

# The Parkersburg News and Sentinel

## Manchin's stand on Build Back Better consistent with history as fiscal hawk

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U.S. Sen. Joe Manchin, West Virginia's lone Democrat on Capitol Hill, has held the line on the cost of a multi-trillion dollar "*human infrastructure*" and social spending bill whose contents appear to change daily, but those who remain critical of Manchin ignore his long history as a fiscal conservative.

As of Thursday, President Joe Biden and White House officials were working Manchin and Arizona Democratic U.S. Sen. Kyrsten Sinema to get them to accept a \$1.75 trillion Build Back Better package — down from the \$6 billion when first pitched as the American Families Plan and down from the \$3.5 trillion budget reconciliation package.

*"President Biden's framework is the product of months of negotiations and input from all members of the Democratic Party who share a common goal to deliver for the American people,"* Manchin said in a statement Thursday.

Manchin supported the resolution in August to start the process of negotiating what will be in the reconciliation package — a process that gets around the 60 votes needed to overcome a Republican filibuster. While only needing all 50 Democratic senators and Vice President Kamala Harris to break a tie, the reconciliation process makes Manchin and Sinema the most powerful two senators in the caucus.

Manchin has been vocal in his opposition to the \$3.5 trillion price tag going as far back as his vote on the reconciliation resolution in August, citing rising inflation and prices on goods; the national debt due to trillions already appropriate for COVID-19 economic relief, much of which remains unspent; and the labor market which has an undersupply of willing workers.

Manchin called for a “*strategic pause*” in August to Build Back Better negotiations. Speaking at the Economic Club of Washington, D.C., on Tuesday, Manchin said he called for the pause because much of the \$1.9 trillion American Rescue Plan Act – passed in March – still hasn’t been spent yet and many of the programs in Build Back Better are continuations of ARPA initiatives.

*“A lot of the things that are in this reconciliation bill ... we had covered in the ARP,”* Manchin said. *“If you look at the American Rescue Plan that we did, it covers a lot of the things ... up through 2022 and 2023. So, I didn’t see the urgency that someone was going to be left without any type of cover coming out of the COVID pandemic.”*

According to multiple media reports since then, Manchin has held firm on a \$1.5 trillion price tag for the Build Back Better package. That stance has resulted in multiple back-and-forth meetings between Manchin, Biden, and other White House officials and Democratic leaders in the Senate and House of Representatives.

It’s even resulted in public blow-ups between Manchin and U.S. Sen. Bernie Sanders, the Democratic socialist independent from Vermont who chairs the Senate Budget Committee. Sanders has pushed for full funding for various social programs in Build Back Better, including giving the federal government the ability to negotiate drug prices for Medicare and expansion of Medicare for dental and vision coverage.

*“I know who (Sanders) is and where he is coming from, I just respectfully disagree,”* Manchin said Tuesday to David Rubenstein, president of the Economic Club. *“I’ve always tried to put myself in the other person, but I want the other person to understand who I am so they can put themselves where I am.”*

## PINCHING PENNIES

Manchin’s stand on the final price tag for Build Back Better has rankled critics, but it’s not much of a surprise when compared to past statements and actions by him since joining the U.S. Senate in 2010 and during his two terms as Governor of the State of West Virginia.

During Manchin’s tenure as Governor, he worked on legislation to privatize the state’s worker’s compensation in 2006. The state-run program had a \$3.5 billion unfunded liability when Manchin took office. The program was spun off into the privately held Brickstreet Insurance (now Encova).

*“Our workers comp debt is the Achilles heel of our state’s economy, and I firmly believe that in order to create more good jobs in West Virginia this system must be fixed and it must be fixed now. We cannot afford to wait even one more minute,”* Manchin said at the time.

According to the West Virginia Offices of the Insurance Commissioner, aggregate loss costs decreased by more than 78 percent since workers compensation was privatized in 2006, with more than 300 carriers offering workers’ compensation insurance in the state. The state’s Consolidated Annual Finance Report for 2020 states that rates have decreased for 16 straight years, with employers saving \$417 million.

More importantly, the \$3.5 billion unfunded liability in the original state-managed program shrunk to \$64 million by the end of fiscal year 2020.

State Code requires the governor and the Legislature to pass a balanced budget each year. During his final State of the State address in 2010 — a mere 11 months before winning a special election for the seat of the late U.S. Sen. Robert C. Byrd, Manchin laid out a reduced budget due to constraints placed on all 50 states by the Great Recession that began in 2008.

*“While 2009 was a difficult year for many of us, our path toward continued success is going to be even more challenging,”* Manchin said. *“West Virginia was more prepared than most states to get through the worst recession our state has faced in seven decades. Our preparation has served the people of the Mountain State very well.”*

During his final year as governor, Manchin pushed state agencies to cut their budgets by 3.4 percent — the first time Manchin required a mid-year budget reduction. The state used qualified school construction bonds, allowing for school improvements at reduced costs.

In 2010, Manchin was one of only four governors to get an “A” from the libertarian Cato Institute’s Fiscal Policy Report Card. The report praised Manchin for calling for spending reductions throughout his two terms, with his fiscal year 2011 budget only 9 percent above what was spent in Manchin’s first state budget in fiscal year 2005.

*“Joe Manchin of West Virginia has been a popular governor for good reason,”* the report’s authors wrote. *“The state economy has done well under his fiscal policies of business tax cuts and relatively frugal budgeting. Manchin cut the corporate income tax rate, eliminated the corporate license tax, and phased out the business franchise tax. Manchin also has a good record on spending and in most years has proposed reductions to the general fund budget.”*

While he served the remainder of Byrd's six-year term between 2010 and 2012, Manchin called for passage of a balanced budget amendment. While opposing a House of Representatives plan, Manchin used a floor speech in 2011 to call on both Republicans and Democrats to come up with a bipartisan balanced budget amendment.

*"I strongly believe we need a Balanced Budget Amendment, but only one that takes a responsible and reasonable approach,"* Manchin said. *"This is a time for us to come together as Americans, to put our politics aside and do what is right for all of the future of this generation and for this country."*

Speaking at a 2011 event in South Charleston, Manchin expressed his support for Udall-Shelby Balanced Budget Amendment as well as the Corker-McCaskill CAP Act to "cap and cut" federal spending. Much like 2021, Manchin was warning about the national debt 10 years ago.

*"Left unchecked, our exploding national debt will paralyze this nation,"* Manchin said. *"It will cost us countless jobs. It will strangle our ability to invest in vital priorities like energy, our children and our communities. It will weaken our national defense and it will derail critical programs like Social Security and Medicare."*

## BUILD BACK BETTER

As of Thursday, the Build Back Better plan includes \$400 billion in funding for six years for universal pre-Kindergarten and child care, \$150 billion for home healthcare, and \$200 billion for extending the Child Tax Credit which sends monthly payments to households earning up to \$150,000 per year.

Energy proposals in Build Back Better include \$320 billion for 10-year expanded tax credits for clean energy projects; \$105 billion for resiliency investments to combat effects of climate change; \$110 billion to spur investment in domestic supply chains to encourage manufacturing of solar panels, batteries, and advanced materials alongside steel, cement, and aluminum; and \$20 billion for government purchases of next generation clean technologies.

Healthcare proposals include expanding Affordable Care Act premium tax credits to 2025 including uncovered states for \$130 billion and establishing a hearing benefit for Medicare. The framework includes \$150 billion for affordable housing, expanding access and reducing costs for higher education access and workforce development, extending the earned income tax credit for one year for childless workers, and targeted investments for disadvantaged groups.

The Build Back Better plan is paid for in part with a 15 percent corporate minimum tax on large corporations, a 1 percent surcharge on corporate stock buybacks, and IRS investments to close loopholes and collect back taxes. The Biden administration estimates the offsets could bring in \$1.995 trillion.

*“As we work through the text of the legislation I would hope all of us will continue to deal in good faith and do what is right for the future of the American people,”* Manchin said Thursday.