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THE PRESIDENT'S BUDGET
HOUSE BUDGET COMMITTEE

EXECUTIVE SUMMARY

TAX INCREASES

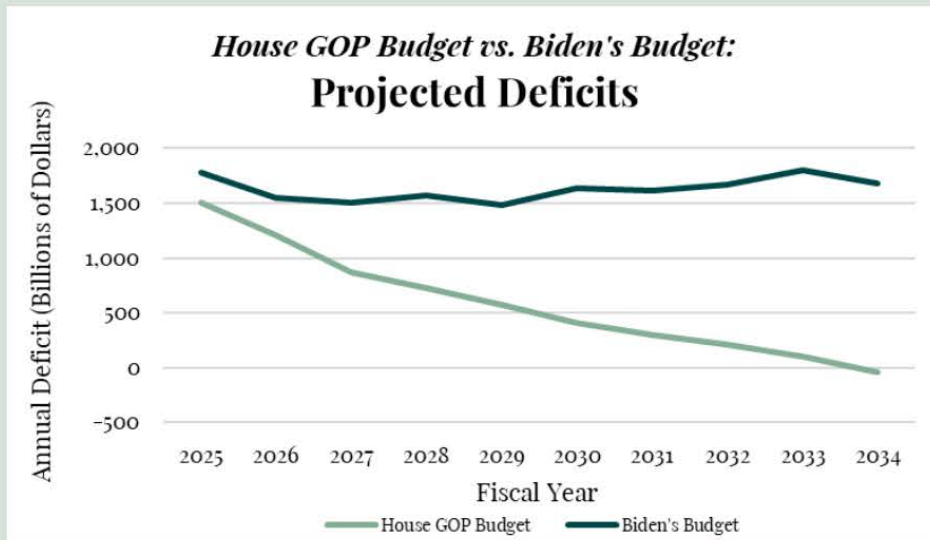
- President Biden's budget would add **\$4.9 trillion** in new taxes on American families and producers.
- Ten-year revenues of **\$70.3 trillion** or **19.7 percent of GDP** (14 percent above 50-year average).
- By 2031, federal revenues would be **more than a fifth** of GDP, a level only previously reached during World War II.
- By contrast, the House Republican Budget includes **no tax increases**.

DEBT

- Under President Biden's FY 2025 budget, the gross federal debt would increase by **\$18.2 trillion**, growing from \$34.5 trillion today to **\$52.7 trillion** by 2034. Debt-to-GDP grows to 128.2 percent in 2028, the highest level in American history.
- Federal debt grows **25 percent faster** than the U.S. economy over the next decade.
- By contrast, the FY 2025 House Republican budget would **reduce** the gross federal debt to **88 percent of GDP** (36 percentage points below the President's budget) and grow the economy more than three times faster than federal debt.

DEFICITS

- Annual deficits never fall back to pre-COVID levels, totaling **\$16.3 trillion** over the next decade.
- Deficits average **4.6 percent of GDP**, which is **24 percent above** the 50-year average.
- By contrast, the FY 2025 House Republican Budget would **balance in 10 years**, with **\$10.4 trillion lower deficits** compared to the President's budget.



SPENDING

- Ten-year spending totals \$86.6 trillion or **24.4 percent of GDP**, which is **16 percent above** the 50-year average.
- Proposed FY 2025 spending is **\$7.3 trillion**, which is **\$444 billion** or **7 percent above** the height of the pandemic in FY 2021.
- As a share of the economy, federal spending has only previously been higher during World War II and Covid.
- Annual spending is equivalent to **\$66,000** per American household.
- By contrast, the FY 2025 House Republican Budget would spend **\$15.1 trillion less** over ten years, with federal spending **averaging 19.4 percent of GDP** (8 percent below the 50-year average).

MANDATORY SPENDING

- Mandatory spending would grow from **\$5.1 trillion** in 2024 (73 percent of the federal budget) to **\$8.3 trillion** in 2034 (80 percent of the federal budget).
- Net interest spending will amount to **\$12.2 trillion** (3.4 percent of GDP) over the next decade. This is the **highest level** in American history, both in nominal terms and as a share of the economy.
- Over ten years, Biden's budget proposes to spend **\$2.5 trillion more** on interest payments on the debt than for national defense.
- By 2034, interest payments on the debt will be **more than quadruple** such spending before Biden took office.
- By contrast, the FY 2025 House Republican Budget would **reduce** interest costs by **\$2.7 trillion** over ten years compared to CBO's baseline, spending **\$2.5 trillion** less than the President's budget.

DISCRETIONARY SPENDING

- Discretionary spending would grow from **\$1.9 trillion** in 2024 (27 percent of the federal budget) to **\$2.1 trillion** in 2034 (20 percent of the federal budget).
- Defense spending would fall to 9.7 percent of the federal budget and 2.4 percent of GDP—both are historic lows.

COMPARISON TO FY24 BUDGET PROPOSAL

- Compared to last year's budget, the FY 2025 budget proposes over ten years: **\$4.4 trillion** more spending and **\$5.1 trillion** more revenue.

Ten of the Worst Policies

- 1 Proposes **largest tax increase in history (\$4.9 trillion)**
- 2 Calls for an unprecedented **\$86.6 trillion** in spending over 10 years
- 3 Generates the largest debt in American history by 2034 (**\$52.7 trillion**)
- 4 Results in **\$12.2 trillion** in interest payments, **\$2.5 trillion more** than the entire defense budget
- 5 Restores partisan changes to the Child Tax Credit by removing work requirements, turning it into an unconditional cash grant costing over **\$310 billion**
- 6 Provides **\$104 billion** in mandatory funding to the IRS over the budget window to further monitor American taxpayers
- 7 Spends **\$90 billion** on taxpayer-funded free community college, on top of the **\$132 billion** already spent forgiving student loans
- 8 Fails to secure the border by underinvesting and maintaining status quo policies like “catch and release.” Illegal immigration currently costs taxpayers a net of at least **\$150.7 billion**
- 9 Permanently expands inflationary Obamacare subsidies, including for some of the nation’s richest Americans, costing taxpayers over **\$350 billion**
- 10 Undercuts domestic energy independence by imposing **\$120 billion in new taxes** on American energy producers

A Future Built on Government Dependence

Despite nearly 100 welfare programs costing taxpayers over **\$1 trillion** annually and projected to reach **\$12 trillion** in the next decade, President Biden's budget seeks to expand their scope and others by trillions.

Millions Pushed onto Government Dependence

Despite facing over **\$34 trillion** in national debt and counting, Biden's budget pushes more Americans into government dependence by proposing radical, permanent expansions of mandatory health and welfare programs, worsening our deficits, and further discouraging self-sufficiency and work. These policies include:

\$350 billion in spending to permanently extend enhanced Obamacare subsidies, including to the nation's highest earners.

\$200 billion in spending to further expand the Medicaid program, endangering access to care for the most vulnerable and overriding states' authority to determine the health policies that best fit the needs of their populations.

\$277 billion in federal outlays by shifting funding for the Indian Health Service (IHS) to mandatory spending.

Billions in taxpayer dollars on President Biden's unilateral expansion of the Thrifty Food Plan.

Expanding Welfare Without Work

For the fourth year in a row, President Biden's budget discourages work.

President Biden's FY 2025 budget continues his Administration's disturbing trend of discouraging work by:

- **\$310 billion** to continue partisan changes to the Child Tax Credit by removing its work requirements, turning it into an unconditional cash grant.
- Challenging the importance of bipartisan time limits on SNAP eligibility, which currently function as an important work incentive for eligible able-bodied adults without dependents.
- Permanently extending partisan changes to the "childless" Earned Income Tax Credit, which can ***disincentivize work*** after a certain income threshold and ***penalize marriage***.

9 million job openings for **6.5 million unemployed individuals**.

That is a ***ratio of 1.4 jobs open per unemployed person***.

Biden's Budget discourages work when people need it most.

Billions of Taxpayer Dollars Wasted on Fraud and Abuse

Biden Budget Expands Government Dependence

Child Tax Credit Expansion	\$310 billion
Government Child Care	\$424.3 billion
Government Paid Family and Medical Leave	\$325 billion
Government Preschool	\$200 billion
Expand Medicaid in Non-Expansion States	\$200 billion
Expand Indian Health Service	\$277.3 billion
Expand Obamacare Subsidies	\$359.1 billion
Expand EITC	\$163 billion
Medicaid Home and Community-Based Care Services	\$150 billion
Expand Housing Subsidies	\$182.9 billion
Double Pell Grant	\$122.9 billion
DEI-based Tuition Subsidies	\$30 billion
"Free" Community College	\$90 billion
Behavioral Health	\$72 billion
Public Health and Biodefense	\$52.8 billion
Expand School Meal Subsidies	\$14.9 billion
Extend Trade Adjustment Assistant	\$2.9 billion
Total	\$2,977.1 billion

Since 2003, cumulative improper payment estimates have totaled almost **\$2.7 trillion**.

In FY 2023 alone, the Federal government spent at least **\$236 billion** on improper payments.

As the size and scope of government has grown, so have improper payments. In 2014, **\$125 billion** in improper payments were made, and in 2023 that number exceeded **\$236 billion**. This year, President Biden proposes increasing the size and scope of government by an unprecedented **\$7.2 trillion**.

President Biden's budget calls for significant, partisan increases to the Child Tax Credit (CTC) and the Earned Income Tax Credit (EITC), which have improper payment **rates of 14.5% and 33.5%**, respectively. These changes could supercharge the improper payment rate each year.

Agencies need to be better stewards of taxpayer dollars before Congress considers massive budget increases. Given the **\$34 trillion** and rising national debt, the Federal government must rein-in unnecessary spending.

A Wasteful and Unaccountable Government

A Budget that Grows the Bloated Bureaucracy

President Biden's FY25 discretionary request aims to **double down** on his Administration's radical expansion of the federal government by **funneling billions of taxpayer dollars into agencies that have already ballooned in spending under his watch.**

Expands **Environmental Protection Agency** by **8.4% (\$900 million)**
Already seen a 144% increase in outlays under Biden

Expands **Housing and Urban Development** by **0.7% (\$500 million)**
Already seen a 76% increase in outlays under Biden

Expands the **Department of Interior** by **4.8% (\$800 million)**
Already seen a 51% increase in outlays under Biden

Expands the **Department of Energy** by **7.5% (\$3.6 billion)**
Already seen a 28% increase in outlays under Biden

Expands the **Department of Justice** by **0.5% (\$200 million)**
Already seen a 26% increase in outlays under Biden

Expands the **Department of Commerce** by **2.4% (\$300 million)**
Already seen a 21% increase in outlays under Biden

Expands the **Department of Health and Human Services** by **3.7% (\$4.8 billion)**
Already seen a 16% increase in outlays under Biden

Expands the **Department of Agriculture** by **7.4% (\$2 billion)**
Already seen an 11% increase in outlays under Biden

A Budget that Steps in the Wrong Direction: Increasing Autopilot Spending

- **Transfers current discretionary programs to mandatory spending, costing over \$281.1 billion.**
 - (\$277.2 billion) Shifting the Indian Health Service to mandatory spending beginning in 2026
 - (\$3.9 billion) Moving nursing home survey to mandatory
 - (\$122 million) Indian Self-Determination leases mandatory beginning in 2026
- **Further muddies the appropriations process by adding a new budget category and moving items funded by “emergency” to base funding.**
 - (\$131 billion in FY2026; \$1.4 trillion over 10) Proposes to move funding for the Veterans Affairs Medical Program from the MilCon/VA allocation and creates a third discretionary category alongside defense and non-defense.
 - (\$23 billion) Takes this \$23 billion tagged as “emergency” and moves it to base discretionary as a way to further grow discretionary spending in the budget window.
- **Creates multiple new programs to be funded via mandatory spending, totaling over \$82.9 billion, including:**

Biden New Program	Mandatory Spending
Reducing the Cost of College Fund	\$12 billion
Innovation Fund for Housing Expansion	\$20 billion
First-Generation Down Payment Assistance Program	\$10 billion
Project-Based Rental Assistance	\$7.5 billion
International Infrastructure Fund	\$2 billion

A Budget that Spends Americans' Hard-Earned Dollars on Woke and Wasteful Programs

Doubling Down on “Green New Deal” Initiatives, *including*:

- **\$1 billion** in loan guarantees at the Department of Agriculture (USDA) for “renewable energy systems and energy efficiency improvements.”
- **\$321 million** for USDA’s “core climate-related research and development activities... [toward mitigating] global change... [and] the Nation’s net emissions of GHG.”
- **\$53 million** for the Department of Commerce to “expand offshore wind permitting activities at the National Oceanic and Atmospheric Administration, a \$31 million increase above the 2023 enacted level.
- **\$4 billion** for the Economic Development Agency’s Regional Technology and Innovation Hubs Program to “foster the geographic diversity of innovation and create quality jobs in and for underserved and vulnerable communities across the Nation.”
- **\$138.5 million** for the Bureau of Economic Analysis to support economic data, including “research on environmental-economic statistics,” an \$8.5 million increase from the 2023 enacted level.
- **\$10.6 billion** or 12 percent increase at the Department of Energy (DOE) for “climate and clean energy research, development, demonstration, and deployment programs.”
- **\$105 million** for DOE to focus on “community-scale energy solutions... [that] mitigate extreme heat in low-income and disadvantaged communities.”
- **\$256 million** at DOE to “build capacity for advancing energy research and developing a new energy workforce.”
- **\$4.4 billion** for Department of Homeland Security’s (DHS) “climate resilience programs” to “build a climate resilient Nation.”
- **\$7.5 billion** at the Department of Housing and Urban Development (HUD) for the new “Project-Based Rental Assistance program” to “incentivize the development of new climate-resilient affordable housing.”
- **\$150 million** at HUD to “prioritize activities that advance resilience and energy efficiency in housing-related projects.”
- **\$112 million** for “preservation and greening” at HUD’s assisted housing Rental Assistance Demonstration program.
- **\$11 billion** for President Biden’s commitment to “international climate finance.”
- **\$5.5 billion** in climate adaptation and resilience at the Department of the Interior (DOI) to “address the increasing severity of extreme weather events fueled by climate change.”
- **\$275 million** at DOI to continue to “leverage science to better understand the impacts of climate change.”
- **\$200 million** for the Endangered Species Act of 1973, “environmental planning and consultation and migratory bird permitting,” a \$40 million increase from the 2023 enacted level.
- **\$200 billion** at the Department of State for “infrastructure investment in low- and middle-income countries by 2027.”
- **\$500 million** contribution in mandatory funding to the Green Climate Fund to “expand climate adaptation and mitigation projects in developing countries.”
- **\$2.9 billion** at the Environmental Protection Agency (EPA) for “climate related programs to address the climate crisis.”
- **\$1.5 billion** for EPA’s Office of Environmental Justice and External Civil Rights’ “environmental justice efforts, including investments that would support cleaner air and cleaner water in frontline communities.”
- **\$1.5 billion** for EPA’s Office of Air and Radiation for “the development of national programs, policies, and regulations that control indoor and outdoor air pollution and radiation exposure.”
- **\$260 million** for civil enforcement efforts at EPA, which is \$50 million above the 2023 enacted level.
- **\$172 million** for “compliance monitoring efforts” at EPA, a \$57 million increase from the 2023 enacted level.
- **\$77 million** for “criminal enforcement efforts” at EPA, an increase of \$6 million over the 2023 enacted level.
- **\$2.4 billion** in the National Aeronautics and Space Administration’s Earth Science program to “support climate action” and “better understand greenhouse gas emissions from natural and human-caused sources through the U.S. Greenhouse Gas Center,” among others.
- **\$1.4 billion** at the National Science Foundation to study “climate resilience technologies for communities heavily affected by climate change; and social, behavioral, and economic research on human responses to climate change,” among other issues.
- **\$8 billion** in mandatory funding for AmeriCorps’ American Climate Corps (ACC) initiative to support an additional 50,000 ACC members annually by 2031 to “mobilize a new, diverse generation of... climate resilience workers.”
- **\$80 million** for Department of Transportation (DOT) Port Infrastructure Development Program with a prioritization of projects that “lower emissions – reducing environmental impact in and around the Nation’s ports.”

Using Taxpayer Money for Woke Programs, *including:*

- Despite spending **\$132 billion** on student loans thus far, proposes **\$90 billion** for free community college.
- **\$200 billion** for universal preschool.
- **\$424.3 billion** for child care for “low- and middle-income families.”
- **Restores full funding** to supercharge the Internal Revenue Service against everyday taxpayers.
- **\$3 billion** for the State Department to “advance gender equity and equality worldwide.”
- **\$2.5 billion** for the Centers of Disease Control and Prevention (CDC) to “address the causes of violence in communities and help reduce the health inequities that characterize such violence across the United States.”
- **\$60 million** for “gun violence research” across CDC and the National Institutes of Health.
- **\$11 million** at DOI to “preserve the stories of the cultures and history across America.”
- **Over \$900 million** at the State Department for “global health security,” including \$250 million for the Pandemic Fund.
- **\$1.5 billion** to fully fund the Transportation Security Administration’s “pay equity initiative.”

Billions for Biden’s Self-Inflicted Crises, *including:*

- **\$2.4 billion** for DOT’s Capital Investment Grant transit program, even though ridership and revenue remain below pre-pandemic levels.
- **Assumes \$300 million** in supplemental funding to “safeguard the Strategic Petroleum Reserve” which the Biden Administration drained due to their war on American energy and inflated energy costs.
- **\$9.3 billion** for HHS’s Office of Refugee Resettlement for “refugee resettlement infrastructure.”
- **\$145 million** for DHS’s U.S. Citizenship and Immigration Services International Refugee Affairs Division to “welcome 125,000 refugees annually.”
- **\$10.3 billion** at the State Department for “lifesaving humanitarian and refugee assistance to support more than 330 million people in need in more than 70 countries.”
- **\$25 million** for the State Department’s Inter-American Development Bank’s Migration Grant Facility to “support integration efforts for migrants and host communities, and address the root causes of irregular migration.”

A Weaker, More Vulnerable America

A Budget that Ignores the Border Crisis

President Biden's immigration and border security priorities are on full display in his FY25 Budget request. President Biden manages to request additional funding for the Department of Homeland Security (DHS) – the agency in charge of protecting our sovereign borders – except the funding is **not directed to protect our borders:**

- **\$4.4 billion** for DHS's **climate resilience programs** as “part of the Administration's efforts to build a climate resilient Nation.”
- **\$4.7 billion** Southwest Border Contingency Fund for DHS – but not for preventing illegal migrants from crossing the border – but to **absorb them once they get into the country** (“transportation, medical care, soft-sided facilities, and Shelter and Service Program grants.”)

A Budget that's All Talk, No Action

President Biden's Administration states, “[t]he majority of all individuals encountered at the Southwest land border over the past three years have been removed, returned, or expelled.”

Sadly, this is a **bold-faced lie** that not even DHS Secretary Alejandro Mayorkas agrees with.

- Earlier this year in an interview with Fox News, Secretary Mayorkas confirmed that **85 percent of illegal migrants** encountered at the Southwest border are, in fact, released into the interior of the country.
- Since President Biden took office, there have been **8.7 million encounters** nationwide and **7.2 million encounters** at the Southwest border alone.

The Biden Administration has overseen the nation's worst migration crisis in U.S. history and yet, **no real actions or investments are made to gain operational control at the Southwest border in the President's FY 2025 Budget request.**

The Answer is H.R. 2, the Secure Border Act

In the Preamble of the Constitution, our Founding Fathers outlined the chief responsibility of the federal government—"provide for common Defence."

Homeland Security Secretary Mayorkas and the Biden Administration **have abdicated this constitutional duty** and have continually **failed in their oath to protect the American people**, their FY 2025 Budget request is further evidence of this dereliction of duty.

As a result of this failure to secure the border and enforce the laws of the land, our nation has experienced an **unprecedented and unmitigated humanitarian and national security crisis**.

H.R. 2, the Secure Our Border Act would finally bring an end to the progressive policies that have laid bare our Southwest Border and upended communities across the Nation.

Provisions in H.R. 2 include:

- ✓ Immediately begins construction of the border wall
- ✓ Requires Customs and Border Protection (CBP) to maintain 22,000 Border Patrol Agents
- ✓ Implements new technology between ports of entry
- ✓ Requires CBP to certify that it has access to foreign criminal history databases needed to certify migrants
- ✓ Limits the usages of the CBP One App
- ✓ Reinstates Trump Era migrant policies like "Remain in Mexico"
- ✓ Limits the total number of migrants and length of parole
- ✓ Requires E-Verify for all migrant employers

Republicans are ready to solve the border crisis but this Administration, as apparent in the FY 2025 Budget request, is not.

An Unreliable, Stagnant Economy

America's long-term future – the strength of our economy, the reliability of our security, our standing in the world itself – rests on our ability to tackle our fiscal challenges.

President Biden's budget is **disconnected from economic reality**. Despite proposing trillions in new taxes, attacking private enterprise, expanding the welfare state, and proposing another round of inflationary stimulus, the President's budget **assumes faster economic growth than outside experts**.

A Budget that Proposes Debilitating Economic Policies

- **\$4.9 trillion** in new taxes on job creators, businesses, and American energy.
- **\$16.3 trillion** in inflationary deficit spending.
- Overrides states and jeopardizes access to care by spending **hundreds of billions** over the budget window to expand Obamacare subsidies and Medicaid.
- **Shifts** discretionary spending to mandatory, further weakening congressional control over annual spending.

A Budget that Increases Taxes

The President's budget calls for the **highest sustained level of taxation in American history**, spearheaded by **\$4.9 trillion in proposed new taxes**.

Calls for **\$70.3 trillion in taxes** over the budget window—up **\$5 trillion over** last year's budget request.

Creates a first-of-its-kind **socialist wealth tax** by redefining the definition of income to further redirect private resources away from productive uses and into the hands of Washington central planners.

Further targets American energy with **\$120 billion in energy-specific tax hikes**, which will drive energy prices up for consumers everywhere.

Provides **\$104 billion** in mandatory funding to the Internal Revenue Service (IRS) over the budget window, restoring the \$20 billion that would be rescinded in the appropriations agreement plus an **additional \$84 billion** to further harass American taxpayers.

Cripples America's competitiveness with **\$2.5 trillion in new taxes on American businesses**.

A Budget that Fuels the Fire of Inflation

The President's deficit addiction would **cause prices to skyrocket further**. Specifically, the budget calls for:

\$16.3 trillion in deficits over the next decade, causing debt to grow from \$34.5 trillion today to **\$52.7 trillion by 2034**.

Numerous housing subsidies that will **push up demand** and make housing **even more unaffordable** without addressing the underlying issue – a housing shortage caused by restrictive planning and zoning at the local level.

\$359.1 billion to permanently extend the Inflation Reduction Act's (IRA) expanded premium tax credits, which CBO noted was the most inflationary component of the IRA.

Further manipulates higher education by expanding subsidies and offering taxpayer-funded community college at a cost of **\$90 billion**, on top of the **\$132 billion** that Biden has already spent on student loan forgiveness.

HOUSE BUDGET COMMITTEE VERSUS PRESIDENT BIDEN

*Projections for
FY25 - FY34



BIDEN FY25 BUDGET PROPOSAL



HOUSE FY25 BUDGET RESOLUTION

TAXES

Adds **\$4.9 trillion** in
new taxes

Proposes **no**
new taxes

DEBT

Grows the gross
federal debt by **25**
percent more than
the economy

Grows the economy
more than three
times faster than
the debt

DEFICITS

Proposes deficits at
historically high
levels: \$1.6 trillion
average annual
deficits (4.6
percent of GDP)

Balances the budget
in 10 years, with
\$10.4 trillion lower
deficits compared to
the President's
budget

SPENDING

Spends **\$86.6**
trillion over ten
years

Spends **\$15.1 trillion**
less than the
President's budget
over ten years.

INTEREST COSTS

Spends **\$12.2**
trillion over the
next decade

Spends **\$2.7 trillion**
less than the
President's budget

BUDGET SCORECARD

FY2025 House Budget (nominal dollars in billions)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025 - 2034
Outlays	6,526	6,594	6,641	6,733	6,951	7,148	7,364	7,595	7,852	8,121	71,525
Revenues	4,996	5,351	5,683	5,870	6,147	6,414	6,656	6,890	7,168	7,474	62,649
Economic Impact	-20	-30	-90	-140	-230	-320	-410	-490	-580	-690	-3,000
Deficit	1,510	1,213	869	722	575	414	298	216	104	-44	+5,877
Public Debt	29,475	30,762	31,708	32,494	33,121	33,570	33,891	34,125	34,210	34,148	

FY2025 House Budget vs. FY2025 Biden Budget (nominal dollars in billions)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025 - 2034
Outlays	-740	-825	-1,056	-1,350	-1,362	-1,657	-1,759	-1,949	-2,208	-2,195	-15,101
Revenues	-489	-522	-503	-640	-683	-750	-853	-983	-1,090	-1,165	-7,679
Economic Impact	-20	-30	-90	-140	-230	-320	-410	-490	-580	-690	-3,000
Deficit	-271	-334	-641	-851	-908	-1,226	-1,316	-1,455	-1,697	-1,721	-10,420
Public Debt	-509	-877	-1,542	-2,398	-3,320	-4,569	-5,904	-7,377	-9,129	-10,908	

