

Republican Motion #1

STOP HARMING AMERICA'S WORKING CLASS

Offered by Representative Hinson (IA) and Representative Feenstra (IA)

Mrs. Hinson and Mr. Feenstra move that the Committee on the Budget direct its Chairman to request on behalf of the Committee that the rule providing for consideration of the bill make in order an amendment to prohibit any provision of the bill from taking effect until (1) the Congressional Budget Office (CBO) provides a full and detailed report on the impact the overall legislation will have on private-sector jobs, including analysis on provisions already reported by CBO to reduce jobs and hours of work for Americans, especially low-wage workers, non-college educated workers, those more likely to work hourly jobs, and disabled workers; and (2) the Government Accountability Office (GAO) provides a study on the impact of this legislation on small businesses.

Background

- (1) Of the \$1.9 trillion cost of this legislation, almost \$500 billion, or 25 percent, consists of provisions that would reduce employment.
- (2) The legislation would impose a \$15 Washington mandate. According to CBO's analysis, this policy would result in 1.4 million jobs lost, and could be as high as 2.7 million jobs lost, at a cost to taxpayers of \$54 billion.
 - a. Seattle's minimum wage increase from \$11 to \$13 in 2016 reduced the hours worked in low-wage jobs by about 7 percent, while only increasing hourly wages by 3 percent. As a result, these low-wage employees who retained their jobs saw their earnings fall by \$74 per month, on average, in 2016. The 5,000 who lost their jobs entirely were not so lucky.
 - b. Many disabled workers would be impacted by the removal of the 14(c) wage. This policy would reduce the opportunity cost of hiring non-disabled workers, which would lead employers to hire fewer workers with disabilities, limiting employment opportunities for this population.
 - c. Data shows that young workers under the age of 25 make up about 40 percent of all current minimum-wage earners. This population, many of whom are students and recent graduates, looking for entry-level jobs will be robbed of the opportunity.
- (3) The legislation provides a substantial expansion of unemployment benefits, including a \$400 additional weekly unemployment benefit, at a cost to taxpayers of about \$250 billion. CBO has previously indicated that an increase to unemployment benefits of this magnitude would reduce employment and reduce economic output over the long-term. This is because this benefit level would mean more than half of Americans would earn more from unemployment benefits than from work.

- (4) The legislation includes expansions to Obamacare at a cost to taxpayers of more than \$60 billion. CBO has previously concluded this law's impact on the labor market would result in a loss of employed hours worked of 1.5 to 2 percent.
- (5) The legislation transforms the Child Tax Credit into a universal basic income for parents at a cost of more than \$100 billion. Analysis suggests this would result in 277 million fewer employment hours.
- (6) The legislation provides \$130 billion for K-12 education funding without requiring schools to reopen. President Biden has noted that school closures are a "national emergency." Closed schools are one reason three million women have dropped out of the workforce over the last year.
- (7) While many provisions of the bill would reduce private-sector employment, the bill subsidizes the public-sector with more than \$500 billion in aid to state and local governments. Meanwhile, state and local governments have enacted policies that have forced the closure of 100,000 small businesses.
- (8) This motion would require CBO to quantify the impact on private-sector employment of the above provisions, as well as any private-sector dollar cost per job from the overall bill before it could take effect. This motion would also require the GAO to provide a study on the impact of this legislation on small businesses before the law could take effect.

Technical Language

The amendment should include language such as the following:

This Act shall not go into effect until the Congressional Budget Office has submitted a report to Congress on the overall impact this Act will have on private-sector employment, and until the Government Accountability Office submits a report to Congress on the impact of this legislation on small businesses.