

# RESCISSION: MYTH VS. FACT

*Myth: This rescission package will claw back essential funding for programs like CHIP; these funds are crucial and cannot be cut.*

**Fact:** The rescission package targets budget authority that has expired and cannot legally be spent, funds untouched for years and funds that are unnecessary or duplicative. It does not include cuts to current programs and services.

For example, the proposal rescinds budget authority from the Children's Health Insurance Fund, which has long since expired, leaving taxpayer dollars just sitting in this account. It also rescinds money that is no longer needed in the Child Enrollment Contingency Fund because enrollment in the program is holding steady and not expanding. Critical CHIP functions and access to health care will not be affected in either instance.

Other common-sense rescissions in the proposal include expired funds for programs expanded under the Obama stimulus; unspent funds in the Advanced Technology Vehicles Manufacturing Loan Program, which has been inactive since 2011; and funding for response to an animal disease outbreak that has since been resolved.

*Myth: Rescission isn't a real way to solve our spending problems. Congress shouldn't be wasting precious time on a package that only cuts just under \$15 billion.*

**Fact:** Year after year, federal spending has continued to increase substantially under the leadership of both parties. As such, this is not a problem that can be fixed overnight, and, to be sure, President Trump's rescission package is not a silver bullet. The proposal is, however, a crucial first step – and, more importantly, a test of whether Congress is truly willing work to restore fiscal sanity in Washington. Passage of the President's rescission package would be a constructive down payment on broader and long-overdue spending reform and set the right tone for the FY 2019 budget that appropriators are currently crafting.

*Myth: There is just no appetite to cut spending in Washington. Future Congresses will deal with our spending problem when it gets out of control.*

**Fact:** Federal spending is already out of control; if Congress waits for a crisis to act, it will be too late. The 2018 omnibus bill helped push federal spending over \$4 trillion for the first time—That's equal to \$33,000 for every household in the United States. Now is the time for Washington to show American taxpayers that it will not let them down. Accordingly, Congress needs to build on the rescission package with bigger and more comprehensive savings such as freezing discretionary spending for FY 2019. This important step will set the stage for that fundamental assessment of all federal programs, on both the mandatory and discretionary sides of the ledger.

*Myth: This rescission package won't cut any actual spending.*

**Fact:** While these are in fact cuts to expired obligation authority, funds that have remained untouched for years or funds that are unnecessary or duplicative, the fact is that Congress likes to keep these as slush funds it can cancel on its own but then repurpose them for even higher spending elsewhere. Passing this rescission package would not cut much in terms of today's operational spending, but it will prevent spending from growing even larger next year and beyond.