

HOUSE COMMITTEE on APPROPRIATIONS

RANKING MEMBER ROSA DeLAURO

House Republican Bills Attack and Undermine the Inflation Reduction Act and Bipartisan Infrastructure Law

House Republicans' proposed funding bills would <u>directly</u> repeal generational accomplishments while **indirectly** hollowing out their effect.

The Inflation Reduction Act (IRA) and the Bipartisan Infrastructure Law (the "Infrastructure Investment and Jobs Act" or "IIJA") provided generational investments to address the global climate change crisis and infrastructure deficiencies across the United States that had accumulated from years of disinvestment, in part because of the strict caps regime of the Budget Control Act. All but six House Republicans in the 118th Congress were willing to support investing in America then, and none of them will ever miss an opportunity to participate in a ribbon cutting. Despite this, **Republicans continue their partisan opposition to climate and infrastructure investment in the 2024 appropriations process**.

Direct Attacks on the Inflation Reduction Act: Piecemeal Repeals with Cuts

Nine of the 12 Republican bills (all except Defense, Military Construction and Veterans Affairs, and Legislative Branch) include partial repeals of IRA programs totaling almost \$103 billion. The IRA repeals (cuts called "rescissions" or "claw backs") are particularly focused on undermining Democrats' efforts to provide the Internal Revenue Service (IRS) with sufficient resources to scrutinize tax cheats and to make billionaires and the largest corporations pay taxes and to fund Environmental Protection Agency (EPA) efforts to modernize energy infrastructure:

IRA Rescissions	Cuts	Republican Bills	Consequences	
Tax Fairness.	-\$67 billion	CJS, FSGG, LaborH, THUD	Tax breaks of at least \$133 billion to tax cheats and billionaires.	
Modernize energy infrastructure.	-\$22 billion	FSGG, Interior, SFOPs	Foregone investments in energy infrastructure and thousands of lost jobs.	
Investments in Rural America.	-\$6 billion	<u>Agriculture</u>	Increased energy costs for small businesses, farms, and rural consumers.	
Lowering energy costs.	-\$6 billion	E&W, FSGG	250,000 households with higher energy costs and lost jobs in every State.	
Resilience and vulnerable communities.	-\$2 billion	Interior, Homeland	Overburdened communities will remain underserved.	
Total	-\$103 billion	9 of 12 bills	Repeal <i>half</i> of all initial funding from the Inflation Reduction Act.	
Notes: "CJS" = Commerce, Justice, Science; "E&W" = Energy and Water; "FSGG" = Financial Services and General Government; "LaborH" = Labor, HHS, Education; "THUD" = Transportation, Housing and Urban Development.				

More details on key attempts to repeal certain IRA provisions can be found at the end of this document.

Indirect Attacks on the Inflation Reduction Act and Bipartisan Infrastructure Law: Gutting Base Funding

The IRA and IIJA were transformational investments intended to **build on continued investments through the annual appropriations process in climate and infrastructure programs**. For example, the IRA's investments in energy security and climate change—estimated by some at the time to near \$400 billion over the next ten years—are built on a **foundation of at least \$100 billion in** *yearly* **investments made through the annual appropriations process** (see the cross-cut of relevant climate provisions in the 2023 final appropriations Acts here). House Republicans' proposals for 2024 would hollow out those annual investments, using the IRA as pretext for misguided cuts to programs that were always intended to continue to grow.

The House bills would indirectly undermine climate investments in the IRA through the following cuts:

<u>\$15 billion in cuts to Department of Energy (DOE) Loan Programs.</u> These cuts would reduce the capacity of DOE to make loans to support clean energy deployment and energy infrastructure reinvestment to reduce greenhouse gas emissions and air pollution **by over 20 percent**. With 113 active applications requesting \$95 billion in loans, **these cuts would immediately undermine American manufacturing and innovation**.

\$466 million (or 14 percent) cut to DOE's Energy Efficiency and Renewable Energy Program. These cuts undermine the additional funding provided in the IIJA for energy infrastructure and clean transportation alternatives, undercutting American leadership in the transition to a global clean energy economy.

<u>\$0 for Environment Justice at the EPA.</u> House Republican bills would zero-out funding for environmental justice in the Interior and Environment bill, a cut of \$102 million. On top of the direct attacks on climate and environmental justice funding provided in the IRA, these cuts hollow out the hope for continued investments in overburdened and underserved communities.

Similarly, the IIJA—adopted with a bipartisan super majority in the Senate—was always intended to provide funding *on top of* annual investments in appropriations Acts. The backlog of capital improvements for our airport runways and terminals, subways, and railways cannot be transformed with IIJA resources alone. **House Republicans' bills would expect governors and mayors to make impossible decisions on how to prioritize labor and local resources—as state and local budgets are still recovering from the effects of COVID—against the laundry list of must-do projects that span transportation modes and increase safety.**

The <u>Transportation Trades Department, AFL-CIO</u>, a coalition of 37 member unions agreed with that assessment, and in a letter to the Appropriations Committees stated the following:

"The Republicans' devastating funding cuts to public transit, passenger rail, federal grant programs, and other critical infrastructure projects would significantly hamstring the progress of the historic investments in the Bipartisan Infrastructure Law."

A few examples of how the House bills would indirectly <u>undermine infrastructure investments in the</u> <u>Bipartisan Infrastructure Law</u> are shown through the following cuts:

<u>64 percent cut to Amtrak</u>. These cuts include a 92 percent (or \$1.2 billion) cut to the Northeast Corridor and 35 percent (over \$400 million) cut toe the National Network. These cuts threaten an estimated 10,000 Amtrak employees with furlough or separation, and would impact or put at risk localities and service lines across the country, including:

Northeast Corridor Localities Under Threat

Aberdeen, Maryland (MD-01) Roanoke and Lynchburg, Virginia (VA-06) Staunton and Clifton Forge, Virginia (VA-06) Connellsville, Greensburg, and LaTrobe, Pennsylvania (PA-14) Intercity routes across the region Other Nationwide Routes Threatened

The Heartland Flyer in Oklahoma The Silver Service to South Florida The Texas Eagle from Chicago to Arkansas/Texas The Empire Builder from Chicago to

The Empire Builder from Chicago to Montana to the Pacific Northwest

82 percent cut to Transit Capital Investment Grants. These cuts would cripple projects intended to eliminate transportation deserts and improve subways, bus rapid transit, corridors and related infrastructure across Los Angeles, Minneapolis, Seattle, Chicago, New York, New Jersey, Houston, Denver, Raleigh, and Salt Lake City and County.

<u>\$4 billion in cuts to the Environmental Protection Agency.</u> Funded at the lowest level since 1991, EPA operations would be hamstrung, and critical infrastructure investments funneled through the agency would be gutted. Cuts would include **\$1.8 billion in cuts to the Clean Water and Drinking Water State Revolving Funds.** After funding 767 clean water, drinking water, wastewater, and storm water management projects across the country leaving just \$115 million would remain for other projects in the Clean Water and Drinking Water State Revolving funds.

<u>Cuts to Wildland Firefighter Pay.</u> House Republicans include no provisions to extend the special pay authorities for wildland firefighters and no dedicated funding for that purpose, as was originally included in the IIJA. Representative Harder (D-CA) <u>proposed an amendment</u> during full committee markup of the FY 2024 Interior and Environment appropriations bill to permanently prevent the upcoming 50 percent cut of \$20,000 to wildland firefighter base pay rates, which <u>was rejected</u> by all House Republicans present.

Direct Attacks on the IRA: Energy and Water Targeting Energy Cost Relief and Infrastructure Transformation

The 2024 Energy and Water Development, and Related Agencies bill includes \$5.7 billion in untenable repeals from the Department of Energy's Inflation Reduction Act (IRA) programs.

\$4.5 billion from the High-Efficiency Electric Home Rebate Program

This IRA program provides \$4.5 billion to states, territories, and tribes to install efficient electric technology into low- and medium-income single- and multi-family homes. The program is estimated to:

- Serve upwards of 250,000 low- and moderate-income U.S. households.
- Save approximately \$1 billion dollars in energy costs annually.
- Create up to **50,000 new jobs**.

\$1 billion from the Assistance for Latest and Zero Building Energy Code Adoption

This IRA program provides \$1 billion for states and local governments with the authority to adopt building codes and standards to save energy in commercial and residential buildings. This program lets local jurisdictions take innovative approaches to reduce energy for their new and renovated buildings through the adoption of the latest model energy codes, zero energy codes, or other standards with equivalent energy savings, like a building performance standard. These cuts deny cost savings to homeowners, communities, and businesses. This program is estimated to:

- Save over \$138 billion in efficiency, resilience, and cost-saving benefits for American homeowners, consumers, and businesses over the next 30 years.
- Create up to 40,000 new, well-paid American jobs.

\$200 million from the State-Based Home Energy Efficiency Contractor Training Grants

This IRA program provides \$200 million in financial assistance to states to develop and implement a state program to provide training and education to contractors involved in the installation of home energy efficiency and electrification improvements.

- The transition to clean energy is expected to **generate 10.3 million net new jobs globally** by 2030.
- If we do not train American workers for those jobs here at home, they will be outsourced abroad.
- \$150 million of the training grants is distributed by formula to eligible States and territories (losses from this distribution showed in the following table), while the remaining amounts will be distributed in the form of competitive grants.

See below for a State-by-State breakdown of lost funding and the effects on household energy costs of the Republicans' cuts.

	High-Efficiency Electric Home Rebate Program		State-Based Home Energy Efficiency Contractor Training Grant Program	Assistance for Latest and Zero Building Energy Code Adoption	
State/ Territory	State Allocation (\$ millions)	Minimum Number of Households Served	State Allocation for Formula Grant (\$ millions)	Energy Cost Savings Over 30 Years (\$ millions)	Average Annual Household Savings (\$)
Alabama	\$73	4,149	\$2.6	(ф иниона)	bavings (ψ)
Alaska	\$37	2,123	\$1.3		
American Samoa	\$25	1,424	\$0.9		
Arizona	\$76	4,367	\$2.6		
Arkansas	\$52	2,996	\$1.9		
California	\$290	16,586	\$10.3		
Colorado	\$70	3,999	\$2.5		
Connecticut	\$50	2,831	\$1.9	\$2,159	\$292
Delaware	\$33	1,876	\$1.2	\$418	\$276
District of Columbia	\$30	1,693	\$1.0	\$594	\$158
Florida	\$173	9,866	\$6.0		
Georgia	\$109	6,239	\$3.8		
Guam	\$26	1,467	\$0.9		
Hawaii	\$34	1,948	\$1.2		
Idaho	\$40	2,307	\$1.4		
Illinois	\$131	7,512	\$5.1	\$811	
Indian Tribes	\$218	12,471			
Indiana	\$91	5,187	\$3.4		
Iowa	\$60	3,456	\$2.2		
Kansas	\$53	3,009	\$1.9		
Kentucky	\$67	3,824	\$2.4		
Louisiana	\$106	6,056	\$3.6		
Maine	\$36	2,042	\$1.3		
Maryland	\$68	3,898	\$2.5	\$2,462	\$257
Massachusetts	\$73	4,161	\$2.8	\$1,066	\$71
Michigan	\$105	6,017	\$4.1		
Minnesota	\$74	4,230	\$2.8	\$2,160	
Mississippi	\$52	2,985	\$1.8		
Missouri	\$75	4,307	\$2.8		
Montana	\$35	2,028	\$1.2	\$240	
Nebraska	\$46	2,603	\$1.6		
Nevada	\$48	2,738	\$1.6		
New Hampshire	\$35	1,986	\$1.3	\$242	\$521

	High-Efficiency Electric Home Rebate Program		State-Based Home Energy Efficiency Contractor Training Grant Program	Assistance for Latest and Zero Building Energy Code Adoption	
State/ Territory	State Allocation (\$ millions)	Minimum Number of Households Served	State Allocation for Formula Grant (\$ millions)	Energy Cost Savings Over 30 Years (\$ millions)	Average Annual Household Savings (\$)
[continued]					
New Jersey	\$91	5,218	\$3.5	\$4,053	\$385
New Mexico	\$44	2,500	\$1.5		
New York	\$158	9,052	\$6.4	\$4,914	\$205
North Carolina	\$104	5,960	\$3.7		
North Dakota	\$37	2,121	\$1.3		
Northern Marianas	\$25	1,419	\$0.9		
Ohio	\$124	7,094	\$4.8		
Oklahoma	\$64	3,679	\$2.3		
Oregon	\$57	3,241	\$2.0	\$593	
Pennsylvania	\$129	7,384	\$5.0	\$1,295	\$331
Puerto Rico	\$42	2,426	\$1.6		
Rhode Island	\$32	1,818	\$1.2		
South Carolina	\$68	3,912	\$2.4		
South Dakota	\$34	1,953	\$1.2		
Tennessee	\$83	4,765	\$3.0		
Texas	\$344	19,658	\$11.7		
U.S. Virgin Islands	\$26	1,458	\$0.9		
Utah	\$50	2,880	\$1.8		
Vermont	\$29	1,668	\$1.0		
Virginia	\$94	5,371	\$3.4		
Washington	\$83	4,730	\$2.9		
West Virginia	\$44	2,515	\$1.6		
Wisconsin	\$74	4,255	\$2.8		
Wyoming	\$34	1,971	\$1.2		

<u>Direct Attacks on the IRA: Agriculture and Rural Development</u> <u>Targets Rural Communities Across the Country</u>

House Republicans' 2024 Agriculture and Rural Development funding bill slashes investments in rural America such as funding for rural energy programs, loans to financially distressed farmers, and help for rural electric coops. Together, the House Republican bill would cut \$6 billion in funding provided by the IRA, including:

<u>Over \$4 billion cut from assistance to farmers.</u> Multiple cuts would aim to eliminate over \$4 billion in IRA funding for at-risk agricultural operations and underserved farmers, ranchers, and foresters, stripping 104,000 economically distressed farm loan borrowers of the assistance they're expecting.

<u>\$1 billion cut from Rural Electric Cooperatives.</u> The cut would walk back the largest investment in rural utilities since 1936, undermine the recently-announced New ERA program, increase electric rates for rural Americans, and diminish the ability of rural electric co-ops to add an estimated 90,000 new rural jobs.

\$500 million cut from the Renewable Energy for American Program (REAP). This cut is estimated to raise energy costs for approximately 15,000 rural small businesses and agricultural producers across the United

States. A State-by-State analysis of the distribution of these cuts appears below:

State	Cut (\$, Millions)
Alabama	\$15.8
Alaska	\$4.8
Arizona	\$8.9
Arkansas	\$11.0
California	\$14.9
Colorado	\$6.8
Connecticut	\$5.5
Delaware	\$4.4
District of Columbia	\$1.2
Florida	\$14.7
Georgia	\$18.4
Hawaii	\$5.7
Idaho	\$5.6
Illinois	\$9.4
Indiana	\$11.0
Iowa	\$7.5
Kansas	\$6.4
Kentucky	\$15.9
Louisiana	\$10.6
Maine	\$7.3
Maryland	\$6.6
Massachusetts	\$5.8
Michigan	\$15.1
Minnesota	\$9.0
Mississippi	\$13.7
Missouri	\$14.4
Montana	\$22.9

State	Cut (\$, Millions)		
Nebraska	\$4.3		
Nevada	\$14.9		
New Hampshire	\$10.5		
New Jersey	\$7.3		
New Mexico	\$15.0		
New York	\$6.6		
North Carolina	\$4.4		
North Dakota	\$14.2		
Ohio	\$5.3		
Oklahoma	\$16.4		
Oregon	\$22.9		
Pennsylvania	\$4.7		
Puerto Rico	\$5.5		
Rhode Island	\$1.2		
South Carolina	\$13.4		
South Dakota	\$8.9		
Tennessee	\$9.3		
Texas	\$1.2		
Utah	\$10.3		
Vermont	\$3.9		
Virgin Islands	\$14.4		
Virginia	\$22.9		
Washington	\$4.3		
West Virginia	\$14.9		
W. Pacific Areas	\$10.5		
Wisconsin	\$7.3		
Wyoming	\$15.0		

Direct Attacks on the IRA: Targeting Efforts to Mitigate the Effects of ClimateChange in Underserved and Overburdened Communities

House Republicans' FY 2024 Appropriations acts propose to cut billions in funding provided by the IRA to address the damaging effects of climate change and pollution in underserved and overburdened communities, including through efforts to transform energy technologies to deliver job and investment in the clean energy economy to low-income and disadvantaged communities.

Republicans target these efforts with the following cuts:

\$19 billion in cuts to the Greenhouse Gas Reduction Fund. House Republicans produced an Interior and Environment bill with devastating cuts to annual programs at the EPA and exacerbate those harmful policies with a cut of \$11 billion to the IRA's Greenhouse Gas Reduction Fund (GGRF). Continuing their fixation on cuts to climate programs, House Republicans included an additional \$8 billion in cuts to the GGRF in the State, Foreign Operations bill, which has no jurisdiction over the EPA.

The EPA is moving quickly to implement their Investing in America Agenda, <u>announcing \$20 billion in funding opportunities</u> from the GGRF. House Republicans' combined cuts to the GGRF would eliminate over 70 percent of the investments made by the IRA in the program and would immediately disrupt this funding announcement. These cuts would undercut private sector investments to help communities all over the country modernize and transition their energy infrastructure, threaten the direct creation of one million jobs over a decade—380,000 in low-income and disadvantaged communities—and the production of \$100 billion in cost savings over the expected lifetime of the investments.

\$1.4 billion in cuts to Environmental and Climate Justice Black Grants. These cuts would eliminate nearly half of the funding provided in the IRA for financial and technical assistance to carry out environmental and climate justice activities to benefit underserved and overburdened communities.

§312 million in cuts for readiness programs. At a time when climate change is leading to increasingly volatile and extreme weather events, these cuts would eliminate funding provided to the Department of Homeland Security's Chief Readiness Officer for sustainability and environmental programs.