



U.S. House of Representatives
COMMITTEE ON THE BUDGET
204-E CANNON HOUSE OFFICE BUILDING
Washington, DC 20515

December 9, 2021

The Honorable John Yarmuth
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Yarmuth:

Consistent with clauses 3(c) and 4(b) of Rule X of the Rules of the U.S. House of Representatives, and in accordance with the 117th Congress Oversight Plan of the Committee on the Budget, we call on you to convene the Committee on the Budget in order to hold an oversight hearing on the American Rescue Plan Act (Public Law 117-2).

In the nine months since enactment of the nearly \$2 trillion law, we have seen countless examples of misuse, waste, and fraud in its implementation. This legislation was cited by Congressional Democrats and President Biden as “emergency” spending to urgently address COVID-19, but bipartisan warnings showed this was not true or necessary. Record-high inflation in the following months has made it all the clearer that this massive spending bill was not an antidote.

Clauses 3(c) and 4(b) of House Rule X empower the Budget Committee with special oversight responsibilities as follows:

3(c) “The Committee on the Budget shall study on a continuing basis the effect on budget outlays of relevant existing and proposed legislation and report the results of such studies to the House on a recurring basis.”

4(b) “The Committee on the Budget shall... (2) hold hearings and receive testimony from Members, Senators, Delegates, the Resident Commissioner, and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as it considers desirable in developing concurrent resolutions on the budget for each fiscal year... (5) study on a continuing basis proposals designed to improve and facilitate the congressional budget process, and report to the House from time to time the results of such studies, together with its recommendations; and (6) request and evaluate continuing studies of tax expenditures, devise methods of coordinating tax expenditures,

policies, and programs with direct budget outlays, and report the results of such studies to the House on a recurring basis.”¹

In addition, the Oversight Plan of the Budget Committee for the 117th Congress states:

“In the 117th Congress, the Committee will be active in its oversight duties... The Committee will continue its efforts to strengthen Congress’ power of the purse, through recommending specific reforms to ensure spending and revenue decisions are transparent and effectively carried out by the Executive Branch.”²

Surprisingly, this Committee has not held a single oversight hearing during the first session of the 117th Congress. What makes this fact even more remarkable is that the House of Representatives has pushed through over \$7 trillion in new federal spending this year alone, yet the Budget Committee remains silent on actively reviewing the implementation of the sizeable portion of this spending that has already been enacted into law. The Democrat Majority is quick to usher through bills with enormous price tags, but this eagerness is lacking when it comes to shrewd management and oversight of taxpayer dollars.

Unfortunately, the bipartisan warnings of waste and abuse of all this spending have come true. As if fueling the inflationary fires through more government spending wasn’t painful enough, the public record shows what this massive expansion of government has been all about. In a bill where less than 9% of the total funding actually went to public health spending to combat COVID-19, we have found numerous troubling examples of how “COVID-19 relief” taxpayer dollars are being spent, including:

- Upwards of \$2 billion sent to nonexistent county governments in states such as Connecticut and Rhode Island.³ The city of Providence, Rhode Island is using some of its funds to revamp a park by building a new visitors’ center and bike share.⁴
- Fort Bend County, Texas spending \$157 million from the American Rescue Plan on a multimillion-dollar courtroom expansion, new government buildings and vehicles, and government audio-visual tools, despite the County Judge’s objection that this spending included “many items that have little or nothing to do with helping the county recover from the pandemic.”⁵
- The city of Syracuse, New York’s plan to spend \$2 million of federal taxpayer dollars to plant 3,600 trees.⁶

¹ Rules of the House of Representatives, 117th Congress, February 2, 2021
<https://rules.house.gov/sites/democrats.rules.house.gov/files/117-House-Rules-Clerk.pdf>.

² Committee on the Budget, U.S. House of Representatives, “Oversight Plan of the Committee on the Budget for the 117th Congress, House of Representatives,” 2021.

³ “ARPA Allocates \$2 Billion to Nonexistent County Governments,” The Tax Foundation, March 31, 2021
<https://taxfoundation.org/american-rescue-plan-local-government-funding/>.

⁴ “Here’s how Providence plans to spend \$42 million of Biden relief money,” WPRI 12 News, June 25, 2021
<https://www.wpri.com/news/local-news/providence/heres-how-providenceplans-to-spend-42-million-of-biden-relief-money/>

⁵ “Fort Bend Commissioners Approve \$157 Million in COVID-19 Relief, Over County Judge’s Objections,” Houston Public Media, May 5, 2021 <https://www.houstonpublicmedia.org/articles/news/politics/2021/05/05/397566/fort-bend-county-commissioners-overrule-judge-to-approve-covid-19-relief-package/>.

⁶ Syracuse’s \$123 million stimulus spending plan includes \$2 million for trees, CNY Central, July 29, 2021
<https://cnycentral.com/news/local/syracuses-123-million-stimulus-spending-planincludes-2-million-for-trees>.

- The city of Chicago spending \$31 million to create a guaranteed income program.⁷
- Japanese citizens living in Japan receiving \$1,400 stimulus checks from the U.S. government. Up to 70,000 foreign nationals who at one time lived in the U.S. may have qualified for these checks.⁸
- Michigan Governor Gretchen Whitmer’s proposal to spend \$250 million of the state’s “COVID relief” money upgrading state parks and trails.⁹ Additionally, the state of Michigan sent \$3,200 stimulus checks to thousands of convicted inmates.¹⁰
- The city of Norwich, Connecticut using its federal “COVID relief” dollars to develop luxury apartments.¹¹
- Horry County, South Carolina’s plan to use \$4 million to build new parking lots and bathrooms at the beach.¹²
- Countless school districts spending “COVID relief” dollars on new weight rooms, turf fields, and resurfaced outdoor tracks.¹³
- Palm Beach Gardens, Florida’s plan for a taxpayer-funded \$16.8 million golf course, driving range, and clubhouse.¹⁴
- Maine’s plan to spend \$16 million in “COVID relief” to improve its fishing industry and millions more to update its state parks and provide electric vehicle charging stations.¹⁵
- The city of Philadelphia’s plan to spend \$18 million of its federal relief dollars to test a “universal basic income” pilot program.¹⁶

⁷ Chicago poised to create one of the nation’s largest ‘guaranteed basic income’ programs, Washington Post, October 25, 2021 <https://www.washingtonpost.com/nation/2021/10/25/chicago-poised-create-one-nations-largest-guaranteed-basic-income-programs/>.

⁸ “Confused Japanese Citizens Receive Stimulus Checks from Biden’s COVID-19 Relief Package” Ryan General, AOL, May 20, 2021 <https://www.aol.com/news/confused-japanese-citizens-receive-stimulus-164129030.html>.

⁹ “Whitmer Seeks \$250M for Parks; Senate Has \$1.5B Bridge Plan,” Associated Press, June 10, 2021 <https://www.usnews.com/news/best-states/michigan/articles/2021-06-10/whitmer-seeks250m-for-parks-senate-has-15b-bridge-plan>.

¹⁰ “Michigan AG seeks reimbursement after inmates serving life sentences received stimulus payments,” ABC7, May 26, 2021 <https://www.wxyz.com/news/michigan-ag-seeksreimbursement-after-inmates-serving-life-sentences-received-stimulus-payments>.

¹¹ Norwich aldermen revive American Rescue Plan funding for luxury apartments, Norwich Bulletin, September 21, 2021 <https://www.dailyadvent.com/news/31fe868d1b857fa4640855c3756f8d63-Norwich-aldermen-revive-American-Rescue-Plan-funding-for-luxury-apartments>.

¹² How Horry County hopes to spend \$68M in COVID relief on roads, pay and affordable housing, The Sun News, August 26, 2021 <https://www.myrtlebeachonline.com/news/politics-government/article253738403.html>.

¹³ Flush with COVID-19 aid, schools steer funding to sports, Associated Press, October 6, 2021 <https://apnews.com/article/coronavirus-pandemic-school-funding-sports-5b468b260ebd2593e53f03f9104d9bca>.

¹⁴ Palm Beach Gardens taps COVID-19 American Rescue Plan cash to help fund golf course The Palm Beach Post, September 28, 2021 <https://www.palmbeachpost.com/story/news/columns/2021/09/28/palm-beach-gardens-spends-covid-rescue-money-new-golf-course/5882182001/>.

¹⁵ “States and Cities Scramble to Spend \$350 Billion Windfall,” New York Times, July 6, 2021 <https://www.nytimes.com/2021/07/06/us/politics/stimulus-bill-usa.html>.

¹⁶ Ibid.

Additionally, Members of this Committee have sent several letters of inquiry to the Biden Administration, including Mr. Eugene “Gene” Sperling, the official tasked with coordinating implementation of Public Law 117-2. Mr. Sperling was appointed by the President as “rescue czar” to oversee the distribution of trillions of American taxpayers’ hard-earned dollars. However, this appointment was not submitted to the U.S. Senate for confirmation.

Issues we have called to the attention of Mr. Sperling and Biden Administration senior officials with zero response to date include:

1. The state of New York’s use of “COVID relief” dollars to create a \$2.1 billion fund for illegal immigrant direct checks worth up to \$15,400 per person. The amount of this fund was oddly the same amount of additional federal dollars New York received in Public Law 117-2, because of the disproportionate funding distribution formula change in this law. (*April 8, 2021*)
2. A list of questions directed to Mr. Sperling regarding transparency of implementation 60 days after the law was enacted. (*May 11, 2021*). This letter included requests for:
 - a. A quarterly report to Congress regarding the status of all COVID relief funds;
 - b. List of which countries were the recipients of \$12 billion in foreign aid;
 - c. Detailed plans for how the White House planned to spend the \$12.8 million it received in this law;
 - d. A plan to address the wasteful spending in the Federal-State Unemployment Insurance Program, which consistently has one of the highest rates of improper payments in the federal government;
 - e. Information regarding eligible recipients for individual direct payments in this law— including incarcerated individuals and mixed status households with at least one unauthorized immigrant present;
 - f. Prevention plans to safeguard small business funds from falling victim to fraud by individuals using digital investment platforms with stolen identities;
 - g. Details regarding how the Biden Administration will financially support school districts that return to in-person learning and encourage remote districts to transition;
 - h. The status of unspent funds in the Provider Relief Fund and for testing;
 - i. A plan, in terms of frequency and content, for how the Administration will report to Congress regarding execution and oversight of spending, and a commitment to testify in front of Congress if requested.
3. Additional federal unemployment benefits discouraging millions of Americans from returning to work— combined with public school closures, the April and May jobs reports were underwhelming. Documents were requested regarding communication between the White House, Department of Labor, and state governors who opted their states out of enhanced benefits; communications between the White House and the

American Federation of Teachers; the Administration's strategy to ensure all schools remain open for in-person instruction. (*June 9, 2021*)

4. The U.S. Department of Education's (ED) preferential treatment of taxpayer dollars to non-citizens, international students, and undocumented students— including what oversight measures were put in place for institutions of higher education and school districts for spending federal funds; how ED will ensure American students are the primary beneficiary of funds; the amount of unobligated balances in the Elementary and Secondary Emergency Relief (ESSER) Funds; specific uses of federal relief in school districts. (*June 22, 2021*)

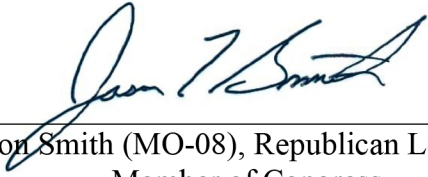
Mr. Sperling has yet to send a formal response to any of these inquiries submitted by Budget Committee Republicans. You can understand our concern that the individual in charge of overseeing the implementation of the largest spending law in American history remains unresponsive to Members of Congress. It is puzzling that as more stories of waste are uncovered, the Majority fails to share in this desire for transparency and has never called on him to testify in front of this Committee as part of any oversight efforts.

Not only are we concerned about the mismanagement of Public Law 117-2, but we are also wary of the same likely to occur with H.R. 5376, the Build Back Better Act, should that bill become law. Despite bipartisan opposition, House Democrats recently passed their nearly \$5 trillion spending bill, filled with taxpayer funded subsidies for the wealthy and over 150 new government programs.

This Committee should act on its responsibility to ensure judicious oversight of federal spending. As stated above, this Committee has specific oversight authorities in House Rules. Moreover, this Committee's Oversight Plan for the 117th Congress specifically states that it will continue efforts to administer reforms that ensure transparency in spending and revenue decisions and that the Executive Branch effectively implements such decisions. In view of historic levels of federal spending enacted by Democrats this year and a lack of transparency by the Biden Administration, it is imperative that this Committee exercise its oversight responsibilities to prevent misuse, fraud, and waste of taxpayer dollars. Therefore, we request that you convene the Committee on the Budget for a hearing to examine implementation of the American Rescue Plan. It is critical for Members of Congress and the American people to know how these funds have been spent and implemented by the Administration. We look forward to meeting together soon to discuss this critical topic.

Sincerely,

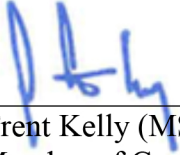
House Budget Committee Republicans



Jason Smith (MO-08), Republican Leader
Member of Congress



Ben Cline (VA-06)
Member of Congress



Trent Kelly (MS-01)
Member of Congress



Lauren Boebert (CO-03)
Member of Congress



Tom McClintock (CA-04)
Member of Congress



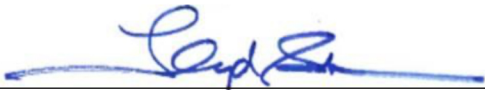
Byron Donalds (FL-19)
Member of Congress



Glenn Grothman (WI-06)
Member of Congress



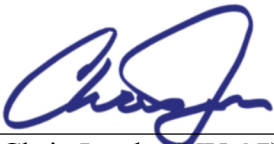
Randy Feenstra (IA-04)
Member of Congress



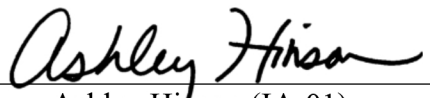
Lloyd Smucker (PA-11)
Member of Congress



Bob Good (VA-05)
Member of Congress



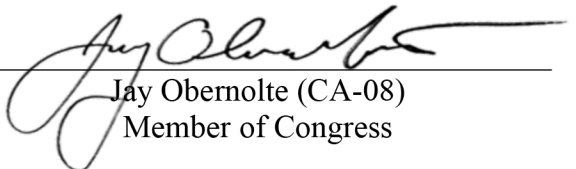
Chris Jacobs (NY-27)
Member of Congress



Ashley Hinson (IA-01)
Member of Congress



Michael C. Burgess, M.D. (TX-26)
Member of Congress



Jay Obernolte (CA-08)
Member of Congress



Earl L. "Buddy" Carter (GA-01)
Member of Congress



Mike Carey (OH-15)
Member of Congress