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## **House Debt-Ceiling-and-Cuts Bill Cuts Health Coverage, Food Assistance, Income Support, and Other National Priorities, Gives Billions to Wealthy Tax Cheats**

*Statement of Sharon Parrott, CBPP President, on House Debt-Ceiling-and-Cuts Bill*

The House Republican debt-ceiling-and-cuts bill puts the U.S. economy at grave risk by using the need to raise the debt ceiling as a bargaining chip to force a set of unpopular, harmful policies — policies that would make deep cuts in a host of national priorities; leave more people hungry, homeless, and without health coverage; and make it easier for wealthy people to cheat on their taxes. In exchange for these highly problematic long-term, and in some cases permanent, policies, the bill would only raise the debt ceiling through early next year, creating a new opportunity for House Republicans to use the next deadline for another round of hostage-taking.

Advancing this debt-ceiling-and-cuts bill but not a full budget allows House Republicans to continue hiding their full fiscal agenda, which would make all of the expiring 2017 Trump tax cuts permanent, including those that benefit very wealthy households — at a cost of some \$300 billion annually. Doing so would erase most of this bill's claimed fiscal savings. Examining this bill together with their tax agenda shows that House Republicans seek to reallocate trillions in resources to well-off households at the expense of investments in people, communities, and the economy.

This agenda represents failed trickle-down economics at its worst and would narrow opportunity, deepen inequality, and increase hardship. Our nation's long history of racism and other forms of discrimination means that some groups, particularly Black and Indigenous people and other people of color as well as people with disabilities, are less likely than white people and people without disabilities to have wealth and high incomes that shield them from the harm of public-sector austerity and disinvestment. An agenda that shortchanges investments and gives wasteful tax cuts to the already wealthy limits opportunity and diminishes the country as a whole.

The Senate should reject the bill's provisions, as is widely expected, and policymakers should instead enact a clean, bipartisan bill that raises the debt ceiling, as they did three times during the Trump Administration. Responsible policymakers should shore up the economy, which already faces headwinds, not add to the risk of a recession that could cause millions to lose jobs.

The House debt-ceiling-and-cuts bill would put more than 10 million people at significant risk of losing health coverage, by instituting a failed policy that takes federal Medicaid coverage away from people who aren't able to prove they meet a work-reporting requirement or qualify for an exemption. When implemented in Arkansas in 2018, 1 in 4 people subject to the policy lost coverage in just seven months, while there was no increase in employment.

The bill also would put roughly 1 million older adults at risk of losing food assistance by expanding — to adults aged 50 to 55 who are not raising children — an existing, failed policy that takes SNAP away from people who don't meet a work-reporting requirement or prove they qualify for an exemption. Growing evidence shows that SNAP's existing requirement, which applies to many participants aged 18 to 49, increases hardship and hunger and only makes it more difficult for people to find and retain work. Older workers would be at even higher risk of losing food assistance because they are more likely to face age-based discrimination in the labor market or have health issues that cause periods of joblessness. The Congressional Budget Office estimated that some 275,000 people would lose SNAP.

Both the Medicaid and SNAP proposals put vital assistance at risk for people who are working and people with disabilities or health conditions because red tape makes it difficult to prove they are working or exempt.

In addition, because the bill would severely limit states' flexibility in how they provide assistance and employment services through the Temporary Assistance to Needy Families program (TANF), some states could decide to stop providing cash aid to large numbers of families with children. That includes families with the greatest needs, such as families that include parents with disabilities or those who are survivors of domestic violence or other trauma. About 540,000 families with one million children would be at risk of losing assistance as a result. Cutting off this crucial assistance would result in increased homelessness and more children being left to the child welfare system.

The bill would make severe cuts — \$3.6 trillion over the next decade — to the part of the budget that funds child care and preschool, schools, college aid, housing, medical research, transportation, and many other national priorities. Many House Republicans have made clear they oppose cuts to defense and veterans' health. If those areas are spared, cuts to other programs would be enormous: 33 percent in 2024 rising to an eye-popping 59 percent cut in 2033.

Even if House Republicans protect only defense but not veterans' health care, federal agencies estimate that the cuts in other priorities for next year alone would mean more than 900,000 households with low incomes would lose housing assistance; the maximum Pell grant that helps low-income students afford college would be cut by \$1,000; 200,000 children from low-income families would lose access to Head Start; and Social Security offices would be forced to lay off staff and some would close down altogether, blocking their ability to serve those in need of Social Security benefits.

These cuts would also hit hard the services provided by states, local governments, tribal nations, and U.S. Territories using federal grants, which would be cut by as much as \$1.3 trillion over the next ten years. These drastic cuts would mean more crowded classrooms, even fewer families able to afford child care, more water facilities malfunctioning, less funding for substance use treatment, and more.

Even as the bill makes these drastic, damaging cuts, it protects the wealthy from paying what they owe in taxes by repealing IRS funding enacted in the Inflation Reduction Act. In fact, the money that would have been raised by forcing cheaters to pay what they owe is roughly equal to the amount of the bill's proposed cuts to Medicaid, SNAP, and TANF.

It's notable that as last-minute changes were made in response to objections raised by some House Republicans, there seemed to be little concern about taking health coverage, food assistance, and financial support away from millions of people. Indeed, Speaker McCarthy made concessions that make some of these policies harsher. The bill — and the last-minute changes to it — reflect the misguided priorities of the House Republican agenda.

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