treatments through FFS. Hence, understanding coverage in Medicaid FFS programs is of critical importance.

Surveys of FFS benefits within state Medicaid programs conducted by this research team in 2014 and 2017 revealed improvements in benefits for SUD treatment.[20,21] However, many gaps in treatment persist. It remains to be seen whether state Medicaid programs have continued to expand benefits for SUD treatment since 2017. In this study, we document how benefits have changed across the continuum of SUD treatment recommended by the American Society of Addiction Medicine (ASAM) since that time.[22] In light of the staggering number of drug-related overdoses and deaths and Medicaid's crucial role in providing treatment for the millions of US individuals with SUD, it is important to document state Medicaid FFS coverage and utilization control policies for SUD treatment services and OUD medications.

Methods

Study Design and Data

The University of Chicago Survey Lab conducted an internet-based survey of Medicaid programs in the 50 states and the District of Columbia to collect information on Medicaid FFS coverage and utilization controls for SUD treatment. The survey was conducted in 2014, 2017, and 2021. State Medicaid directors received a packet via mail or email that included details of the study, an invitation to participate, and a request to appoint a knowledgeable staff member to complete the survey. Each respondent was given clear information regarding the purpose of the survey, the intended uses of the survey data, a commitment to confidentiality, and a notification that participation in the survey was optional. To increase participation, several follow-up calls and emails were sent to directors who did not respond. In cases of incomplete or missing responses, qualified research assistants reviewed public documentation on plan requirements to try to fill in missing information. The University of Chicago Institutional Review Board approved this survey study and waived informed consent because the study was deemed not human participant research. The data were analyzed after each wave (in 2015, 2018, and 2022). This study followed the Strengthening the Reporting of Observational Studies in Epidemiology (STROBE) and applicable American Association for Public Opinion Research (AAPOR) reporting guidelines for observational and survey studies.

Nine states (Colorado, Hawaii, Idaho, Nebraska, New Jersey, New York, Pennsylvania, Tennessee, and Virginia) reported that 100% of their beneficiaries aged younger than 65 years without disability were enrolled in Medicaid managed care plans. Thus, these states were excluded from our FFS analysis for the 2021 wave.

Measures

In each wave of the survey, information was collected on coverage for various SUD treatment services such as individual and group outpatient, intensive outpatient, short-term and long-term residential, recovery support, inpatient treatment and detoxification, and outpatient detoxification services. The survey also included data on coverage for FDA-approved medications for treating OUD, including methadone, oral and injectable naltrexone, and buprenorphine. The research team selected these measures based on key modalities for treatment services and medications based on ASAM guidelines.[23] Because we did not collect data on alcohol use disorder medications across all 3 waves and this study focused on changes over time, we report data on OUD medications.

For each of the services and medications listed, the survey used dichotomous variables to determine whether programs had implemented the following utilization control policies: copayments, preauthorization, and annual service limits. These policies were included because they are commonly used by state Medicaid programs to regulate SUD treatment[20] and have been the focus of substantial public debates related to behavioral health treatment parity.[24]

Statistical Analysis

Several measures of coverage and utilization management were constructed using our data. First, we calculated the percentage of Medicaid FFS programs that offered coverage for each treatment service (individual and group outpatient, intensive outpatient, short-term and long-term residential, recovery support, inpatient treatment and detoxification, and outpatient detoxification) and medication (methadone, oral and injectable naltrexone, and buprenorphine). Next, we calculated the percentage of programs using different utilization management policies (copayments, prior authorizations, and annual maximums) for each treatment and medication. Because we were looking at the full population of Medicaid plans, we did not conduct any formal statistical tests. In cases in which 1 or more states did not answer a particular question and research assistants were unable to fill in the missing data, the number of respondents to the particular question was used as the denominator.

Data analysis was performed in 2022, using Microsoft Excel 365.

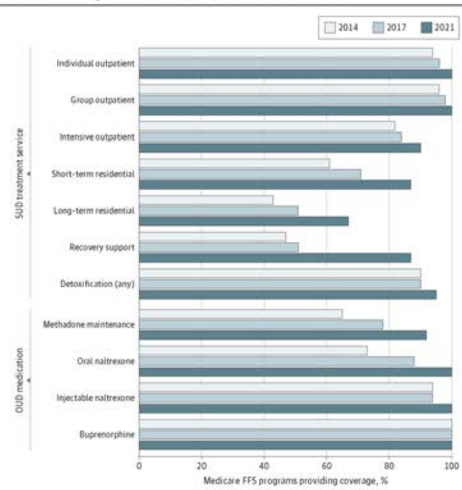
Results

In 2014 and 2017, 47 of 51 Medicaid programs (92%) participated in our survey. In 2021, 46 of 51 Medicaid programs (90%) participated; we report data for the 38 non–MCO-only states for this wave (although due to research assistant–collected data, some variables include data for up to 40 non-MCO states). All results are provided in eTables 1 and 2 in Supplement 1. Nonrespondent states are listed in eTable 3 in Supplement 1.

Benefit Coverage

Coverage for all types of SUD treatment services and OUD medications increased or remained flat from 2014 to 2017 to 2021 (**Figure 1**). The percentage of Medicaid FFS programs that covered individual and group outpatient treatment increased to 100% in 2021 (n = 40). A few FFS programs also increased coverage for intensive outpatient treatment and detoxification (inpatient, outpatient, or both), resulting in 90% and 95% of programs (n = 36 and 38, respectively) covering these treatments, respectively. The 2021 survey was the first wave to break out inpatient and outpatient detoxification coverage separately; 67% of Medicaid FFS programs (n = 30) reported covering outpatient detoxification and 93% of programs (n = 37) reported covering inpatient detoxification. Some of the largest increases in coverage were observed for short-term and long-term residential treatment. Coverage for short-term residential programs increased from 71% in 2017 to 87% in 2021 (n = 36 and 34, respectively), and coverage for long-term residential programs increased from 51% in 2017 to 67% in 2021 (n = 26 for both). State Medicaid coverage for recovery support services also grew, increasing from 51% in 2017 to 87% in 2021 (n = 26 and 34, respectively).

Figure 1. Medicaid Fee-for-Service (FFS) Programs Providing Coverage for Substance Use Disorder (SUD) Treatment Services and Opioid Use Disorder (OUD) Medications, 2014 to 2021



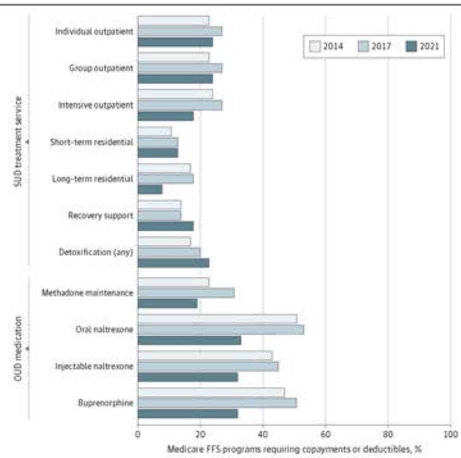
Coverage for OUD medications also increased during the period from 2017 to 2021. Coverage for oral naltrexone increased from 88% of FFS programs to 100% in 2021 (n = 45 and 40, respectively); injectable naltrexone coverage also increased from 94% to 100% (n = 48 and 40, respectively). Methadone coverage increased from 78% to 92% (n = 40 to 36). Oral buprenorphine coverage remained at 100% in 2014, 2017, and 2021 (n = 51, 51, and 40, respectively).

Copayments

The percentage of Medicaid FFS programs requiring copayments or deductibles increased universally between 2014 and 2017, but results were mixed in 2021 (**Figure 2**). Copayment requirements decreased modestly for individual and group outpatient treatment (from 27% to 24% for both services; n = 12 to 9). Copayment requirements for intensive outpatient treatment also decreased from 27% in 2017 to 18% in 2021 (n = 10 to 6). Use of copayments for short-term residential programs was stagnant at 13% (n = 4), whereas copayments decreased for long-term residential programs from 18% to 8% (n = 4 to 2). Finally, copayments increased from 14% to 18% (n = 3 to 6) for recovery support and from 20% to 23% (n = 8 to 9) for detoxification.

Copayment requirements for OUD medications universally decreased in 2021. This is a reversal from the change between 2014 and 2017: for all OUD medications, the proportion of FFS programs requiring copayments increased slightly between 2014 and 2017. The proportion of FFS programs with copayment requirements for methadone decreased from 31% in 2017 to 19% in 2021 (n = 11 to 7). The proportion of FFS programs with copayment requirements for oral naltrexone decreased the most, from 53% in 2017 to 33% in 2021 (n = 25 to 13). Programs with copayment requirements decreased for injectable naltrexone (22 [45%] to 12 [32%]) and buprenorphine (25 [51%] to 12 [32%]) between 2017 and 2021.

Figure 2. Medicaid Fee-for-Service (FFS) Programs Requiring Copayments or Deductibles for Substance Use Disorder (SUD) Treatment Services and Opioid Use Disorder (OUD) Medications, 2014 to 2021



Prior Authorization

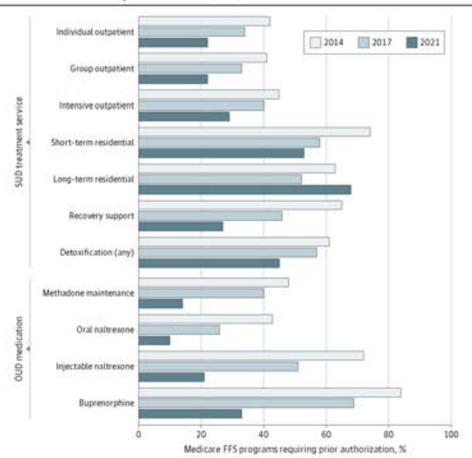
Prior authorization requirements for treatments and medications were highest in 2014 and decreased in both 2017 and 2021 for nearly all services (**Figure 3**). From 2017 to 2021, the proportion of FFS programs requiring prior authorization for individual outpatient treatment decreased from 34% to 22% (n = 15 to 8) and from 33% to 22% (n = 15 to 8) for group outpatient treatment. The proportion of programs requiring prior authorization decreased for intensive outpatient (15 [40%] to 10 [29%]), detoxification (23 [57%] to 18 [45%]), and short-term residential (18 [58%] to 17 [53%]) treatment. Long-term residential treatment was the only treatment service with an increase in the percentage of programs requiring prior authorization (12 [52%] to 17 [68%]). Recovery support services decreased most dramatically, from 46% in 2017 to 27% in 2021 (n = 10 to 9).

Prior authorization decreased precipitously for all OUD medications. For some medications, the proportion of FFS programs requiring it decreased by two-thirds. From 2017 to 2021, the proportion of programs requiring prior authorization for methadone decreased from 40% to 14% (n = 15 to 5). The proportion of programs requiring prior authorization for oral naltrexone and injectable naltrexone decreased from 26% to 10% (n = 12 to 4) and 51% to 21% (n = 25 to 8), respectively. Buprenorphine prior authorization decreased from 69% to 33% of programs (n = 35 to 13).

Annual Service Limits

Annual service limits for SUD treatment peaked in 2014, decreased dramatically in 2017, and stayed relatively flat in 2021 (**Figure 4**). Between 2017 and 2021, there were modest increases in the percentage of FFS programs requiring annual limits for individual outpatient counseling (10 [23%] to 9 [26%]), group outpatient counseling (10 [22%] to 9 [26%]), and detoxification (4 [10%] to 6

Figure 3. Medicaid Fee-for-Service (FFS) Programs Requiring Prior Authorization for Substance Use Disorder (SUD) Treatment Services and Opioid Use Disorder (OUD) Medications, 2014 to 2021



[15%]). Annual maximums decreased for short-term residential treatment (8 [26%] to 5 [17%]), long-term residential treatment (4 [18%] to 3 [14%]), recovery support services (4 [20%] to 5 [17%]), and intensive outpatient care (7 [18%] to 3 [10%]).

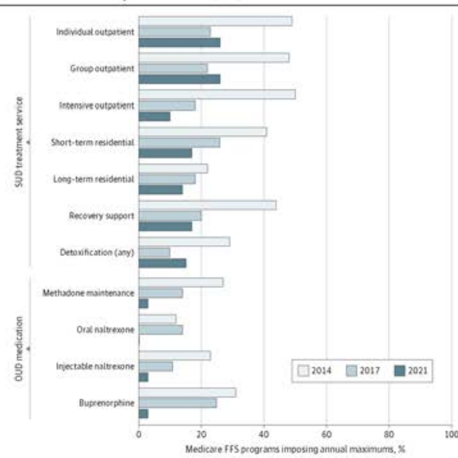
From 2017 to 2021, the proportion of FFS programs requiring annual maximums for OUD medications decreased nearly to the point of nonexistence. The percentage of programs requiring this utilization control for any OUD medications decreased to 3% or less ($n \leq 1$).

Discussion

Our findings suggest that Medicaid FFS benefits for SUD treatment have continued to improve since 2017. Coverage for SUD treatment and OUD medications increased substantially over the study period. These improvements are likely driven by the continued opioid crisis, the concurrent growth in demand for affordable SUD treatment, and the mandated expansion of coverage of medications for OUD under the Substance Use-Disorder Prevention That Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act. As of January 2020, the SUPPORT Act required all Medicaid programs and plans to cover all FDA-approved medications for OUD (with some exceptions). It did not, however, prohibit the use of utilization management policies.

Overall, use of utilization controls declined for both SUD treatment services and medications. One potential mechanism for these changes is compliance with the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (MHPAEA) of 2008, which requires insurers to eliminate inequities in coverage between SUD treatment and physical health care. An extension of parity requirements in the MHPAEA to Medicaid occurred with the passage of the Affordable Care Act in 2010, but the US Centers for Medicare & Medicaid Services (CMS) did not require full compliance until late 2017.[25] While the extension of parity requirements to Medicaid under the

Figure 4. Medicaid Fee-for-Service (FFS) Programs Imposing Annual Maximums on Substance Use Disorder (SUD) Treatment Services and Opioid Use Disorder (OUD) Medications, 2014 to 2021



MHPAEA only applied to Medicaid managed care, it also likely affected state FFS programs since, as noted above, it is still common for some states to administer behavioral health services—and in some cases, all medications—for their managed care enrollees through FFS. In particular, this may be a contributing factor for annual maximum policies dropping to nearly 0. While it is possible that some changes due to the MHPAEA were captured in the 2017 survey, the timing of compliance and our survey make it likely that some changes did not go into effect until after that wave and thus would be captured in the most recent wave. At the same time, several states partially restricted or completely banned the use of prior authorization for at least some medications for OUD, which contributes to the decreases seen in prior authorizations.[26] Some states also placed limits on the use of copays for FDA-approved medications used to treat OUD (buprenorphine, methadone, and naltrexone).[27-30]

We observed a large increase in coverage for short- and long-term residential treatment for SUD, which had been stagnant at a low level of coverage in 2014 and 2017. The magnitude of this change may be especially important, given CMS's option to allow states to waive the institutions for mental disease exclusion, which limited Medicaid coverage to small residential programs providing care to fewer than 16 persons. Prior to the option to waive the exclusion, states' decision to cover residential treatment may have had a more limited impact on access to care.

Coverage for recovery support services also increased dramatically from 2014 to 2021. This may be due to the relatively low cost of providing recovery support services—making it easier for states to finance recovery support compared with other forms of care—as well as a growing body of evidence showing the importance of these services in engaging individuals with SUD in treatment and retaining them in care over time.[31,32]

While the improvements in coverage of treatment and medications are certainly encouraging, the challenge of ensuring access to the ASAM continuum of coverage for all individuals with OUD is far from resolved. Critical gaps in coverage remain. In addition to the lack of universal coverage for recovery support services, 10% of surveyed FFS programs did not cover intensive outpatient treatment, 13% did not cover any type of residential treatment, and 8% did not cover methadone. It is critical that enrollees have access to the full continuum of care, including more intensive outpatient services and residential care as well as all FDA-approved medications for the treatment of OUD.[23] However, coverage is only one necessary component in ensuring access to care. Other factors, such as decreasing stigma and increasing the supply of SUD treatment providers and treatment facilities, are important and related to access to coverage. For example, some rural states could not comply with the SUPPORT Act mandate to cover methadone because there were no Medicaid providers who could dispense it in the state. One important step in alleviating the shortage of treatment providers may be to increase Medicaid reimbursement rates, which may increase the willingness of some existing providers to serve Medicaid clients or may induce others to enter the field altogether.

Additionally, 90% of surveyed FFS programs still impose some type of utilization management policy for SUD treatment. Especially in the midst of the opioid crisis, it is important to gain a deeper understanding of how utilization controls affect access to SUD services to help inform policy makers. Do these controls reduce unnecessary care, as intended, or do they impede access to needed care?[26,33,34]

Limitations

This study relied on information provided by staff in each state's Medicaid agency. Although this provides the most up-to-date information, it may be subject to unintentional reporting error. To reduce this potential for error, and to fill in missing information, we cross-checked information from public records. In cases in which respondents indicated coverage policies that were not in compliance with the SUPPORT Act, we followed up to confirm their responses given that our data collection effort occurred concurrently with implementation of key provisions. Furthermore, the survey did not ask any questions about program-specific or population-specific exemptions. Hence, it is possible that our results do not apply to every Medicaid enrollee in a given state.

Finally, the collection of our last wave of data overlaps with the COVID-19 pandemic, during which some restrictions on SUD care were loosened. This may have resulted in an underestimation of the use of some utilization management parameters.[35]

Conclusions

The findings of this survey study of Medicaid FFS program coverage suggest that there have been substantial improvements in Medicaid benefits for SUD treatment services and OUD medications since 2014. Because 10 states only use Medicaid FFS, and state Medicaid FFS programs set the minimum standard for SUD treatment coverage in Medicaid MCO plans, this finding is highly salient. Nonetheless, there is still progress to be made before all Medicaid enrollees have adequate coverage for SUD treatment. States should continue to focus on expanding coverage across the ASAM continuum and minimize use of utilization management policies that may restrict access to care.

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Corresponding Author: Angela Shoulders, BS, Department of Economics, Darla Moore School of Business, University of South Carolina, 1014 Greene St, Columbia, SC 29208 (angela.shoulders@grad.moore.sc.edu).

Author Affiliations: Department of Economics, Darla Moore School of Business, University of South Carolina, Columbia (Shoulders); Department of Health Services Policy and Management, Arnold School of Public Health, University of South Carolina, Columbia (Andrews, Westlake); Department of Public Administration and Policy, School of Public and International Affairs, University of Georgia, Athens (Abraham); Center for Health Administration Studies, Crown School of Social Work, Policy, and Practice, The University of Chicago, Chicago, Illinois (Grogan).

Author Contributions: Mrs Shoulders and Dr Grogan had full access to all of the data in the study and take responsibility for the integrity of the data and the accuracy of the data analysis.

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SUPPLEMENT 1.
eTable 1. Percentage Data Corresponding to Figures 1 to 4
eTable 2. Count Data Corresponding to Figures 1 to 4
eTable 3. Nonrespondent US States for Each Survey Wave

SUPPLEMENT 2.
Data Sharing Statement

Facts and Impacts

Children that participate in Head Start programs receive innumerable benefits. These advantages appear immediately, last a lifetime, and even have an effect on other generations. The effects are particularly strong amongst certain subgroups of children, particularly Hispanic and African-American children, dual language learners, children who are homeless or in foster care, those who qualify for free lunch, and those whose mothers didn't graduate high school. When disadvantaged children receive high-quality birth-to-five education, such as Early Head Start plus Head Start, the return on investment can be as high as 13% annually. (Garcia, 2016 (http://humcap.uchicago.edu/RePEc/hka/wpaper/Garcia_Heckman_Leaf_etal_2016_life-cycle-benefits-ecp.pdf))

By the End of their Time in the Head Start Program

- Head Start children make progress in language, literacy, and math. Head Start children also score at the norm on letter-word knowledge by the end of the year. (Aikens et al., 2013 (http://www.acf.hhs.gov/sites/default/files/opre/faces_2009_child_outcomes_brief_final.pdf); Bloom and Weiland, 2015 (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2594430))
- Early Head Start children show significantly better social-emotional, language, and cognitive development. Children who attend Early Head Start and transition to Head Start are more ready for kindergarten than children who do not attend Head Start. (Love et al., 2002 (http://www.mathematica-mpr.com/~/media/publications/PDFs/ehsfinalsumm.pdf))
- The Head Start Impact Study found Head Start children scored better than a control group of children in all measured domains of cognitive and social-emotional development. (HHS, 2010 (http://www.acf.hhs.gov/programs/opre/resource/head-start-impact-study-final-report-executive-summary))
- Head Start children in foster care or other non-parental care are more ready for school. (Lipscomb et al., 2013 (http://www.sciencedirect.com/science/article/pii/S0193397312000883))
- Head Start children have better social skills, impulse control, and approaches to learning. Head Start children also decrease their problem behaviors, such as aggression and hyperactivity. (Aikens et al., 2013 (http://www.acf.hhs.gov/sites/default/files/opre/faces_2009_child_outcomes_brief_final.pdf))
- Obese, overweight, or underweight children who participate in Head Start have a significantly healthier BMI by kindergarten. (Lumeng et al., 2015 (https://pediatrics.aappublications.org/content/early/2015/01/07/peds.2014-1725))
- Children in Early Head Start are more likely to be immunized and have access to services for children with disabilities (Love et al., 2002 (http://www.mathematica-mpr.com/~/media/publications/PDFs/ehsfinalsumm.pdf)).
- Head Start children are more likely to receive dental checkups and have healthy eating patterns than non-participants. They have lower BMI scores and are less likely to be overweight compared to children in other non-parental care. (Lee et al., 2013 (http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3810984/))
- When families participate in Head Start (as opposed to no early childhood education), children are 93% less likely to end up in foster care, a correlation not found by participating in any other types of early childhood education. (Klein et. al., 2017 (https://www.sciencedirect.com/science/article/pii/S0190740917303195?via%3Dihub))
- Children show additional gains in social-emotional development as a result of participating in Head Start at both 3 and 4 years old. (Aikens et al., 2013 (http://www.acf.hhs.gov/sites/default/files/opre/faces_2009_child_outcomes_brief_final.pdf))

Throughout K-12

- Compared with children in parental care, Head Start children performed considerably better on cognitive and social-emotional measures in kindergarten and had fewer attention problems and exhibited fewer negative behaviors. (Zhai et al., 2011 (http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3050648/pdf/nihms273531.pdf))
- Head Start graduates in the Baltimore City Schools enter kindergarten with higher attendance levels than their peers and maintain those levels through third grade. (Connolly and Olson, 2012 (http://baltimore-berc.org/pdfs/PreKKAttendanceFullReport.pdf))
- Full-day Head Start children in the Montgomery County Public Schools (MCPS) were more likely to meet reading benchmarks by the end of kindergarten, compared to students who had half-day preschool or no preschool. The students also required half as many special education services per week as their peers without the MCPS preschool experience. (Zhao and Modarresi, 2010 (http://www.montgomeryschoolsmd.org/departments/sharedaccountability/reports/2010/10.04.30%20Pre%20K%20report.pdf))
- Mortality rates for 5- to 9-year-old children who had attended Head Start are 33% to 50% lower than the rates for comparable children who were not enrolled in Head Start. (Ludwig and Miller, 2007 (http://home.uchicago.edu/ludwigj/papers/QJE_Headstart_2007.pdf))
- Children who attend Early Head Start have significantly fewer child welfare encounters during their elementary years. (Green et al., 2014 (http://pdxscholar.library.pdx.edu/cgi/viewcontent.cgi?article=1001&context=childfamily_pub))
- Head Start children in Harrisburg, PA, had higher mean scores in the fifth grade than a control group on all academic and executive functioning outcomes. (Greenberg and Domitrovich, 2011 (http://live.psu.edu/story/55552))
- Early Head Start shows positive impacts on participants' social-emotional functioning that last through fifth grade. (Vogel et al., 2010 (http://www.acf.hhs.gov/sites/default/files/opre/grade5.pdf))
- Head Start children in Tulsa, OK, have higher math test scores in 8th grade, are less likely to be chronically absent, and less likely to be held back a year by 8th grade. (Phillips et al., 2016 (https://georgetown.app.box.com/s/q43pgptmzzm6h3zjcosk93ucnh1k4o9e))

As Adults

- Head Start children have a higher likelihood of graduating high school, attending college, and receiving a post-secondary degree, license, or certification. (Bauer and Schanzenbach, 2016 (http://www.hamiltonproject.org/assets/files/long_term_impact_of_head_start_program.pdf))
- Head Start students are more likely to graduate high school, more likely to go to at least one year of college, less likely to be out of school and unemployed, and less likely to be in poor health. (Deming, 2009 (http://www.people.fas.harvard.edu/~deming/papers/Deming_HeadStart.pdf))

- Among children who attended Head Start in the 1960s-70s, white children were 28.3% more likely than their siblings to complete high school and 27.6% more likely to attend college. (Garces et al., 2002 (http://www.princeton.edu/~jcurrie/publications/Longer_Term_Effects_HeadSt.pdf))
- Head Start improves adult health status for graduates; they are 7% less likely to be in poor health as adults than their siblings who did not attend. (Johnson, 2010 (http://socrates.berkeley.edu/~ruckerj/Johnson_AERMay2010_PapersProceedings.pdf); Deming, 2009 (http://www.people.fas.harvard.edu/~deming/papers/Deming_HeadStart.pdf))
- As adults, Head Start graduates are 19% less likely to smoke than their siblings who did not attend. The savings from these reduced health costs are equal to 36%-141% of the program costs. (Anderson et al., 2010 (http://onlinelibrary.wiley.com/doi/10.1111/j.1465-7295.2008.00202.x/abstract))
- Among children who attended Head Start in the 1960s-70s, African American children who attended Head Start were 12% less likely to be arrested or charged with a crime compared to their siblings. (Garces et al., 2002 (http://www.princeton.edu/~jcurrie/publications/Longer_Term_Effects_HeadSt.pdf))
- Compared to siblings who did not attend, Head Start graduates demonstrated improved educational attainment, adult health status, and wages, and decreased grade repetition and incarceration rates for black males. (Johnson, 2011 (http://socrates.berkeley.edu/~ruckerj/RJabstract_LRHeadStartSchoolQuality.pdf))
- Exploring the evidence on lasting effects of Head Start for children and society both from and beyond the Head Start Impact Study shows the long-term effects and benefit-cost ratio of Head Start. (Karoly and Auger, 2016 (http://www.rand.org/content/dam/rand/pubs/research_reports/RR1400/RR1461/RAND_RR1461.pdf))

Next Generations

- Early Head Start parents offer more stimulating home environments, read more with children, use less physical punishment, and have higher levels of self-sufficiency. (Love et al., 2002 (http://www.mathematica-mpr.com/~/media/publications/PDFs/ehsfinalsumm.pdf))
- Head Start parents are more likely to increase their educational levels during their children's early years than other at-risk parents. (Sabol and Chase-Lansdale, 2014 (http://onlinelibrary.wiley.com/doi/10.1002/pam.21799/abstract))
- Head Start parents invest more time in learning activities with their children, and non-resident fathers spend more days per month with their children. (Gelber and Isen, 2011 (http://www.sciencedirect.com/science/article/pii/S0047272713000339))
- Head Start graduates report investing more in their own children; their children benefited from more positive parenting practices. Head Start graduates spent more teaching their own children numbers, letters, colors, and shapes, more time praising their children, showed their children more physical affection, spent more time doing the child's favorite activities, and reported spanking their children less. (Bauer and Schanzenbach, 2016 (http://www.hamiltonproject.org/assets/files/long_term_impact_of_head_start_program.pdf))
- The children of Head Start graduates are significantly more likely to finish high school and enroll in college and they are significantly less likely to become teen parents or to be involved in the criminal justice system. (Barr and Gibbs, 2017 (https://static1.squarespace.com/static/563b95a2e4b0c51a8b87767c/t/59b2e1d259cc681cdd587b22/1504895485410/Barr+%26+Gibbs_Intergenerational_2017.pdf))

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Resource I January 12, 2022

(https://nhsa.org/resource/head-start-advantage-
sheets)

Early Childhood Education (https://nhsa.org?s=&topic=early-childhood-education)

School Readiness (https://nhsa.org?s=&topic=school-readiness)

school-readiness/)

(https://nhsa.org/resource/head-start-advantage-social-emotional-development/)

Head Start Advantage: School Readiness (https://nhsa.org/resource/head-start-advantage-school-readiness/)

Resource | December 15, 2021

Fact Sheets (https://nhsa.org?s=&category=fact-

Head Start Advantage: Children's Social-Emotional Development (https://nhsa.org/resource/head-start-advantage-social-emotional-development/)

Resource | December 15, 2021

(https://nhsa.org/resource/head-start-advantage-early-head-start/)

Parent and Family (https://nhsa.org?s=&topic=parent-and-family)

School Readiness (https://nhsa.org?s=&topic=school-readiness)

Head Start Advantage: Early Head Start (https://nhsa.org/resource/head-start-advantage-early-head-start/)

Resource | December 15, 2021

Fact Sheets (https://nhsa.org?s=&category=fact-sheets)

(https://nhsa.org/resource/parent-advancement/)
head-start)

Parent and Family (https://nhsa.org?s=&topic=parent-and-family)

Head Start Advantage: Parent Advancement (https://nhsa.org/resource/parent-advancement/)

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The Career Center (https://careercenter.nhsa.org/)

The HeadStarter Network (https://www.headstarternetwork.org/)

The Junction (https://thejunction.nhsa.org/)

Parent Gauge (https://nhsa.org/parent-gauge/)

American Forest & Paper Association

Office of the President

January 2, 2025

The Honorable Lindsay Graham, Chairman
The Honorable Jeff Merkley Ranking Member
U.S. Senate Committee on Budget
624 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Rand Paul, Chairman
The Honorable Gary Peters, Ranking Member
U.S. Senate Committee on Homeland Security and Governmental Affairs
840 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairmen Graham and Paul and Ranking Members Merkley and Peters:

On behalf of the American Forest & Paper Association (AF&PA), I am writing in support of President Trump's nomination of Russell Vought to serve as the Director of the Office of Management and Budget.

We believe Mr. Vought will work to accomplish President Trump's agenda of growing the American manufacturing economy, creating new, high-paying jobs throughout our country, particularly in rural America, improving the regulatory process, and ensuring that regulations are sustainable and do more good than harm.

AF&PA serves to advance U.S. paper and wood products manufacturers through fact-based public policy and marketplace advocacy. The forest products industry accounts for approximately 5% of the total U.S. manufacturing GDP, manufactures about $350 billion in essential products annually and employs about 925,000 people. The industry meets a payroll of about $65 billion annually and over 75 percent of our facilities are located in counties that are over 80 percent rural. The forest products industry is circular by nature. AF&PA member companies make essential products from renewable and recyclable resources, generate renewable bioenergy and are committed to continuous improvement through the industry's sustainability initiative — Better Practices, Better Planet 2030: Sustainable Products for a Sustainable Future.

The U.S. manufacturing sector has been a fundamental driver of American success, but our nation faces growing challenges in a highly competitive global economy. The cost, complexity and volume of regulations is greater than ever. As a result of our cumbersome air and water permitting processes, manufacturers that want to expand and create jobs with cleaner, more efficient technology are often stymied.

The U.S. Supreme Court recently made clear that regulators must follow the best reading of statutes; they must only act within the boundaries of their statutory authority, and consider all relevant factors, including balancing costs and benefits. Accordingly, it is essential that regulations be designed to provide net benefits to the public based on best available scientific and technical information through a transparent and accountable rulemaking process, with due consideration of the cumulative regulatory burden. We think Mr. Vought is uniquely positioned to ensure these regulatory principles are implemented.

We believe Mr. Vought is eminently qualified for this important role and will execute President Trump's agenda in a thoughtful, impactful manner. Mr. Vought's previous experience as the Office of Management and Budget Director make him uniquely qualified to once again serve in this role.

Based on our knowledge of Mr. Vought and his background, we believe his expertise, experience and professionalism make him an excellent candidate for this important position.

Kind Regards,

Heidi Brock

Heidi Brock
President and Chief Executive Officer

Testimony Submitted for the Record
Senate Committee on the Budget
Hearing: The Nomination of the Honorable Russell T. Vought, of Virginia, to be Director of the Office of Management and Budget
By Debra Perlin, Policy Director, Citizens for Responsibility and Ethics in Washington

January 22, 2025

Chairman Graham, Ranking Member Merkley and members of the Committee, thank you for the opportunity to submit testimony regarding the nomination of Russell Vought to be Director of the Office of Management and Budget (OMB).

My organization, Citizens for Responsibility and Ethics in Washington (CREW), is a nonpartisan nonprofit organization dedicated to fighting corruption and promoting ethical governance. With this mission in mind, I write to you today to express deep concern about Mr. Vought's efforts to dismantle our merit-based civil service system and how such a dismantling will likely cause large-scale corruption within the government.

Should he be confirmed, it is abundantly clear that Mr. Vought intends to misuse his authority as Director of OMB to harm civil servants, and as a result, endanger the American public. During his tenure as OMB Acting Director and then Director from January 2019 to January 2021, Mr. Vought was a central figure in attempting to implement Schedule F, President Trump's Executive Order that would have upended the merit-based civil service system by stripping employment protections away from thousands of career civil servants had President Biden not rescinded it. Mr. Vought has called for reinstating Schedule F and was a key architect of Project 2025, the Heritage Foundation's sweeping—and wildly unpopular—conservative policy plan that advocates for dismantling the civil service. If Schedule F is reinstated, it would not only harm federal employees but would also cause catastrophic harm to government services, as well as causing deep economic impacts in places with significant populations of government workers including California, Texas, Virginia, Maryland and Washington D.C., among others.[1]

Research shows that when government politicization increases—which it would if career civil servants are replaced with political appointees—government performance deteriorates.[2] Career civil servants who are experts in their fields understand their responsibilities under the law are essential to a functioning government. They help ensure that our water and air are clean, we can travel safely, we have the technological

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[1] U.S. Office of Personnel Management, "General", https://www.opm.gov/frequently-asked-questions/workforce-information-faq/general/which-states-has-the-most-federal-employees/.
[2] Donald Moynihan, *The risks of Schedule F for administrative capacity and government accountability*, Brookings (Dec. 12, 2023), https://www.brookings.edu/articles/the-risks-of-schedule-f-for-administrative-capacity-and-government-accountability/.

infrastructure to protect against cyber attacks, our government is prepared to respond to climate emergencies like wildfires and hurricanes and that the medicines we take are safe. A government hamstrung by federal agencies filled with unqualified party loyalists would negatively impact almost every part of everyday Americans' lives and cause unique harm to rural communities,[3] senior citizens[4] and veterans.[5] It would also jeopardize national security and leave our democracy vulnerable to attempts to diminish it, including efforts by foreign adversaries, like Russia,[6] Iran[7] and China,[8] that seek to unlawfully influence our elections.

By replacing independent civil servants with political loyalists who prioritize blind obedience over following the law, Mr. Vought would not only make our government more dysfunctional and ineffective but also more prone to corruption. This is evident from U.S. history: before the passage of the Pendleton Act in 1883, the U.S. government operated under a spoils system, in which federal employment was based on party loyalty and patronage rather than merit and expertise. In order to be elected, aspiring politicians would buy endorsements and reward loyalty with promises to put important party bosses' political cronies in positions of power in their administration.[9] Unsurprisingly, this spoils system was directly linked to a rise in corruption and even violence, including the assassination of then-President Garfield in 1881 by a rejected office-seeker, which is why it was rightfully outlawed nearly 150 years ago.[10] Mr. Vought's persistent eagerness to return to a spoils system and replace civil servants with political loyalists indicates a dangerous disregard for the rule of law, government ethics laws and our country's security.

Mr. Vought's attacks on the civil service go beyond Schedule F. In a private speech published by *ProPublica*, Mr. Vought told a crowd that he wants to put career civil servants "in trauma," and said that when "they wake up in the morning, we want them to not want to go to work

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[3] Joe Spielberger, *Schedule F Would Turn Its Back on Rural Communities*, POGO (July 30, 2024), https://www.pogo.org/analysis/schedule-f-would-turn-its-back-on-rural-communities.
[4] Joe Spielberger, *"Schedule F" Plan to Gut Civil Service Puts Seniors at Risk*, POGO (May 16, 2024), https://www.pogo.org/analysis/schedule-f-plan-to-gut-civil-service-puts-seniors-at-risk.
[5] Joe Spielberger, *Schedule F Betrays Veterans' Service to Our Country*, POGO (July 1, 2024), https://www.pogo.org/analysis/schedule-f-betrays-veterans-service-to-our-country.
[6] Press Release, Justice Department Disrupts Covert Russian Government-Sponsored Foreign Malign Influence Operation Targeting Audiences in the United States and Elsewhere, Department of Justice (Sept. 4, 2024), https://www.justice.gov/opa/pr/justice-department-disrupts-covert-russian-government-sponsored-foreign-malign-influence.
[7] Robert Legare and Andres Triay, *U.S. intelligence officials warn of Iran's attempts to interfere in presidential election*, CBS News (Aug. 19, 2024), https://www.cbsnews.com/news/intelligence-community-iran-interference-hacking-u-s-elections/.
[8] Tiffany Hsu and Steven Lee Myers, *China's Advancing Efforts to Influence the U.S. Election Raise Alarms*, New York Times (Apr. 2, 2024), https://www.nytimes.com/2024/04/01/business/media/china-online-disinformation-us-election.html.
[9] *See* William 'Boss' Tweed and Political Machines, *Bill of Rights Institute*, https://billofrightsinstitute.org/essays/william-boss-tweed-and-political-machines.
[10] *See* "Spoils System," Encyclopedia.com; *see also* "Machine Politics," *PBS*, https://www.pbs.org/wgbh/americanexperience/features/presidents-unity-garfield/.

because they are increasingly viewed as the villains."[11] Mr. Vought's statements about his potential future employees make him wholly unqualified as a manager, to say nothing of being worthy of the privilege of administering the federal budget and overseeing federal agencies.

In addition to Mr. Vought's intention to dismantle the civil service, he has pushed extreme strategies to consolidate presidential power under the banner of "radical constitutionalism."[12] He supports the president withholding congressionally appropriated funds in violation of the Impoundment Control Act,[13] bypassing the advice and consent of the Senate to push recess appointments,[14] invoking the Insurrection Act to deploy the military on the American public[15] and abusing emergency powers.[16] These plans to expand presidential power are even more troubling taken with Mr. Vought's stated desire to reduce the independence of federal agencies such as the Department of Justice, in part by purging agencies of career civil servants that are seen as standing in the way of the president's agenda.[17] Mr. Vought has called for "an army of investigators" to prosecute current and former government officials who sought to hold President Trump accountable.[18] These are just some of the ways Mr. Vought intends to misuse his own authority and craft plans for the president to subvert the law and, in the process, American democracy.

Our constitution entrusts the Senate with the duty of giving its advice and consent on presidential nominations.[19] CREW strongly urges the committee to exercise this responsibility by rejecting Mr. Vought's nomination in order to protect our democratic institutions and the American public.

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[11] Molly Redden, Andy Kroll and Nick Surgey, *"Put Them in Trauma": Inside a Key MAGA Leader's Plans for a New Trump Agenda*, ProPublica (Oct. 28, 2024), https://www.propublica.org/article/video-donald-trump-russ-vought-center-renewing-america-maga.
[12] Richard Lardner, *Russell Vought, a Project 2025 architect, likely in line for high-ranking post if Trump wins 2nd term*, PBS (Aug. 5, 2024), https://www.pbs.org/newshour/politics/russell-vought-a-project-2025-architect-likely-in-line-for-high-ranking-post-if-trump-wins-2nd-term.
[13] Jeff Stein and Jacob Bogage, *Trump plans to claim sweeping powers to cancel federal spending*, The Washington Post (June 7, 2024), https://www.washingtonpost.com/business/2024/06/07/trump-budget-impoundment-congress/.
[14] Katherine Culliton-González and Virginia Canter, *Abuse of recess appointments raises constitutional law concerns*, CREW (June 14, 2025), https://www.citizensforethics.org/reports-investigations/crew-reports/abuse-of-recess-appointments-raises-constitutional-law-concerns/; Alice Herman, *Trump's pick for budget head worked on Project 2025 – and wants to bypass the US Senate*, The Guardian (Nov. 23, 2024), https://www.theguardian.com/us-news/2024/nov/23/trump-project-2025-russell-vought-budget-director.
[15] Beth Reinhard, *Trump loyalist pushes 'post-Constitutional' vision for second term*, The Washington Post (June 8, 2024), https://www.washingtonpost.com/politics/2024/06/08/russ-vought-trump-second-term-radical-constitutional/.
[16] Marianne LeVine and Quint Forgey, *White House asks Congress for $5.7 billion for 'steel barrier'*, Politico (Jan. 6, 2019), https://www.politico.com/story/2019/01/06/trump-emergency-border-wall-government-shutdown-1082712.
[17] *Supra* note 15.
[18] *Id.*
[19] U.S. Const. art. II, § 2 cl. 2.

independentWomen®

Independent Women Supports the Confirmation of Russell Vought as Director of the Office of Management and Budget

January 15, 2025

Dear Senators,

Independent Women, which advances policies that enhance opportunity and well-being, fully supports the confirmation of Russell Vought to serve as Director of the Office of Management and Budget. President Trump deserves the team he wants so that he can carry out the directive given to him by the American people.

There is no question that Mr. Vought is incredibly qualified to serve as Director of the Office of Management and Budget.

With his experience both working in and leading the office during President Trump's first term, Mr. Vought understands the challenges he must face and overcome to bring needed change for the American people and improve the economy and our government fiscal situation.

In addition, Mr. Vought will be a key partner to the Department of Government Efficiency in pushing for reforms that will cut the federal budget down, find savings for taxpayers, and right-size federal agencies.

Independent Women is proud to support the nomination of such a qualified nominee to serve as Director of the Office of Management and Budget. We urge senators to provide Russell Vought with a fair and respectful hearing and to confirm him as Director of the Office of Management and Budget.

Respectfully,

HRH

Heather R. Higgins
CEO
Independent Women's Voice

Carrie Lukas

Carrie Lukas
Vice President
Independent Women's Voice

BUSINESS MEETING TO CONSIDER THE HON. RUSSELL VOUGHT TO BE DIRECTOR OF OMB

THURSDAY, JANUARY 30, 2025

COMMITTEE ON THE BUDGET,
U.S. SENATE,
Washington, DC.

The hearing was convened, pursuant to notice, at 12:18 p.m., in the President's Room, of The Capitol Building, Room S–216, Hon. Lindsey O. Graham, Chairman of the Committee, presiding.

Present: Senators Graham, Grassley, Crapo, Johnson, Marshall, Cornyn, Lee, Kennedy, Ricketts, Moreno, and R. Scott.

Also present: Republican Staff: Nick Myers, Staff Director; Katherine Nikas, Deputy Staff Director and Chief Counsel; Erich Hartman, Deputy Staff Director; Caitlin Wilson, Senior Counsel; Lillian Meadows, General Counsel; Nick Wyatt, Professional Staff Member.

Democratic Staff: Melissa Kaplan-Pistiner, General Counsel; Tyler Evilsizer, Director of Scorekeeping.

OPENING STATEMENT OF CHAIRMAN GRAHAM

Chairman GRAHAM. The Senate Budget Committee will come to order. Our condolences to Senator Marshall and all those affected by the tragic plane crash last night. So we're thinking about you and yours. Today we're meeting on the nomination of Russell Vought to be the Director of the Office of Management and Budget. We usually have opening statements by the Ranking member and Chairman. I think he's a great pick. Senator Merkley's not here.

Senator CORNYN. Mr. Chairman, where are the Democrats?

Chairman GRAHAM. They're not here. They chose not to be here. It's their right not to be here, so enjoy the time.

Senator CORNYN. Slightly juvenile.

Chairman GRAHAM. But we're here. We'll now move directly to the vote. Committee members may also make statements for the record to the committee clerk by 12 noon tomorrow. I will note that for the record a quorum is present. The clerk will call the roll.

The CLERK. Mr. Grassley.

Senator GRASSLEY. Aye. Can I go now?

Chairman GRAHAM. Yes, you can.

The CLERK. Mr. Crapo.

Senator CRAPO. Aye.

The CLERK. Mr. Johnson.

Senator JOHNSON. Aye.

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The CLERK. Mr. Marshall.
Senator MARSHALL. Aye.
Chairman GRAHAM. Just wait and we vote then go.
The CLERK. Mr. Cornyn.
Senator CORNYN. Yes.
The CLERK. Mr. Lee.
Senator LEE. Aye.
The CLERK. Mr. Kennedy.
Senator KENNEDY. Aye.
The CLERK. Mr. Ricketts.
Senator RICKETTS. Aye.
The CLERK. Mr. Moreno.
Senator MORENO. Aye.
The CLERK. Mr. Scott.
Senator SCOTT. Aye.
The CLERK. Mr. Merkley.
(No response.)
The CLERK. Mrs. Murray.
(No response.)
The CLERK. Mr. Wyden.
(No response.)
The CLERK. Mr. Sanders.
(No response.)
The CLERK. Mr. Whitehouse.
(No response.)
The CLERK. Mr. Warner.
(No response.)
The CLERK. Mr. Kaine.
(No response.)
The CLERK. Mr. Van-Hollen.
(No response.)
The CLERK. Mr. Luján.
(No response.)
The CLERK. Mr. Padilla.
(No response.)
The CLERK. Chairman Graham.
Chairman GRAHAM. Aye.

The CLERK. Mr. Chairman, the ayes are 11 and the nays are zero.

Chairman GRAHAM. The nomination is reported favorably. You have till 12 noon tomorrow to make statements. The committee stands adjourned.

[Whereupon, at 12:20 p.m., Thursday, January 30, 2025, The Senate Budget Committee was adjourned.]

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