

Chairman Mike Enzi Ranking Member Bernie Sanders Committee Members U.S. Senate Committee on Budget 624 Dirksen Senate Office Building Washington, DC 20510

January 23, 2017

Dear Chairman Enzi, Ranking Member Sanders, and Committee Members:

On behalf of the Coalition on Human Needs, I write to urge you to reject confirmation of Representative Mick Mulvaney as Director of the Office of Management and Budget. The <u>Coalition on Human Needs</u> is an alliance of more than 100 national organizations, including human service providers, faith-based groups, civil rights, labor, policy expert and other advocacy organizations, all concerned with meeting the needs of low-income and vulnerable people.

We oppose Mr. Mulvaney because he is an extremist who has voted against allowing the federal government to pay its bills. He has been repeatedly reckless in his willingness to halt payments for medical care, food aid, military and civilian pay, and most other obligations that Congress has approved, willing to create a crisis by refusing to extend our nation's authority to borrow.

Mr. Mulvaney was an important co-sponsor of the Cut, Cap, and Balance Act of 2011 (H.R. 2560). That legislation, proposed at a time when unemployment was over 9 percent, would have immediately cut \$111 billion in FY 2012, estimated at the time to cause the loss of about 700,000 jobs. The proposal would have held the needed increase in the debt limit hostage to House and Senate approval of a constitutional balanced budget amendment. Versions of a balanced budget amendment acceptable in the legislation could not increase revenues without a two-thirds majority in Congress, and so could only achieve balance by extreme cuts. The cuts would have to be far more extreme than those in House-passed budget resolutions. They would have to be more like those proposed by the Republican Study Committee, which would have cut Medicaid, SNAP/food stamps, and Supplemental Security Income (SSI) in half over a decade, and slash domestic/international discretionary spending by a whopping 70 percent over that period. The extraordinary severity of the required cuts would force reductions in Social Security and Medicare in addition to almost everything else; if Congress were intent on preserving or even increasing defense spending, the domestic cuts would be even worse.

It is unthinkable that the Director of the Office of Management and Budget would seek to implement such extreme cuts. Credible economists reject the notion that economic growth would spur enough additional revenue to make these contractions unnecessary. On the contrary, as noted, jobs would be lost and economic growth would halt. An OMB Director who rejects the evidence from decades of economic cycles would endanger sustained economic growth and opportunities for low- and middle-income Americans to contribute to and share in sustained prosperity.

Mr. Mulvaney's role should be to manage federal programs and services, not decimate them. President Trump has promised not to cut Medicaid, Medicare, and Social Security. All these programs would be inevitably slashed by the cut, cap and balance proposal championed by Mr. Mulvaney.

His nomination threatens the services that Americans depend on, with the greatest harm to low-income and other vulnerable people, including children, people with disabilities, and seniors. Both his refusal to increase federal borrowing authority and his support for draconian program cuts would have real consequences for millions of Americans. Children who benefit from medical care through Medicaid and CHIP and receive better nutrition because of SNAP and WIC are less likely to be poor in adulthood, because their health and development is protected by these vital safety net programs. Cutting programs like education, housing and public health by two-thirds or more is not what the nation needs or Americans want.

There are ways to manage and reduce the deficit so that our nation is not seriously weakened. Mr. Mulvaney's approach is rigid and reckless and would seriously constrain our ability to respond to economic downturns or emergencies including natural disasters and epidemics. We need investments in infrastructure, education, affordable housing and health care in order to enable all to share in economic growth. Mr. Mulvaney's past actions indicate that he would place a stranglehold on such investments, threatening our nation's strength and capacity.

Please probe these extremely serious issues with Mr. Mulvaney in the hearing and follow-up questions. We believe that his willingness to make extreme cuts in the services and investments that are essential for America's strength and future is disqualifying.

Sincerely yours,

Deborah Weinstein Executive Director

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