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February 26, 2021

U.S. House of Representatives  
Washington, D.C. 20515

Dear Representative,

You will shortly be voting on H.R. 1319, the American Rescue Plan Act of 2021. On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I strongly urge you to oppose this measure.

Instead of rescuing the country from the impact of the COVID-19 pandemic, this legislation will unleash a plethora of wasteful spending unlike any prior bill considered by Congress and hurt, rather than help, the economic recovery that the Congressional Budget Office has stated will occur this year without the enactment of H.R. 1319. It is the largest stimulus package ever, more than twice the \$983 billion cost of the 2009 Obama-Biden administration stimulus plan, which in turn is less than the \$1 trillion from prior COVID-19 relief authorization packages that remains to be spent. And with the prospect of increased inflation already impacting the markets, as indicated by the large drop in the indexes on Wall Street on Thursday, this rescue attempt will fail.

A February 25, 2021 *WasteWatcher* [article](#) detailed the adverse effects that the bill will have on our nation's healthcare system. Noting that the healthcare provisions alone impose at minimum another \$53 billion in spending on taxpayers, the article details the ACA subsidies and Medicaid expansion that would increase premiums on healthcare, bust state budgets, and force a greater number of Americans to rely on government subsidies. This inequitable proposal will do even greater damage to the economy and those individuals and households who truly need Medicaid assistance will suffer the most.

The legislation also includes provisions that would more than double the federal minimum wage from \$7.25 to \$15 an hour and eliminate the "tipped" minimum wage for servers. Fortunately, the Senate Parliamentarian has ruled this provision is a violation of the Byrd rule and it will be excluded from the Senate version of the bill. The House should also strip these provisions from H.R. 1319, as the federal minimum wage should be considered separately from legislation intended to address the current pandemic.

As a matter of point, raising the minimum wage will not only cause economic uncertainty, but it will also increase the cost of labor at a time when small businesses are already struggling to make ends meet. The rise in costs will naturally be passed onto consumers, who are also struggling themselves. Many companies that have closed temporarily due to the uncertainty surrounding the COVID-19 pandemic would decide that they cannot afford to

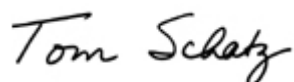
reopen, or certainly not with the same number of employees, if they are forced to pay a \$15 minimum wage. The Congressional Budget Office [predicts](#) that raising the wage would eliminate up to a million jobs by 2023 and up to 3.3 million by 2029.

There are many examples of wasteful and unrelated spending in H.R. 1319, including a multi-employer pension bailout; capping the next round of stimulus checks to households earning up to \$200,000 annually; \$135 million each for the National Endowment for the Arts and the National Endowment for the Humanities; and \$200 million for the Institute of Museum and Library Sciences. There is an egregious earmark in the states of both House Speaker Nancy Pelosi (D-Calif.) and Senate Majority Leader Chuck Schumer (D-N.Y.): \$140 million for an underground transit system in Silicon Valley and \$1.5 million for the Seaway International Bridge, proving once again that earmarks are a function of power, not fairness and equity.

Rather than using the pandemic as an excuse to go on a partisan and damaging spending spree to enact a pent-up wish list of liberal programs that would not be passed but for the use of reconciliation, members of Congress should take seriously the responsibility they have to ensure that those most in need are helped and treat taxpayer dollars as a limited resource. Before allocating any additional funding to so-called “coronavirus relief,” Congress should first determine how the money already appropriated has been spent, how much remains, and how to use the remaining funding. This legislation does none of this, and therefore should not pass.

For these reasons, I again strongly urge you to oppose H.R. 1319, the so-called “American Rescue Plan Act of 2021,” which will hurt taxpayers and the economy. All votes related to H.R. 1319 may be among those considered for CCAGW’s *2021 Congressional Ratings*.

Sincerely,

A handwritten signature in cursive script that reads "Tom Schatz". The ink is dark and the signature is fluid, with a large 'T' and a stylized 'S'.

President, CCAGW