

AFL-CIO

LEGISLATIVE ALERT

May 21, 2025

Dear Representative,

I am writing on behalf of the AFL-CIO to express our strong opposition to the budget bill (“One Big Beautiful Bill Act”). As laid out below, the bill currently before Rules promises to make life harder for millions of working Americans. It asks them variously to sacrifice health care, food, pensions, income, and jobs so that the wealthiest households and big corporations can receive the largest tax benefits in the bill.

The Bill’s Tax Policy: Robin Hood in Reverse

The bill redistributes money from the lowest income households to the highest income households. The non-partisan Penn Wharton Budget Model finds that people who make less than \$51,000 would see their after-tax income decrease by more than \$700 in 2026 if this bill becomes law. Meanwhile, during that same first year, the top one percent would see their income increase by over \$44,000, and the top tenth of one percent would see their income increase by over \$389,000. In fact, the top 10% of the income distribution receives about 65 percent of the total value of the legislation. Over time, the impact on working-class Americans gets worse. By 2033, those making less than \$63,000 will see their after-tax income reduced by \$1,200, while people making between \$63,000 and \$115,000 will see a net gain of just \$45. The tax benefits for working families are swamped by the effect of the cuts detailed below, which threaten jobs in wide-ranging industries and raise household costs like health care.

The regressive nature of the bill is perhaps best exemplified by its approach to the Child Tax Credit. It denies full Child Tax Credit benefits to as many as 20 million children in working families simply because their parents earn too little. Meanwhile, families at the other end of the scale, making up to \$400,000 per year, would receive the full increase in benefits. A new private school voucher scheme piles on, draining needed public resources from public schools.

The Bill's Health Care Policy: Less Health Care, Less Jobs, and Higher Prices

The bill results in health care funding cuts of more than \$1 trillion by cutting more than \$625 billion from Medicaid, allowing \$385 billion in Affordable Care Act enhanced premium tax credits to expire, and creating barriers to enrollment. The Congressional Budget Office (CBO) estimated that these policies will leave 13.7 million people uninsured. Millions more will face increased copays and deductibles. George Washington University studies show that hundreds of thousands of health care workers will lose their jobs. People in underserved and rural communities will lose access as hospitals and nursing homes close. Providers will raise their prices to compensate for substantial drops in revenue, raising costs and premiums for everyone who uses health care. Taken as a whole, the bill makes health care less affordable and less accessible, the opposite of what working people need.

The Bill's Food Policy: Buy Less Food

The bill contains the single largest cut to the Supplemental Nutrition Assistance Program (SNAP) in history: \$300 billion over the next ten years. By slashing federal support and passing the burden to the states and food banks, this bill risks increasing hunger for families already struggling to pay for groceries. To achieve this level of cuts, the bill had to redefine what a dependent child is. Under the new SNAP proposal that only counts children as dependent if they are under seven years in age, if you're a single parent with a ten-year-old and an eight-year-old, you do not have any dependent children. As a result of these cuts, many states will be forced to either reduce the number of people served or consider abandoning the SNAP program altogether. SNAP also creates and supports jobs along the food supply chain. Union members are on meat-cutting floors, delivering and preparing food for school meals, processing SNAP benefits, serving meals to school children, and checking out your constituents at the grocery store. Those jobs are threatened by these cuts.

Taken together, the Medicaid and SNAP cuts threaten to destroy over one million jobs in short order, according to an analysis by the Commonwealth Fund.

Beyond working moms and dads losing their jobs, it should be noted that the SNAP and Medicaid cuts hit working class children hard. Half of all children with working parents who never got a college degree are served by these programs. The purported "work requirements" sought by the bill for these programs are really "paper work requirements," needlessly complicating the process so that eligible people have a harder time obtaining benefits. In other words, savings comes from using red tape to frustrate working people's attempts to access the programs. Arkansas' work requirements for Medicaid famously did not increase employment – but thousands lost benefits after being snagged on one red tape issue or another.

Additionally, the bill directly targets lawfully present immigrants — including refugees, asylees, and victims of violence — by stripping their access to health care, SNAP, and the Child Tax Credit. These are people who are living and working lawfully in the U.S., and many have fled persecution or violence. Their children, many of whom are U.S. citizens, would be unfairly penalized by these measures.

The Bill's Federal Workforce Policy: Cut Workers' Pensions and Rights

The bill extracts around \$50 billion from the pockets of federal workers, mainly from their pensions. For months, the current Administration has been engaged in aggressive and chaotic violations of federal employee rights, and the bill seeks to raise money off the lawlessness by charging workers a fee for filing a claim to have their rights enforced. In fact, it penalizes federal workers who attempt to retain any rights at all, with higher employee contributions charged to those workers who do not waive their civil service protections. All these cuts are borne disproportionately by veterans, who make up nearly a quarter of the federal civilian workforce.

Incidentally, the bill seeks to make money off citizens' attempts to address other lawlessness as well. A provision hampers judges' ability to enforce the law by requiring plaintiffs suing the government for rights violations to post a bond before a judge's contempt order can be enforced.

The Bill's Tech Policy: Let Big Tech Reign and Leave Workers Unprotected

Tucked into this bill is a provision that would preempt state and local laws governing artificial intelligence (AI). As AI systems increasingly mold critical aspects of Americans' lives in areas such as hiring, housing, healthcare, policing, and financial services—states have taken important steps to protect their citizens from the risks posed by unregulated or inadequately governed AI technologies. Inclusion of this dangerous provision would strip states of their ability to enact critical safeguards against AI-related harms or enforce existing ones for the next decade. Workers in wide-ranging industries are counting on states to continue to act. Congress should not get in the way.

Even worse, while the bill's provision preempting state AI regulation would ostensibly leave the federal government free to regulate AI, another provision is designed to hamstring or kill federal regulation across the board. The bill adopts proposals from the anti-worker REINS Act, designed to slow down, prevent, or roll back regulations that protect workers' health and safety and many other types of regulation.

The Bill's Industrial Policy: Cut Investments at Home and Send Jobs Overseas

The bill's rollback of the Inflation Reduction Act investments undermines job creation and growth across energy and industrial sectors. The IRA tax credits boost domestic manufacturing, energy production, innovation, and job creation. They have already created hundreds of thousands of jobs across the country. Terminating or otherwise rolling them back will put Americans out of work, hobble innovation, reduce domestic energy production, and weaken our supply chains, making us more reliant on foreign competitors.

When it comes to ensuring jobs stay here, the bill doubles down on glaring loopholes in the tax code. The 2017 Trump tax law created a special, half-off tax rate for offshore profits compared to domestic profits, and an even bigger break for building plants and equipment overseas, resulting in more investments overseas and less investments here at home. By permanently extending this \$174 billion worth of special breaks for foreign income, the bill encourages companies to send jobs overseas.

The Big Picture

While the most direct effects of these policies hurt those who have to rely on the federal safety net, of whom millions are hardworking taxpayers, they will also harm working families with less interactions with these programs. Medicaid funding keeps many hospitals, particularly in rural areas, solvent and operating. Without this funding, more rural hospitals will fail, causing health care job loss, and there will be upward pressure on medical costs as remaining hospitals have to make up for lost revenue. Cuts in SNAP, and Medicaid will also squeeze state budgets. This may result in ending programs or shifting funding from other services such as public works, education, or public safety, causing further job loss. Walking away from federal investments in clean energy will mean less work in construction and manufacturing. And any individual benefit from one exemption or another for any single taxpayer who is not at the very top of the income scale would likely be eaten up by higher medical and education costs caused by this bill. The end result of this bill's imbalanced approach is less security for everyone but the wealthy.

The AFL-CIO urges you to vote no on this reconciliation bill. Congress can and must do better by working people. We need policies that lower costs, strengthen our safety net, invest in jobs and working families, and ensure that the wealthiest among us contribute their fair share to the well-being of our nation.

Sincerely,

A handwritten signature in black ink, appearing to read "Jody Calemine". The signature is fluid and cursive, with the first name "Jody" being more prominent and the last name "Calemine" following in a similar style.

Jody Calemine

Director, Government Affairs