



Thursday, January 16, 2025

HFC's "218" Reconciliation Proposal

WASHINGTON, D.C. — The House Freedom Caucus is prepared to quickly deliver the America First agenda led by President Trump. We have put forward and shared with colleagues across the Republican conference a good faith proposal, outlined below as “phase one” in a two-step reconciliation strategy. We would quickly fund border security, modernize the U.S. military, cut spending by reversing some of the worst Biden policies, rightsize federal agencies and programs, and increase the debt ceiling for two years, while legitimately bending the spending curve down for the first time in decades. Our proposal is a Republican plan that we believe can reach 218 votes, that would also allow us to keep the ball on the Republican side of the negotiating field for defense and non-defense appropriations – while delivering wins and uniting the conference.

We stand ready to consider any proposal, and to work with colleagues on their specific issues and negotiate in good faith on spending cuts necessary to make reconciliation actually result in deficit reduction, be it one bill or two. But we must not waste a single legislative day – and the rapid adoption of an approach such as this would accomplish many of our most important objectives quickly. The American people do not want to wait.

- **DEBT CEILING INCREASE: 2-Year Increase in the Debt Limit (~\$4 trillion)**
 - With commitment from congressional leadership on dollar-for-dollar savings over 10 years across both reconciliation bills and appropriations bills.

- **NATIONAL SECURITY FUNDING: \$200 - \$300 billion over 4 years**
 - **Border Security (~\$100 billion):** 4 years of funding for the border wall, Border Patrol, and ICE to carry out removal and repatriation of Biden’s illegal aliens.

o **Defense (\$100 - \$200 billion):** 4 years of funding for defense modernization to ensure we beat China, with commitment to limit annual appropriations and empower DOGE while decreasing Democrats' leverage in the appropriations process.

● **BIDEN REVERSALS AS PAY-FORS: At least \$361 - \$541 billion over 10 years**

o **Repeal EV Mandate (\$111 billion):** End Biden's EV mandate in reconciliation to deliver on President Trump's campaign promise and bank the savings (House GOP passed last Congress).

o **Repeal Biden IRS Funding (\$30 - \$40 billion):** Divert funding for Biden's army of IRS agents to Border Patrol and ICE (House GOP passed last Congress).

o **Repeal Student Loan Bailout (\$100 - \$270 billion):** Stand with working class Americans hit by inflation by repealing Biden's unfair student loan bailout policies (House GOP passed last Congress).

o **Work Requirements for Medicaid & SNAP (\$120 billion):** Require able-bodied adults to work to get SNAP/Medicaid (House GOP passed last Congress).

o **Rightsizing Fees on Illegals, Tax Remittances, End Benefits for Illegals (tens of billions):** Impose fees on parolees, asylum seekers, and other illegals released by Biden; tax remittances sent to foreign countries; and make illegals and other aliens ineligible for welfare.

o **Open Federal Lands and Waters for Energy and Resources:** Reverse Biden policies limiting oil, gas, and mining on federal lands and waters (House GOP passed last Congress).

o **Enact Midnight Rules Relief Act (potentially hundreds of billions in savings).** Enable Congress to roll back disastrous late stage Biden policies to the extent possible under reconciliation.

● **KEY BENEFITS:**

o *Speed to deliver huge early wins on key priorities for President Trump.*

o *Avoids giving Democrats leverage on appropriations or debt ceiling ahead of the March 14 deadline – and sets the stage for DOGE cuts in FY26 appropriations.*

o *Provides room to deliver a second reconciliation package – with tax cuts & commitment of at least \$2.5-3 trillion in savings (over 10 years) – to achieve Treasury Secretary Nominee Scott Bessent's 3-3-3 goals to reduce budget deficits while boosting economic growth and energy production.*