

EXPOSING THE WOKE, WASTEFUL, AND BLOATED BUREAUCRACY

HEARING BEFORE THE COMMITTEE ON THE BUDGET HOUSE OF REPRESENTATIVES ONE HUNDRED EIGHTEENTH CONGRESS FIRST SESSION

HEARING HELD IN WASHINGTON, D.C., MAY 11, 2023

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CONTENTS

Hearing held in Washington, D.C., May 11, 2023	Page 1
Hon. Jodey C. Arrington, Chairman, Committee on the Budget	1
Prepared Statement of	4
Hon. Brendan F. Boyle, Ranking Member, Committee on the Budget	7
Prepared Statement of	9
Hon. Sheila Jackson Lee, Member, Committee on the Budget, statement submitted for the record	13
Ms. Rachel Greszler, Senior Research Fellow on Budget and Entitle- ments, The Heritage Foundation	19
Prepared Statement of	21
Mr. Myron Ebell, Director of the Center for Energy and Environment, Competitive Enterprise Institute	38
Prepared Statement of	40
Ms. Paige Agostin, Policy Director, Center for Renewing America	44
Prepared Statement of	46
Mr. Indivar Dutta-Gupta, President and Executive Director, Center for Law and Social Policy	50
Prepared Statement of	52
Hon. Lloyd Smucker, Member, Committee on the Budget, Submission for the record	103
Questions submitted for the record	125
Answers submitted for the record	126

EXPOSING THE WOKE, WASTEFUL, AND BLOATED BUREAUCRACY

THURSDAY, MAY 11, 2023

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC.

The Committee met, pursuant to call, at 10:02 a.m., in Room 210, Cannon Building, Hon. Jodey Arrington [Chairman of the Committee] presiding.

Present: Representatives Arrington, Norman, McClintock, Grothman, Smucker, Burgess, Carter, Cline, Good, Bergman, Ferguson, Roy, Moore, Estes, Bice, McClain, Fischbach, Yakym, Brecheen, Edwards, Boyle, Higgins, Schakowsky, Blumenauer, Lee, Doggett, Panetta, Wexton, Jackson Lee, Trone, Balint, Scott, and Espaillat.

Chairman ARRINGTON. Good morning, everybody. The hearing will come to order.

Welcome to the Committee on the Budget's hearing regarding woke, wasteful, and bloated bureaucracy. It is a mouthful.

Now, I would like to yield myself such time as I may consume for an opening statement. I am going to try to speak a little just off the cuff here, because this is something I have been thinking about for a while and something we have been discussing as a Committee for now, a few months.

We are in a real mess financially. We did a Fiscal State of the Nation hearing and I think we all agreed, even though we may not agree on exactly how to address it, we agreed that the financial health of our country is in decline, and that the deficit spending and debt trajectory is absolutely and completely unsustainable and we have to do something about it.

I think the debt ceiling proposal that Republicans passed out of the House is a good first step. It is just a step, but it is an important step to getting our fiscal house in order, and it reflects the principles that will be reflected in our budget resolution. Rein in the spending, rightsize the bureaucracy, and encourage growth, get our economy off high center, get out of this nosedive into recession, and get us back on the path to prosperity once again.

I have said this to my friend, Mr. Boyle, Republicans have contributed to this over time as well, and I don't think anybody, as a lawmaker or a leader of this country, has any credibility if they don't understand that fact, but let me say this, we have never experienced in the history of our country the avalanche of spending like we have seen and witnessed in the last two years—\$10 trillion of spending, six of which has been added to our national debt, all of

which has contributed to record inflation, soaring interest rates, an economy that is sliding quickly into recession and getting us closer—and I don't think anybody knows exactly when—the problem is when you tip over the precipice into a sovereign debt crisis, all bets are off at that point. We are borrowing a trillion and a half today as a government, and the gap in funding our government will be three trillion if we just keep the policies we have now, in ten years. So if you undermine the currency and our ability to borrow, it looks really bleak, and that is why we have to have a sense of urgency, Democrats and Republicans, to deal with this, and that is why I hope and pray that the President and our colleagues in the Senate and my Democrat friends will come to the table and let's raise the debt ceiling responsibly, by allowing our Nation to pay its bills, protect the good faith and credit of the United States, but at the same time address this out of control spending that has put hard-working American families in a real bind, like a real bind.

Think about this—this statistic is startling to me—an average family of four is paying \$13,000 per year more to purchase the same goods and services they did in January 2021. \$13,000—over \$1,000 a month. Six out of ten Americans are living paycheck to paycheck y'all. 45 percent—I read this yesterday, Ms. Greszler—45 percent of Americans say that if they had an emergency that cost more than \$1,000, they can't survive it. We see savings down, we see credit card debt and consumer debt up at the highest levels. This is a crisis, this is a cost of living crisis, driven by inflation and inflation has been driven by, in large part, spending.

So, I encourage my friends and colleagues on the other side of the aisle, work with us and encourage the President to do what three out of four Americans expect him to do and all of us to do. Three out of four say the President ought to negotiate fiscal reforms in the debt ceiling. He has done it before. That is the thing, Ralph, he has done it before in 2011, the last major rightsizing of the bureaucracy and the reining in of the spending that was excessive, was led by none other than Joe Biden as Vice President, and he was proud to do it, as he should have been, and he did it as a Senator. So this isn't unprecedented. This isn't unusual. In fact, I would say it would be unusual and even irresponsible if we don't do something to pay our bills and rein in the spending at the same time, in a very sensible way, in a very straightforward way, and I believe that is what the Republicans have done in the House by passing the Limit, Save, Grow Act, and now I hope that our colleagues will respond responsibly and in kind.

Here is the bottom line, our Federal Government is 40 percent bigger today than it was in 2019 as we were going into an unprecedented pandemic. So coming out of the pandemic, CBO projected we would be spending in discretionary spending, hundreds of billions of dollars less than we are spending today. President Obama's last budget had us spending less than we are spending now, his last budget projected that. Folks, there is bloat, there is excessive spending, there are programs and policies that need to be repealed, and if we do that, we have got a fighting chance to bring down inflation and to give our children a more hopeful future with respect to our Nation's finances.

Look, I could go through this list here because I have got a speech, Brendan, but I want to share something with everybody that is hot off the press here. CBO gave us a mid-year, mid fiscal year, report, seven months into the fiscal year. Here is their report: we are borrowing at a 236 percent higher rate than we did this time, over that time frame rather, last year. That is \$400 billion more borrowing this year, over the first seven months, than last year. The biggest driver of the spending, or drivers—(1) 40 percent increase in interest payments. Chuck, our interest payments this year will be half a trillion dollars. We will triple that with just the current policies. In ten years, we will be spending \$1.5 trillion in interest payments. Not a single soldier will benefit, not a single senior, not an anti-poverty program, not infrastructure. We get nothing for it. It is up 40 percent, guys, in the first seven months of this year, over last year. The other driver is 56 percent or \$48 billion in increased spending at the Department of Education because President Biden did what I believe is unconstitutional, certainly an overreach, and very reckless, to cancel almost \$700 billion of student loans, basically having lower-income families, many of whom just said I can't go to college because I can't afford it, basically writing off the debt for upper and middle income folks and increasing inflation with respect to college tuition. So that is a driver, and then, of course, inflation has impacted Medicare's trust fund, it has impacted the Social Security trust fund. Medicare now is up 15 percent as a result, that is \$61 billion, Social Security spending up 11 percent, that is \$73 billion. We are accelerating this insolvency problem for important senior safety nets. Guys that came out just two days ago.

I won't go through the army of IRS agents, I won't go through the excessive and expensive and unnecessary climate policies, hundreds of billions, I won't go through the expansion of healthcare to people who already had healthcare and make hundreds of thousands, half a million dollars a year. Makes no sense. It is wasteful. It is unnecessary.

I certainly can highlight some of, what I would refer to as, progressive Democrat or woke earmarks—\$3 million for the LGBTQ museum, \$2 million to promote dirt bike culture in Baltimore, \$1.2 million for pride centers in San Diego, \$3.6 million for the Michelle Obama Trail in Decatur, Georgia. If the folks in New York want to build an LGBTQ museum, have at it, but the people in Lubbock, Texas ought not to underwrite it.

Let's get back to our core function. We are washed in waste, folks. We are in a sustained inflation crisis, and we got to get this thing back on track, and we got to do it soon.

So, I welcome our witnesses. Our mission is to restore fiscal sanity in this place, and to get our house in order and to make sure that our country's future is not bleak, as it is today, but bright, because we are doing what every American is doing, tightening our belts, changing our spending habits, and paying our bills.

So, with that, Mr. Ranking Member, I will let you have as much time as you may consume because I consumed more than I thought.

[The prepared statement of Chairman Arrington follows:]



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Arrington Opening Statement at “Exposing the Woke, Wasteful, and Bloated Bureaucracy” Hearing

May 11, 2023

As prepared for delivery

“This is the first hearing of our committee since the House passed Republicans’ debt ceiling proposal – the Limit, Save, and Grow Act. This bill is a responsible and important first step to getting our fiscal house in order and beginning to extinguish the inflationary firestorm caused by President Biden’s reckless spending and failed economic policies.

Nobody can look at the balance sheet of our federal government or the nonpartisan CBO’s budget outlook and not be deeply concerned about the rapid deterioration of our nation’s financial health. Over the last two years, President Biden has financed his radical agenda and vast expansion of the federal government with an unprecedented \$10 trillion in spending — \$6 trillion of which has been added to the national debt – all of which has resulted in our current inflationary and recessionary economy and bleak fiscal outlook.

Unfortunately, instead of acknowledging the consequences of their policies and working with Republicans to include fiscal reforms in a debt ceiling deal, my Democrat colleagues have chosen to respond with false choices, fear mongering, and phantom funding cuts.

While the American people have been forced to tighten their belts and change their spending habits as a result of Biden’s spending-induced inflation, Senator Schumer and President Biden are fighting tooth-and-nail for the status quo.

And what has the status quo given us: skyrocketing prices, shrinking paychecks, soaring interest rates, a culture of dependency, and an overall weaker economy and a more vulnerable nation.

If you factor in the impact of record inflation on working families, Americans have effectively received a major pay cut. In fact, the average family of four is paying over \$13,000 per year (\$13,186) more to purchase the same goods and services as they did in January 2021 – over \$1000 a month when 6 out of 10 Americans are living paycheck to paycheck.

And I believe the American people are connecting the dots between Washington's out-of-control spending and their cost of living crisis. That's why I'm not surprised that 3 out of 4 Americans – including nearly 60% of Democrats – expect President Biden to negotiate a debt ceiling increase that includes spending reductions.

Here's the bottom line: our federal government is 40% larger today than it was at the beginning of Covid and, according to CBO, we are spending hundreds of billions of dollars more in discretionary spending than they predicted in 2019.

My Democrat colleagues will claim this was justifiable COVID spending, but when you look closely, it's clear that Washington is spending a lot of money on a lot of things that the federal government should not be funding—bailouts and handouts outside of the core mission of government, growing the bureaucracy and injecting divisive wokeness into every aspect of government.

This is what a woke, wasteful, bloated bureaucracy looks like:

- A \$1.9 trillion 'American Rescue Plan' for COVID where less than ten percent of the funding actually went to combating COVID – (instead, it went to bailouts for union pensions, schools who never opened their doors to students, blue states that were financially underwater prior to COVID, and stimulus checks to people who were not economically harmed, and paying people more to stay home than to return to work.)
- More than \$700 billion for a disastrous and unconstitutional student loan cancellation that disproportionately benefits the wealthy and raises the cost of college for everyone else;
- At least another \$680 billion for special interest tax breaks for Green corporations and "environmental justice" grants;
- An \$80 billion expansion of IRS agents and audits – 70% of which will be target low and middle income individuals and small businesses
- \$14 billion to weaken common-sense work requirements and create a new generation of Americans trapped in the cycle of poverty and dependence
- And billions more for all kinds of progressive-Democrat pet projects, including:
- \$3 million for a 'LGBTQ+ museum' in New York City;
- \$2 million to promote dirt-bike culture in Baltimore;
- \$1.2 million for so-called 'pride centers' in San Diego;
- And \$3.6 million to expand the Michelle Obama Trail in Decatur, Georgia, so it can intersect with the proposed Michelle Obama Park.

Now, if New Yorkers want toBut I don't think the citizens of Lubbock, Texas, should be forced to pay for it—or for any of this woke waste.

At this point, agencies are cutting checks so recklessly that, according to the GAO, over the last two years, more than half a trillion dollars were wasted or fraudulently spent. The rate of these fraudulent payments has jumped dramatically under President Biden, by nearly 60%. It is estimated that \$163 billion has been taken from taxpayers through unemployment fraud alone.

Meanwhile, the improper payment rates in some of these programs are astounding:

- 32% rate of improper payments for the Earned Income Tax Credit;
- 27% for Obamacare tax credits;
- 16% for Medicaid;

These are not run-of-the-mill rounding errors; it is gross incompetence. But rather than fixing these problems and protecting taxpayer dollars, the president proposes throwing more good money after bad.

So here we are: A government awash in waste; sustained record inflation; soaring interest rates; and a nation on the brink of a catastrophic debt crisis – and what is the President's response to this? To submit a budget with the highest sustained levels of spending, taxing, and borrowing in the history of the United States.

Folks, we can pay our bills and protect the good faith and credit of the United States, but we cannot – and we will not – allow this President or any politician to have a blank check to bankrupt our country.

We must rein-in this unbridled spending; right-size the wasteful, woke, and bloated bureaucracy; and act responsibly for the sake of our children and the future of our nation.”

Mr. BOYLE. All 20 minutes?

Chairman ARRINGTON. Ten, I will give you half of what I took.

Mr. BOYLE. Mr. Chairman, in all seriousness now, I have to say, at first, I am disappointed, you only used the word “woke” twice. I had bet the over because I know how much my Republican friends love using the word “woke”. If we had a dollar for every time they use the word, we would be able to pay off the National debt. Still, to this day, I have no idea what exactly the word means, and I can’t say I am terribly interested in finding out.

I am more interested in responding, though, to the Chairman’s principled viewpoint on where this economy is, and I couldn’t disagree more, and here is why: his very pessimistic assessment of doom and gloom—that the debt has doomed us, and that Americans are struggling today more so than at any time in our history—that perception runs completely contrary to all of the evidence in front of us. Right now, in America, we have lower unemployment than at any time in my lifetime, and I am 46. You have to go back 55 years to the last time we had an unemployment rate this low. He brought up inflation, which has been a challenge. The good news is, as the data showed yesterday, for eight consecutive months inflation has dropped. Inflation—which of course was caused worldwide coming out of the pandemic—inflation is lower in the U.S. than in the UK, Germany, France, most of our peer countries, and the average of OECD countries.

We are such a marvel, as I pointed out when we had a good, vigorous debate on the House floor last session week, over the DOA Act, that the Economist magazine, just a couple of weeks ago, devoted their entire cover and a leading article to just attempting to explain the marvel of the American economy. It is brought up to me by colleagues of ours who serve in other Western parliaments of some of our respective NATO countries, attempting to figure out why it is that the U.S. growth rate is better than our Western peers? Why our unemployment rate is better, and why our inflation rate is lower.

Now, do we have real challenges still? Absolutely. I come from blue-collar Philadelphia. I am well aware of the challenges that ordinary Americans face. We help people in our constituent service offices every day with real challenges, but the way to help them is not to pass a bill, as the House of Representatives did two weeks ago, that, according to Moody’s, would lead to 800,000 fewer jobs by the end of next year and a greater likelihood of a recession. Again, quoting from Moody’s report. That is not the way to go. The way to go is not to threaten the full faith and credit of the United States. We have raised the debt ceiling 103 times since 1940, the majority of which were under Republican presidents. We voted, including myself, three times under the most recent Republican president, and do you know, that in those three debt ceiling increases, two of the three did not cut spending, they increased spending in that very vote. So, we cannot suddenly change our views on this based on the political party of the occupant of 1600 Pennsylvania Avenue. That is unfair to the American people and risks our economic growth. The kind of things that were in that DOA bill—that I hope we will have a real discussion about today—would have devastating consequences.

And by the way, while we had, I thought, a very good vigorous debate and discussion on the House floor two weeks ago, that always stayed on message and there was no invective from either side—and I appreciate the Budget Committee Members on both sides who participated—that said, what about regular order? We should have had a hearing on that bill in this Committee before it went straight to the floor. I tend to remember swearing in day taking a whole week—and my wife and daughter missing my actual swearing in because they had to head home because it took place after midnight Friday night into Saturday morning—and that one of the big topics was supposed to be a desire to return to Committee work in regular order before things were rushed to the floor. Unfortunately, that did not happen.

So I hope today, two weeks late, we can take this opportunity to have essentially the Committee hearing on the bill that passed two weeks ago, even though it is clear that that bill will be DOA in the Senate. Nonetheless, what is in it reveals the priorities of those who wrote it, and we have to ensure that the devastating consequences that would result if that bill were to ever become law—we have to make sure that those consequences are known to the American people.

So with that, despite you generously offering me more time—I did use five and a half minutes—I will yield there. I look forward to hearing from the witnesses as well as our colleagues.

Thank you.

[The prepared statement of Ranking Member Boyle follows:]

Ranking Member Brendan F. Boyle
Hearing on Exposing the Woke, Wasteful, and Bloated Bureaucracy
Opening Remarks
Thursday, May 11, 2023

Thank you, Mr. Chairman. And thank you to our panel of witnesses for being here today.

Usually, Committees hold hearings before the House passes a bill. However, this committee was denied the opportunity to have a legislative hearing and have a markup of the Default on America Act before voting on it. So, we will use today's hearing to examine Republicans' ransom note.

The Default on America Act showcases Republicans' commitment to their misguided three-step playbook: 1) blow up the deficit with tax giveaways to the wealthy and well-connected; 2) wait until there's a Democrat in the White House to decry the deficits they created; 3) demand big cuts to dismantle and disinvest in the lifeline programs and services that serve working families.

It's as predictable as it is pernicious. Republicans' recent rebrand of this scheme is to label anything they don't like as somehow "woke" to distract from the harm their agenda will cause. But the word has been contorted beyond meaning and is now being used to target the very same communities it was stolen from.

After all, why admit to slashing education and increasing class sizes when you can rile up the base by claiming to go after "wokeness in schools?"

Why admit to cutting popular funding for infrastructure when you can say "you're defunding the woke Michelle Obama trail?"

Why admit to condemning future generations to higher temperatures and more pollution when you can say "you're taking on woke climate extremism?"

Why admit to gutting Medicaid and raising health costs when you can say "you're stopping the woke socialist agenda?"

But no matter what Republicans try to call it, it won't change the fact that their agenda is extreme, harmful, and unpopular. And the American people are smarter than Republicans give them credit for.

Once their attacks on Social Security and Medicare were exposed, Republicans were forced to retreat. After Americans witnessed 217 House Republicans vote for an immediate \$2 billion cut to veterans' benefits, Republicans are doing damage control.

Now we're talking about "wokeness" because Republicans fear the American people see their Default on America Act for what it is: a plot to force cruel cuts by threatening default.

Republican cuts will strip food assistance from families and seniors in need — exacerbating food insecurity.

It eliminates preschool and child care for hundreds of thousands of children — undermining our children's education and worsening the child care crisis.

It forces local governments to lay off teachers, law enforcement officers, and first responders — depriving our communities of vital services.

Moody's Analytics estimates Republican cuts would result in 780,000 fewer jobs by the end of next year and push our economy toward recession. These cuts do nothing to improve Americans' quality of life or strengthen our nation — they don't even achieve Republicans' stated goal of a balanced budget.

Analysis from the nonpartisan Congressional Budget Office proves this. Even if Republicans were to eliminate every penny of government spending except Social Security, Medicare, defense, and veterans' programs, they still could not balance the budget.

But despite the math, Republicans are doubling down on their extreme agenda. Republicans are pushing us to default — killing over 7 million jobs, wiping out over \$10 trillion in household wealth, and unleashing a devastating recession — all to force these unpopular and cruel cuts on American families.

If we want to have a real conversation about waste, fraud, and abuse, I'm ready.

Let's talk about House Republicans' votes to shower billionaires and big corporations with \$2 trillion in wasteful tax giveaways, and then gut the IRS and increase deficits again to help wealthy tax cheats skip out on paying their fair share — while President Biden's Budget reduces the deficit by \$436 billion just by ensuring billionaires pay their fair share.

Let's talk about House Republicans' vote for billions of dollars in corporate giveaways to profitable oil companies — while the President's Budget cuts \$30 billion in spending on tax subsidies for the same companies.

Let's talk about House Republicans' vote to raise Americans' health care costs and increase deficits — while the President's Budget cuts an additional \$200 billion in spending by strengthening Medicare's power to negotiate for lower prescription drug prices.

Let's talk about the more than \$16 million in PPP loans that Republican Members of Congress had forgiven instead of paying them back — or, in recent news, how a sitting Republican Congressman was charged with unemployment insurance fraud.

Let's have a real discussion, rather than an attempt to rebrand the same playbook Republicans have been peddling for decades.

With that, I want to thank our witnesses for being here, and I look forward to your testimony.

Chairman ARRINGTON. I thank my good friend from Pennsylvania. In the interest of time, if any other Members have opening statements, I would ask that you submit it for the record. I will hold the record open to the end of the day to accommodate those Members who may not yet have prepared written statements.

[The information follows:]

SHEILA JACKSON LEE
18TH DISTRICT, TEXAS
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BUDGET COMMITTEE HEARING
“EXPOSING THE WOKE, WASTEFUL, AND BLOATED
BUREAUCRACY”

STATEMENT

THURSDAY, MAY 11, 2023
210 CANNON

- Thank you, Chairman Arrington, and Ranking Member Boyle, for convening this hearing on “Exposing the Woke, Wasteful, and Bloated Bureaucracy”.
- As a senior member on this committee, I am appalled by the cruel cuts my Republican colleagues have proposed in their Limit Save Grow Act, or more accurately, the Default on America Act (DOA).
- The Default on America bill cuts 2024 spending levels by at least \$142 billion to critical government programs.
- These cuts would painfully impact the lives of millions of Americans by:

- Eliminating more than 200,000 Head Start slots for children and Pell Grants for approximately 80,000 students;
- Removing 87,000 jobs across the Veterans Health and Benefit Administrations, increasing wait times to receive benefits and reducing access to important services such as cancer screenings and mental health services;
- And endangers our safety by cutting \$8 billion from Department of Justice programs that support our federal, state, and local law enforcement and first responders.
- Instead of investing in America, Republicans would rather focus on holding our economy hostage to advance unpopular and dangerous right-wing priorities.
- Breaching the debt limit would provoke unprecedented economic damage and instability in the U.S. and around the world.
- **Every single American would feel the effects of a first-ever default:**
 - An estimated 7 million people would be out of work and the unemployment rate would double;
 - Social Security checks would be halted to 67 million Americans;
 - Medicaid services would be in doubt, affecting 75 million people's health coverage;

- The average worker close to retirement could see their retirement savings decrease by \$20,000 due to Republican brinksmanship impacting the stock market.
- Republicans suspended the debt ceiling THREE times under President Trump.
- In fact, the massive Republican tax cuts over the last 25 years have cost \$10 trillion to date and are responsible for 57 percent of the increase to the debt ratio since 2001.
- This hearing is an obvious effort to force the American public to look away from the cuts and measures House Republicans are making to critical government programs.
- Their plan would expand so called “work requirements” in the Supplemental Nutrition Assistance Program (SNAP).
- Most people who get help affording food or health coverage DO work. But this proposal will cause many working people to lose assistance.
- What is wrong about feeding the kids and families who need it the most?
- Their plan would reduce access to outpatient care at VA medical facilities by 30 million visits and eliminate funding for housing vouchers for up to 50,000 homeless veterans.
- What is wrong about assisting those who risked their lives for our freedom?
- **Not only would the DOA negatively impact millions of people across America, the DOA would specifically**

have devastating impacts on thousands of hardworking families across Texas:

- **Strip Food Assistance from 994,000 Texans.**
 - Republicans are threatening food assistance for up to **855,000** Texans with their proposals for harsh new eligibility restrictions in SNAP. This proposal would also mean **139,000** women, infants, and children would lose vital nutrition assistance through the Women, Infants, and Children (WIC), increasing child poverty and hunger.
- **Make College More Expensive for 587,900 Texans.**
 - This proposal would not only **eliminate Pell Grants altogether for 6,800 students in Texas, but it would also reduce the maximum award by nearly \$1,000 for the remaining 581,100 students who receive Pell Grants**—making it harder for them to attend and afford college.
- **Raise Housing Costs for 39,700 Texans.**
 - Under this proposal, **39,700** families in Texas would lose access to rental assistance, including older adults, persons with disabilities, and families with children, who without rental assistance would be at risk of homelessness.
- **Worsen Social Security and Medicare Assistance Wait Times for 5 million Texas Seniors.**
 - Under this proposal, people applying for disability benefits would have to wait at least two months longer for a decision. With fewer staff available, **5 million seniors and people with disabilities in Texas would be forced to endure longer wait times**

when they call for assistance for both Social Security and Medicare.

- **Threaten Medical Care for Texas Veterans.**
 - This proposal would mean **46,100 fewer veteran outpatient visits in Texas**, leaving veterans unable to get appointments for care like wellness visits, mental health services, and substance disorder treatment.
- **Eliminate 27,400 Preschool and Child Care Slots in Texas.**
 - The proposal would mean **17,500 children in Texas lose access to Head Start slots and 9,900 children lose access to childcare**—undermining our children’s education and making it more difficult for parents to join the workforce and contribute to our economy.
- **Deny 1100 Texans Admission to Opioid Treatment.**
 - The proposal would deny admission to opioid use disorder treatment for more than **1,100** people in Texas through the State Opioid Response grant program—denying them a potentially life-saving path to recovery.
- **More specifically, the impacts on my home district, Texas-18, would be catastrophic:**
 - **kill 7,300 jobs in TX-18;**
 - **Jeopardize Social Security payments for 61,000 families in TX-18;**

- **Put health benefits at risk for 242,000 people in TX-18 who rely on Medicare, Medicaid, or Veterans Affairs health coverage;**
- **Increase lifetime mortgage costs for the typical homeowner in Texas by \$50,000;**
- **Threaten the retirement savings of 81,400 people near retirement in TX-18, eliminating \$20,000 from the typical retirement portfolio.**
- The proposal passed by House Republicans is not a reasonable middle ground, nor is it even a starting point for discussion.
- There never has been and never will be anything fiscally responsible about refusing to pay America's bills, risking millions of jobs, or threatening economic ruin.
- Thank you, I yield back the remainder of my time.

Chairman ARRINGTON. Once again, I would like to welcome our witnesses this morning. Today we will hear from Ms. Rachel Greszler, Senior Research Fellow on Budget and Entitlements at The Heritage Foundation, Mr. Myron Ebell, Director of the Center for Energy and Environment at the Competitive Enterprise Institute, Ms. Paige Agostin—did I get it right? Ms. Paige Agostin, who is the Policy Director at the Center for Renewing America, and then Mr. Indivar Dutta-Gupta—from a West Texan you are not going to get any better than that. We welcome you. Mr. Dutta-Gupta is President and Executive Director of the Center for Law and Social Policy, and we are honored that you would take time out of your busy lives to share your insights with us.

The Committee has received your written statements. They will be made part of the formal hearing record.

You will each have five minutes to deliver your oral remarks and I now yield five minutes to Ms. Greszler.

STATEMENT OF RACHEL GRESZLER, SENIOR RESEARCH FELLOW ON BUDGET AND ENTITLEMENTS AT THE HERITAGE FOUNDATION

Ms. GRESZLER. Thank you for the opportunity to be here today.

My name is Rachel Greszler. I am a Senior Research Fellow in Economics, Budget, and Entitlements at The Heritage Foundation. My remarks today are mine and don't necessarily represent those of The Heritage Foundation.

So paying the correct amount of taxes to the Federal Government is not optional. The IRS now has an extra \$80 billion to make sure that Americans are properly paying their taxes. Meanwhile, the Federal Government spent \$245 billion of taxpayers' money last year—that is \$1,800 per household—on improper payments, but instead of increased audits, most government programs get rewarded with bigger budgets. This double standard should not exist.

Last year, one out of every six Medicaid dollars and one out of every four CHIP dollars represented an improper payment. That is enough to purchase health insurance for 15 million individuals. In the Earned Income Tax Credit, one out of every three dollars was an improper payment. What that means is that for the government to properly transfer \$1 to an individual, they have to take a dollar and 46 cents from somebody else. I estimated that more than 40 percent of the pandemic unemployment insurance benefits, that is \$357 billion in total, went to individuals who were not unemployed, and while the media did pick up on international crime rings, even Chinese state sponsored hackers stealing Americans' identities and taxpayers' money, there is little attention and zero consequences to government programs that regularly squander taxpayers' dollars.

Any solution to reducing improper payments will require both verifying identity and eligibility, and imposing accountability, and that includes consequences. Most improper payments come from failure to verify that people are who they say they are and that they are eligible for the benefits that they claim. According to this year's GAO report, 59 percent of improper payments were the result of agencies' failures to obtain the data needed to verify payments. Another 25 percent was the result of non-existent or inaccessible data. So better data is crucial, but it will be meaningless

if agencies aren't held accountable when they fail to steward taxpayers' dollars.

For example, Federal agencies already are required to use the Do Not Pay database, but what they do is they ping that database, they send out the payments, and then afterwards they get the results from that database when the money has already gone out the door.

To improve integrity and accountability across government programs, I propose the creation of a Taxpayer Integrity Office, or a TIO, within the Treasury Department, and that TIO should have five responsibilities: one, improving eligibility and ID verification; two, strengthening information sharing across government; three, maintaining competitive, responsive, and secure systems; four, establishing and enforcing reasonable standards for agencies to follow; and five, and most importantly, is enacting meaningful consequences for agencies' failure.

Finally, while improper payments are a major problem, they are a symptom of the bigger disease, which is improper Federal spending. When the Federal Government expands its role into areas of people's lives that are better addressed within households and businesses, by state and local governments, or by charitable and religious organizations, that is government bloat that comes at the expense of personal freedom and opportunity. The Federal Government spent \$4.2 trillion last year on transfer payments. That is over \$32,000 per household. It's also nine out of every ten dollars the Federal Government collected, and two out of every three dollars the Federal Government spent. Bigger government means even bigger improper payments. As this chart will show, Federal payments have increased at three times the rate of GDP, that is the middle yellow line there. Improper payments have increased at four and a half times the rate of GDP since 2005. At these current rates, improper payments plus interest costs could total \$4 trillion over the next ten years. Constantly expanding entitlement programs without any consideration of what they will cost is unsustainable, and taking people's money and requiring them to jump through bureaucratic hoops to get things that the government thinks they need, makes it harder for ordinary Americans to earn a living and to pursue what is best for them and their families.

To reduce improper Federal spending and empower people instead of bureaucrats, policymakers should replace tax credits with lower overall tax rates, enact universal savings accounts to make it simpler and more accessible to save, reject new entitlement programs, and reform existing ones.

Thank you.

[The information follows:]



CONGRESSIONAL TESTIMONY

Exposing the Woke, Wasteful, and Bloated Bureaucracy

Testimony before the

Budget Committee

U.S. House of Representatives

May 11, 2023

Rachel Greszler

Senior Research Fellow in Economics, Budgets, and Entitlements
The Heritage Foundation

My name is Rachel Greszler. I am a Senior Research Fellow in Economics, Budgets, and Entitlements at The Heritage Foundation. The views I express in this testimony are my own and should not be construed as representing any official position of The Heritage Foundation.

In my testimony today, I would like to discuss three issues involving improper payments, including recommended actions within each: 1) the amount of improper payments even as the federal government cracks down on taxpayers' potentially improper tax payments; 2) the lack of integrity and accountability causing improper payments; and 3) how improper federal spending and improper federal payments go hand-in-hand.

What Are Improper Payments and How Much Are They Costing Taxpayers?

According to the White House's Office of Management and Budget (OMB), "An improper payment is a payment that should not have been made or that was made in the wrong

amount."ⁱ In 2022, the federal government issued \$245 billionⁱⁱ in improper and unknown payments.ⁱⁱⁱ This amounts to over \$1,800 per household in the U.S., and it means that taxpayers spent nearly one-third as much on improper payments as they did on national defense, and three times as much on improper payments as on the administration of justice.^{iv}

[Note: full-sized versions of all graphics are available in the appendix].

Improper Payments Eclipse Administration of Justice

Figures are from 2022.



SOURCES: PaymentAccess.gov, "Federal Improper Payments Database," 2022, <https://www.paymentaccess.gov/> (accessed May 2, 2023), and Congressional Budget Office, "Budget and Economic Data," "Sending Projections by Budget Account May, 2022," <https://www.cbo.gov/data/budget-economic-data2/> (accessed October 2, 2022).

The Government's Double Standard on Improper Payments. The Inflation Reduction Act gives \$80 billion in additional funding to the Internal Revenue Service (IRS) to hire an additional 87,000 agents, with the hope of bringing in about \$200 billion in estimated missing tax revenues over the next 10 years. In 2022 alone, the federal government spent \$245 billion of taxpayers' money on improper payments.^v And over the past 10 years, the federal government has spent \$1.96 trillion (in 2022, inflation-adjusted dollars) on improper payments.

It is one thing for taxpayers to make improper payments when navigating a 7,000-page tax code, but it is another for the federal government to send hundreds of billions of dollars to the wrong people and in the wrong amounts when carrying out the programs it designed and administers itself.

If taxpayers were to consistently and significantly underpay their taxes every year and refuse to pay what they owed, they could go to prison. And if a private health insurance company had to charge 20 percent more than its competitors for insurance because it regularly sent payments to the wrong providers and overpaid other providers, it would go out of business. But when the federal government spends hundreds of billions of dollars on improper payments, it receives reports that impose zero consequences and even more of taxpayers' money the following year.

This double standard should not exist.

Improper Payments Understated. The federal government does not track all programs' improper payments, and those that are tracked can be difficult to pin down. Consequently, actual improper payments are likely higher than reported.

For example, Obamacare subsidies are not included in the 2022 improper payment total at all.^{vi}

The Department of Labor is still trying to estimate improper payments in the most

problematic of the pandemic unemployment insurance programs—the Pandemic Unemployment Assistance (PUA).

Moreover, the Biden Administration has taken actions resulting in improper payments to private union pension plans. When Congress passed an unprecedented \$86 billion taxpayer bailout of select private union pension plans, it specified what interest rate must be used in calculating payments to the plan.^{vii} But after the Pension Benefit Guaranty Corporation (PBGC) issued rules including that specified interest rate, a group of Democrat Senators successfully pressured the PBGC to issue a revised rule that specifies different interest rates and allows plans to invest taxpayer dollars in riskier assets.^{viii} The CBO estimated that action will result in taxpayers paying an additional \$4.5 billion in arguably improper and illegal payments to select private union pension plans.

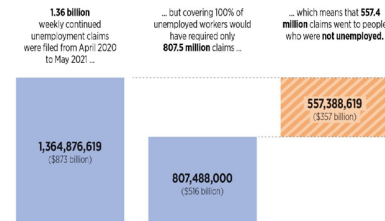
Biggest Sources of Improper Payments. Among the 73 non-defense programs included in the Office of Personnel Management's (OPM's) 2022 improper payments report, 17 had improper and unknown payment rates in excess of 10 percent in 2022, including all four of the IRS-administered programs.^{ix} Ten programs accounted for 75 percent, or \$183 billion of \$245 billion in total improper payments in 2022, including Medicaid, Federal-State Unemployment Insurance, three Medicare programs, the Earned Income Tax Credit (EITC), Children's Health Insurance Program (CHIP), the Additional Child Tax Credit (ACTC), Supplemental Security Income (SSI), and the Supplemental Nutrition Assistance Program (SNAP).

The program with the single highest rate of improper payments, at 47.4 percent, is the Veterans Administration's long-term services and supports purchases. The IRS's American Opportunity Tax Credit (36.1 percent), EITC (31.6 percent), Refundable Premium Assistance Tax Credit (27.4 percent), and the Centers for Medicare and Medicaid Services

The pandemic unemployment insurance programs demonstrate the epitome of taxpayer waste and unprecedented fraud. Congress's rash enactment of multiple pandemic unemployment insurance programs that allowed nearly anyone to potentially qualify for super-sized unemployment insurance benefits, and which forced eligibility standards on the states that were virtually impossible to verify created the "perfect storm" for widescale criminal fraud and abuse. As one of the Department of Labor's (DOL's) initial IG reports explained:

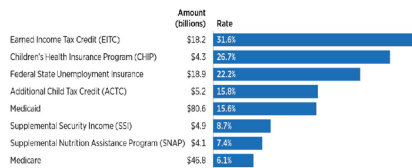
Half a Billion Excess Claims for Unemployment Benefits

Dollar amounts are in parentheses.



Although still incomplete, the IG estimates that at least \$191 billion in improper payments went out through the pandemic unemployment insurance programs.^{xii} My own analysis, which compared the amount of UI payments that

Federal Programs with Highest Improper Payments
Figures are from 2022.



In general, federal grants, tax-administered child-related benefit programs, health care programs, and state-administered federal programs have the highest rates and levels of improper payments.

Proposed solutions to protecting the integrity and accountability within those programs include:

- **Reform payment and risk adjustment in Medicare Advantage (MA),** utilizing a competitive, market-based bidding process.^{xiv}
- **Hold states accountable for improper Medicaid/CHIP eligibility determinations.**^{xv}
- **Remove the APTC overpayment exemption,** which allows people to keep advance tax credit overpayments.
- **Maximize recoupment of fraudulent pandemic unemployment insurance funds.** H.R. 1163, the Protecting Taxpayers and

Victims of Unemployment Fraud Act would help recoup federal taxpayers' funds.^{xvi}

- **The federal government should not supersede states' UI systems.**
- **Any future federal UI funding should be conditioned on anti-fraud compliance.**^{xvii}
- **States should modernize UI programs and verify identification.**
- **Do not expand UI programs to non-UI participants**, for whom a government system would be illogical, unhelpful, and subject to high rates of improper payments.
- **Consider exempting employers from mandatory UI participation in exchange for providing workers rainy day funds.**

Child-related tax credits and payments have enormous improper payments, including a 31.6 percent improper payment rate in the Earned Income Tax Credit (EITC) had a 15.8 percent improper payment rate in the Additional Child Tax Credit (ACTC). Because most of these improper payments come from income misreporting and qualifying child residency errors,^{xviii} policymakers should require that, prior to payment, administrators:

- **Verify the identity of individuals** who claim the EITC and ACTC.
- **Confirm that the children** for whom they claim these credits exist and are not claimed on more than one return.
- **Verify the reported income earned** before issuing EITC and ACTC payments.
- **Require Social Security numbers** for all EITC and ACTC payments to verify legal authority to work in the U.S.^{xix}
- **Apply minimal residency checks** using secure federal databases, such as matching claimants' addresses with children's school addresses from school lunch program data.
- **Improve tax preparer information**, including requiring full documentation from tax preparers who prepare returns with EITC or

CTC claims and using this data to improve audit efficiency.^{xx}

- **Reform welfare programs**, including tying eligibility to individuals with legal custody of a child.^{xxi}

Lack of Integrity and Accountability Drive Improper Payments

Government programs do not have the natural integrity and accountability of private-sector businesses and programs because the people managing the programs and payments—bureaucrats and politicians—are only remotely connected to the taxpayers who have to pay for the programs.

Moreover, the incentive structure for government programs—with success measured by how many people are served and how quickly benefits are delivered—leads to widespread failures in verifying people's identities and eligibility for government programs. While these failures cost taxpayers hundreds of billions of dollars per year, they are without consequence for the agencies and programs themselves.

Weak and Underused Verification Systems. Linda Miller, the principal author of the GAO's 2015 Framework for Managing Fraud Risks in Federal Programs, wrote that "the lack of eligibility verification is the prevailing root cause of improper payments overall."^{xxii}

Government programs often lack meaningful verification procedures, including inadequate policies, systems, and actual use. For example, the federal government has a Do Not Pay database that agencies are required to check before making payments. However, the former assistant director of Forensic Audits and Investigative Service at the GAO explained in 2022 congressional testimony that "[t]he [Do Not Pay] working system offers full access to only three of six databases required by improper payments laws and only partial or no access to the remaining three."^{xxiii}

Miller also explained that while agencies are required to use Do Not Pay prior to payment, agencies usually ping the database, send the payments, and *then* receive the database results after the money has gone out the door, making it unlikely that the agency will recover payments that should not have been sent.

Current OMB Deputy Director for Management Jason Miller testified during a March 17, 2022, Senate hearing that Login.gov, which is supposed to increase security and reduce fraud, still lacks functionality, and needs “stronger tools in place on identity verification.”^{xxiv}

Notwithstanding existing government databases and systems, many programs fail to perform even basic oversight, even when required to do so. For example, the GAO’s FY 2022 IG report noted that when administering Medicaid, states sometimes did not verify eligibility data, did not submit medical records, or did not appropriately screen enrolled Medicaid providers. In 2022, Medicaid sent out \$80.6 billion in improper payments.^{xxv}

Near-Zero Accountability. Despite laws, such as the Improper Payments Information Act, that require agencies to identify and measure improper payments, to work with the OMB on steps to reduce improper payments, and to report to Congress on their progress, there are zero consequences even if agencies do nothing and produce even higher improper payments in subsequent years. Without any impact on program administrators or on agencies’ budgets, and with most transfer programs structured as unlimited entitlements, it is as though federal benefit programs have no bottom line. That leads them to operate in ways that would cause any private business to fail.

For example, the Veterans Administration’s long-term services and support program has spent more than four of every five dollars it has delivered over the past five years on payments to the wrong providers or in the wrong amounts. But since the program is not held accountable, veterans receive the services at

five times what they should cost and taxpayers foot the bill without knowing and with having little ability to do anything about it.^{xxvi}

Solution: Prioritize Accountability and Integrity with a New Taxpayer Integrity Office. Federal agencies are all over the place in terms of their policies and procedures related to security and integrity within their payment programs. Few are doing a good job, and most of the big programs are failing miserably. Accountability and integrity should be systemic across government.

It should be easier for federal programs to protect taxpayers’ money and harder for them to waste it. And it should be easier for people to get the benefits they are qualified to receive and harder to get benefits they are not qualified to receive. These goals could be achieved—potentially with hundreds of billions of dollars in taxpayer savings annually—through a new federal Taxpayer Integrity Office within the Department of the Treasury.

A Taxpayer Integrity Office (TIO) could determine best practices related to security, eligibility verification, and information sharing and issue related recommendations and requirements covering federal agencies as well as state-administered federal programs.

In addition to broad-based policies and requirements, the TIO could delegate a portion of its agents to provide tailored support and direction to individual agencies and programs.

The TIO could also become a secure, central data source to prevent fraud and improve eligibility verification. Accomplishing those goals will almost certainly require Congress to amend the Privacy Act to allow limited information sharing between agencies, provided sufficient privacy and security measures are taken. An initial function of the TIO could be to identify necessary data sharing and recommend measures to protect Americans’ privacy and the security of their information.

The TIO should not require additional taxpayer resources. Initial funding could come from already appropriated resources from the Inflation Reduction Act's \$80 billion increase in the IRS budget and the TIO should, within a few years, produce multiples more in savings than it would cost to administer. A crucial component of the TIO would be providing it sufficient authority to impose meaningful consequences on agencies that fail to properly steward taxpayers' dollars.

The following principles and goals should guide the TIO. The new office should:

Strengthen Information Sharing Across Federal Government. Current failure to connect information across existing programs is a major source of improper payments. The TIO should require agencies to run eligibility checks—through a streamlined and secure portal—on at least a portion of their recipients prior to issuing payments. For example, crosschecking usage of school-meal-program benefits with where a filer's income was earned could help to catch residency errors related to qualifying children.

Improve Eligibility and ID Verification. Policymakers should streamline benefit programs and establish bright-line eligibility criteria so that it is easier for individuals and program administrators to determine eligibility. Administrators also need to make use of existing—and improved—government data sharing. As Linda Miller explained, “Today there are many automated, behind-the-scenes, data-driven tools that can authenticate a user and verify eligibility in near real time with little to no impact on the user.”^{xxvii} The federal government needs to use proven private-sector technologies to improve government eligibility and ID verification and to create more effective programs for intended recipients.

Maintain Competitive, Responsive, and Secure Systems. The federal government often lacks the responsiveness, innovation, and security of private-sector systems, and it lags behind in the

adoption of new technology that would benefit taxpayers. The TIO's central database should use private-sector innovation in its development and ongoing management. The TIO should also prioritize the protection of personal information, including requiring best practices within government systems and in any contracts with private-sector companies.

Establish and Enforce Reasonable Standards. Most agencies are currently ignoring security standards and requirements.^{xxviii} The TIO should be tasked with establishing clear standards and ensuring that agencies actually follow them.

Enact Meaningful Consequences for Failure. History shows that without consequences, agencies will not take sufficient action to reduce improper payments. Policymakers must provide the TIO sufficient legislative directive and authority to carry out its mission through rewards and consequences related to following the prescribed rules and meeting proper payment targets.

Imposing consequences within federal programs is not easy. For starters, financial consequences can hurt innocent program beneficiaries instead of negligent program administrators. Thus, successful stewardship of taxpayer dollars should include both consequences and rewards. That could include reductions in agencies' discretionary agency budgets, demotion or dismissal of federal employees who fail to follow integrity procedures and fail to meet specified improper payment metrics, and promotions and pay increases for federal employees who achieve or exceed specified integrity metrics.

Hold States Accountable to Federal Standards for State-Administered Federal Programs. States that administer federal payment programs like Medicaid and food stamps could benefit from access to federal data to help determine eligibility. The TIO should require states to follow the same data-verification procedures as federal program

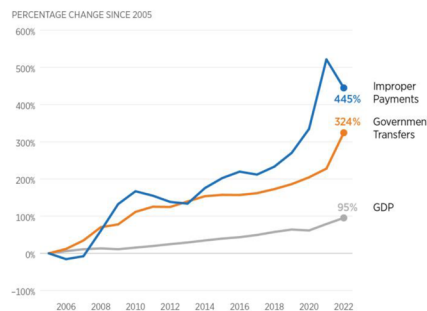
CONGRESSIONAL TESTIMONY

administrators, and states should be required to provide data to the federal government to track who is receiving state-administered federal benefits. States should also have to follow the same standards of accountability and integrity as the federal government in administering federal payment programs and should be subject to consequences, such as reduced federal payment shares, for failure to meet required data sharing and integrity and accountability standards.

Improper Government Spending and Improper Payments Go Hand in Hand

Between 2005 and 2022, gross domestic product (GDP) increased by 95 percent, government program payments rose by 324 percent, and improper payments skyrocketed by 445 percent.^{xxxix} In other words, government spending grew at more than three times the rate of GDP and improper payments grew at four and a half times the rate of GDP.

Government Transfers and Improper Payments Have Skyrocketed



SOURCES: PaymentAccuracy.gov; Federal Reserve of St. Louis; Bureau of Economic Analysis; and authors' calculations.

Tremendous growth in the size of the federal government has magnified the growth in improper payments, and the federal government seeks to take charge of things that

can be better accomplished by state and local governments, charitable and religious organizations, and by people themselves.

The further away from its core functions the federal government expands, the less efficient, effective, and more harmful it becomes. The federal government now spends nearly five times as much transferring money from some people to others as it does on national defense and the justice system combined.^{xxx}

In 2022, the federal government spent \$4.2 trillion—representing nine out of every 10 tax dollars it collected and two of every three dollars the federal government spent—on transfer payments.^{xxxi} Virtually all those \$4.2 trillion in federal payments were for things outside the proper functions of the federal government.

Expanded Entitlement Programs Displace Personal Freedom and Opportunity. Even when growth in federal spending comes from the expansion of widescale government benefit programs, those programs are generally not making people better off. Taking more of everyone's earnings, establishing hundreds of eligibility-based programs, and requiring people to follow bureaucratic and often-complicated processes to receive program benefits is inefficient and generally leaves people with lower incomes and less control over their lives. The creation of government programs that attempt to solve social ills has also crowded out the benefits of family and of civil society.

Payments from federal programs typically require a bureaucratic application and receipt process and they come with conditions that alter the ways that Americans live their lives and run their businesses.

For example, a proposed new federal childcare entitlement would put the government instead of parents in control of childcare, drive up childcare costs, crowd out smaller providers, and exclude faith-based childcare.^{xxxii} The proposed program would disproportionately

benefit high-income couples,^{xxxiii} and would almost certainly suffer from high rates of improper payments.

Politically Motivated Spending Growth. Part of the growth in government spending and transfer payments comes from politically motivated spending that is outside the appropriate scope of government and which is harmful to many Americans.

Whether it is federal K-12 funding that made it easier for schools to cave to teachers unions' and keep students locked out for longer, tens of billions of dollars in research grants that indirectly subsidize diversity bureaucrats,^{xxxiv} tens of billions of dollars for barely-used progressive-favored infrastructure projects, or the abuse of earmarks and the Community Development Fund to function as campaigning, taxpayers' funding of ideological spending has exploded.

Ways to Increase Government Efficiency, Expand Self-sufficiency and Opportunity. To restore the federal government to its proper functions, to give individuals more autonomy and income, and to reduce improper payments, policymakers should:

- **Reduce or eliminate tax credits and substitute them with lower tax rates.** Fewer tax credits would allow lower overall tax rates and reduce taxpayer dollars wasted on improper payments. When people pay less in taxes, they have more money to spend and save on their own, which means that they have less need for government programs.
- **Reject new and expanded entitlement programs and empower average Americans instead of politicians and bureaucrats.** Most major entitlement programs tax people and then give them a proscribed benefit, based on government restrictions, regulations, and administrative hurdles.^{xxxv} Policymakers can do more to expand access to things people need by eliminating barriers to achieving them.^{xxxvi}

- **Reform existing entitlement programs to build independence, ownership, and autonomy.** History shows that entitlement programs continually grow in size and scope over time, passing the buck of excessive spending to future generations. Social Security started out as a 2 percent tax and now requires a 15.8 percent tax to remain solvent.^{xxxvii} High taxes make it harder for workers—especially lower-income ones—to save money and to afford what they need for their families. Policymakers should make Social Security solvent through commonsense reforms that tailor it to those in need while also providing an option for individuals to build wealth that they own and can pass on to their heirs.

- **Eliminate earmarks and the Community Development Block Grant (CDBG).** Earmarks for the CDBG are used for pork-barrel projects that should be funded by state or local governments or private or charitable enterprises.

- **Enact USAs so that more Americans can save in a single, simple, tax-free account for whatever needs arise.** When taxed less, Americans can save more, and when people have more savings, they do not have to navigate as many eligibility-based social programs, and USAs have been particularly beneficial to low-income workers.^{xxxviii}

- **Enact the Limit, Save, Grow Act to begin curbing out-of-control spending and to enable economic growth.** Current federal spending and the future trajectory threaten to reverse the American ideal of the next generation becoming better off than the last. Without commonsense fiscal sanity and a return to the proper size and scope of the federal government, each future generation can expect to have less income of their own (after taxes), less freedom, and fewer opportunities than the generation before.

The following table (full-sized version in the appendix) contains all of the recommendations made in this testimony.

Recommendations to Improve Efficiency of Government and Integrity and Accountability in Government Payments

Government Healthcare Programs (Medicare, Medicaid, CHIP, Obamacare)

- Reform payment and risk adjustment in Medicare Advantage.
- Hold states accountable for improper Medicaid/CHIP eligibility determinations.
- Remove the advance premium tax credit overpayment exemption.

Unemployment Insurance

- Maximize recoupment of pandemic UI fraud (H.R. 1163, Protecting Taxpayers and Victims of Unemployment Fraud Act)
- Do not federally supersede states' UI systems.
- Condition federal UI funds to states on anti-fraud compliance.
- Modernize UI programs and verify identification.
- Do not expand UI to non-UI participants.
- Consider employer-provided rainy-day fund alternative to government UI.

Child- and Income-Related Tax Credits and Payments

- Verify the identity of individuals claiming the EITC and ACTC.
- Confirm that children claimed exist and are not claimed on more than one return.
- Verify the reported income earned before issuing EITC and ACTC payments.
- Require Social Security numbers for all EITC and ACTC payments to ensure recipients have legal authority to work in the U.S.
- Apply minimal residency checks using secure federal databases.
- Improve tax preparer information.
- Reforms welfare programs, including tying eligibility to individuals with legal custody of a child.

Improve Integrity and Accountability with a Taxpayer Integrity Office that Will:

- Strengthen information sharing across federal government.
- Improve eligibility and ID verification
- Maintain competitive, responsive, and secure systems
- Establish and enforce reasonable standards
- Enact meaningful consequences for failure.
- Apply TIA rules and procedures to state agencies that administer federal programs.

Increase Government Efficiency, Expand Self-Sufficiency and Opportunity

- Reduce or eliminate tax credits in place of lower tax rates.
- Reject new and expanded entitlement programs and empower people over politicians and bureaucrats.
- Reform existing entitlement programs to build independence, ownership, and autonomy.
- Eliminate earmarks and the Community Development Block Grant
- Enact Universal Savings Accounts (USAs) so that Americans can save in one single, simple account for whatever they want.

Summary

The bloated size of the federal government and the inherent lack of integrity and accountability are already burdening Americans. Left unchecked, the federal government's reckless spending will crush younger and future generations, for whom politicians have taken out \$31.5 trillion in debt and \$75.3 trillion in unfunded entitlement obligations in their names.

Adding insult to injury, the federal government not only spends trillions of dollars on things outside its core functions; it also cannot even properly distribute the money it collects. Mere government mistakes are costing the median household over \$1,800 per year. While the

government is currently financing those costs through higher deficits, taxpayers will eventually have to repay those debts.

The Inflation Reduction Act gives the IRS \$80 billion in additional funding to audit millions more taxpayers per year, with the goal of bringing in about \$200 billion in additional tax revenues over the next 10 years. But the federal government is spending well over \$200 billion of taxpayers' money on improper payments *every year*.^{xxxx}

It is one thing for taxpayers to make improper payments when navigating a 7,000-page tax code, but it is another for the federal government to send hundreds of billions of dollars to the wrong people and in the wrong amounts when carrying out the programs it designed and administers itself.

Improving accountability and integrity within federal programs requires basic and commonsense practices across all government programs—such as replacing decades-old-software systems with modern and secure technology and conducting basic checks to ensure that people are who they claim to be and that they are eligible for the benefits or payments they claim—as well as program-specific standards and practices.

Because integrity and accountability practices will be worthless if not enforced with meaningful and effective consequences, Congress should establish a Taxpayer Integrity Office with the power to impose meaningful consequences for failure to adequately steward taxpayers' resources.

Policymakers also need to address exponential growth in the size of government that has caused it to become too unwieldy to dutifully manage.

In 2022, the federal government spent the equivalent of \$48,200 per household, including \$32,500 of transfer payments. That means federal spending equals nearly 70 percent of the median household's \$71,000 income, and

CONGRESSIONAL TESTIMONY

federal transfer payments equal to nearly half the median household income.

To bring federal government spending back towards its core purposes and to increase personal freedom and opportunities, Congress should phase out or eliminate government programs that seek to accomplish things that Americans can do better on their own or that are better carried out through state and local governments or charitable and religious organizations.

CONGRESSIONAL TESTIMONY

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APPENDIX OF GRAPHICS

Improper Payments Eclipse Administration of Justice

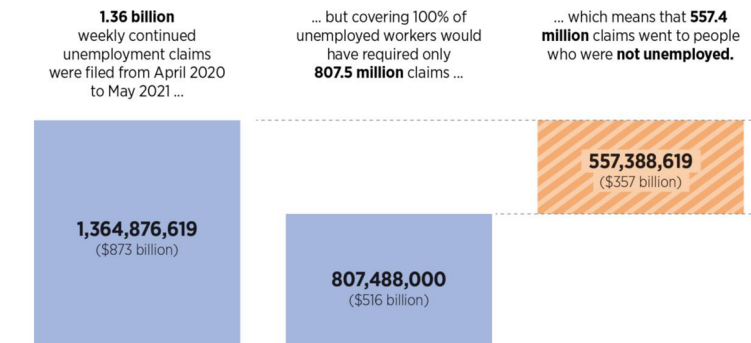
Figures are from 2022.



SOURCES: PaymentAccuracy.gov, "Annual Improper Payments Database," 2022, <https://www.paymentaccuracy.gov/> (accessed May 2, 2023), and Congressional Budget Office, "Budget and Economic Data," Spending Projections by Budget Account May, 2022, <https://www.cbo.gov/data/budget-economic-data#2> (accessed October 2, 2022).

Half a Billion Excess Claims for Unemployment Benefits

Dollar amounts are in parentheses.

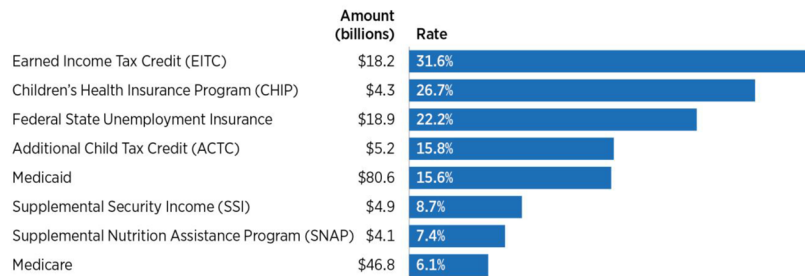


SOURCES: News release, "Unemployment Insurance Weekly Claims," U.S. Department of Labor, July 1, 2021, <https://www.dol.gov/ui/data.pdf> (accessed July 7, 2021); U.S. Bureau of Labor Statistics, "Civilian Unemployment (Seasonally Adjusted)—LNS12000000," <https://data.bls.gov/cgi-bin/survey/most?bls> (accessed June 20, 2021); and U.S. Department of Labor, Office of Inspector General, "DOL-OIG Oversight of the Unemployment Insurance Program," June 10, 2021, <https://www.oig.dol.gov/doloiguooversightwork.htm> (accessed October 11, 2022).

CONGRESSIONAL TESTIMONY

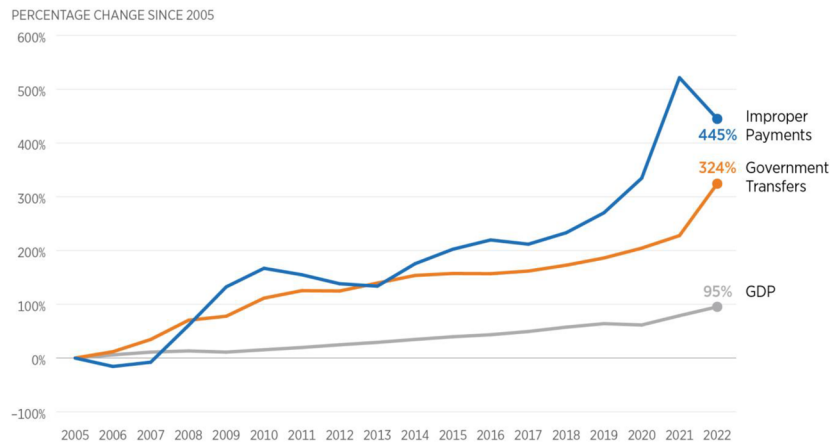
Federal Programs with Highest Improper Payments

Figures are from 2022.



* Per official reporting, improper payments contained herein include both improper and unknown payment amounts.

SOURCE: PaymentAccuracy.gov, "Annual Improper Payments Database," 2022, <https://www.paymentaccuracy.gov/> (accessed May 2, 2023).

Government Transfers and Improper Payments Have Skyrocketed

SOURCES: PaymentAccuracy.gov, "Annual Improper Payments Datasets," 2015 and 2022 datasets, <https://www.paymentaccuracy.gov/payment-accuracy-the-numbers/> (May 6, 2023); Federal Reserve of St. Louis, "Gross Domestic Product," annual averages, <https://fred.stlouisfed.org/series/GDP> (accessed October 4, 2022); Bureau of Economic Analysis, "GDP & Personal Income," https://apps.bea.gov/iTable/index_nipa.cfm (accessed October 4, 2022); and authors' calculations.

Recommendations to Improve Efficiency of Government and Integrity and Accountability in Government Payments

Government Healthcare Programs (Medicare, Medicaid, CHIP, Obamacare)

- Reform payment and risk adjustment in Medicare Advantage.
- Hold states accountable for improper Medicaid/CHIP eligibility determinations.
- Remove the advance premium tax credit overpayment exemption.

Unemployment Insurance

- Maximize recoupment of pandemic UI fraud (H.R. 1163, Protecting Taxpayers and Victims of Unemployment Fraud Act)
- Do not federally supersede states' UI systems.
- Condition federal UI funds to states on anti-fraud compliance.
- Modernize UI programs and verify identification.
- Do not expand UI to non-UI participants.
- Consider employer-provided rainy-day fund alternative to government UI.

Child- and Income-Related Tax Credits and Payments

- Verify the identity of individuals claiming the EITC and ACTC.
- Confirm that children claimed exist and are not claimed on more than one return.
- Verify the reported income earned before issuing EITC and ACTC payments.
- Require Social Security numbers for all EITC and ACTC payments to ensure recipients have legal authority to work in the U.S.
- Apply minimal residency checks using secure federal databases.
- Improve tax preparer information.
- Reforms welfare programs, including tying eligibility to individuals with legal custody of a child.

Improve Integrity and Accountability with a Taxpayer Integrity Office that Will:

- Strengthen information sharing across federal government.
- Improve eligibility and ID verification
- Maintain competitive, responsive, and secure systems
- Establish and enforce reasonable standards
- Enact meaningful consequences for failure.
- Apply TIA rules and procedures to state agencies that administer federal programs.

Increase Government Efficiency, Expand Self-Sufficiency and Opportunity

- Reduce or eliminate tax credits in place of lower tax rates.
 - Reject new and expanded entitlement programs and empower people over politicians and bureaucrats.
 - Reform existing entitlement programs to build independence, ownership, and autonomy.
 - Eliminate earmarks and the Community Development Block Grant
 - Enact Universal Savings Accounts (USAs) so that Americans can save in one single, simple account for whatever they want.
-

ⁱWhile not every improper payment is a loss to taxpayers, it appears that the overwhelming majority are direct losses. In 2022, only \$5.2 billion (2.1 percent) of the reported \$245 billion in improper and unknown payments were underpayments that did not represent an additional cost to taxpayers.

ⁱⁱPaymentAccuracy.gov, “Annual Improper Payments Database,” 2022 and 2015 Datasets, <https://www.paymentaccuracy.gov/> (accessed May 8, 2023). The OMB’s Annual Improper Payments Database reports \$4.205 trillion in total program payments and \$245 billion in improper and unknown payments for 2022. The totals reported in this paper exclude Department of Defense (DOD) compensation, including \$617 billion in total payments and \$2.0 billion in improper payments. This exclusion is made because the compensation of non-defense federal employees is generally not included in the reported program outlays, and because national defense is a core function of government.

ⁱⁱⁱConsistent with the Government Accountability Office’s Inspector General (OIG) methodology and reporting, going forward, this testimony refers to “improper payments” as the amounts reported as “improper and unknown” in the government’s official report. See U.S. Government Accountability Office, “Improper Payments: Fiscal Year 2022 Estimates and Opportunities for Improvement,” March 2023, <https://www.gao.gov/assets/gao-23-106285.pdf> (accessed May 6, 2023).

^{iv}Congressional Budget Office, “Budget and Economic Data,” Spending Projections by Budget Account May 2022, <https://www.cbo.gov/data/budget-economic-data#2> (accessed October 4, 2022).

^vPaymentAccuracy.gov, “Annual Improper Payments Database,” 2022, <https://www.paymentaccuracy.gov/> (accessed May 6, 2023). Per the OMB, which refers to “improper payments” as the figures listed as “improper and unknown payments” in its data reports, this testimony similarly includes both “improper” and “unknown” payments when referencing “improper payments.”

^{vi}The Health and Human Services OIG estimates that the Centers for Medicare and Medicaid Services (CMS) made \$950 million in Advance Premium Tax Credit (APTC) payments that were deemed not allowable in 2018. By law, the ACA limits how much the IRS can recoup from individuals who receive APTC overpayments. This is another source of improper overpayment that is unaccounted. See U.S. Department of Health and Human Services OIG, “CMS Authorized Hundreds of Millions of Dollars in Advanced Premium Tax Credits on Behalf of Enrollees Who Did Not Make Their Required Premium Payments,” March 2021, <https://oig.hhs.gov/oas/reports/region2/21902005.pdf> (accessed October 20, 2022).

^{vii}Rachel Greszler, “What Taxpayers, Workers, and Retirees Need to Know About the Union Pension Bailout That Has Nothing to Do with COVID-19,” Heritage Foundation *Issue Brief* No. 6059, February 26, 2021, <https://www.heritage.org/sites/default/files/2021-02/IB6059.pdf>.

^{viii}Rachel Greszler, “Biden’s Abuse of Power Causes CBO to Raise Cost Estimate of Private Pension Bailouts by \$4.5 Billion,” The Daily Signal, October 12, 2022, <https://www.dailysignal.com/2022/10/12/bidens-abuse-of-power-causes-cbo-to-raise-cost-estimate-of-private-pension-bailout-by-4-5-billion>.

^{ix}PaymentAccuracy.gov, “Annual Improper Payments Database,” 2022.

^xIbid.

^{xi}U.S. Department of Labor OIG, “DOL–OIG Oversight of the Unemployment Insurance Program,” <https://www.oig.dol.gov/doloigoversightwork.htm> (accessed August 31, 2022).

^{xii}U.S. Department of Labor OIG, “DOL–OIG Oversight of the Unemployment Insurance Program,” updated February 8, 2023, <https://www.oig.dol.gov/doloigoversightwork.htm> (accessed May 5, 2023).

^{xiii}Rachel Greszler, “A Warning Against Embedding Problematic Pandemic Unemployment Benefits,” Heritage Foundation *Background* No. 3637, July 13, 2021, <https://www.heritage.org/sites/default/files/2021-07/BG3637.pdf>.

^{xiv}Robert E. Moffit and Alyene Senger, “Progress in Medicare Advantage: Key Lessons for Medicare Reform,” Heritage Foundation *Background* No. 2945, September 4, 2014, http://thf_media.s3.amazonaws.com/2014/pdf/BG2945.pdf.

^{xv}Nina Owcharenko Schaefer, “Medicaid at 55: Understanding the Design, Trends, and Reform Needed to Improve the Health Care Safety Net,” Heritage Foundation *Background* No. 3604, April 14, 2021, https://www.heritage.org/sites/default/files/2021-04/BG3604_0.pdf.

^{xvi}Although these actions are necessary since hundreds of billions of federal taxpayer dollars have been lost to fraud, if the federal government has to effectively bribe states in order for them to be good stewards of federal taxpayer dollars, the federal government should not be intervening in or funding those state programs.

^{xvii}Although no perfect standard nor system exists, the National Institute of Standards and Technology (NIST) has developed a set of digital identity guidelines (NIST 800-63) that provide excellent tools for public-sector and private-sector organizations. Compliance with these standards results in significant reductions in fraud and improper payments.

For example, in states that implemented NIST-compliant eligibility checks during the surge in pandemic unemployment insurance programs, fraudulent claims payouts plummeted immediately, and the states reportedly saved billions of dollars.

^{xviii}Residency qualifications can be very complicated for children who live in more than one home throughout the year and who receive financial support from more than one tax filer.

^{xix}The ACTC should only be available to parents who perform lawful work and have lawful earnings in the U.S. Individual Taxpayer Identification Number (ITIN) filers do not meet those criteria. Cash payments through the ACTC are public benefits under the welfare reform law of 1996 and individuals residing illegally in the U.S. are not eligible to receive public benefits.

^{xx}Overpayment rates are very high for returns with EITC claims, but they vary significantly across type of preparer. Taxes filed through the IRS's Volunteer Income Tax Assistance (VITA) and Taxpayer Counseling for the Elderly (TCE) have 26 percent overpayment rates compared to 47 percent overpayments among self-prepared EITC returns and 71 percent overpayments among EITC returns prepared by unknown types of paid preparers. The IRS should consider including the preparer type in its metrics that determine which returns are audited. Internal Revenue Service, "Compliance Estimates for the Earned Income Tax Claimed on 2006-2008 Returns," August 2014, <https://www.irs.gov/pub/irs-soi/EITCComplianceStudyTY2006-2008.pdf#page=36> (accessed September 26, 2022).

^{xxi}Welfare reform is necessary because eligibility factors, such as financial dependence and residency, are nearly impossible to verify across claimants. In instances of temporary custody and changed custody, claimants should be able to submit evidence of their custodial care and provision in order to claim the credits.

^{xxii}Linda Miller, "Improper Payments Laws Create Ineffective Compliance Efforts That Do Little to Stop Fraud, Waste and Abuse," *The Hill*, April 17, 2019, <https://thehill.com/blogs/congress-blog/the-administration/439242-improper-payments-laws-create-ineffective-compliance/> (accessed October 3, 2022).

^{xxiii}Linda Miller, testimony before the Committee on Oversight and Government Reform, U.S. House of Representatives, March 31, 2022, <https://docs.house.gov/meetings/GO/GO24/20220331/114566/HHRG-117-GO24-Wstate-MillerL-20220331.pdf> (accessed October 3, 2022).

^{xxiv}Hearing, *Pandemic Response and Accountability: Reducing Fraud and Expanding Access to COVID-19 Relief through Effective Oversight*, Committee on Homeland Security and Government Affairs, U.S. Senate, March 17, 2022, <https://www.hsgac.senate.gov/hearings/pandemic-response-and-accountability-reducing-fraud-and-expanding-access-to-covid-19-relief-through-effective-oversight> (accessed October 3, 2022).

^{xxv}PaymentAccuracy.gov, "Annual Improper Payments Database," 2021 Dataset.

^{xxvi}According to the OMB's 2021 payment accuracy report, the Veterans Administration spent \$2.603 billion on "purchased long term services and supports" in 2021, with only \$708 million reported as "properly paid."

^{xxvii}Miller, testimony before the Committee on Oversight and Government Reform.

^{xxviii}Russell T. Vought, "M-19-17 Memorandum for Executive Heads of Departments and Agencies," OMB, Executive Office of the President, May 21, 2019, <https://www.whitehouse.gov/wp-content/uploads/2019/05/M-19-17.pdf> (accessed October 3, 2022).

^{xxix}PaymentAccuracy.gov, "Annual Improper Payments Database," 2022 and 2015 databases, <https://www.paymentaccuracy.gov/> (accessed May 6, 2023), and Federal Reserve of St. Louis, "Gross Domestic Product," annual averages, <https://fred.stlouisfed.org/series/GDP> (accessed May 6, 2023).

^{xxx}In 2022, federal transfers equaled \$4.205 trillion and federal spending on defense and the administration of justice totaled \$885 billion. Congressional Budget Office, *The Budget and Economic Outlook: 2022 to 2032*, May 2022, <https://www.cbo.gov/publication/57950> (accessed September 9, 2022).

^{xxxi}PaymentAccuracy.gov, "Annual Improper Payments Database," 2022, and Congressional Budget Office, *The Budget and Economic Outlook: 2022 to 2032*, May 2022, <https://www.cbo.gov/publication/57950> (accessed September 9, 2022). Note: The OMB reports \$4.822 trillion in total program payments for 2022, but as with other figures reported from the PaymentAccuracy.gov website in this testimony, I have excluded the \$617 billion of payments for DOD civilian and military pay and military health and retirement benefits. Excluding DOD payments, the federal government spent \$4.205 trillion on program payments in 2022.

^{xxxii}Rachel Greszler, "The Role of Childcare in an Equitable Post-Pandemic Economy," testimony before the Subcommittee on Economic Policy, Committee on Banking and Urban Affairs, U.S. Senate, June 23, 2021, <https://www.banking.senate.gov/imo/media/doc/Greszler%20Testimony%206-23-21.pdf> (accessed March 28, 2022).

^{xxxiii}Rachel Greszler, "Government Childcare Subsidies: Whom Will They Help Most?" Heritage Foundation *Issue Brief* No. 5231, October 20, 2021, <https://www.heritage.org/sites/default/files/2021-10/IB5231.pdf>.

^{xxxiv}Jay P. Greene and John Schoof, "Indirect Costs: How Taxpayers Subsidize University Nonsense," Heritage Foundation *Backgrounder* No. 3681, January 18, 2022, <https://www.heritage.org/education/report/indirect-costs-how-taxpayers-subsidize-university-nonsense>.

^{xxxv}Greszler, "Government Childcare Subsidies: Whom Will They Help Most?"

CONGRESSIONAL TESTIMONY

^{xxxv}Rachel Greszler and Lindsey M. Burke, “Rethinking Early Childhood Education and Childcare in the COVID-19 Era,” Heritage Foundation *Backgrounder* No. 3533, September 30, 2020, <https://www.heritage.org/sites/default/files/2020-09/BG3533.pdf>.

^{xxxvi}Rachel Greszler, “Seven Hard Truths Americans Should Know About Social Security in 2021—and Five Ways to Strengthen Social Security,” Heritage Foundation *Issue Brief* No. 5212, September 3, 2021, <https://www.heritage.org/sites/default/files/2021-09/IB5212.pdf>.

^{xxxvii}Adam Michel, “Universal Savings Accounts Can Help All Americans Build Savings,” Heritage Foundation *Backgrounder* No. 3370, December 4, 2018, <https://www.heritage.org/taxes/report/universal-savings-accounts-can-help-all-americans-build-savings>.

^{xxxix}PaymentAccuracy.gov, “Annual Improper Payments Database,” 2021, <https://www.paymentaccuracy.gov/> (accessed September 6, 2022). Per the Office of Management and Budget (OMB), which refers to “improper payments” as the figures listed as “improper and unknown payments” in its data reports, this testimony similarly includes both “improper” and “unknown” payments when referencing “improper payments.”

Chairman ARRINGTON. Thank you, Ms. Greszler. Now we will yield five minutes to Mr. Ebell.

STATEMENT OF MYRON EBELL, DIRECTOR FOR THE CENTER FOR ENERGY AND ENVIRONMENT AT THE COMPETITIVE ENTERPRISE INSTITUTE

Mr. EBELL. Thank you, Mr. Chairman and Ranking Member Boyle, for inviting me to testify today.

My name is Myron Ebell and I am Director of the Center for Energy and Environment at the Competitive Enterprise Institute. We concentrate on regulatory issues from a free market perspective, and so our work is endless.

I want to congratulate you, Chairman Arrington, on your leadership in passing H.R. 2811, the Limit, Save, Grow Act. I think this, as you said, is an important first step, and I think it puts the forces of fiscal sanity on the offensive in Washington for the first time in a long time.

I want to just say that I believe, and I say this in my written testimony, that the most important part of the spending cuts that you have, is the repeal of Senator Manchin's so called Inflation Reduction Act, particularly the energy subsidies, which are huge. This is not only wasteful spending of money that the Federal Government does not have, it is not only handouts to special corporate interests. Subsidies distort markets, and that's why CEI opposes all mandates and subsidies in the energy sector. I think we oppose all mandates and subsidies. I may be going too far.

There is one thing about most subsidies, conventional subsidies, they actually lower the cost of the product or service that is being subsidized. So, for example, if Mexico subsidizes tortillas so that poor people can get enough to eat, that will lower the cost of tortillas. The perverseness of the energy subsidies is that they have the effect of lowering the cost of one particular product or contributor in the energy sector while actually raising total costs. This is perverse. So we subsidize corporate interest to build huge wind factories and solar factories, that lowers the cost of wind and solar, but it actually raises the price of electricity. We see this throughout the world. Germany has gone the furthest. They have the world's highest electric rates—maybe Denmark, but they have gone just as far. The consequence of this is even worse than raising the cost of electricity. The massive mis-investment in wind and solar and other handouts—but I don't have time to go into all of them—the cost is also that it is destroying our energy infrastructure. How is that so? While massive mis-investment in wind and solar, there has consequently been massive underinvestment in conventional dispatchable sources, and let me use the example of Texas rather than California, which is—usually we point to California, but let me talk about Texas for a moment. In 1999, Ken Lay of Enron convinced Governor George W. Bush to support a renewable electricity standard for Texas. Since that time—to take advantage of the subsidy—since that time, Texas has had massive overinvestment, mis-investment in wind, massive closures of coal fired power plants, massive underinvestment in dispatchable gas plants, and now the Texas legislature and the governor are trying to figure out what to do about it because Texas faces a reliability crisis, and the answer

that many people in the legislature seem to be coming up with is, well, we will keep taking the wind and solar subsidies and we will now subsidize gas plants. This is crazy.

The other thing, I just like to close with, is it took 150 years to build the electric infrastructure, it took 150 years to build the oil infrastructure, and President Biden claims that we are going to transform it in a so-called clean energy transition in a decade. This is impossible. This is a train wreck.

Thank you.

[The information follows:]



**Testimony
of
Myron Ebell
Director, Center for Energy and Environment
Competitive Enterprise Institute
on
“Exposing the Woke, Wasteful, and Bloated Bureaucracy”
before
The Committee on the Budget
United States House of Representatives
11th May 2023**

Chairman Arrington, Ranking Member Boyle, and Members of the Budget Committee, thank you for inviting me to testify today on the wide topic of Exposing the Woke, Wasteful, and Bloated Bureaucracy. My name is Myron Ebell, and I am director of the Center for Energy and Environment at the Competitive Enterprise Institute, which is a nonpartisan, nonprofit public policy organization that focuses on regulatory issues from a free market perspective. I have watched (and opposed) the expansion of the regulatory or administrative state as it relates to environmental, energy, and climate issues for over three decades and will draw on that experience in my testimony today.

Let me begin by congratulating you, Chairman Arrington, and House Republicans for passing the Limit, Save, Grow Act (H. R. 2811). In my view, the hundreds of billions or perhaps trillions of dollars of subsidies for every variety of commercially unviable energy and for electric vehicles contained in the so-called Inflation Reduction Act of 2022 create grave threats to America’s energy infrastructure. Because access to abundant, affordable energy remains a foundation of prosperity, therefore repealing the “energy transition” provisions in Senator Manchin’s bill is critical to America’s economic future. Much more is needed, of course, in the way of regulatory repeals and reforms and of budget cuts, but the point I want to stress is that unless the energy provisions in the Limit, Save, Grow, Act are enacted, our economic prospects are dim. In my testimony, I will explain some of my reasons for this conclusion.

It is perhaps remarkable that in the three decades since President George Bush signed the UN Framework Convention on Climate Change at the Rio Earth Summit in 1992 and the Senate

ratified it later that year all the efforts to remake the U. S. energy economy in the name of climate salvation have not made much progress. To summarize the situation up to 19th January 2021, things were looking pretty good. The Senate never ratified the Kyoto Protocol of 1997. The McCain-Lieberman cap-and-trade bill became the Waxman-Markey cap-and-trade bill and died in 2010. President Obama joined the Paris Climate Treaty without the advice and consent of the Senate and tried to implement Clean Air Act rules for power plants and vehicles; but President Trump took us out of the Paris Climate Treaty and eviscerated President Obama's Clean Air Act rules. Periodic CO₂ (or carbon) tax proposals went nowhere, and their House sponsors tended not to serve in the next Congress. The Green New Deal made a big splash in 1999 until the Senate voted unanimously against it.

On the other hand, it is true that hundreds of billions of dollars have been wasted on reducing greenhouse gas (GHG) emissions, much of it in the form of federal subsidies for commercially unviable renewable energy; and in the absence of federal limits on GHGs, many states have enacted various types of controls. Advocates of these energy-rationing policies proudly point to the fact that total U. S. emissions have declined by more than 15% below 2005 levels. That is true, but there is more to the story. Much of the decline in GHGs can be accounted for by the huge switch from coal to gas in generating electricity. The EPA's attempts during the Obama administration to regulate power plants played a part in that switch, but so too did the shale oil and gas revolution, which has made the United States the world's largest producer of oil and gas. In addition, some of the decline in U. S. GHG emissions can be accounted for by the outsourcing of energy-intensive goods to other countries. Steel, aluminum, and manufactured goods that used to be produced domestically are now imported from other countries, most often from China. (By the way, this is true of other countries that have reduced GHG emissions. For example, Britain has made the largest reductions in percentage terms, but a study by the UK's Office for National Statistics concluded that most of the reductions are accounted for by outsourcing energy-intensive goods.)

This generally sunny outlook changed to ugly storm clouds on the horizon during the 2020 presidential campaign when former Vice President Joe Biden said, "I guarantee, I guarantee we're going to end fossil fuel." If only that were just another empty campaign promise: President Biden's first actions in office included rejoining the Paris Climate Treaty (again without bothering with the advice and consent of the Senate), cancelling the Keystone XL pipeline, and suspending oil and gas leasing in federal subsurface and offshore areas. He announced in an Executive Order a "a whole-of-government approach to put climate change at the center of our domestic, national security, and foreign policy," and prematurely made a second-round commitment under the Paris Climate Treaty to reduce U. S. GHG emissions to 50 to 52% below 2005 levels by 2030. The EPA was ordered to restart the Clean Air Act rules designed to put coal and gas-fired power plants out of business and put an electric vehicle in every garage. When everyone started talking about Net Zero Emissions, President Biden was quick to get on the bandwagon by pledging that the United States would achieve Net Zero Emissions in the electricity sector by 2035 and in the entire economy by 2050.

Few to none of President Biden's promises have any standing in law or the Constitution. To take four examples: the Paris Climate Treaty has not received the consent of the Senate and so cannot be ratified according to Article II, Section 2 of the Constitution; federal courts have ruled that

suspending federal leasing is illegal; the EPA's climate rules likely face the same fate in the Supreme Court as the "Clean Power" Plan; and the congressionally-unauthorized climate offices, programs, activities, and initiatives now consuming the time and effort of civil servants in every federal department and agency can (and should) be swept aside in the next set of appropriations bills.

President Biden's Net Zero Emissions commitments, like the commitments made by leaders of many other countries, are preposterous. The best that the proponents of the "clean energy transition" to Net Zero can do in the way of expert support is point to a bunch of ridiculous studies that use computer models to conclude that "Net Zero by [fill in the date] is possible."

Let's compare computer models where almost anything is possible to reality. Last year, Jeff Currie of Goldman Sachs in London told CNBC that in the decade 2011 to 2021 the share of global energy consumption supplied by coal, oil, and natural gas had declined from 82% to 81%. During that decade, Currie estimates that global investment in renewable energy totaled \$3,800,000,000,000. Thus \$3.8 trillion reduced the world's dependence on fossil fuels by 1%. That is not the whole story, however. In the past decade, total global energy consumption increased by over 12%, which means that total fossil fuel consumption increased by nearly as much. Moreover, many economists have made the "low-hanging fruits" argument, namely that the first reductions in greenhouse gas emissions will be cheaper to achieve than later reductions. Thus reducing fossil fuel consumption by another 1% is likely to be more expensive than the first 1%, and so on.

The goal of Net Zero Emissions is preposterous but it is far from harmless. The amount of damage that is being done and could be done in pursuing Net Zero is stupendous. This brings me back to Senator Manchin's so-called Inflation Reduction Act, which passed the House and Senate last year without a single Republican vote. The bill expands and extends every existing tax subsidy for energy, extends and expands electric vehicle subsidies, and creates some new subsidies. CBO scored energy spending over the next decade at \$391 billion. Credit Suisse (when it was still in business) estimated that the costs could total \$800 billion. Goldman Sachs came up with an even higher number—\$1.2 trillion.

These professional cost estimates vary so widely because the subsidies are open-ended. Whether it turns out to be a few hundreds of billions of dollars or over a trillion, the energy subsidies in the "Inflation Reduction" Act will constitute government waste on an impressive scale. That is bad, but it's relatively harmless compared to the damaging effects that spending all that money will have on America's energy infrastructure.

The energy subsidies in the "Inflation Reduction" Act generally have a perverse consequence. While resembling most other subsidies by lowering the cost of the specific products being subsidized, primarily wind and solar power in this case, they have the perverse effect of raising overall electricity prices. This is not conjecture, but established fact. Three of the countries that have gone the furthest in installing wind and solar—Denmark, Germany, and Britain—had the highest electric rates in the world in 2022, which were roughly three times average rates in the U. S., according to Statista. In the U. S., the Energy Information Administration's Electric Power

Monthly shows a clear correlation in the States (admittedly with several anomalies) between more wind and solar power and higher electric rates.

Increasing energy costs are not, however, the worst consequence of providing the Climate Industrial Complex with hundreds of billions or even trillions of dollars of additional handouts. The worst consequence is that the electric grid is already becoming less robust and reliable as a result of massive misinvestment in wind and solar power and corresponding underinvestment in conventional power.

There have been warnings recently from grid operators about the increasing likelihood of generation shortages leading to blackouts during periods of peak demand. James Danly, a Federal Energy Regulatory Commissioner, brilliantly summarized these warnings in written testimony to the Senate last week:

Most of these market-distorting forces originate with subsidies—both state and federal—and from public policies that are otherwise designed to promote the deployment of non-dispatchable wind and solar assets or to drive fossil-fuel generators out of business as quickly as possible.... We know that there is a looming resource adequacy crisis. Our market operators have been explicitly telling us as much for years. Both MISO and ISO-NE have warned about upcoming scarcity and PJM, the nation's largest wholesale market, and the one that serves Washington, D.C., has recently raised the alarm about impending shortfalls.... As an engineering matter, there is no substitute for reliable, dispatchable generation. Intermittent renewable resources like wind and solar are simply incapable, by themselves, of ensuring the stability of the bulk electric system. As the wholesale markets' prices are distorted by subsidies, the generation assets with the attributes required for system stability will retire and system stability will be imperiled. Given these market failures, there will be, in time, a catastrophic reliability event.

To summarize, I will repeat what I have said many times over the past two decades. If global warming really turns out to be a crisis (which appears less and less plausible), then wind turbines and solar panels and EVs and big battery storage cannot possibly be the answer. It would be less damaging to our economic well-being to take all the money being spent on these dead-end technologies and bury it in the ground or burn it in a power plant.

For these reasons, I conclude that enactment of those provisions in the Limit, Save, Grow Act that repeal the energy and EV subsidies in the "Inflation Reduction" Act are absolutely indispensable if our country is to have a bright future. Mr. Chairman, this concludes my testimony. I am happy to try to answer any questions.

Chairman ARRINGTON. Thank you, Mr. Ebell, and now we will yield five minutes to Ms. Agostin.

**STATEMENT OF PAIGE AGOSTIN, POLICY DIRECTOR AT THE
CENTER FOR RENEWING AMERICA**

Ms. AGOSTIN. Chairman Arrington, and Ranking Member Boyle, Members of the Committee, thank you for inviting me here today.

Late last year, the Center for Renewing America released a proposed budget that sought to provide a strategic vision indelibly linking the efforts for getting our Nation's finances in order with removing the menace of woke and weaponized bureaucracy which is aimed squarely at the American people.

The main thing I hope to leave with you today is a conviction that the woke enterprise is in fact a cultural revolution bent on destroying America. The Federal Government is now a main distribution channel of it, and if you do not act soon, we will not have a country left.

So first, what does woke mean? Historically, woke meant being aware of racial injustices. However, decades later, woke is now identity based neo-Marxism, and its goal is to destroy American society. The woke adopt the view that our society is structured to oppress the marginalized and that differences between groups are attributable to this systemic oppression. The required solution is to abolish those oppressive norms in the name of equity. That is, equal outcomes regardless of merit. In some, the woke stoke division among Americans based on identity in order to tear down the Republic, eliminate capitalism, marginalize religion, and rupture the nuclear family.

As I mentioned, our budget proposal took an in depth look at each department and found that the Federal bureaucracy is a significant funder of this woke cultural revolution. It is the framework by which the bureaucracy operates. It is how it structures its programs and makes funding decisions, and what trainings and guidelines it adopts, and because the bureaucracy is so big and spends trillions of dollars, private businesses are happily coerced into the same mission.

Just a small sample of what we found in health and education and foreign aid. The Department of Health and Human Services and the National Institutes of Health actively push so called gender affirming care, which is cross sex hormones and surgical mutilation, even for minors. NIH funds human fetal tissue harvesting from aborted babies for medical research, and CDC spent nearly \$6 billion to address so called COVID health disparities through the lens of health equity, 25 states allow Medicaid to pay for chemical castration via hormone therapy, and 23 states pay for irreversible and mutilating genital surgery, and the Biden Administration's Section 1557 rule would require all insurance to cover chemical castration and sex change surgeries or be deemed discriminatory.

Federal grants often have a specific woke purpose, but they also serve as a taxpayer funded lifeline to civil institutions committed to spreading the woke dogma. The University of Maryland Medical System performs gender transition surgeries on boys and girls at the earliest onset of puberty as young as nine and ten years old, and received a \$3.5 million grant to increase mental health and ad-

vanced gender affirming care, or take \$4.7 million in a CDC grant to the National Minority AIDS Council for Training and Technical Assistance. That organization engages in pro Black Lives Matter activism and promotes radical gender theory. Three CDC grants, totaling \$8 million, went to Access Matters, which is based in Philadelphia, for so called family health care. That organization says its abortion services are provided through the lens of equity, which means explicitly pushing abortion on vulnerable minority populations.

The Department of Education, often under the guise of culturally responsive learning and social emotional learning, is an active adversary of parents and citizens concerned about the inherent race essentialism of CRT and gender theory. Through its Equity Assistance centers, it trains teachers to incorporate critical race theory and gender transition of children without parental knowledge. It also provided more than \$60 million through its SEED program to morph teachers into essentially progressive activists. The Department's cultural learning was featured in its K-12 History and Civics Education Competitive Grant program, which reminds applicants that America is systemically racist and emphasized both Ibram Kendi's "How to Be an Antiracist" and the factually challenged "1619 project".

Lastly, at least for this testimony, the State Department's diplomatic programs remain geared toward exporting woke ideology abroad. Millions of dollars go to support programs like gay pride parades in Prague, LGBTI activists in Senegal, LGBTQIA+ social events in Australia, and drag theater in Ecuador. Woke is the umbrella ideology, and it uses all manner of terms and concepts like equity and inclusion. Every dollar should be examined to determine what, in fact, the country is spending money on. This should absolutely not be an exercise in austerity wherein every program must take a hit.

Wokeness is now essentially a taxpayer funded secular religion crafted by secular elites to supplant the Nation's Judeo-Christian traditions that have stood the test of time. It is dangerous, existentially dangerous, for Congress to continue funding the priorities of a neo-Marxist ideology that seeks only to destroy that which has come before.

Thank you.

[The information follows:]

**House Budget Committee Hearing:
“Exposing the Woke, Wasteful, and Bloated Bureaucracy”
May 11, 2023
Testimony: Paige Agostin
Policy Director, Center for Renewing America**

Chairman Arrington and Members of the Committee, thank you for inviting me here today.

Late last year, the Center for Renewing America released a proposed Budget that sought to provide a strategic vision indelibly linking the efforts for getting our nation’s finances in order with removing the menace of woke and weaponized bureaucracy which is aimed squarely at the American people.

The main thing I hope to leave you with today is a conviction that the woke enterprise is in fact a cultural revolution bent on destroying America. The federal government is now a main distribution channel of it. And if you do not act soon, we will not have a country left.

But first, what does woke mean?

Historically “woke” meant being aware of racial injustices. However, decades later, “woke” is now identity-based neo-Marxism, and its goal is to destroy American society. The woke adopt the view that our society is structured to oppress the “marginalized” and that differences between groups are attributable to this systemic oppression. The required solution is to abolish those oppressive norms in the name of “equity,” that is, equal outcomes regardless of merit. In sum, the woke stoke division among Americans based on identity in order to tear down the republic, eliminate capitalism, marginalize religion, and rupture the nuclear family.

As I mentioned, our budget proposal took an indepth look at each department and found that the federal bureaucracy is a significant funder of this woke cultural revolution. It is the framework by which the bureaucracy operates; it is how it structures programs and makes funding decisions and what training and guidelines it adopts. And because the bureaucracy is so big and spends trillions of dollars, private businesses are happily coerced into the same mission.

Just a small sample of what we found in health, education, and foreign aid.

The Department of Health and Human Services (HHS) and the National Institutes of Health (NIH) actively push so-called “gender-affirming” care which is cross-sex hormones and surgical mutilation, even for minors.^[1] NIH funds human fetal tissue harvesting from aborted babies for “medical research.”^[2] And CDC spent nearly \$6 billion to “address COVID-19 health disparities” through the lens of “health equity.”^[3] Twenty-five states allow Medicaid to pay for chemical castration via “hormone therapy,” and twenty-three states pay for irreversible and

mutilitating genital surgery.[4] And the Biden administration's Section 1557 rule would require all insurance to cover chemical castration and sex change surgeries or be deemed discriminatory.[5]

Federal grants often have a specific woke purpose, but they also serve as a taxpayer-funded lifeline to civil institutions committed to spreading the woke dogma. The University of Maryland Medical System performs gender transition surgeries on boys and girls at the earliest onset of puberty, as young as 9-10 years old and received a \$3.5 million grant to "increase mental health" and "advance gender-affirming" care for LGBT clients. Or take \$4.7 million CDC grant to the National Minority AIDS Council for "training and technical assistance." That organization engages in pro-Black Lives Matter activism and promotes radical gender theory. Three CDC grants totaling \$8 million went to AccessMatters based in Philadelphia for "comprehensive HIV prevention projects" and so-called "family healthcare." That organization says its abortion services are provided through the lens of "equity," which means explicitly pushing abortion on vulnerable minority populations.

The Department of Education, often under the guise of "Culturally Responsive Learning" and "Social Emotional Learning" (SEL), is an active adversary of parents and citizens concerned about the inherent race essentialism of CRT and gender theory. Through "Equity Assistance Centers" it trains teachers to incorporate Critical Race Theory and gender transition of children without parental knowledge. It has also provided more than \$60 million through its Supporting Effective Educator Development (SEED) program to morph teachers into progressive activists.[6] The Department's criteria for "culturally responsive learning" in its K-12 History and Civics Education competitive grant program reminds applicants that America is systemically racist and emphasized both Ibram X. Kendi's "*How to Be an Anti-Racist*" and the factually-challenged *1619 Project* propaganda campaign pushed by the *New York Times*. [7]

Lastly, at least for this testimony, the State Department's Diplomatic Programs (DP) remain geared toward exporting woke ideology abroad. Millions of dollars go to support programs like gay pride parades in Prague, LGBTI activists in Senegal, LGBTQIA+ social events in Australia, and drag theater in Ecuador.

Woke is the umbrella ideology and it uses all manner of terms and concepts - like equity, inclusion. Every dollar should be examined to determine what, in fact, the country is spending money on. Every diversity officer or department created to implement the Biden Equity EO, the Treasury Department's "counselor for racial equity," anti-bias training, competitive grants based on identity group, and every dollar to achieve "equity" (a term now used to justify intentional discrimination, to achieve pre-determined outcomes, for politically-favored groups) should be eliminated. This should absolutely not be an exercise in austerity wherein every program must take a hit. The Left has no interest in fiscal responsibility. It is anathema to their ideology. So why should their spending priorities be protected, especially when it is those very priorities that are fracturing American communities and families with the Left's extremism?

Wokeness is now essentially a taxpayer-funded secular religion—crafted by secular elites to supplant this nation’s Judeo-Christian traditions that have stood the test of time. It is dangerous—existentially dangerous—for Congress to continue funding the priorities of a neo-Marxist ideology that seeks only to destroy that which has come before. You must dismantle woke and weaponized government now, while there is still time.

[1] National Center for Biotechnology Information at the National Institutes of Health (January 19, 2022). “Medical Interventions for Transgender Youth,” Nokoff, N. MD, University of Colorado Anschutz Medical Campus, *National Library of Medicine*. <https://www.ncbi.nlm.nih.gov/books/NBK577212/>

[2] Heipel, E. (August 9, 2021). “Investigate Now: Federal Grants Sponsored Possibly Live Baby Harvesting at University of Pittsburgh,” *The Federalist*. <https://thefederalist.com/2021/08/09/investigate-now-federal-grants-sponsored-possibly-live-baby-harvesting-at-university-of-pittsburgh/> and Congressional Letter. (September 21, 2021).

[3] Centers for Disease Control and Prevention, Department of Health and Human Services (March 29, 2022). “COVID-19 Vaccine Equity for Racial and Ethnic Minority Groups,” *Centers for Disease Control and Prevention*. <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/vaccine-equity.html>

[4] The Kaiser Family Foundation (October 11, 2022). “Update on Medicaid Coverage of Gender-Affirming Care,” The Kaiser Family Foundation. <https://www.kff.org/womens-health-policy/issue-brief/update-on-medicare-coverage-of-gender-affirming-health-services/>

[5] Office of Civil Rights and Centers for Medicare and Medicaid Services, Department of Health and Human Services (August 4, 2022). “Notice of Proposed Rulemaking to Amend Section 1557 of the Affordable Care Act,” *U.S. Department of Health and Human Services*. <https://www.federalregister.gov/documents/2022/08/04/2022-16217/nondiscrimination-in-health-programs-and-activities>

[6] Department of Education Press Office (September 27, 2022). “U.S. Department of Education Awards Over \$60 Million to Strengthen the Teacher Pipeline,” *U.S. Department of Education*. <https://www.ed.gov/news/press-releases/us-department-education-awards-over-60-million-strengthen-teacher-pipeline-increase-educator-leadership-and-support-quality-teaching-and-learning-further-address-teacher-shortage>

[7] Office of Elementary and Secondary Education, Department of Education (April 19, 2021). “*Proposed Priorities—American History and Civics*”

Education,” Federal Register. <https://www.govinfo.gov/content/pkg/FR-2021-04-19/pdf/2021-08068.pdf>

Chairman ARRINGTON. Thank you, Ms. Agostin. Now we yield five minutes to Mr. Dutta-Gupta.

STATEMENT OF INDIVAR DUTTA-GUPTA, PRESIDENT AND EXECUTIVE DIRECTOR AT THE CENTER FOR LAW AND SOCIAL POLICY (CLASP)

Mr. DUTTA-GUPTA. Thank you, Chairman Arrington, Ranking Member Boyle, and Members of the Committee.

My name is Indi Dutta-Gupta, and I am President and Executive Director of the Center for Law and Social Policy, or CLASP. CLASP is a national, nonpartisan, nonprofit, using research and analysis to promote effective policy solutions to end poverty and advance racial and gender equity.

This morning, I will discuss why many people rely on Federal programs to achieve economic security and why the deep cuts mandated under the McCarthy debt ceiling bill would undermine the Nation's well-being. Finally, I will discuss the importance of raising revenues and the dangers of failing to raise the debt limit.

So first, why do people rely on Federal programs for economic security? Well, the United States suffers from an unusual number of low wage, low paid jobs, ranking 39th out of 42 OECD countries. As a result, many who benefit from support programs are simply workers paid too little to make ends meet. Others experience low incomes due to the hazards of life, including illness, disability, death of a family member, outliving savings, underemployment, intimate partner violence, and caring for a loved one. Fortunately, a vast array of rigorous empirical studies has demonstrated that individual programs and our social protection system overall helps families with low incomes stabilize their lives, maintain employment, advance in the labor market, and help their children thrive. Unfortunately, our still very high prevalence of economic insecurity harms us all. Allowing child poverty alone to persist costs us nearly \$1.5 trillion dollars annually.

Unsurprisingly, the McCarthy bill's deep cuts would undermine the Nation's well-being. The House debt ceiling bill would set dangerously low caps on appropriations that would grow harsher over time. If House Republicans later exclude from the caps defense spending and veterans medical spending, even as defense and veterans' health costs grow, virtually all other appropriated spending would need to be eliminated. Let that sink in. Supports on the chopping block include child care, which supports parents while they work or go to school to improve their employment prospects, post-secondary education and workforce development, which can offer credentials required for better jobs and supports our small businesses, and food safety, public health, and basic transportation programs that benefit all of us. The bill would also use work reporting requirements to limit access to Medicaid, Snap, and TANF, programs that help families, including more than a million veterans, access opportunity, and thrive. Extensive evidence proves that such work requirements do little to promote work, but they do increase hardship, harming many who merely fail to meet and overcome the red tape these requirements create.

So instead, revenues must be part of the answer. The United States is a low tax country, ranking 32 out of 38 OECD countries,

and tax cuts have actually propelled us to our current debt levels. The Bush tax cuts, their extensions, and the Trump tax cuts alone are responsible for most of the increase in the ratio of debt to economic output since 2001, and more than 90 percent of the increase if we exclude the cost of combating COVID-19 and the prior recession. Yet the McCarthy bill would reduce revenues by cutting the IRS budget and making it harder to collect taxes owed by the wealthy and corporations.

We face serious dangers if we fail to raise our arbitrary debt limit. A default could spark a financial crisis, causing millions of job losses and decimating retirement savings. It would make borrowing more expensive and reduce families' abilities to build wealth through home ownership, through education, or through entrepreneurship. Millions of people would immediately feel the impact of a stop in government spending through delays in Social Security, veterans' disability payments, and more. A recession, which the proposed cuts could trigger, would harm everyone, particularly workers paid the lowest wages, young people, and communities of color, many of whom are among the last hired and first fired.

The House passed bill is an ideological wish list that would also wreck our economy. Congress should not pass any deal that increases hardship, never mind one that asks struggling families to foot the bill so the richest corporations and households can evade their taxes. Instead, Congress should raise the debt ceiling on its own now and get to the work of investing in our families and communities, which make our Nation strong.

Thank you.

[The information follows:]

Avoiding an Own Goal

Protecting American Families from Attempts to Hold Hostage Policies that Support Them

Written Statement of Indivar Dutta-Gupta, President and Executive Director, Center for Law and Social Policy

Testimony before the United States House of Representatives

Committee on the Budget

May 11, 2023



I thank Elizabeth Lower-Basch, Tom Salyers, Dashel Lewis, Priya Pandey, Sapna Mehta, India Heckstall, Christian Collins, Emily Andrews, Stephanie Schmit, Tiffany Ferrette, Rachel Wilensky, Shira Small, Suzanne Wikle, Archana Pyati, and Bobby Kogan (Center for American Progress) for helpful comments, suggestions, and other contributions.

Introduction

Thank you, Chairman Arrington, Ranking Member Boyle, and members of the committee. My name is Indivar Dutta-Gupta, and I am the President and Executive Director of the Center for Law and Social Policy (CLASP). CLASP is a national, nonpartisan nonprofit utilizing research and analysis to advance effective policy solutions that disrupt structural and systemic racism and sexism and remove barriers blocking people from economic security and opportunity, in turn building a more prosperous country for all of us. I am also a former House Ways and Means Committee staffer and have worked on policies promoting economic security and opportunity for my entire professional career. The issues we are discussing are ones I have researched, investigated, and otherwise worked on for much of my career.

I am honored to come before this committee to speak about the value to our economy and society of whole-of-government investments in the well-being of our families and communities. I am also pleased to discuss the risks posed by the House Republican bill that threatens to default on our nation's bills and send our economy into a tailspin if Congress doesn't cut the very investments—like Medicaid, Supplemental Nutrition Assistance Program (SNAP) benefits, income support, education and job training, child care, climate, and more—that tens of millions of families across every district rely on.

Overview

This testimony first explains at a high level why many people in the United States rely on specific federal programs to achieve economic security and access economic opportunity and how federal policies—in particular—effectively meet many of these needs. Next, the testimony explains why the deep cuts mandated under the McCarthy debt ceiling bill would undermine the nation's well-being, including through counterproductive cuts to child care, workforce development, and postsecondary education. The testimony then explains why revenues must be a major part of the answer to concerns about deficits and debt. It concludes by highlighting the dangers of failing to raise our arbitrary threshold on the amount of outstanding obligations we allow ourselves to pay and urging Congress to act swiftly to avoid this self-inflicted wound to our prosperity.

Background

Everyone needs enough resources to afford the basics including food, appropriate clothing, safe shelter and utilities, and health and dependent care. These necessities provide a basic foundation allowing families to access opportunity through education and in the labor market, help their children thrive, prosper regardless of disability status or health care needs, retire with dignity, and contribute fully to society.

But many people in this country cannot afford these necessities without public support. One reason is that the United States suffers from an unusual number of low-paid jobs. In fact, our nation ranked 39th in 2021 among the 42 OECD countries when considering the share of full-time jobs paying less than two-thirds of the median earnings.¹ The extraordinary prevalence of low-paid, and often unstable, jobs means that many adults who benefit from programs supporting a basic living standard are very much working but earning too little to make ends meet without these supports.² Others experience low incomes due to the hazards of life including illness (including mental illness), disability (including partial disability), death (especially of a family breadwinner), outliving their savings, underemployment (throughout the business cycle), escaping intimate partner violence, needing to care for a loved one, and

more. Notably, these conditions can and do affect even those adults who grew up relatively advantaged.³

The high prevalence of people with very low incomes in the United States is not harmful solely to people who experience such economic security—it harms us all. The consequences of poverty as experienced in this country impose significant costs on society as a whole through lost productivity and earnings, greater morbidity and mortality (which can be especially costly in a country with extraordinary health prices and spending), and increased law enforcement and prison and jail costs (due to policymakers' decisions to pursue a path of mass criminalization and mass incarceration). The evidence is particularly strong for child poverty, which lowers tax revenues and increases public spending unnecessarily, in turn hindering our nation's economic progress.⁴ One estimate finds societal costs of child poverty to be approximately 5.4 percent of GDP in 2015.⁵

Our nation's response to the COVID-19 pandemic provides unmistakable validation of the role that government can play in addressing basic needs and reducing poverty. Public investments supported those with the greatest need and put our country on track to a historic recovery, preventing those in poverty from falling further behind. Record reductions in poverty in 2020 and 2021 were the result of government interventions during the ongoing epidemic that included stimulus payments; unemployment insurance expansions; paid sick and paid family leave; improvements to core benefit programs such as SNAP and Medicaid; enhanced subsidies through the Affordable Care Act; and the groundbreaking expansion of the Child Tax Credit.⁶ Despite continued job creation in 2022 and 2023 to date, the termination of these measures is likely to reverse those gains.

Enacted during a severe public health and economic crisis, the American Rescue Plan Act (ARPA) made a difference in the lives of tens of millions of Americans—expanding access to COVID-19 vaccines and testing, providing economic relief that kept millions out of poverty, preventing evictions and foreclosures, and helping small businesses keep their doors open. ARPA accelerated the economic recovery throughout 2021 and made it more resilient to future challenges.

Last year's Inflation Reduction Act included important and long-overdue investments to help restore fairness in our tax system, make prescription drugs and health insurance more affordable, and address the climate crisis – and it also reduced deficits overall by addressing tax evasion and making Medicare more efficient.

Policy makers should choose to invest in and value our families and communities

We can invest in Medicaid so our veterans, children, seniors, and the uninsured have access to care. We can ensure that SNAP benefits stretch farther so families aren't staring down hunger amidst rising food costs. We can invest in child care, paid leave, and home- and community-based services, so our families can meet our responsibilities as workers and caregivers for our loved ones. And, yes, we can afford to do these things by ensuring that those who have benefited most from the American economy—the wealthiest individuals and highly profitable corporations—pay their fair share in taxes. Bobby Kogan of the Center for American Progress recently demonstrated that it is tax cuts—the Bush and Trump tax cuts—that have primarily contributed to our rising annual deficits, more so than federal spending in response to the past two recessions combined. Without those tax cuts and their extensions, debt as a percentage of our economic output would be declining indefinitely.⁷

The debt ceiling bill introduced by Speaker of the House Kevin McCarthy and passed on a narrow margin by the U.S. House of Representatives takes a very different path. It allows out-of-touch extremists in Congress to hold our economy hostage to their demands to slash domestic spending and cruelly limit access to public benefits that strengthen our nation. What's more, the plan racks up more debt by allowing billionaires to evade their taxes and then asks working families to foot the bill.

The House-passed bill would force widespread & devastating cuts

Both annually appropriated (discretionary) and mandatory programs would face staggering cuts despite already modest spending on effective and vital programs.

First, the McCarthy debt ceiling bill would set indefensibly low, rigid, and arbitrary caps on appropriations, allowing no adjustments for inflation or population growth and no ability to respond to emerging needs, such as a recession—which the bill and legislative strategy would make more likely—a national security crisis, or the next pandemic. The legislation slashes everything including essential programs that support economic success such as child care, school meals, job training, and housing assistance as well as core public functions such as transportation and food safety.

Second, the bill also limits access to benefits and health coverage that help secure a basic foundation for families to access opportunity and thrive—including SNAP, Medicaid, and Temporary Assistance for Needy Families (TANF)—for people who can't prove they are working or exempt. We know from extensive evidence that such requirements do little to promote work and even less to boost incomes—even deepening poverty for many.⁸ In fact, many people lose benefits even though they are working, or should qualify for an exemption, but fail to keep up with the paperwork requirements.⁹

Annually funded programs that people count on would face draconian cuts

The McCarthy debt ceiling bill's cap on discretionary funding would cut overall FY 2024 funding to the FY 2022 levels, with no increase even to cover rising costs since then.¹⁰ These programs are referred to as "discretionary" because Congress can set their spending levels through the annual appropriations process, but the bill's cuts include a wide swath of programs that the public depends on, from Head Start and housing assistance to air traffic control, public health, and the armed forces.

Because the costs of providing goods and services have grown due to inflation, this would mean immediate cuts of **13 percent in 2024** if spread across all discretionary funding. However, House Republicans have said they do not intend to cut defense or veterans' benefits—though veterans participate in virtually every other key program facing cuts, including nearly 900,000 in Medicaid¹¹ and 1.1 million in SNAP¹². If they protect both defense and veterans' health care from cuts, then all other non-defense discretionary programs would have to be cut by **33 percent in 2024**. The caps would then grow by 1 percent in each of the next nine years, considerably less than projected inflation. As a result, in real terms, the cuts would rise to **24 percent by 2033** if they were spread across all discretionary programs, and **59 percent** if defense and veterans' benefits were excluded.¹³ That 59 percent figure appears to represent the largest 10-year cut for nondefense discretionary funding on record (with data going back to 1976).¹⁴ Even the 24 percent cut would be more extreme than the cuts in the Budget Control Act of 2011—cuts that Congress could not sustain even with Republican control of Congress and

the White House.¹⁵ In other words, those milder cuts were unpalatable to Republicans when the abstraction of percentage cuts was turned into the reality of reduced government services. The McCarthy bill should have been at least as unpalatable.

Importantly, these cuts would be applied to funding levels that have already failed to keep up with inflation and population growth due to the harmful squeeze on non-defense appropriations brought about by the Budget Control Act of 2011. Even with the proposed increases in President Biden's 2024 budget, non-defense appropriations other than veterans' medical care would remain under 2010 levels adjusted for population and price growth. When measured as a percentage of gross domestic product (GDP), the president's proposed spending in these areas is below the long-term average of the previous 47 years.¹⁶

Though the House bill does not specify how the caps would be applied to different spending areas, I will now offer a few plausible examples of what these cuts would look like in key areas that fuel our long-term prosperity.

Impacts on child care

Child care and early education programs, like Head Start and the Child Care and Development Block Grant (CCDBG), are lifelines for the families who access them. Yet, due to limited federal funding, CCDBG only served 1 in 6 eligible children in 2019,¹⁷ Head Start is estimated to only reach around 30 percent of eligible children,¹⁸ and Early Head Start reaches far less at 10 percent of eligible children served.¹⁹

The potential impacts of the House Republican bill on children, families, child care providers, and the programs that meet their diverse needs are alarming. According to analysis released by the White House, the bill would mean 200,000 children lose access to Head Start slots and 180,000 children lose access to child care²⁰—undermining our children's education and making it more difficult for parents to join the workforce and contribute to our economy.

To make matters worse, the pandemic relief resources, including those supporting providers and the sector through CCDBG, for example, will expire by the end of FY24 with some of the funds that support providers directly already fully expended in some states. These resources saved the sector from a total collapse, but they were never intended to address the long-term challenges of the sector. As concerns about economic recovery, unemployment, and inflation continue, significant and sustained increases—and not decreases—are necessary. Given the fragile nature of the child care sector²¹ and decades of insufficient federal funding,²² the need for long-term and sustainable increases for child care remains ever-present.

Congress Must Quickly Build on ARPA Child Care Funding

While the American Rescue Plan Act (ARPA or ARP) and other federal child care relief is temporary, these investments have had significant, positive impacts on children, families, and child care providers. Although the use of the resources varied by state based on needs, many states sought to stabilize the child care workforce, ease the burden of high costs and lack of access for families, and improve policies within their subsidy programs.²³ According to the Department of Health and Human Services Administration for Children and Families, "As of December 31, 2022, the ARP Child Care Stabilization

Program had served more than 220,000 child care providers, impacting as many as 9.6 million children. Providers are using awards to help with operational costs like wages and benefits; rent and utilities; program materials and supplies; and cleaning and sanitation.”²⁴

Nationally, states have used pandemic relief resources to sustain, grow, and equitably compensate the workforce²⁵ build or upgrade child care facilities; make child care programs more affordable for families;²⁶ expand access to child care and pre-K;²⁷ and make state-wide improvements such as developing or enhancing data systems. These changes, which are now at risk of being overturned as the expiration of the relief funds nears, have had positive impacts on providers and families. States worked hard to efficiently and equitably implement funds and, in some cases, leveraged opportunities to expand access. Many are now left in tough situations without resources to sustain progress.

Impacts on postsecondary education

The proposed cuts to postsecondary education would be profoundly harmful for students and families, and these cuts would only exacerbate the skyrocketing cost of education and mounting national student debt. The House Republican bill would end President Biden’s debt relief program completely, denying alleviation for over 40 million Americans. This elimination would directly worsen the country’s enormous racial wealth gap, as the almost 50 percent of Latino/a/x and 25 percent of Black loan borrowers who would see all their debt forgiven would no longer have that economic lifeline available.²⁸

According to White House estimates, the House Republican bill is projected to cut the maximum award for Pell Grants by close to \$1,000 and eliminate Pell Grants completely for 80,000 students.²⁹ Forty-four percent of all undergraduate students received Pell awards in 2017-2018.³⁰ Pell recipients overwhelmingly have lower incomes, as an estimated 97 percent of all recipients had a total household income at or below \$60,000 in 2020-2021, about \$10,000 below the median household income for the entire country that same period.³¹ Cutting Pell would also substantially reduce enrollment levels at both 2-year and 4-year public institutions. Over half of both dependent and independent Pell Grant recipients attended a public institution.³²

Impacts on workforce development

In the late 1970s, Congress provided an all-time high of \$24 billion investment in our workforce training and employment services at the U.S. Department of Labor. However, federal policymakers have reduced investments in these programs over time. Today, we only invest approximately \$6 billion a year in workforce training and employment services.³³ These services play a vital role in helping people who are unemployed and those earning low incomes move out of poverty and into good jobs with family-sustaining wages.

Current funding levels are not sufficient to provide the employment and training services that individuals with barriers to employment need to move to economic security and into good jobs—or that small businesses need to be able to hire and develop the employees with the skills required for today’s jobs. Congress has neglected to provide sufficient Workforce Innovation and Opportunity Act (WIOA) programs, even in the face of rising inflation and population growth. This lack of investment has hindered the program from delivering effective and equitable services.³⁴

The House Republican bill would contribute to our nation's under-resourced workforce development system. According to White House projections, the bill would result in nearly 700,000 fewer workers receiving job training and employment services provided through the U.S. Department of Labor,³⁵ in turn limiting their career pathways to high-quality jobs. Investing in workforce development programs is particularly important to support Black and Latino/a/x workers; immigrants; youth; and people who face barriers to employment by providing equitable pathways to good jobs with family-sustaining wages. These workforce development cuts likely would include a sizeable reduction in apprenticeships—an equitable, earn-and-learn model that can help workers get the skills for today's in-demand high-quality good jobs and help employers diversify their workforce. In FY 2021, there were over 800,000 registered apprentices in the national apprenticeship system. Many of these positions could be threatened under a 33 percent cut in funding.³⁶

The bill would also underfund and strip our nation's progress on infrastructure and the creation of new jobs by gutting the climate and energy provisions of the Inflation Reduction Act (IRA), which has already created more than 142,000 clean energy jobs.³⁷

Backdoor cuts through new work reporting requirements are counterproductive

The House Republican bill also includes provisions that would deny Medicaid and SNAP benefits to people unless they consistently document that they work a certain number of hours per week. These provisions would put 1 million older (ages 50-55) adults at risk of losing SNAP benefits³⁸ and between 10 and 21 million individuals at risk of losing health insurance.³⁹ The bill also includes requirements for states operating cash assistance programs under TANF that would be so daunting for states to meet that many would likely simply stop providing cash at all to families with children facing unemployment, eviction, or domestic violence. This mandate would risk benefits for more than half-a-million families experiencing deep poverty, including nearly a million children.⁴⁰ Because TANF provides states with a fixed amount of funding through “block grants,” the TANF provisions would not even save the federal government money; states could simply reallocate their federal TANF funds to other purposes.

These requirements are solutions in search of a problem. They are based on stereotypes that people with low incomes do not wish to work; these narratives are demonstrably grounded in racism⁴¹ and will disproportionately harm those who are already the most excluded and marginalized by racism's pervasive and persistent effects. Yet these requirements harm us all, including by dishonoring the unpaid caregiving and other work—such as addressing one's behavioral health and other health-related challenges—that supports our society.

Research and evidence undermine arguments for work requirements

Before agreeing to raise the debt ceiling—a necessary step for the nation to pay our bills and avoid financial catastrophe—House Republicans are demanding deep spending cuts. Work requirements, which would limit access to food and health care for millions of people, help them achieve their target. Yet strong evidence refutes the idea that work requirements in Medicaid or SNAP have a meaningful effect on labor supply.⁴² In other words, work requirements do little to lead people into jobs. To the contrary, in the long run, expanding programs like Medicaid and SNAP will raise employment and earnings.

In the short run, the restrictions cause people struggling with poverty to lose critical benefits because of the paperwork required to fulfill work requirements or receive an exemption from them—which is precisely the point.⁴³

Arkansas' experiment with Medicaid work requirements disproves the claim that work requirements will move people into employment. In 2018, Arkansas implemented work requirements in Medicaid as part of a Trump administration effort to get states to condition eligibility for the health insurance program on work. More than 18,000 beneficiaries lost their health coverage until a federal judge halted the program in 2019.⁴⁴ The work requirements also didn't increase employment for people subject to these rules over the next 18 months.⁴⁵ Empirical studies of work requirements that certain SNAP recipients must meet or lose benefits after three months confirm a similar outcome. One study found no effects on employment but a 53 percent decline in program participation.⁴⁶ Another study found the time limit reduced participation in SNAP and no evidence of increased employment or earnings among those subjected to it.⁴⁷

Why are work requirements counterproductive? The reality is that millions of workers rely on SNAP and Medicaid because of their jobs' low wages, unpredictable schedules, and lack of benefits.⁴⁸ That same lack of control over their hours also puts workers at risk of losing benefits when policymakers impose work requirements. People who are supposed to be exempt—such as people with disabilities—are also vulnerable to losing benefits because of reporting requirements and red tape.⁴⁹

An evidence-based approach to improving employment & earnings includes meeting basic needs & funding other investments

The research also shows that consistent access to cash, health care, and nutrition is more likely to promote work than work requirements. An assessment by the state of Ohio of its Medicaid expansion population found 83.5 percent of participants who were already employed said Medicaid made it easier to work, while 60 percent of unemployed participants said having Medicaid made it easier to search for work.⁵⁰ A recent study found that SNAP participation increased the likelihood of employment among households with low incomes.⁵¹ Quality employment and training programs provided by the SNAP program—although far from universal—can allow people to gain new skills or receive job placement services. And cash assistance prevents a temporary crisis caused by domestic violence, eviction, or a health challenge from creating a downward spiral that traps families in poverty.

If Congress is sincere about increasing labor force participation and economic mobility among people experiencing poverty, lawmakers should pursue policies that would help individuals achieve their goal. State-level paid leave policies have been shown to increase labor force participation, and women with access to paid leave are 40 percent more likely to return to work after giving birth than those without it.⁵² Affordable and accessible child care not only increases parents' labor force participation but, in turn, raises economic output. In addition, policies that support family-sustaining wages and provide employees with greater control over scheduling would go a long way toward not simply getting people into the workforce—but making it possible for them to remain in it.⁵³

The United States is already rife with work requirements—for many health coverage programs, income supports, savings subsidies, and more—even as we lack an employment guarantee. We know how to promote employment and boost earnings without making people worse off. Conditioning supports and

services that help meet our most fundamental needs on documenting a specific definition of work has no place in a just and prosperous society.

Much deficit reduction is achievable through growing revenues

Our current deficit is driven by reckless tax giveaways to large corporations and wealthy individuals. Without the Bush and Trump tax cuts and their extensions, debt as a percentage of our economic output would be falling today.⁵⁴ The Bush and Trump tax cuts alone are responsible for 57 percent of the increase in the debt ratio (debt as a percent of the economy) since 2001 and more than 90 percent of the increase in the debt ratio if the extraordinary costs of combating COVID-19 (\$5.6 trillion)⁵⁵ and the Great Recession (\$787 billion)⁵⁶ are excluded.

Ironically, the McCarthy bill would also reduce tax payments paid by wealthy and corporate tax cheats by cutting the IRS budget and making it harder for the federal government to collect the taxes that wealthy individuals and corporations are legally required to pay. This contrast makes clear the priorities of the bill's supporters.

Moreover, House Republicans are already preparing legislation to renew the Trump tax cuts expiring in 2025, which would cost \$3 trillion more⁵⁷.

Last year's Inflation Reduction Act began an important process of making sure that those who benefit from our prosperity contribute to the services that make it possible. President Biden's 2024 budget proposes to raise almost \$5 trillion exclusively from tax reforms affecting the rich and corporations. Biden's budget invests \$2.8 trillion of that revenue to expand and improve public services vital to working families—and diverts additional existing revenue to guarantee that Medicare can pay all its bills for the next 25 years—while still bringing down deficits by \$3 trillion.⁵⁸

Breaching the debt ceiling would make life harsher for regular people

Refusing to meet any legally binding obligation due to an arbitrary debt limit likely would trigger a recession at home, worsening the already-fragile global economy and undermining the strength and status of the United States for years to come. **In the near term, a default could spark a financial crisis and a U.S. or global downturn of unknown severity**, with some experts predicting millions of lost jobs and an even bigger hit to retirement savings.⁵⁹

Recessions disproportionately harm workers paid the lowest wages, young people, and communities of color, many of whom are among the last hired and first fired. Low-paid workers face substantially higher unemployment as it is and have the least access to unemployment benefits—and households with low incomes often have limited or no liquid savings. Young people's early labor market experiences follow them for years, with those entering the labor market during recessions seeing lifetime reductions in income. People of color, especially Black Americans, have a fraction of the wealth of white families, face widespread discrimination in the labor market that is typically overcome partially only as we approach full employment conditions, and disproportionately live in states with the most meager social protection programs. As a result, recessions, like the 2007-2009 financial crisis, can permanently reduce our nation's economic trajectory and cause long-term harm to working people and their families.⁶⁰

While some have suggested that destructive consequences of default could be avoided through "prioritization" of federal obligations, prioritization is simply default by another name. Prioritizing

payments owed by the federal government is no way to manage a default. This approach does nothing to prevent dire, direct, and durable consequences for tens of millions of veterans, seniors, and working families—all of whom rely on essential federal programs to afford medical care, put food on the table, and meet other basic needs. And those whose payments are prioritized, such as holders of United States debt, for example, may nevertheless interpret prioritization as a default and lose trust in the nation's guarantees of payments already owed.

Regardless, millions of people would immediately feel the impact of a stop in government spending: delays in Social Security payments, government employee wages, and retirement benefits. While some government employees would be required to work even if not paid, other offices would shut their doors and stop answering phones. Medicaid and Medicare payments to doctors and hospitals would stop. Emergency rooms would still be required to treat people in crisis, but people seeking non “emergency” care might be turned away.

Defaulting on the debt would also have lasting impacts, even if Congress acted promptly to end such a manufactured crisis. Even today, the United States has the privilege of borrowing at some of the lowest rates in the world, because investors believe we will always honor our debts. Even a short default would make government debt even more expensive, crowding out other spending or forcing taxes to rise due to this self-inflicted wound for years to come. Default would also undermine the ability of families to build wealth through homeownership or entrepreneurship by making the already high cost of borrowing prohibitive.

Conclusion

The House-passed bill is not a serious attempt to avoid the disastrous effects of defaulting on our debt. Rather, it is an ideological wish list that would also wreck our economy.

Congress should not pass ANY deal that raises costs facing working- and middle-class families.

Congress should not pass ANY deal that increases hardship—never mind a deal that asks struggling families to foot the bill for policies that allow the richest corporations and households to evade their taxes.

Congress should raise the debt ceiling without delay or condition and then get to the work of investing in our families and communities who make our nation strong.

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Chairman ARRINGTON. I thank Mr. Dutta-Gupta and all of our witnesses. We are going to go into the question-and-answer session.

I want to start by yielding myself five minutes, and I am going to focus on the economic policies and consequences side of this discussion.

Mr. Ebell, my colleagues may have a different view of the economy and the path we are on and the projections that we have received from nonpartisan groups like CBO. I believe things are really bad, and I think they are going to get a lot worse if we don't change. GDP is at 1.1 percent in this first quarter, it is down from the last quarterly report, which was down from the last quarterly report, because of interest rates, and interest rates are coming at us in hikes that we haven't experienced in a while because of inflation, labor participation rates are low, et cetera, et cetera.

But you talked about regulations. That is one that I don't think—that is a side of policies and economic impact that I don't think we quantify enough or discuss enough, the deleterious effects on our economy. \$400 billion is what I understand, sir, \$400 billion in additional regulatory cost in two years from this administration. My understanding it is twice the clip of President Obama and six or seven times the amount of regulatory burden and cost of the previous administration, President Trump. What do you say about overregulating and its adverse impacts on us at this point, coming out of a recession and having the prospect of growth and jobs and higher wages and all the good things that come with that?

Mr. EBELL. Thank you, Chairman Arrington. Yes, I agree with you. The three dampers on economic growth and prosperity are overtaxing, overspending, and overregulating, and my colleague at CEI, Wayne Crews, is the real expert on this, on regulation. He has spent his entire career trying to quantify and identify the costs of regulation.

In the energy sector, we see that regulation is a huge damper on the use and the production of energy, and I would say this, if you want to look at a place to get some economic growth, what I would call the Trump energy dominance agenda is what we need to return to. It turns out, because of the shale, oil, and gas revolution, that America is the world's energy superpower, and the so-called clean energy transition is an attempt to take us back to the days when we were incredibly dependent upon foreign countries for our energy.

We used to run several hundred billion dollars of deficits in importing oil every year. We are now an oil exporter and a gas exporter. Instead of that, what the clean energy transition proposes is that we become almost entirely dependent upon China for the critical minerals that are used in windmills, solar panels, and electric batteries. So we are going in the wrong direction right now. I think your bill is a good step, moving us back in the right direction.

Chairman ARRINGTON. Let me follow on that comment about wind and solar.

My district actually produces more wind than any district in America, by the way, but we also sit on top of the Permian Basin, so we get to say that we produce all of the above, but I am concerned about the distorting effect that you talked about with respect to reliable and affordable sources of energy—by the way,

sources of energy we may need if we were ever to go to war, for example, with China. We would also need financing for that war, which I am very concerned that we wouldn't have.

One of the elements of the Green Energy Corporation subsidies, one element of my concern is that they are three times higher than what they were marketed and sold during the IRA. The other piece is much of the component parts, if not the majority, of solar and wind are coming from China. I read an article where China was going to benefit by, to the tune of \$125 billion. Can you make a quick comment there? And then I am going to move on, let my Ranking Member ask questions.

Mr. EBELL. You are absolutely right, there is a lot to be said about this, but we have traded energy independence for being dependent upon a potential adversary for everything that keeps our economy going, which is the stuff that moves and produces energy.

Chairman ARRINGTON. Thank you for your quick comment. Now, Mr. Boyle, I will yield five minutes for your questions.

Mr. BOYLE. Thank you, Mr. Chairman, and thank you to all the witnesses.

Indi, you mentioned something in your opening statement that I was very glad to hear because you rarely hear it either on Capitol Hill or just in the media as part of this discourse, and that is the great missing tax revenue. 2001, George W. Bush tax cuts, which weren't paid for, 2003, George W. Bush tax cuts, which also weren't paid for, their extension, which was done on a bipartisan basis about a decade later, and then, of course, the 2017 Trump tax cuts. All told, are you able to put a number on just exactly how much missing tax revenue there is? And of course, as you pointed out, you think about that—too often around here we hear about the spending side, but we don't hear about the whole other half of the equation, which is the revenue side. So want to make sure that if we are going to really talk about deficit and debt, we talk about both sides of the ledger.

Mr. DUTTA-GUPTA. That is right. Thank you, Ranking Member Boyle.

We have in many ways, as I mentioned, propelled ourselves into our current ratio of debt to our economic activity because of these tax cuts. Just to put it in perspective, in a decade or so, we would actually have seen that ratio decline were it not for these tax cuts and their extensions, so—

Mr. BOYLE. The debt-to-GDP ratio.

Mr. DUTTA-GUPTA. The debt-to-GDP ratio would actually decline. So the tax cuts on their own have added about \$10 trillion to the debt since 2001, which is, I think, what you are getting at.

I will just emphasize quickly that in the United States, the overall taxes paid as a share of our economy and our economic activity is much closer to middle income countries and, like Mexico even, than it is to our wealthy peers who have higher living standards than the lower tax countries. So I think what we ultimately all want is higher living standards for the American people, and if anything, our low taxes are getting in the way of that here. We are not trying to reduce people's ability to have those high living standards, we want to reduce the cost of living that they face.

Mr. BOYLE. And this is before we even look at the disproportionate impact of those tax cuts in terms of where most of that money was going. I mean, the most recent round of tax cuts, the one for which I was here, the Trump tax cuts, officially called the TCJA, CBO estimated 83 percent of that going to the top one percent by the end of the ten-year window.

Let me transition real quickly, though, to the debt ceiling, because this is something I have worked on for a long time, and while I think many people are now coming to understand the devastating consequences of default, I think there is a part of the conversation, though, that has been missed, and that is while the question of whether we default or not is binary, that obscures there is a whole continuum between then and now in which we could also suffer consequences even if we ultimately raise the debt ceiling by the deadline.

So I was wondering if you could talk about what happened in 2011. We did suffer the first ever credit downgrade in American history. One of the three credit agencies downgraded us, which, according to the Government Accountability Office, cost us over \$1 billion dollars in extra borrowing costs. So I wonder if you could speak to that.

Mr. DUTTA-GUPTA. That is right, and I will just add that households suffer. Their household wealth fell by almost \$2.5 trillion dollars over the second and third quarter of 2011. As a result, consumer confidence fell, mortgage spreads increased, and it led to hundreds of dollars a month in increased borrowing costs for new borrowers. So approaching the debt ceiling just makes it harder for Treasury to issue regular debt, and that creates a lot of uncertainty and increased costs throughout financial markets as well.

Mr. BOYLE. I would also just share, in the 30 seconds I have left, based on conversations I have had, I feel quite confident that unfortunately the other credit agencies will downgrade us if this debt ceiling drama plays out much longer, and that, of course, has so many impacts. You just described what happened in 2011 in terms of household wealth. I fear this time it would, in fact be worse. It is all the more reason that we solve this now.

Thank you, Mr. Chairman. I yield back.

Chairman ARRINGTON. I thank the Ranking Member.

I now yield five minutes to the gentleman from South Carolina, Mr. Ralph Norman.

Mr. NORMAN. We got two different worlds up here. We really do. We are diametrically opposed in our viewpoint, in our thinking.

Congressman Boyle, you mentioned about regular order on the border bill and on the bill we put up to the Senate to cut and rein in spending. It didn't go through regular order. I was one of the 20 that objected to bills, we held out until things do go through regular order. Reason these two bills didn't, on the spending bill that we presented to the Senate, this administration has not cut \$1. He has made his thoughts known, no cuts, clean debt ceiling raise, which is insane. A lemonade stand run by a 12-year-old can find cuts, at least \$1. This administration doesn't. What does his budget do? Biden's budget, \$2 billion more, just a few, to increase regulations of the firearms industry, \$512 million to provide money for abortion services to the Department of Health and Human

Services, \$3 billion for “marginalized communities” to promote advanced gender equity and equality. It goes on and on. So that is why the two bills didn’t go through.

On the border bill, there is no reason to have a debate. This administration is opening the doors to every country in the world to come into the United States, which has never been done, and the sad part about it, when the cities start hollering, like New York did, that they are out of money, they are going to come to the Federal Government. Guess what? The Federal Government has no money to spend.

Mr. DUTTA-GUPTA, I heard your comments, which really were amazing, that you would make the statements that you have made. Just raise the debt ceiling, corporations need to pay more taxes. Have you ever run a small business?

Mr. DUTTA-GUPTA. I run a small nonprofit.

Mr. NORMAN. Nonprofit. Have you ever had a business where you had to hire employees?

Mr. DUTTA-GUPTA. That is what I do.

Mr. NORMAN. No. Your agency is supported by the profits of companies and the small businesses. Am I wrong? Yes, I am right.

Mr. DUTTA-GUPTA. It is supported by foundations, individual donors.

Mr. NORMAN. Here is what I suggest you do, get out on Main Street America, explain how the inflation, which has increased 14.9 percent, how are they handling that? Explain how food prices are up 17 percent, how are they handling that? Gas prices, 37 percent. From abandoning our natural resources and buying from countries from OPEC that hate America. Let them explain that to you. Real wages have decreased by 3.5 percent because of inflation. Why do you think the rating for this administration is so low? His policies are insane, and it is tearing the country down.

Now we have a lot of hot air and wind up here too in Congress. We are going to take action on cuts and thank God the leverage on the debt ceiling. Finally, the Democrats in the Senate have got some consequences. Let them not put forward their plan. I heard not one plan that you offer. It was just criticisms. Let them put it in writing, as businesses have to do, on what their plan to solve this crisis.

Now, I assume corporations—I don’t know whether you understand it or not, but corporations don’t pay tax. It is the people that pay the tax. Corporations don’t pay it. So I think that where we are right now, if your house is on fire, you don’t rearrange the furniture around the pool, and that is what this Republican led House, which is in charge of the purse strings, is going to do one way or another, and I am tired of the talk. We are going to put it forward.

I have yet to hear a plan by this administration to offer any solution other than just spend more money. It is an insult to the American people and it is an insult to our military, and what they are attempting to put us in a bind by more spending is going to shipwreck this country, along with every other thing that this administration has done.

Ms. Greszler, I was very impressed with your proposal about putting together a group to oversee the fraud and abuse. Would you

go into how we would implement that and real quickly? We got 35 seconds.

Ms. GRESZLER. Yeah. That is a Taxpayer Integrity Office within the Treasury Department. You could use the existing funding that is there, and the biggest thing is that they need to have the authority to impose the consequences.

Mr. NORMAN. A thought would be to put a panel of business people who have no agenda, who don't have to answer to the lobbyists, who can say, this makes sense, and question everything. That is what this country needs now more than ever. Thank you all for what you are doing.

Mr. Ebell and Paige, I wish we had more time, but you are a voice of reason and a voice we are going to consider. Thank you so much. I yield back.

Chairman ARRINGTON. Thank you, Mr. Norman, and we now yield five minutes to the gentleman from New York, my friend, Mr. Higgins.

Mr. HIGGINS. Thank you, Mr. Chairman. First of all, let's make very clear that the U.S. economy is not in decline, it is healthy and it is growing. Under President Biden, for the past 24 months, 14 million jobs have been created, the unemployment rate is at 3.6 percent, the lowest in 54 years, the projected inflation rate at this time next year will be 2.5 percent—normal based on historical trends. Under the previous administration, 3 million jobs were lost, including 300 thousand manufacturing jobs. That woke publication, Fortune magazine, said that under the Trump Administration was the greatest job loss since Herbert Hoover.

The United States economy is \$23 trillion. It is nearly one quarter of the world economy. U.S. Treasury bonds are the safest, most reliable investment in all the world. The U.S. dollar is the go-to currency in the world, 75 percent of U.S. bonds are owned by Americans, local banks, local businesses, local governments, Social Security, Medicare, and Federal pensioners. America made a promise to its own people and the institutions who dared to invest in the country's economic growth. Again, these bonds are the safest investment in all the world. Why would you want to stiff your own people and destroy your own currency and destroy your own economy?

The 14th Amendment, Section Four of the United States Constitution is as clear as it can be. The validity of the public debt shall not be questioned. This is not a political negotiation, this is a moral and legal obligation to be honored. The budget is a law enacted by Congress, and that law is the debt ceiling. The U.S. needs to pay its obligations, and if Kevin McCarthy wants to petition the United States Supreme Court to allow the United States of America to default on its obligations to its own people for the first time in the United States' history that is on his speakership and on his party. We are a better country than that.

Yes, there is a debt problem. I understand that. What is the contemporary historical example as to how you deal with debt? You deal with debt through growth, growth of the economy. From 1992 to 2000, you had 4 percent economic growth each year sustained over an 8-year period. We didn't have a budgetary deficit; we had a \$300 billion budgetary surplus. We paid \$400 billion to reduce

the overall debt. America is better than this. It is a constitutional obligation that we pay our debts, particularly when 75 percent of those are to our own people. When there is financial crisis in the Nation, when there is financial crisis in the world, American debt and the investment in it is referred to as a flight to safety because it is a safe, sound economic investment.

Mr. Gupta.

Mr. DUTTA-GUPTA. Well, I appreciate that, Representative Higgins.

I will just add by saying this is sort of the equivalent of taking out a mortgage. The bank knows you can pay for it, believes you can pay for it, it is happy to give you the mortgage, and you come to them and you say, I have a side agreement with my family that I am just not going to pay. It doesn't make sense. We can have a good conversation about reducing debt, stabilizing debt, which by the way, the President's budget does stabilize debt over time, but we should take off the table the threats to raising the debt limit itself because of the potential economic calamities, obviously there are constitutional questions, but I think it makes a lot of sense to look at, including our military spending, which we have been told is going to be off the table under these caps. So we are looking at instead a very small slice of spending, mostly non-defense discretionary spending, and the biggest chunk of that is veterans medical care, and that is being taken off the table from what we have heard as well. So that is a different conversation.

But the U.S. economy, I want to note, has grown and people are working. We actually have the highest employment to population ratio, which is now above the prior peak on record, except for the late 1990s and 2000, when we also had a booming economy.

Mr. HIGGINS. I yield back.

Chairman ARRINGTON. Thank you, Mr. Higgins.

We now yield five minutes to the gentleman from California, my friend Mr. McClintock.

Mr. MCCLINTOCK. Well, thank you, Mr. Chairman.

First of all, I agree with Mr. Higgins, which is why Republicans just voted to raise the debt limit by \$1.5 trillion, but I remind him that if your family is spending itself into debt and you need to ask the bank for an increase in your credit card limit, you damn well better have a serious discussion about what has gotten you into this mess and make a plan to get out of that mess. That is what the Republican bill does. If the Democrats don't like it, they can strip all of the measures out in the Senate and send it back to us and then it goes to conference and we have discussion, that family discussion. That is what this whole Capitol building is all about, discussing our differences and reaching a common direction on behalf of the American people.

Now, to answer the Ranking Member that the term woke is not one of the right, it came from the left. It is a toxic combination of socialism and racism, and the reason that the left doesn't like it being used today is because it has already been discredited in the eyes of an overwhelming majority of Americans. I am sorry, but his party has made that bed and now they are going to have to sleep in it.

Once again, I would warn him that you cannot spin the economy. Everybody knows how the economy is doing in their own lives and trying to gaslight them never works. Whenever the left is taking control, you see the same economic pathologies, rampant homelessness, sky high taxes, failing businesses, and ultimately fleeing families. I have seen that myself. I live in California, and if you just look at the census numbers, you can see what people believe is a better environment to raise their families.

What my Democratic colleagues don't seem to understand is that government cannot put a dollar into the economy that it first hasn't taken out of that same economy, and it can do so in only one of three ways that I know of. You either raise taxes, that reduces the current standard of living, it suppresses productivity, borrowing, that crowds out to capital what would otherwise be available to loan to consumers to make consumer purchases, or businesses to expand jobs, incurs enormous interest costs and ultimately has got to be paid back anyway through future taxes, which reduces people's future standard of living, and then finally you have inflation, pushing money into the economy that is unsupported by productivity and that in turn reduces the value of the dollar and increases prices.

Can any of our panelists tell me any other possible way government spending can be paid for? I guess it turns out all that free money isn't so free. It is actually very expensive and people are paying it back every day at the gas station, at the grocery store, and in their paychecks.

So the central question then is what we are spending? Now, we just heard that raising taxes to fund more social programs is sound policy. They always tell us that socialism is caring and sharing and taking care of each other and capitalism is dog eat dog selfishness. They have got it completely backwards. There is only one way to prosper in a free society, you have to figure out what somebody else needs and figure out how to get it for them better than they can do it for themselves. That is true whether it is sweeping a floor or designing an advanced microchip. Socialism is taking what one person has made by helping others and giving it to someone who has not. It is true. If I take a dollar from Peter and give it to Paul, Paul's got an extra dollar to spend, he is \$1 better off, but Peter, of course, has one less dollar to spend, and that is why socialism is so destructive, because you have now robbed both Peter and Paul of a dollar of incentive to help each other, Peter because he no longer profits by helping others, and Paul because he no longer needs to. That is why socialism consistently produces poverty and misery wherever it is practiced. It destroys the natural incentives in a free society that encourages people to help each other the most efficient way that they can.

And here is the rub. A free market is an amazingly democratic process because every consumer, everyday, votes with every dollar they spend on what the economy will produce and what prices they are willing to pay. When government takes that dollar out of the economy, it transfers that decision from the consumer to the government. Instead of consumers deciding what they need, government makes that decision for them. So instead of using the dollar you have earned to support your family, government takes that dol-

lar and spends it on an LGBT museum. Capital would otherwise go to its highest and best economic use, instead is used for its highest and best political use, something that is radically different.

Mr. Ebell, what do subsidies do to stuff the economic ballot box and cause consumers to make inefficient decisions that they would never make if they were getting accurate price information?

Mr. EBELL. Thank you, Representative McClintock.

That was an outstanding summary of how the economy works and what is wrong with government intervention and government taking taxes and spending it on things that don't create wealth.

And I think Mr. Higgins mentioned that the economy grew at 4 percent in the 1990s, and that is because the policies were much closer to what you advocate than to what some others advocate. The economy was still benefiting from the Reagan tax cuts, the historic Reagan tax cuts, and I would point out that during most of the 1990s, the Republicans were in control of both the House and the Senate.

So to say—

Chairman ARRINGTON. The gentleman's time has expired. I appreciate the response, but we need to keep this moving.

Mr. McClintock, thank you, and now I want to yield five minutes to Ms. Schakowsky from Illinois.

Ms. SCHAKOWSKY. Thank you, Mr. Chairman.

Well, I am going to actually try and get a better understanding of woke, a word that actually I have never used in a sentence myself, although I hear it a lot out there and heard it today, and unfortunately, I think it was also in the name of this hearing.

I have just yes or no questions for every one of our witnesses, and maybe this will clarify our priorities. To me, it seems as if veterans have earned and deserve comprehensive healthcare. That has been a promise that we have made to veterans, and now we know that we do not have thousands and thousands of nurses that are needed for the Veterans Administration to take care of them.

So my yes or no question is do you think that hiring more nurses to provide for our veterans is woke and wasteful and bloated? Yes or no?

Ms. GRESZLER. I can start and just say that I think that we need to get nurses hired. One thing you could do first is to just not allow nurses who work at the Veterans Administration to work for the unions instead of treating veterans.

Ms. SCHAKOWSKY. Well, it is really—I have a number of questions. So do you think that we should hire more nurses? I understand that you have qualifications to make sure that we—

Ms. GRESZLER. First you should use the nurses you have to treat veterans instead of to work for unions.

Ms. SCHAKOWSKY. Can we go down the line?

Mr. EBELL. It is not my issue area. Thank you.

Ms. AGOSTIN. Not necessarily.

Mr. DUTTA-GUPTA. Not at all. Not at all, and remember, nearly a million veterans also participate in Medicaid and could be caught up in the work reporting requirements of the—

Ms. SCHAKOWSKY. Okay, so was your answer that it is not woke to take care of our veterans?

Ms. AGOSTIN. Not necessarily. It could be woke, though. Happy to give you more details.

Ms. SCHAKOWSKY. Okay. So there was recently a—recently we learned the Department of Labor found that there were 102 minors, children who were working in very dangerous meat packing plants. They were doing some very dangerous work.

So my question is, do you think that it is woke or wasteful to allow the Department of Agriculture and the Department of Labor to actually make sure—and spend money to be able to make sure that we aren't having children that are working, some as young as 13, in dangerous workplaces? Yes or no?

Ms. GRESZLER. No, I think that those laws need to be pursued to protect children, but also the border laws need to be enforced because a lot of those were stolen identities.

Mr. EBELL. No, but I think you have added wasteful to woke, which raises new questions. So—

Ms. SCHAKOWSKY. Well, that was in the title of our hearing. It was about wasteful—

Mr. EBELL. Yes, but you wanted to ask about woke, not—you have now added wasteful. Wasteful and woke are two different issues.

Ms. SCHAKOWSKY. Okay. My question is on woke and wasteful, the words that were in our hearing.

Yes, do you think so?

Ms. AGOSTIN. I think the Department of Labor spends millions of dollars through all different kinds of programs, including job corps—

Ms. SCHAKOWSKY. Should we protect child labor?

Ms. AGOSTIN. Should you protect child labor?

Ms. SCHAKOWSKY. Children, children from doing dangerous child labor.

Ms. AGOSTIN. Yes, you shouldn't let children do dangerous child labor.

Ms. SCHAKOWSKY. Is it woke to do that?

Mr. DUTTA-GUPTA. Absolutely not.

Ms. SCHAKOWSKY. Let me see my time. Well, it looks like—I had a number of questions, but it seems to me that when we look at the important things that government regulation can do to make sure that our workers are safe, that our children are safe, that our railroad workers, which I was going to talk about, are safe, is very, very important. This is not about being woke. This is about being sensible and doing the right thing for our American people.

And I yield back.

Chairman ARRINGTON. I thank the gentle lady from Illinois.

I now yield five minutes to my friend from Virginia, Mr. Cline.

Mr. CLINE. Thank you, Mr. Chairman.

Contrary to what you are hearing today and what you might hear coming out of the White House press room, the fiscal state of our great Nation is in desperate need of a reality check, and facing this looming fiscal crisis, House Republicans have risen to the occasion. We passed the Limit, Save, Grow Act, a package of fiscal reforms and pro-growth policies to protect the full faith and credit of the United States, but ensure that we will not accrue debt as we have over the past few decades.

Without providing a solution of their own, the White House has resorted to false statements, alleging, for example, that the Limit, Save, Grow Act would cut veterans benefits despite there not being a single line in the bill to substantiate the claim.

But while the President refuses to negotiate, the House Budget Committee is pushing forward to identify meaningful areas to reduce spending in a Federal Government that is growing increasingly, yes, woke and weaponized.

Often overlooked as a source of potential savings, improper payments from government programs amounted to over \$247 billion last year. That is nearly 15 times the total of this year's budget for Customs and Border Patrol, and as we know, there is a crisis in Customs and Border Patrol that is under-resourced, undermanned, and understaffed.

Let me ask Ms. Greszler, this was a primary point made in your testimony. How is this able to happen year after year? How are we not able to get a handle on this?

Ms. GRESZLER. There is simply no accountability. It doesn't matter how much in improper payments goes out the door, all that is done is there is a report, it is measured, it is sent in. Nothing happens. You get more money. A lot of these are entitlement programs. They are entitled to get the dollars no matter what, and as I pointed out, in some cases, that means you have to take \$1.46 to deliver \$1 in benefits.

Mr. CLINE. In one of the more egregious examples of improper payments in your testimony, you showed that more than 550 million claims for unemployment benefits went to people who were not unemployed. To what degree do you think that the rapid expansion of these benefits throughout the COVID pandemic played a part in this? And have you noticed any other contributing factors to increased rates of improper payments in your research?

Ms. GRESZLER. Yeah, I think that the Federal unemployment pandemic programs created a perfect storm. The state systems were already outdated, but then the Federal Government stepped in and they imposed these standards on the states that they could not follow through with. Essentially, anybody could qualify for an unemployment insurance benefit. You simply had to say, I have been affected by COVID-19. There were no income checks, and the impetus was told to the states, get the money out the door quickly, we will check it afterwards. Well, we have seen what has happened is that they are not checking it afterwards, and it is very difficult to get the money back once it is out the door.

One of the most egregious ones is the only one I can point to is a rapper in California who made a YouTube video called EDD for California's Employment Development Department, and he is sitting there with a video showing the stacks of EBT cards and saying, hey, you got to go sell cocaine, all I got to do is file a claim. So, yes, they got him, but they are not getting the Chinese state sponsored hackers, they are not getting the international crime rings, and so we are bringing in a couple of million, maybe even a billion dollars here and there, when \$357 billion went to people who were not unemployed.

Mr. CLINE. And it is having an impact on our ability to fight the international drug trade, secure our border, and any other number of important priorities of this government.

Mr. Ebell, nonsensical climate regulations also present prime opportunities for reductions in spending. For example, the EPA received \$10 billion for Fiscal Year 2023 to enact regulations such as their new WOTUS Rule that burdens farmers and by proposing stringent tailpipe emission standards to target an overwhelming majority of passenger vehicles. Further, the Office of Energy Efficiency and Renewable Energy received \$3.2 billion for Fiscal Year 2023 to go after Americans' gas stoves, washing machines, refrigerators, light bulbs. How do these regulations impact an American's freedom to choose what they want to buy in an open market? And would the outcome of these regulations result in disparate impacts for low-income families?

Mr. EBELL. Thank you, Representative Cline.

I think you have raised a very important issue that deserves its own hearing and I hope that you will be putting some riders in appropriations bills in your other Committee assignment.

Mr. CLINE. We are working on that.

Mr. EBELL. Yes, all of these rules and regulations on efficiency standards, on appliances, cars, furnaces, air conditioners, are raising costs which reduces people's choice because they find that they can't afford what they really want or need. Without the regulation, they would be able to afford it. So choice is a huge issue here, and I think the American people are getting fed up with all of the—the gas stoves hit a nerve, but some years ago—Mr. Burgess knows—some years ago, so did the incandescent light bulb ban.

Mr. CLINE. Right.

Mr. EBELL. So this has been going on a long time and there is a lot of work to do here.

Mr. CLINE. Thank you.

Chairman ARRINGTON. Thank you, Mr. Cline.

I now yield five minutes to the gentleman from Oregon, Mr. Blumenauer.

Mr. BLUMENAUER. Thank you, Mr. Chairman.

I would like, if I could, Ms. Greszler, back in the old days when Paul Ryan and I were on the Budget Committee, Heritage was very helpful in working with us, crafting some proposals to limit unnecessary agricultural subsidies. Is there still some interest in Heritage in exploring opportunities to save money there?

Ms. GRESZLER. Absolutely. A lot of our crop insurance subsidies are going to some of the wealthiest farmers. I think ten percent go to the top one percent of farmers who have an average gross income of \$1.5 million per year across the board. These subsidies are distorting the market, but absolutely you could put some income limits on those, and I would also like to point out that a lot of those subsidies are going to farmers who are producing—I think 70 percent are to corn, soybean, and wheat and not to the more nutritious foods.

Mr. BLUMENAUER. Thank you. I don't always agree 100 percent with The Heritage Foundation, but I really appreciate the intellectual honesty dealing with unnecessary subsidization, and some of these, as you point, actually go to foreign companies. It is an area,

Mr. Chairman, that I would hope that this Committee could actually—when we get down to actually working on solutions, I hope this is an area that we can work across the aisle with a wide variety of philosophical positions, where the facts will lead us and save substantial money.

Some people are talking about limiting access to nutrition by having greater limitations. I have pointed out to this Committee that there are almost 20,000 farmers who have received an average of a million dollars a year on subsidies for 37 consecutive years. I think it is easier for us to deal with that than just going on simply piling on regulations on poor people.

I appreciate Mr. Norman talking about two worlds. Sometimes it is a little jarring if you just listen to what goes on here. We are in two different worlds. Unfortunately, the world of our economy and our finance is a little more reality based and they will punish us and already have if we are going to be reckless with dealing with our responsibilities. I think there are opportunities to be able to deal meaningfully with the deficit in ways that can actually bring people together rather than divide them. I think it is a good idea to actually collect taxes that are due and not paid. That is not a tax increase on anybody. It deals with the efficiency and fairness of our tax system, and there are hundreds of billions of dollars that could be collected if people remembered to report their income.

I was taken by my colleague from Virginia's point that there is not a single line in this budget that speaks to a specific cut that the Republicans have advanced. That is right. That is why what has been offered is not a plan. There are no specifics in terms of what they want to step up and do. There is just, in the aggregate, 22 percent reduction with all the exclusions that they are carving out. Well, that is not how you budget. You can't get away with that. You can't imagine those things away.

I really think if we get down to things like border enforcement, air traffic control, Social Security, food safety, workplace safety, I mean, these are things you can't imagine away. They are specifics. There are costs associated, and if you are going to cut them 22 percent or more, there are real consequences, and that is why I would like us to circle back and deal with things, not wishing savings, but being specific, and the agricultural subsidies, I think, is something that is specific that we ought to be able to agree with. Collecting taxes that are already due and owing is fair to businesses who play by the rules, and I think we can get serious in terms of making some significant adjustment if we deal with these things that bring us together rather than divide us.

Thank you very much.

Chairman ARRINGTON. I thank my friend from Oregon and would just say I am always open to making sure incentives are responsible, no matter where they are in the marketplace or who they apply to and that we reduce waste no matter what the program or the constituency, agriculture included.

So I thank the gentleman for his comments.

I will now yield five minutes to Mr. Bob Good, my friend from Virginia.

Mr. GOOD. Thank you, Mr. Chairman, and thank you to all of our witnesses and for your testimony, both written and expressed today.

I do want to just start with Ms. Agostin, and I appreciate all the fine work done by CRA and I appreciate your testimony regarding the current Federal spending that is not simply unnecessary, unjustified, unconstitutional, or wasteful, borrowing from our kids and grandkids, but it is actually—you made a very compelling case about so much of it that is literally harmful and intended to transform America into a Marxist global estate envisioned by the radical left that frankly hates the Founders, hates the Constitution, and hates the basic ideals and values that are central to our country.

The Limit, Save, Grow Act, or what I like to actually call “shrink Washington, grow America”, will take a meaningful broad-based fiscal approach to top line spending cuts, as you know, and some caps and then some significant target eliminations of pet projects like climate, IRS expansion, COVID spending and student loans, but I would like just a few additional thoughts from you on how we would take a razor-sharp scalpel approach to the most egregious and harmful spending via the appropriations process this fall. Really as we work on it now to vote on it in the fall.

Ms. AGOSTIN. Thank you, Congressman Good, and I think you are exactly right. We have done a good job today talking about the financial crisis that is upon us, but there is another equally great crisis facing the American people and that is the woke and weaponized government that is aimed squarely at them. In-so-far as you do deal with the debt limit, you absolutely must maintain the about \$130 billion in cuts and find that from the woke and weaponized spending, and my advice to you would be look at the Department of Education and HHS, because what is happening to children in this country is the perfect display of what woke and weaponized government is doing to people, and when you send your kid to the public school systems, they have gay porn in the libraries, they have teachers that are asking them if, are you sure you are a boy or girl today, and changing their pronouns without their parents knowing about it, and then putting them on a path to radical gender affirmation where you have cross sex hormones and then eventually genital mutilation, and what that does to a child—and if you listen to the detransitioners, this will give you the perfect insight—is make them a permanent pharmaceutical patient for the rest of their life. There is no way for them to ethically consent to any of this and this is being done in the schools without the parent’s knowledge. This is why you have \$3 million to Montessori schools to train three-year-olds on antiracism. Why would you need to tell a three-year-old something about the color of their skin and divide them based on oppressor versus oppressed so that you put them on this path to adopting the woke ideology, and by the time they get to college, they can’t even tell you what a woman is.

So, yeah, look at the Department of Education and HHS.

Mr. GOOD. Well said, and you could expand so much more, as you know, and this is all with everyone’s tax dollars irrespective of their beliefs on it. The liberal progressive Bill Maher said when he was a child he wanted to be a pirate. He is glad no one poked out his eye and cut his leg off, and it is unbelievable we let children

diagnose themselves and then adults perform this surgery to permanently maim and harm them accordingly.

Ms. Greszler, President Biden has tried to say, hey, we are going to default if we don't raise the debt limit. I would just like your thoughts on the veracity of that claim that we would have a default. Isn't it true that it would just force prioritization of payments and we would only have a default if Treasury chose to have a default?

Ms. GRESZLER. Yes, it is true that Biden and Treasury have the authority to prioritize those debt payments first to prevent a default.

Mr. GOOD. Yeah, we sent—I led a letter with ten of my colleagues to Secretary Yellen a couple of months back asking her, when are you going to run out of extraordinary measures? What is your plan to ensure we don't have a default and how will you prioritize payments? And of course, she would not answer any of those questions because it defeats the narrative.

But isn't Biden really afraid of defaulting on his radical agenda and his priorities of climate extremism, the Green New Deal, perpetuating COVID spending, expanding and empowering the IRS, promoting again the things that Ms. Agostin has spoken to so eloquently this morning.

Ms. GRESZLER. Yes. I think that it just points out that you would have to make those difficult choices, and when you look at things like one of the President's own actions that added \$5.4 billion in additional cost to taxpayers for taxpayer finance select private union pension plans, which by the way, sent \$36 billion to one single union pension plan on January 12, five days before the U.S. hit the debt limit, and so you can see the types of things that might have to be at least delayed.

Mr. GOOD. Well, thank you. My time is out, but I will tell Ms. Agostin we have got 500 targeted cuts that my colleagues and I have sponsored already to deal with the appropriations process, and the Dems, Ms. Greszler will not—they will end up signing and agreeing to Limit, Save, Grow because it would force \$100 billion a month in cuts rather than \$131 billion over the course of a year, and I yield back Mr. Chairman.

Mr. FERGUSON [presiding]. Thank you, Mr. Good.

The gentlelady from California, Ms. Lee, is now recognized.

Ms. LEE. Thank you, Mr. Chairman. Welcome, to the panel.

First of all, let me just say to my colleagues, you all have a warped definition of woke. Marion Webster's Dictionary defines woke as aware of and actively attentive to important societal facts and issues, especially issues of racial and social justice. In other words, it is basic decency. It means treating all Americans fairly, regardless of their skin color, background, religion, or gender identity, and I should know because they actually quoted me in that definition of woke from a speech that I gave, and I said, but we will succeed if we reject the growing pressure to retreat into cynicism and hopelessness. We have a moral obligation to, yes, stay woke, take a stand and be active, challenging injustices and racism in our communities and fighting hatred and discrimination wherever it rises.

So, as an African American, your testimony, Ms. Agostin, scares me to death because you said, based on your definition of woke, that we won't have a country left. We won't have a country left if, in fact, we want a country that ensures equality for all. That is outrageous. That is what America stands for.

Mr. Gupta, let me just ask you about the value of the Federal Government and the American taxpayer investing in diversity, equity, inclusion, and accessibility, and how these investments lead to equal opportunity for everyone in this democracy where every American should have a shot to the American dream, where you know and all of you know that marginalized people in this country, people of color, poor people, don't have that path to the American dream.

Mr. DUTTA-GUPTA. Thank you, Representative Lee, for the question and your contributions to this discussion, and I appreciate you bringing up what I think should be a shared principle. Let's go back to the Declaration of Independence. At the time, they meant it in an exclusive way, but they wrote, all men are created equal. If you believe that today and you see that based on group identity and other lived experiences, these extraordinary disparities, for example, that a median white household has nine times—eight or nine times the wealth of a typical black household in this country, and if you believe that our systems are fair, then how could we see those outcomes, right? Does anyone here believe that merit varies by race? That ability varies by race? I don't think anyone here believes that.

So what we know is sometimes unintentionally, but sometimes very knowingly, we do have a lot of disparities by race, and educating people like my six-year-old and my ten-year-old about this history, about just basic facts, actually helps bring them together. It actually helps them understand each other. It helps build a multiracial vibrant democracy that will allow us to compete with other countries rising throughout the world, that will allow us to have the strength of everyone's talent and potential.

Ms. LEE. Thank you very much, and let me ask you very quickly about the default on America Act in terms of the harm that this could wreak on the American people. In fact, let me just give you a couple of facts. In Speaker McCarthy's own district, mind you, these cuts would jeopardize Social Security payments for 75,000 people—that is in our Speaker's district—would risk the health benefits of 285,000 people in Speaker McCarthy's district, it would threaten the retirement savings of 89,000 people in Speaker McCarthy's district, and this is just one year impact of these cuts. Can you speak more on the long-term impact of these cuts?

Mr. DUTTA-GUPTA. Yes, I appreciate the question, Representative Lee, and I will just add that this underscores that prioritization of debt service payments over everything else is still default. You are defaulting on the American people, on promises, on obligations that have been made to them that they can count on right now, that they have been able to count on. So the consequences could be tremendous in the long run, undermining our credit rating and the ability for the United States government to borrow as freely as it can right now.

I just want to remind folks that there is no bank, there is no one telling us that we can't borrow. We are only telling ourselves that. In fact, people are ready, willing, and able to help us finance our investments because they know that the American economy has been so dynamic, so successful for so long, we will continue to in the future. So this would simply be an own goal that would harm us potentially for decades to come.

Ms. LEE. Thank you, and just for the record, in my own state of California, not specifically Speaker McCarthy's district, which we just went through—which I just went through, the whole state of California, if in fact these budget cuts were enacted, we would have 2.6 million people at risk of losing Medicaid coverage, we would eliminate preschool and child care for at least 35,000 children, and reduce access to outpatient care at Veterans Affairs medical facilities by approximately 2.3 million visits. So these are impacts on people's daily lives. These aren't just statistics, these are real, everyday challenges that people are going to have to have, will have, if in fact, these cuts are enacted. So what are they going to do? How do you see their lives?

Mr. FERGUSON. The gentlelady's time has expired.

Ms. LEE. Okay, well, thank you, and I will submit the question for the record to get a response. Thank you very much.

Mr. FERGUSON. Thank you. Thank you.

I will next yield myself five minutes.

Thanks to each of the witnesses for being here and giving us your insights and your valuable time. We are grateful for that.

I have heard from my colleagues on the other side of the aisle when they talk about the resilience of the American economy, and we are doing better than Europe, we are doing better than other areas, and I think the foundation of that is based in the fact that with the Tax Cuts and Jobs Act we created a vibrant economy where it made America the most advantageous place in the world to invest, to manufacture, and to sell around the world, and the things that have made this economy very, very resilient, and even to the point that they have been able to withstand the massive amount of public spending, is the fact that we have made American business and Americans competitive and we have made them more competitive than other places in the world, and so I just want to say that, yes, I agree, the American economy is resilient, and I do think that it is a direct result of the Tax Cuts and Jobs Act that have allowed Americans to invest in their people, American business to invest in their people, and to invest in their systems and to become more efficient so we can win around the world.

Now, with that backdrop, we are seeing some things happen that are eroding even the greatness of the American economy right now. When I look at—and, Mr. Dutta-Gupta, please, with my Southern accent, I hope I said that correctly—you said that corporate America should pay its fair share, correct? And yet with the Inflation Reduction Act and the infrastructure bill, we see green energy tax credits that now are going to go to the level of about \$1.2 trillion and about 90 percent of those are going to go to the very corporations that you want to pay their fair share of the taxes. So you are going to then—and what my colleagues on the other side of the

aisle have done is given a massive tax break to the wealthiest corporations to advance their own agenda.

Mr. Ebell, does that sound right? Am I off base with that?

Mr. EBELL. There are many ironies involved in the position of the taxers and spenders, and you have revealed one. In fact, a huge amount of the Federal budget is devoted to giving handouts to the corporate special interests and rewarding the people who have the right agenda. This is a real drag on the American economy, and it depresses, ultimately, investment by private individuals in businesses that could actually create jobs and create wealth. So, yes, you are absolutely right. Thank you.

Mr. FERGUSON. Thank you, Mr. Ebell.

Next, I want to go to something. As we have talked about this debt limit right now and what is happening. It is amazing to me that the Biden Administration continues to go down the road of relieving, of forgiving student loan debt.

Ms. Greszler, can you draw out a diagram of what happens when, for this latest tranche, \$42 billion, who actually pays for that \$42 billion? Because currently, right now, students and American workers that have those loans, about 17 percent of the folks in the country, are responsible for paying that back. As soon as that is wiped off the books, explain to us how that impacts the rest of the taxpayers and the debt, if you would.

Ms. GRESZLER. Well, it is already affecting the debt. Caused us to approach the debt limit sooner and will cause us to run out of money and extraordinary measures sooner, because we are going on three years now that people who hold those student loans have not been required to make any payments on them. So continuing to do that is just pushing us closer to that limit.

Mr. FERGUSON. Okay, so as we are then having to—because once you take the mandatory spending side out of the equation and then you defend the Nation, which is our number one responsibility, we are basically borrowing money for everything else. So we are going to borrow more money to pay off the debt and then we are going to pay a higher interest rate on that, which is going to exacerbate the problem, which means that we are not going to be able to take care of our most vulnerable, and at some point it is going to drive in to Social Security and Medicare. Is that a fair statement?

Ms. GRESZLER. Yes, and if we want to protect the most vulnerable people, then we should be at least asking those who have the highest incomes, those who have achieved a college degree, to pay back the money that they borrowed.

Mr. FERGUSON. Thank you.

One final thing. A lot of discussion here on the definition of woke. People can make it up, do whatever they want to with it, say however they want to with it. Bottom line, I can tell you what American people don't want, they don't want the Federal Government or other entities telling them how to think, what to think, and why to think, and they especially don't want somebody—they don't want their tax dollars being used for that purpose.

With that, I will yield back.

Next, I will call on my colleague from Texas. Mr. Doggett, you are now recognized.

Mr. DOGETT. Thank you very much.

With the clock ticking on the few days that are remaining to avoid the Republican default on America and the severe economic consequences that will result from failing for the first time in American history to uphold our full faith and credit of the country, this gathering occurs about the woke and the wasteful. Well, I think the real waste here is the waste of time in the Republican willingness to follow the call of President Trump just last night to drive our economy off the cliff. Instead of their much ballyhooed promised budget, they offer us today talk about woke policies. They don't really know what woke means, but it sounds a little bit black, and it appeals to the white nationalists who are so important in their base as they send a message to signal that they don't want to do anything about historic injustices to people of color. Well, before it is too late we need Republicans to wake up, to wake up to the reality, to be aware, to get woke about the true dangers of default, to overcome their fear of providing this Committee a budget that outlines the specific cuts that they are demanding to educational opportunity, to environmental law enforcement, to dealing with contaminated food and contaminated air and water, to secure our border, and to counter the growing influence of China.

The Republican failure to present the budget that they had promised is not an accident, it is a vital strategy. As one of our colleagues just said this morning, there is not a single line in their bill that cuts veterans' healthcare. It is just that the effect of their bill is to cut that very health care by about 22 percent or greater, and it is deliberately hidden. They recognize that if they expose specific cuts like that, they will be rejected by the American people.

So, without a budget, both Representative Arrington, our Chairman, and Speaker McCarthy can engage in a rhetorical slight of hand, implying that they will not be making these devastating cuts, all they are going to do is return the spending to the level of last October. Well, it is a slight of hand because we recognize that fiscal year 2022 spending levels were set back in 2021, and we are now talking about 2024 spending, 3 years later, and there has been a little inflation since then. They don't want to apply that policy to national security because they recognize it would not provide the level of security our country needs, but they are so eager to apply it to healthcare security and educational security that are so very important to our country.

Mr. Chairman, Mr. Arrington, I would have a great deal more confidence in your stated claim of restoring fiscal sanity if you had not already committed yourself, along with many of your Republican colleagues, to actually exploding our deficit and our national debt. You are sponsoring yet another massive tax cut that is estimated to cost about \$2 trillion or more, and that is the same approach that got us into this mess in the first place, helping those at the very, very top of the economic ladder and adding more and more debt as you have done in the past. It was George W. Bush who took us off the course that President Clinton had set with a balanced budget and a path to reducing the debt. Then his failed war in Iraq, so costly in lives and in trillions of dollars, all done on borrowed money. Then the Trump tax giveaway. After their embrace of Trump, the self-described king of debt, they raised the debt limit three times. Their newfound interest in debt today seems

more aimed at destroying health, education, and environmental law enforcement that they never supported in the first place.

Let me just ask you, Mr. Dutta-Gupta, what will be the effect on college students if, as you say, the cuts could be even as much as 33 percent if the Republican Default on America Act is adopted?

Mr. DUTTA-GUPTA. Thank you, Representative Doggett. That is a great question, and as you said, we have to make a bunch of assumptions here to figure out how this would work, but if we do assume that there is a cut of that size, that means that low-income students in particular would have limited access to college. There are a number of grants and funding streams that help them afford college, which, by the way, has gotten increasingly expensive. Most of the folks in this room probably didn't have to face the cost of college that people do today. So, it would undermine our future. It would undermine our ability to grow a strong workforce that can compete with the rest of the world.

Mr. DOGGETT. Thank you.

Mr. BOYLE. I am 10 seconds away from seizing power, so.

Dr. BURGESS [presiding]. I am in charge here. Yeah, Alexander Haig. I recognize Mr. Roy from Texas.

Mr. ROY. Thank you, Chairman Haig. I appreciate that. Ms. Greszler, let me ask you a question. True or false we currently are bringing in about 19.6 percent of GDP in terms of revenues into the Treasury right now.

Ms. GRESZLER. Correct.

Mr. ROY. So, this idea that somehow that the tax problem is the problem is completely absurd, correct?

Ms. GRESZLER. Yes. Historical levels of revenue are actually lower, two percentage points lower than we are bringing in now.

Mr. ROY. And right now, we are at levels that basically have only been matched two other times in history, World War II and in 2000, right after the .com explosion, correct?

Ms. GRESZLER. Correct.

Mr. ROY. In other words, it is a complete lie to say that tax policy is causing the problem that we have with respect to deficit spending right now. Rather, it is a spending problem. True?

Ms. GRESZLER. Correct. Taxes are significantly higher. It is the problem that spending is about five percentage points higher than GDP, and typical, 25 percent versus a little over 20 percent.

Mr. ROY. Correct, and the reason we are having the hearing we are having today is because we have an explosion of the Federal bureaucracy, a bureaucracy that is at odds with the wellbeing of the American people by empowering bureaucrats to go after them. For example, putting a man in prison for building ponds on his ranch, an estate in West Texas. I mean, I am sorry, in the western United States. Is that not right, Ms. Greszler?

Ms. GRESZLER. Yes. I think the problem is when the size of government gets bigger and we are talking about American exceptionalism, that has been because typically America has taken less from individuals and businesses.

Mr. ROY. Right. Ms. Agostin, is that correct about what has happened to this man who lost—went to jail because of what happened out there with the EPA?

Ms. GRESZLER. I am not familiar with that.

Mr. ROY. Right. Sorry.

Ms. AGOSTIN. That is correct, Mr. Roy.

Mr. ROY. Right. Okay, and so, we have got the Secretary, Yellen calling the President's budget a fiscally responsible proposal and said Republicans want to focus on cutting spending. Yes, yes, guilty, guilty. We would like to cut spending. Year one, our bill would cut the deficit in year one by over a trillion dollars. Yet President Biden's budget would increase spending next year by \$500 billion to \$6.8 trillion and increase the deficit by \$300 billion. Ten years, our bill would cut the deficit by \$4.8 trillion. The President's budget reduces the deficit by hiking taxes by \$4.7 trillion, causing outyear decreases in spending through taxes.

Yellen says our spending reforms are draconian. We are simply cutting topline discretionary spending to 2022 levels, and if we do that, we can keep our non-defense discretionary at the same level as that MAGA extremist Barack Obama proposed for Fiscal Year 2024 in his final budget. Literally, the same as that MAGA extremist Barack Obama.

You know, that draconian pre-COVID bureaucracy, that pillar of efficiency and effectiveness of bureaucracy before COVID, if we return the spending to that, that somehow is going to leave the American people without the ability to function. Completely and patently absurd. Leveling charges of cuts against VA is a page out of the Democratic playbook we have all seen far too well where they want to scare the American people. Say that somehow these great experts in Washington, if they don't come to their defense, that they are going to starve on the streets, but the fact of the matter is, the American people prosper best when the Federal Government's woke bureaucracy, weaponized bureaucracy, wasteful bureaucracy, gets the hell out of the way of the American people.

What I would say is that the most egregious problem with my colleagues on the other side of the aisle is that they say that our plan will hurt the poor and minorities, but is it not true that we repeal Biden's \$80 billion IRS expansion, the IRS which the *New York Times* reported, I would ask Mr. Dutta-Gupta, do you not agree that the *New York Times* reported that black taxpayers are at least three times as likely to be audited by the Internal Revenue Service as other taxpayers? Do you know that the *New York Times* reported that? Yes or no?

Mr. DUTTA-GUPTA. Yeah, absolutely. More IRS resources would let them redirect the focus—

Mr. ROY. And that CBS—

Mr. DUTTA-GUPTA [continuing]. To the bigger tax gap from—

Mr. ROY [continuing]. And that CBS—

Mr. DUTTA-GUPTA [continuing]. Corporations and partnerships.

Mr. ROY. Reclaiming my time. That CBS, IRS audits the poor at five times the rate of everyone else, as the analysis finds. The fact of the matter is, it is absurd, the attacks on our responsible effort that the President is ignoring.

The rich, Biden claims that we want to cut spending so we can, "cut taxes for the rich." But is it not true, Mr. Ebell, that 78 percent of the electric vehicle tax credits are claimed by the filers, making \$100,000 or more per year, and we repeal that. A tax for the rich, true?

Mr. EBELL. Yes, Representative Roy. The problem with the subsidies is that they go to people who already own two or three vehicles and they want another one because it is fashionable.

Mr. ROY. And that 90 percent of the green energy tax subsidies, which we repeal, go to corporations that make over \$1 billion per year, not to mention Chinese companies. True?

Mr. EBELL. I believe that is true, yes.

Mr. ROY. Right. This is the truth. The American people know it. Our Democratic colleagues passed the biggest giveaway to the rich that we have seen in years last August in the so-called Inflation Reduction Act. They are the party for wealthy corporations and elites. We are the party for hardworking Americans. We are trying to get the government out of the way to improve their lives, and that is what we are going to do despite Biden's resistance.

Dr. BURGESS. I recognize the gentleman from California, Mr. Panetta, for five minutes.

Mr. PANETTA. Thank you, Mr. Chairman. I admit a part of this hearing I appreciate because it is on an issue that is important to me and that is obviously improving the functioning of our government bureaucracy. I think all of us, all of us, I don't care what side of the aisle that you are on, all of us want to make the Federal Government work for our constituents.

Now, I think we can also all admit that there are numerous examples where our bureaucracy is wasteful and duplicative and, yes, can be better streamlined. For example, I was pleased that this administration put out a permitting reform objective to get infrastructure and energy projects built faster and give taxpayers more bang for their buck and believe we must work together on this front.

Now, we have to have serious conversations. Of course, we can be serious about spending, and yes, we need to be serious about revenues as well, and we can start by marking up a budget resolution in this Committee. I was critical of my own party's failure to do this, and I won't let this majority off the hook either. Now, I hope we can get some real discussion about how to improve our bureaucracy and of course, of course, like I said, make the Federal Government work for our constituents.

Now, there are areas in which we can reduce waste. The Government Accountability Office releases a report annually highlighting opportunities to reduce fragmentation, overlap, and duplication in Federal programs, as well as chances to save money and increase revenue. The GAO has found that tens of billions of dollars can be saved if we took actions to reduce fragmentation and duplication. To the government's credit, agencies have taken GAO's recommendations to save additional funding.

Now, many of the GAO's recommendations include investments in programs to improve the administration, service, and track overpayments, but note that in some of these cases, spending money actually reduces cost. Mr. Dutta-Gupta, are there areas where a little more investment can make a program work better and more efficiently?

Mr. DUTTA-GUPTA. Absolutely Representative Panetta, and in fact, one of the things that is missed by the focus on improper payments is how many people who could benefit from a program also don't access them. So, we can do a lot better, and I will just note

that there is a lot of government spending that absolutely has a return on investment for American taxpayers. That includes, especially the American Rescue Plan's child tax credit expansion, which has a nine-to-one return on investment, which, if we would talk about a businessperson, or someone in the private sector, you wouldn't hesitate to make a virtually guaranteed nine-to-one return on investment, but we got to get those programs back. We lost some of those and make sure that everyone gets them so we could make programs a lot more effective and efficient.

Mr. PANETTA. Mr. Dutta-Gupta, I had some constituents at my office yesterday and they have been having a difficult time dealing with one of our favorite bureaucracies, the FAA, and what they noticed is that there has been sort of a brain drain at the FAA and that basically there is sort of high turnover causing a major slowdown in their aircraft certifications, and what we are seeing is that more experienced staffers are replaced with less experienced staffers. In other cases, they have to get up to speed on a project all over again, wasting the efforts of the previous staffer. Heck, I have seen this not just with the FAA but the Army Corps of Engineers, as well.

So, the issue, like I said, isn't limited to one bureaucracy and it can impact agencies that serve people in every part of government. So, what can we do to ensure that we have well-staffed agencies that work effectively, and efficiently, and like I said, help make the Federal Government work for our constituents, Mr. Dutta-Gupta?

Mr. DUTTA-GUPTA. There is a lot we can do and there are other agencies, as you pointed out, including the Social Security Administration, which is struggling with the workload as our population ages and needs human beings to interact with to get their benefits, but one of the things we should do is not arbitrarily and preemptively limit, sort of across the board, our non-defense discretionary spending.

We can do a lot more to make government work more attractive, and remember, if there is a default here, government employees will also suffer with wages not paid. So, we need to do a lot more to recruit, to continue to staff adequately, and that will improve the experiences that the American people have interacting with our government.

Mr. PANETTA. Let's hope so. Thank you. I appreciate that and I yield back.

Dr. BURGESS. The Chair thanks the gentleman. The gentleman yields back. The Chair recognizes the gentleman from Indiana for five minutes.

Mr. YAKYM. Thank you, Mr. Chairman and thank you to our witnesses for being here today. Our job in the Federal Government is to protect taxpayer dollars and ensure that they are used responsibly and effectively, but President Biden seems to have lost sight of that fact, the fact that every single dollar that is spent by the government is a dollar that was taken from the American people through taxes, and it is less money that Americans get to use for a down payment on a house, to put food on their table, and sending their kids to college. The Biden Administration's complete disregard for taxpayer dollars is illustrated in its never-ending plans to increase government spending with zero accountability.

Today, I want to begin my focus on the government's staggering amount of improper payments. The nonpartisan Government Accountability Office estimates that in 2021, Fiscal Year 2021, the Federal Government made \$247 billion of improper payments. If improper payments were its own line in the Federal budget, it would be the sixth largest line behind Social Security, Medicare, national defense, Medicaid, and interest on our debt.

But it gets worse. The Government Accountability Office also states, and I quote, "this estimate is likely understated since it doesn't include improper payments related to COVID-19 funding." The Department of Labor's Inspector General estimates that improper payments for pandemic unemployment programs accounted for \$191 billion, and outside experts estimate that it could be as high as \$400 billion. I am glad that the House is considering the Protecting Taxpayers and Victims of Unemployment Fraud Act, which incentivizes states to investigate and recover fraudulent unemployment insurance claims.

My first question for Ms. Greszler, regarding the amount, the reported amount, found that one-in-five Medicaid payments were improper. A business would never survive if one-in-five checks sent out were in error. A family would never make it financially if 20 percent of the bills they paid were in error. How do improper payments of this size, how are they permitted to continue year after year?

Ms. GRESZLER. There is no consequence for having those improper payments. They simply can continue to go on and on and to just collect the funding because it is an entitlement.

Mr. YAKYM. Do you think that the Federal Government has taken any meaningful steps to reform improper payments and hold our Federal agencies accountable for the improper payments that take place?

Ms. GRESZLER. No.

Mr. YAKYM. Why not, from your perspective?

Ms. GRESZLER. There are some recommendations. They have largely gone ignored, but there is no accountability. What is their incentive to do that? The money will be there no matter what if they send the improper payments, and in some places, it is difficult to impose the consequences if it is an entitlement because you would be taking away from something they have a legal authority to, but that is where I think we need to impose accountability on the States, especially in those programs that are administered through the States.

Mr. YAKYM. All right, thank you. Also, Ms. Greszler, there are dozens of instances where the Federal Government has duplicative programs in offices. In 2022 alone, the GAO identified 16 new instances of overlap between Federal programs. Would you agree that duplicative Federal programs are a clear illustration that our bureaucracy, our Federal bureaucracy, has gotten out of control?

Ms. GRESZLER. Absolutely, and that is also a disservice to the individuals those programs are supposed to help because they don't know which door to walk into.

Mr. YAKYM. I want to just cite a few examples of some of these duplicative government programs that have just recently been uncovered. For example, there are 21 Federal agencies that have pro-

grams related to the role of diet in Americans' risk of chronic health conditions. There are five Federal agencies who research alternate technologies for radioactive materials. The Department of Interior has three separate systems that separately collect data on oil and gas development. There are three different programs at the Department of Justice that investigate law enforcement's use of force, and the Department of Homeland Security and the Department of Treasury both have programs regarding trade-based money laundering.

All of these are programs that should be funded, but at the same time, we shouldn't have so many duplicative programs and so many people in our Federal Government that are doing the same thing and doing the same job. With that, Mr. Chairman, I yield back.

Dr. BURGESS. The gentlemen yields back. The Chair thanks the gentleman. The Chair now recognizes the gentlelady from Vermont, Ms. Balint.

Ms. BALINT. Thank you, Mr. Chairman. The United States cannot become a deadbeat Nation. We have never failed to pay our bills, and to do so now would have dire consequences on American families, including the ones living in my district in Vermont.

As my colleagues have noted, we never had a hearing or a markup on H.R. 2811. We never got a budget. All we have got is this vague plan that was passed, and we have to try to make sense of that. So, let's take a look at that. The Republican bill would potentially cut funding to low-income students at a time when we are talking about allowing people to get ahead. As a former teacher, I can tell you that cutting \$4 billion for schools that serve 26 million low-income kids is going to lead to a cascade of negative impacts for those millions of kids and their families.

The Republican bill would slash mental health supports for students, and at a time when we can all agree that we have a mental health crisis in this country, we should be investing more in this area and not making cuts.

The Republican bill would also make college more expensive. A 22 percent budget cut would likely eliminate Pell Grants altogether, and it would reduce the maximum award by nearly \$1,000 for the remaining recipients. So, we should be making college, again, more affordable, not less affordable for regular families.

And the list goes on and on in this vague plan that nobody will allow us to, you know, put our finger on exactly what is going on in here. They left it intentionally vague. As a former teacher and as a parent, this is very alarming to me. Mr. Dutta-Gupta, can you highlight for us what the impact of the Republican cuts would be on America's public schools?

Mr. DUTTA-GUPTA. Thank you, Representative Balint, and I will just start by noting, as you did, that we have a serious youth mental health crisis in this country. Nearly one in six youth ages 12 to 17 reported experiencing a major depressive episode in the past year. Among teen girls in 2021, the data show that nearly one in three seriously considered attempting suicide, and without adequate support for students and teachers, these statistics are only going to get worse.

Unfortunately, we see cuts, as you mentioned, also to higher education, including Pell Grants, which are very well targeted overwhelmingly to folks with lower and moderate incomes. Nearly 97 percent go to household, students in households with family incomes at or below \$60,000 a year in 2020 and 2021. So, that is well below the median income in the United States.

This will also hurt our public institutions, our public two-year and four-year colleges, and institutions, but I will just sort of finally note that this is really undermining our Nation's prosperity, because we know that these are investments. They are investments. Wherever you believe the money comes from, they absolutely do have a return on investment. So, I really hope that folks can come together in Congress and understand that this non-defense discretionary category of spending has lots of critical funding.

Ms. BALINT. Thank you so much. I am deeply concerned about all of our students. That is why I ran for office. That is why I serve, and again, I will stress about all of our students.

I just want to mention something that is deeply troubling to me. A Republican witness earlier noted a few Federal programs that support LGBTQ people, including kids, and as a member of that community, it is really disappointing to me that my Republican colleagues seem to delight in attacking the LGBTQ people and their families, and blaming us for all things, including, now, it turns out, the deficit.

So, I just want to put this in perspective. Yesterday, I met for an hour with parents of trans kids from across this Nation, and they came from all over. All over, from conservative districts and states, just regular families. Parents came to share their experiences of what it is like in this moment, and you know what I heard over and over again? Why are members of our own government scapegoating us and our children? Why have we become the favorite enemy when we just want the same things that all American families want? We want to live safe, fulfilling lives, and we want to support and love and protect our children.

It is morally bankrupt and deeply un-American to continue to attack these kids. It is time to do our job and pass a budget that supports and protects all of our kids, all of our constituents. I yield back.

Dr. BURGESS. The gentelady's time has expired. The Chair recognizes the gentelady from Michigan, Ms. McClain, for five minutes.

Ms. MCCLAIN. Thank you and thank you all for being here today. I have listened to everyone, and I appreciate your comments and opinions. I want to start with one simple question because we have a deficit, we are up against the debt limit, correct? And what we are asking is can we tighten our belt a little bit? The President, right, oh, I don't want to negotiate, right? I want to pass a clean debt ceiling. Is there anyone on this panel that thinks the government runs so efficiently that there is not \$1 we can save? So, everyone's in agreement? Okay. All right, just for the record, everyone agrees that there is probably a few efficiencies that we could find.

So, what I find troubling, disheartening, and if it wasn't factual, kind of comical, is what my colleagues on the other side of the aisle want to cut. The fear mongering is hilarious if it wasn't true. So,

one of my colleagues, appropriations Ranking Member Rosa DeLauro, sent a letter to the agencies, right? Asking them what cuts would look like in their department, right? Okay, so let me use my family. Hey, my husband comes home, hey, Lisa, we are way over maxed out on our credit cards. We have got to make some cuts. What I say is, you know what? Okay, great, I have four kids. I am just not feeding them. Now, I am still getting my nails done. I am still going to the gym, and my God, I am not discontinuing my wine subscription. The kids, they cannot eat.

I mean, you would never do that, but that is exactly what my colleagues on the other side of the aisle are doing, and let me give you some specific examples. So, the AG Secretary, Tom Vilsack, said we would cut \$1.4 billion of cuts to WIC. That is where your priority is. The first thing we are going to cut is WIC, my God. Now, forget about the \$1.5 billion in tree planting. Nope, we are going to cut WIC. We are saving those trees.

Okay, let me give you another one. Secretary Buttigieg, who has just done a phenomenal job, and I say that with quite sarcasm, says if this budget that the Republicans passed, here is what we would cut, FAA \$2.6 billion in air traffic controllers. That is the first thing we are going to cut. Because, you know, anybody who has flown, everything is on time and nothing runs late, right? That is the first thing we are going to cut.

Well, I have another idea. Instead of cutting my food, I would go to maybe, let's say, \$1.9 billion that the FAA spends on heat island hotspots, not sure what that is, or gaps in tree canopy coverage. So, let's put people at risk, but let's make sure we protect regional greenways. Not sure what that is.

My point here is if you truly want to care about the American people and truly want to get your fiscal house in order so we can actually protect American citizens, actually protect our most needy, actually protect our children, stop with the fear mongering. Because the first place we shouldn't go, is none of the children are going to eat. Well, when the first opportunity that the Democrats have in these agencies, appointed by this administration, start with the fear mongering on, oh, my gosh, none of the kids are going to eat, what I would suggest is, why don't we let the children eat and maybe plant a few less trees? I am not saying trees aren't important, but if you ask me, do I care about the children eating, especially the underprivileged children, or planting trees, I am going to tell you what I am going to pick every day of the week and twice on Tuesday. I am not going to start with the kids. So, I am curious, is that where you all would start?

Ms. GRESZLER. If I could just say real quickly here, I think that the American people want to know if they are going to have \$11,500 per household in new debt taken out for one year alone. They want to have a responsible plan to know that the next year might be at least a little less than \$11,500, and I think that if we put it to the rating agencies to say what is going to be the better path forward? Are you going to downgrade or upgrade? That they would pick a plan that is responsible and sets at least modest limits over something that is just clean debt limit increase.

Ms. MCCLAIN. Do you think it makes a difference if it is your money or other people's money?

Ms. GRESZLER. Absolutely.

Ms. MCCLAIN. Because I find it interesting that these agencies, the first thing they do is attack the most vulnerable. I find that very disheartening, and I don't know why they do it. I really don't, other than fear mongering, and if we want to get back to some serious talk and budget negotiations so we can provide for the next generation, we have to have some honest talks.

That is where I think we are at. You can't say, oh my gosh, we are going to cut veterans' benefits by 22 percent. Where in the plan does it say that? I can't point to one line, not one line. Yet, that is the first place we should go. Maybe—

Dr. BURGESS. The gentlelady should conclude.

Ms. MCCLAIN. Thank you, sir.

Dr. BURGESS. The gentlelady's time has expired. The Chair now recognizes the gentleman from Virginia, Mr. Scott.

Mr. SCOTT. Thank you. Thank you, Mr. Chairman. A couple of comments about some things that have been said. First of all, the Trump tax cut led to economic development. First of all, the Trump tax cut led to a disaster at the end of the Trump Administration. The American Rescue Plan came in, and that is when the jobs came back.

I get tired of being lectured by Republicans on the budget deficit. This chart shows that every presidential administration, Democratic administration since Kennedy left for their Republican successors a better deficit situation than they inherited, and every Republican presidential administration since Nixon, left for their Democrats, a worse deficit situation than they inherited, all without exception. Trump was on the way to doing that before the pandemic, and President Biden has already improved the budget since then.

Now, Mr. Dutta-Gupta, you started to answer a question about why there was a discrepancy on who gets audited by taxes, and I think you were going to say that they don't have the money to actually go after wealthy people and that is what the money can be used for. Is that right?

Mr. DUTTA-GUPTA. That is right. Right now, it is too easy and encouraged for the IRS to go after the poorest people, including communities of color, when they need a much stronger staffing and almost an army to go up against the armies that wealthy corporations who are responsible for most of our tax gap, by the way, meaning taxes owed that are not paid.

Mr. SCOTT. Now, people are trying to make this a spending problem. Where would we be if there had not been a Bush and Trump tax cuts, if they had not passed? Where would we be on this budget chart?

Mr. DUTTA-GUPTA. Yeah, we would be including the Bush tax cut extensions, \$10 trillion better off.

Mr. SCOTT. \$10 trillion better off. Would be back to the Clinton days where we would be almost in surplus. Is that right?

Mr. DUTTA-GUPTA. Yeah, we would be—

Mr. SCOTT. But for the tax cuts. Now, you mentioned on this threat on the debt ceiling that the interest rates might go up. What does that mean to mortgages?

Mr. DUTTA-GUPTA. Yeah, it makes it much less affordable for people to own homes, start businesses.

Mr. SCOTT. Like a \$200,000 mortgage, one percent would be \$2,000 extra every year.

Mr. DUTTA-GUPTA. Yeah.

Mr. SCOTT. For each percentage we go up, car notes, credit cards. What would that mean for a \$30—some trillion debt per percent? What would it cost the budget?

Mr. DUTTA-GUPTA. What would it cost the budget if the debt—

Mr. SCOTT. If the interest rates go up one percent?

Mr. DUTTA-GUPTA. Yes, that is a major driver of increasing debt service costs, actually. So, it could be—

Mr. SCOTT. So, 300—

Mr. DUTTA-GUPTA [continuing]. \$100 billion, 300—

Mr. SCOTT. \$300 billion—

Mr. DUTTA-GUPTA [continuing]. Billion dollars, yeah.

Mr. SCOTT [continuing]. Per percent.

Mr. DUTTA-GUPTA. Yeah.

Mr. SCOTT. So, if it goes up two or three percent, you are into six, nine, maybe a—

Mr. DUTTA-GUPTA. Right.

Mr. SCOTT [continuing]. \$1 trillion worth of additional interest—

Mr. DUTTA-GUPTA. Right.

Mr. SCOTT [continuing]. Because they are fooling with the debt ceiling. We have heard a lot about these vague, illusory cuts. Everybody's talking about it in general. I think it has been pointed out that veterans, there is no specific cut for veterans. There is no specific cut for anything. As a matter of fact, every time you say something's going to get cut, oh, we are not going to cut that. Do you cut the budget in general, or do you actually have to cut something? And we haven't heard any specific target of any meaningful, I mean, the one percent increase in interest that will take place because of the debt ceiling fiasco could be \$300 billion. We have heard a couple of hundred million here and a billion here. They are not even going to be able to cover the debt service that they cause unless they start getting specific and talk about a budget. Is that right?

Mr. DUTTA-GUPTA. Yes, and the data that have been discussed are across the board. It is not where the agency said they would go first. It is assuming across the board cuts.

Mr. SCOTT. If you protect Social Security, Medicare, defense, veterans, what do you have to do to the others?

Mr. DUTTA-GUPTA. You get close to having to eliminate the rest.

Mr. SCOTT. Let me ask, Ms. Agostin, you talked about the education, you want to cut the education budget. If we get away from the culture wars and just talk about the budget, what part of the Department of Education would you want to cut?

Ms. AGOSTIN. I would cut all of the training programs that are teaching teachers to radicalize kids, the social, emotional learning, culturally—

Mr. SCOTT. How much are you talking—

Ms. AGOSTIN [continuing]. Responsive—

Mr. SCOTT. How much are you talking about?

Ms. AGOSTIN. Thirty percent at least.

Mr. SCOTT. Thirty percent of the training or 30 percent of the Department of Education?

Ms. AGOSTIN. I would get rid of the SEED program. Get rid of the——

Mr. SCOTT. How much money are you talking about?

Ms. AGOSTIN. Sixty million dollars for SEED.

Mr. SCOTT. Sixty million?

Ms. AGOSTIN. For that one program.

Mr. SCOTT. And we are talking trying to get hundreds of billions.

Ms. AGOSTIN. I am not saying that is the only thing. I told you that every single training program, do you know how many training programs are at the Department of Education for training teachers?

Mr. SCOTT. We only spend a few billion dollars in training generally.

Ms. AGOSTIN. Okay. So, all——

Mr. SCOTT. For everything.

Ms. AGOSTIN [continuing]. Of that training is now being done through the lens of woke ideology.

Mr. SCOTT. So, how much money would you cut from——

Ms. AGOSTIN. And you should not spend that money anyway.

Mr. SCOTT. How much money would you cut from the Department of Education?

Ms. AGOSTIN. I told you 30 percent.

Mr. SCOTT. How much money are you talking, 30 percent of what?

Ms. AGOSTIN. Of their budget.

Mr. SCOTT. Of the whole budget?

Ms. AGOSTIN. Well, the Congressman earlier said that the whole entire government is 40 percent bigger now than it was before COVID.

Mr. SCOTT. Well, I am trying to get a straight answer.

Ms. AGOSTIN. So, I——

Mr. SCOTT. How much money——

Ms. AGOSTIN. The straight answer——

Mr. SCOTT [continuing]. Are you talking about——

Ms. AGOSTIN [continuing]. Is I am saying you should trim the Department of Education's budget by 30 percent.

Dr. BURGESS. I think 30 percent——

Ms. AGOSTIN. Cut it back——

Dr. BURGESS [continuing]. Has to be the final answer.

Ms. AGOSTIN [continuing]. To 2019.

Dr. BURGESS. The gentleman's time has expired. You can submit further questioning in writing.

Mr. SCOTT. Well, I just want to point out that she wouldn't—the total Department of Education is a couple of hundred billion dollars, and she is talking about a percent of a little bit. We are trying to balance——

Dr. BURGESS. Again, the gentleman's——

Mr. SCOTT [continuing]. And we are trying to balance the budget.

Dr. BURGESS [continuing]. Time has expired, and the problem is it is now my time. So, you are encroaching upon me, and that can't—I can't allow that.

I appreciate that observation of 30 percent, and as Ms. Greszler pointed out earlier on the Medicaid dollars that are just being spent, the crank continues to turn. The dollars continue to go out the door at an interest rate that is now higher than what it was two and a half years ago. Mr. Gupta, the interest rate, and Mr. Scott was asking about the interest rate, the interest rate has what, over the last two and a half years?

Mr. DUTTA-GUPTA. Due to the Federal Reserve actions, it has risen significantly.

Dr. BURGESS. Yes, and the Federal Reserve action was in response to what, Mr. Ebell?

Mr. EBELL. Inflation.

Dr. BURGESS. Well, and as a result of Federal spending.

Mr. EBELL. And spending, oh, yes.

Dr. BURGESS. Which is what we are here talking about today. Look, and I know this ground has all been covered extensively. I did want to ask Ms. Greszler, we are right at the end of the Public Health Emergency, thank God. It is going to end midnight tonight. A figure that I am hearing is that 18 million people will lose Medicaid tomorrow morning. Is that accurate?

Ms. GRESZLER. I haven't seen that. I don't know any reason why they would lose their coverage.

Dr. BURGESS. Yeah, and that is just it. These numbers get inflated and socialized. They are repeated until they are just now derived as fact. When, as you have pointed out several occasions this morning, that purported cuts to veterans, for example, purported cuts to other healthcare programs, in fact, are not what has been included in the Limit, Save, and Grow Act. Is that correct?

Ms. GRESZLER. Correct. There are no specific cuts to these, but if you do want to drill down to getting at protecting veterans, you can absolutely protect veterans and you don't have to have any cuts, and you can actually still save money because 11 percent of all the payments that are coming out of the VA are improper payments. One of their programs has an 80 percent improper payment rate. You are paying five times as much for long-term care services as veterans as you need to be. So, you can save money and still provide quality care.

Dr. BURGESS. And every dollar that is not well spent in the program deprives some other veteran of a service that they may need or increases their time on a waiting list. Is that not correct?

Ms. GRESZLER. Correct.

Dr. BURGESS. Mr. Ebell, let me ask you a question. Title 42 is in all the news. There is a different Title 42 in the—HHS had developed a different payment rate for some of their scientists, the special pay authority originally given by Congress to the Department of Health and Human Services, but EPA also used to be a part of the Department of Health and Human Services, so they have sort of continued that special pay authority that they have under the Public Health Service Act. Are you aware of this special pay authority that the EPA possesses?

Mr. EBELL. Representative Burgess, I am vaguely aware of it, but I don't think I can offer any expert advice on it.

Dr. BURGESS. But suffice it to say, it was a special pay authority that was thought to be necessary to attract scientists to HHS when

EPA was split off as a separate agency. You don't need special pay authority for, say, a beginning chemist in a lab at the EPA. We are looking at a time where every tax dollar that is spent should come under scrutiny. Something I have worked on for several years is to get rescission of that special pay authority for the Environmental Protection Agency, and unfortunately, as we have learned now coming through the Coronavirus emergency, some of that special pay authority was going to some of our very highly paid NIH scientists, and again, I think in retrospect, you would have to ask yourself, were those dollars well spent? And that is still an open question, but I don't think you could convince the American taxpayer that they would want to continue that.

On the other component of improper payments, Ms. Greszler, I would stress an improper payment does not necessarily mean fraudulent. It simply can be a payment that was submitted that wasn't entirely accurate. But Medicaid stands out as one of those where the improper payment rate is strikingly above the overall average of improper payments in the Federal Government. Is that not correct?

Ms. GRESZLER. That is correct. An improper payment is a payment made to the wrong person or in the wrong amount. About 95 percent of those are all overpayments. Medicaid is most problematic, I would say, because it is administered by a state agency. They often aren't checking the eligibility for them, and also, it is just an incredibly complicated program, and the healthcare market is distorted by it being largely funded through the government. So, there is a whole host of things feeding into that improper payment rate.

Dr. BURGESS. Thank you very much. My time has expired. I am supposed to recognize any Democrat I see. Oh, I do see. I recognize Ms. Jackson Lee from Texas for five minutes.

Ms. JACKSON LEE. Let me lay the groundwork, Mr. Gupta, for what I would like to ask questions for. Moody Analytics estimates that the default on America—and a default would result in more than seven million jobs lost, an unemployment rate over eight percent, and a wipeout of \$10 trillion in household wealth. Mortgage rates and consumer borrowing rates would increase and the status of the dollar as a reserve currency of the world would be at risk. I want Houston, Texas to be aware of that. I want Texas to be aware of that.

In addition, if we had a default after talking about Democrats and their support of law enforcement, these Republicans will in fact cut the Department of Justice over \$8 billion and threaten 30,000 law enforcement. That is a threat to public safety, which I would like to put on the record, and we know that the Default on America bill has a threat. It has a trigger. It says that we will give you a dime, \$1.5 trillion in debt, raising the debt, and then we got to come back again for whenever we meet that, or it gets, or maybe March. So, we are just playing daggers with the working families of America. Just daggers. We are just shooting them in the foot, and many people in the heart.

Texas, for example, 1.6 million families in Texas get SNAP, and the roughly 5.746 million Medicaid would face a mountain of paperwork which in essence would weed out vulnerable children, which

is what we need to be aware of. Let me tell my fellow Texans, deny 1,100 Texans admission to opioid treatment, if you talk about raising the mental health crisis or even crime, that is your pathway. Jeopardize air safety by shutting down at least 24 air traffic control towers in Texas. I represent Bush Intercontinental in Houston. Estimate 27,400 preschool children and childcare slots gone immediately.

I remember during the pandemic standing in front of childcare centers begging for resources as parents were desperate to be able to find places for their children who were out of school.

Strip food assistance from 994,000 Texans, threatening 855,000 Texans with restrictions. Making college more expensive for 587,900 Texans. Raising housing costs in an already oversaturated market where people can't find housing for 40,000 Texans.

And so let me go directly, if you would, answer these questions and maybe very briefly, we are in the aftermath of the Trump tax cuts that we suffered. By the way, you know on the record, we raised as Democrats collectively the debt ceiling three times under the past administration. Give me quickly, because I have a SNAP question, a lingering effect of the dastardly Trump tax cut. Did it generate revenue into the economy, or did it give corporate America billionaires a fat cushion, maybe a soft pillow, if you will.

Mr. DUTTA-GUPTA. It is yet another example of the failure of trickle-down economics. The Trump tax cuts failed to deliver the thousands of dollars of increase in incomes that were promised by the Council of Economic Advisors. They failed to deliver any meaningful increase in job growth, and unfortunately, delivered a huge amount of debt.

Ms. JACKSON LEE. And do you see—I started as you well know with the Moody Analytics—you see a truth in that mass loss of jobs and \$10 trillion in household wealth, which are working families or middle-class families, you see value or veracity in that?

Mr. DUTTA-GUPTA. That is right. Even getting close to the debt limit without raising it will have severe financial consequences.

Ms. JACKSON LEE. Now, let's work on this. You know, here are some old issues that you might not have been around to hear, but you remember in early administrations, this whole thing about get to work. If you are on benefits, get to work, and that was supposed to be one of the saving graces of the economy. So, let me just get right to it. Does the increasing age limit do anything to help more people find work, or will it simply increase hunger? And as well explain it is not an employment program and able-bodied people get off anyhow because of state rules. Could you explain that, please, and why we are wasting time with the Default on America and making it worse for hungry people?

Mr. DUTTA-GUPTA. Adding new work reporting and documentation requirements will be counterproductive. It will not help people work. We have tried this repeatedly. We know it undermines people's ability to have that basic foundation they need to access opportunity, succeed in the labor market, pursue education, and support their family.

Ms. JACKSON LEE. Are the people needing to get SNAP, children, who are the basic population of hungry people in America?

Mr. DUTTA-GUPTA. Absolutely.

Ms. JACKSON LEE. And what we are doing with Default on America is really undermining our own safety net, putting children in dangerous health conditions, as well as hunger conditions without having a viable program?

Mr. DUTTA-GUPTA. Yes, and for those kids, the safety net is really a trampoline.

Ms. JACKSON LEE. Have you seen massive fraud or waste?

Mr. DUTTA-GUPTA. No.

Ms. JACKSON LEE. You are in the business so, you would—

Mr. DUTTA-GUPTA. SNAP does an incredible job of getting payments right.

Ms. JACKSON LEE. Let me thank you so very much for your response, and, Mr. Chairman, I thank you very much for your indulgence. I yield back.

Chairman ARRINGTON. I am always better at indulging my colleagues when they are from Texas.

Ms. JACKSON LEE. Thank you, Mr. Chairman.

Chairman ARRINGTON. I have a really bad record about that. Thank you for your comments.

Ms. JACKSON LEE. I thank you.

Chairman ARRINGTON. Now, I will yield five minutes to my friend from North Carolina, Mr. Chuck Edwards.

Mr. EDWARDS. Thank you, Mr. Chairman. Mr. Dutta-Gupta, do you believe that folks making more than \$400,000 a year ought to be paying more taxes than they are today?

Mr. DUTTA-GUPTA. Yes.

Mr. EDWARDS. Do you believe that folks making less than \$400,000 should be paying more taxes than they are paying today?

Mr. DUTTA-GUPTA. I think you will probably have to do that if you want to do things like paid family medical leave and meet our Nation's caregiving needs.

Mr. EDWARDS. And so, President Biden has told us over and over again that he intends to not ask folks making less than \$400,000 to pay more. So, it sounds like you disagree with President Biden.

Mr. DUTTA-GUPTA. While the President's budget may well stabilize debt as a share of GDP over the long run, I think to meet some of our Nation's crucial needs, including climate policy, some people between \$250,000 and \$400,000, who others here on your side have already described as wealthy, should be able to contribute more.

Mr. EDWARDS. And so, I hear that you do disagree with what the President has been telling us about his tax policy.

Mr. DUTTA-GUPTA. I would not. I draw the line at \$400,000.

Mr. EDWARDS. I find it interesting. I am going back to your testimony that you made comments regarding folks needing to work for, let's just call it SNAP benefits. You said for people who can't prove that they are working or exempt, it would create a particular hardship, and you go on to say that many people might even lose benefits even though they are working or should qualify, but then they fail to keep up with paperwork requirements. Are you familiar with what those paperwork requirements are?

Mr. DUTTA-GUPTA. Yes, and in Arkansas, when they tried this for Medicaid, it bumped off so many people who actually were complying that Arkansas itself is now acknowledging that they failed.

Mr. EDWARDS. And so, how often would someone have to complete paperwork to qualify for these benefits?

Mr. DUTTA-GUPTA. That can vary.

Mr. EDWARDS. Monthly?

Mr. DUTTA-GUPTA. It can—

Mr. EDWARDS. The benefits are—

Mr. DUTTA-GUPTA. It can be to document work.

Mr. EDWARDS. The benefits are established monthly, are they not?

Mr. DUTTA-GUPTA. Many benefits are established monthly, yeah. Some you can get a year, a trial.

Mr. EDWARDS. And so, the answer to my question is monthly. Do you realize that folks that are working and raising their families and paying to feed their families today have to be involved in some activity? Plumbers are underneath houses working on fixtures and piping. Bricklayers are out all day. They are working with their hands, often in the sunshine. Welders have to do something all day to provide for their families. Factory workers have to be on a production line all day, and you are trying to tell this Committee that for folks to receive benefits, it is a hardship for them to complete paperwork once a month? I am not sure that I understand that.

Mr. DUTTA-GUPTA. Yeah, they are often struggling with substance use challenges, with violence, lots of challenges that maybe you or I are not facing, and the way that these systems are created—

Mr. EDWARDS. Thank you.

Mr. DUTTA-GUPTA [continuing]. Make it hard to.

Mr. EDWARDS. And so you recognize that what we have in the Limit, Save, and Grow Act is that able bodied, childless adults should work for their benefits, and you are trying to tell this Committee that you don't believe that they should work for that.

Mr. DUTTA-GUPTA. The research shows that it is precisely giving the benefits that can often help them work, help their families do better. So, people need healthcare, they need food to be able to succeed in the labor market.

Mr. EDWARDS. So, filling out a form once a month seems to be a real—

Mr. DUTTA-GUPTA. It is much harder than that.

Mr. EDWARDS [continuing]. A real hardship.

Mr. DUTTA-GUPTA. And often rejected for inappropriate reasons.

Mr. EDWARDS. All right. Thank you for that. Ms. Greszler, thanks so much for being with us today. I appreciated hearing your testimony. We have seen President Biden promise time and time again that the middle-class families, families making less than \$400,000 per year, wouldn't be affected by proposed tax hikes, and yet he is allowing the Trump era tax cuts to expire. The numbers that I have read say that that means families will be paying, even less than \$250,000, will be paying maybe \$2,000 more per year, and I don't believe that this boils down to pure tax policy for this administration. It is the latest trend in policies with an ideological bend. In your view, does the Biden Administration's \$400,000 number send a message to Americans that at the end of the day, it doesn't pay to succeed?

Ms. GRESZLER. I think it does, but more importantly, that \$400,000 figure is not possible if you want to fund everything that the Biden Administration wants to, and we have had statistics done at The Heritage Foundation that show you could confiscate every single dollar of somebody earning over \$200,000 and you would still not pay for half of the left's agenda.

Mr. EDWARDS. Thank you, Mr. Chair. I see my time has expired, so I yield.

Chairman ARRINGTON. I thank the gentleman from North Carolina and now will yield five minutes to Ms. Espaillat from New York.

Mr. ESPAILLAT. Thank you, Mr. Chairman.

Chairman ARRINGTON. Mister, I apologize.

Mr. ESPAILLAT. Yes. I don't want to be the subject of one of their testimonies. Mr. Gupta, the proposed cuts have been presented in a way that leadership has asserted they would protect certain areas and not cut those particular areas, including Social Security. They asserted that they will not touch Social Security, on many occasions they have said that. Defense, Homeland Security, and Medicare, some say they will not cut Medicare. If that occurs, of course, this will impact the level of cuts in other areas because you will have to sort of like make up the funding somewhere. What is your projection on the levels of cuts for other areas if they kept their promise and did not cut these areas?

Mr. DUTTA-GUPTA. So, a lot depends. It is intentionally vague, and that means we have to assume a few things, but if we assume veterans' medical care, which on the non-defense side is sort of the largest single item for appropriations, is protected, and we assume growth that we meet the needs of veterans, we see the similar growth that we have had in defense in recent years, you may have to eliminate virtually all that is left.

Mr. ESPAILLAT. Do you feel that this massive budget cuts will have not just an impact on the quality of services and the services rendered to average Americans, but that it will also have an impact on the economy? What do you think is the impact of this scheme on the economy?

Mr. DUTTA-GUPTA. That is right. Moody's estimates that several hundred thousand jobs would be lost. Our government does actually support our labor force, and ensures that we have high employment, especially compared to a lot of our peer countries, and these investments, including non-defense discretionary investments, support our economic activity across the board.

Mr. ESPAILLAT. What do you think the impact that it will have in more than just a budget cycle, let's say, in the next decade, if these cuts were perpetrated?

Mr. DUTTA-GUPTA. Well, we are already far below 47-year averages on the non-defense discretionary side. We have seen real harm, inability to keep up with needs. On Social Security Administration, for example, people have to wait a long time for disability benefits, retirement benefits, et cetera, but similarly on just basic safety functions of the government, and that will only worsen over time.

Mr. ESPAILLAT. Now, Mr. Gupta, I think you made a good sort of like assessment on the impact on the economy, but the Default

on America Act would also impose work requirements on Medicaid recipients and increase work requirements for SNAP recipients, right? It is often the assumption that individuals—their assumption is that individuals are not working and relying on safety net programs to meet the basic needs. Which groups do you think this will hurt? How will this hurt America?

Mr. DUTTA-GUPTA. Well, it will catch a lot of people, even people maybe the Republicans don't intend to catch, because it turns out a lot of people who fail to meet these sorts of requirements actually might have been exempt. They might have been compliant, but when you are a student, say, working full-time, and you should be exempt, but you are focusing on your studies, dealing with another agency and their requirements and documentation, this isn't about just going online and filling out a form. There is a lot of forced documentation. So, all of that would sweep a lot of people into this sort of dragnet.

Mr. ESPAILLAT. Why would you think the long-term effect of these increased requirements will have on the workforce and the economy? We are talking about the economy.

Mr. DUTTA-GUPTA. Right.

Mr. ESPAILLAT. That is why we are here. This is the Budget Committee.

Mr. DUTTA-GUPTA. Right. Counterproductive. I mean, we know Medicaid improves student achievement. We know kids who grow up in families that participate in SNAP do much better when they are adults than otherwise. So, this is completely counterproductive, pennywise, and pound foolish.

Mr. ESPAILLAT. Thank you, Mr. Gupta. I yield back, Mr. Chair.

Chairman ARRINGTON. I thank Mr. Espailat from New York, and will now yield to my friend from Pennsylvania, Mr. Lloyd Smucker, for five minutes.

Mr. SMUCKER. Thank you, Mr. Chairman. I would like to just follow up, Mr. Dutta-Gupta, on the conversation that occurred there, and I will say, you know, there are some things I think we agree on. One, we want to try to lift people out of poverty and give everyone a chance to live their own American dream.

There was just, in context, a group in my area—actually it was a Democrat mayor of the largest city in my district that did a study on poverty, and out of that came sort of an effort to bring together all the different organizations, and the report was called One Good job, and the intent, or sort of the end goal, was to connect as many people as possible with a great family-sustaining job. We also agree that, you know, I think we all believe we are fortunate to live in a country where there is a safety net for people who are not able to access and provide for themselves.

But based on some of your comments, I just want to ask you, do you think everyone who should be working or could be working should be?

Mr. DUTTA-GUPTA. Absolutely. We should try to make sure there is a good job for all of them.

Mr. SMUCKER. And how would, like people who are relying on government programs now, we want to move them, which was, again, the intent, the goal of this program. The success was measured by putting people on that ladder of upward mobility, by con-

necting them with a good paying job. How would you accomplish that for people who are not currently there today?

Mr. DUTTA-GUPTA. Yeah, that is a great question, and thank you, Representative Smucker, for the line of questions, so——

Mr. SMUCKER. And I don't have a lot of time.

Mr. DUTTA-GUPTA. Yeah, so we do have employment jobs programs, some of which would actually likely be cut, unfortunately, under the bill, but it turns out that the programs themselves, by giving people that very basic foundation we all need, food, healthcare, actually does help them. We saw this with a child tax credit expansion. People spent money on things that helped them. Do more, work more, more childcare, for example, would be a great way for us to promote more employment.

Mr. SMUCKER. So, I literally don't understand why you think that work requirements would work against that. Like, why would we not want to do everything we can to encourage people, who can, to take a job or to do everything they can to find a job? Why is that so bad?

Mr. DUTTA-GUPTA. Yeah, it turns out it expands bureaucracy, red tape. It bumps a lot of people off benefits who shouldn't be bumped off, even under the rules, and it just adds a lot of stress and would create a lot more challenges for people who are just trying to have that basic foundation. It is much easier to find a job and do well when you are well fed and you have got healthcare you need. You know, people who are accessing substance use disorder treatment, for example, they could lose that.

Mr. SMUCKER. I think——

Mr. DUTTA-GUPTA. And that would help them get a job.

Mr. SMUCKER [continuing]. I think your position misses the importance of incentives and of ensuring that we are trying to incentivize the right thing to help people access a good job. I want to get back, there is one other issue, Ms. Greszler, and I want to submit for the record, Mr. Chairman, if I may, CBO's April 2023 report titled, *Expired and Expiring Authorizations of Appropriations for Fiscal Year 2023*.

Chairman ARRINGTON. Without objection, so ordered.

[The information follows:]



Expired and Expiring Authorizations of Appropriations for Fiscal Year 2023

APRIL | 2023

Summary

The Congressional Budget Office tracks authorizations of appropriations that have specified expiration dates and identifies, annually, appropriations that are provided for authorizations that have expired. For this report, CBO identified 1,108 authorizations of appropriations that expired before the beginning of fiscal year 2023 and 355 authorizations that are set to expire before the end of the fiscal year. CBO also found that \$510 billion in appropriations for 2023 was associated with 428 expired authorizations of appropriations.

Background

Some provisions of law authorize the Congress to provide funds through a future appropriation act to administer a program or function. Such *authorizations of appropriations*, which are the subject of this report, differ from other authorizations (sometimes called enabling or organic statutes) that create a federal agency, establish a federal program, prescribe a federal function, or provide for a particular federal obligation or expenditure within a program. *Appropriations* provide funding to agencies to administer programs and functions.

An authorization of appropriations constitutes guidance for future Congressional decisions about funding that may be necessary to implement an enabling statute; the authorization may be contained in that enabling statute or enacted separately. Such laws may authorize appropriations for one year, for multiple years, or in perpetuity, and those authorizations may be definite (specifying the exact amount of funding that may be provided) or indefinite (authorizing the appropriation of “such sums as may be necessary,” with no specified upper limit). CBO refers to both definite and indefinite authorizations of appropriations as *explicit*. (CBO does not track implied authorizations of appropriations.)

Section 202(c)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 602(c)(3)) requires CBO to report annually to the Congress on the following:

- All programs and activities funded for the current fiscal year for which the authorizations of appropriations have expired, and
- All programs and activities for which the authorizations of appropriations will expire during the current fiscal year.

The information summarized in the following section is drawn from the agency’s Legislative Classification System (LCS), the database of nonpermanent and explicit authorizations of appropriations that underlies the report.¹ Later in this report, CBO describes the method it uses to determine which authorizations have expired or will expire and discusses uncertainty in the aggregated information.

House and Senate rules dating from the 19th century restrict lawmakers from considering an appropriation if it lacks a current authorization.² The determination of whether that is the case is made by the Speaker of

1. That database is available in the workbook posted as supplemental data at www.cbo.gov/publication/58954. The data supersede preliminary data that did not associate appropriations with authorizations; see Congressional Budget Office, “Expired and Expiring Authorizations of Appropriations for Fiscal Year 2023—Information for Legislation Enacted Through January 5, 2023” (February 2023), www.cbo.gov/publication/58917.
2. See clause 2(a)(1) of rule XXI, “General Appropriation Bills and Amendments,” of the Rules of the House of Representatives, H.R. Doc. 115-177 (2019), p. 871, <https://tinyurl.com/53ethuav> (PDF); and clause 1 of rule XVI, “Appropriations and Amendments to General Appropriations Bills,” of the Standing Rules of the Senate, S. Doc. 113-18 (January 2013), p. 11, <https://tinyurl.com/ctrpbya8> (PDF).

Notes: All years referred to in this report are federal fiscal years, which run from October 1 to September 30 and are designated by the calendar year in which they end. Numbers in the text and tables may not add up to totals because of rounding. Supplemental data for this analysis are available on CBO’s website (www.cbo.gov/publication/58954), as are previous editions of this report (<https://tinyurl.com/yc8pnkfu>).

the House or the Presiding Officer of the Senate on the basis of advice from the relevant chamber's Office of the Parliamentarian. Although this report is intended to aid the Congress by identifying explicit authorizations of appropriations that expired before, or will expire during, this fiscal year, it is not and should not be considered definitive with respect to the application of House or Senate rules.

For this report, funding for expired authorizations includes only those appropriations that could clearly be associated with the authorization in legislative text or legislative history. Additional funding may be available for activities or programs with expired authorizations of appropriations.

Authorizations and Appropriations Identified for This Report

The last piece of legislation that CBO analyzed to identify authorizations for this report was the last public law passed by the 117th Congress—Public Law 117-362, an act to amend the Bill Emerson Good Samaritan Food Donation Act to improve the program, and for other purposes, which was enacted on January 5, 2023. CBO identified 1,108 authorizations of appropriations that expired before the beginning of fiscal year 2023 and 355 authorizations of appropriations that were set to expire by the end of fiscal year 2023.³ CBO estimates that \$510 billion in funding was appropriated for 2023 for activities with expired authorizations, which the agency identified for each House and Senate authorizing committee (see Table 1) and appropriations subcommittee (see Table 2).⁴

In CBO's estimation, 49 percent of authorizations identified for this report expired at least a decade ago; the oldest expired in 1980. More than 70 percent of such authorizations were for specified amounts of annual funding that, when combined, totaled \$94 billion for the year when they were last in effect. The remainder

authorized appropriations of indefinite amounts to administer certain programs or functions.

The \$510 billion in funding for fiscal year 2023 for which authorizations have expired can be attributed to 428 expired authorizations contained in 166 laws out of all 286 laws with expired authorizations. Of that total, \$395 billion is associated with specified authorizations and \$115 billion with indefinite authorizations. More than half (\$329 billion) of that \$510 billion was provided for activities whose authorizations expired more than a decade ago.

CBO cannot identify appropriations for fiscal year 2023 for 680 expired authorizations—that is, clear connections cannot be made between the language of those authorizations and the statutory text and corresponding legislative history of appropriation legislation for 2023.⁵

Overall, CBO identified an increase of \$35 billion (or 7 percent) in funding for expired authorizations this year; that funding rose from \$476 billion in 2022 to \$510 billion in 2023.⁶

Funding for expired authorizations is mostly attributable to a small group of expired authorizations: Twenty laws were identified as major sources of expired authorizations for which appropriations were provided in 2022 or 2023 (see Table 3 on page 5).⁷ The authorizations in all but one of those laws were identified as receiving appropriations in both years. In 2023, 19 of those 20 laws accounted for \$461 billion of the \$510 billion in total funding for expired authorizations that CBO identified, and 147 laws accounted for the remainder.

Specified authorizations of appropriations set to expire during 2023 total \$910 billion this year (see Table 4 on page 6). Most of that amount is authorized for defense activities, which, historically, have been reauthorized annually.

3. Some of the expired and expiring authorizations identified for this report may have been reauthorized by legislation enacted after January 5, 2023.

4. In identifying appropriations for this report, CBO reviewed all appropriation acts for fiscal year 2023 as of January 5, 2023—divisions A through N of P.L. 117-328 and multiple laws that provided supplemental appropriations for 2023: the Continuing Appropriations and Ukraine Supplemental Appropriations Act, 2023 (P.L. 117-180); the Further Continuing Appropriations and Extensions Act, 2023 (P.L. 117-229); and the Further Additional Continuing Appropriations and Extensions Act, 2023 (P.L. 117-264). The last appropriation act that CBO reviewed for this report was division N of the Consolidated Appropriations Act, 2023 (P.L. 117-328).

5. Regardless of whether CBO could identify appropriations for this report, a federal agency may be able to determine that funding for 2023 is available for purposes covered by an expired authorization.

6. The 2022 total differs from the value in last year's report (\$461 billion) because it reflects updates to account for supplemental appropriations enacted after the release of that report and to correct database errors that CBO identified while preparing this edition of the report.

7. For this edition of the report, a law counts as a major source of appropriations for expired authorizations if more than \$3 billion in appropriations were identified for the law's expired authorizations in 2022 or 2023.

Table 1.

**Summary of 2023 Appropriations With Expired Authorizations,
by House and Senate Authorizing Committee**

	All Expired Authorizations of Appropriations		Expired Authorizations of Appropriations With Identifiable Appropriations	
	Number of Laws ^a	Number of Authorizations ^b	Number of Authorizations	Amount of Appropriation (Millions of dollars) ^c
Total	n.a.^d	1,108	428	510,465
House Authorizing Committee				
Agriculture	6	7	3	381
Armed Services	2	2	1	40
Education and the Workforce	21	149	103	93,213
Energy and Commerce	55	283	73	79,781
Financial Services	24	48	25	55,264
Foreign Affairs	35	111	43	60,638
Homeland Security	8	22	5	800
House Administration	3	4	3	120
Judiciary	39	123	63	49,629
Natural Resources	65	163	49	5,686
Oversight and Accountability	9	15	5	152
Science, Space, and Technology	17	54	20	33,895
Small Business	4	9	6	1,549
Transportation and Infrastructure	30	85	21	6,172
Veterans' Affairs	15	23	1	122,306
Ways and Means	8	10	7	841
Senate Authorizing Committee				
Agriculture, Nutrition, and Forestry	8	20	7	440
Armed Services	2	7	2	43
Banking, Housing, and Urban Affairs	21	42	21	54,175
Commerce, Science, and Transportation	45	139	52	37,564
Energy and Natural Resources	27	180	21	14,290
Environment and Public Works	39	89	26	16,401
Finance	8	10	7	841
Foreign Relations	33	109	43	60,638
Health, Education, Labor, and Pensions	46	264	146	148,105
Homeland Security and Governmental Affairs	20	47	19	3,263
Indian Affairs	14	40	11	1,126
Judiciary	39	122	61	49,591
Rules and Administration	4	5	4	123
Small Business and Entrepreneurship	5	11	7	1,559
Veterans' Affairs	15	23	1	122,306

Data source: Congressional Budget Office. See www.cbo.gov/publication/58954#data.

This table shows only the committees that have jurisdiction over expired authorizations of appropriations in CBO's Legislative Classification System; therefore, not all committees are included.

a. Includes laws containing expired authorizations of appropriations for definite or indefinite amounts.

b. Number of explicit authorizations of appropriations within the jurisdiction of each committee that expired on or before September 30, 2022.

c. Identifiable amounts specified in statute, a conference report, or other legislative history.

d. The laws shown do not sum to a total because some laws are under the jurisdiction of multiple authorizing committees.

Table 2.

Summary of 2023 Appropriations With Expired Authorizations, by Appropriations Subcommittee

Appropriations Subcommittee	Expired Authorizations of Appropriations		Expired Authorizations of Appropriations With Identifiable Appropriations	
	Number of Laws ^a	Number of Authorizations ^b	Number of Authorizations	Amount of Appropriation (Millions of dollars) ^c
Agriculture, Rural Development, FDA, and Related Agencies	11	23	6	437
Commerce, Justice, Science, and Related Agencies	70	207	105	73,843
Defense	2	2	n.a.	n.a.
Energy and Water Development and Related Agencies	20	153	11	6,432
Financial Services and General Government	28	43	20	5,540
Homeland Security	20	53	18	5,672
Interior, Environment, and Related Agencies	66	146	40	17,016
Labor, HHS, Education, and Related Agencies	57	271	157	166,103
Legislative Branch	2	2	n.a.	n.a.
Military Construction, Veterans' Affairs, and Related Agencies	15	23	1	122,306
State, Foreign Operations, and Related Programs	36	111	43	60,659
Transportation, HUD, and Related Agencies	32	74	27	52,459
Total	n.a.^d	1,108	428	510,465

Data source: Congressional Budget Office. See www.cbo.gov/publication/58954#data.

Amounts reflect information related to explicit authorizations of appropriations, for definite or indefinite amounts, that expired on or before September 30, 2022.

FDA = Food and Drug Administration; HHS = Health and Human Services; HUD = Housing and Urban Development; n.a. = not applicable.

a. Includes laws containing expired authorizations of appropriations for definite or indefinite amounts.

b. Number of explicit authorizations of appropriations within the jurisdiction of each subcommittee that expired on or before September 30, 2022.

c. Identifiable amounts specified in statute, a conference report, or other legislative history.

d. The laws shown do not sum to a total because some laws are under the jurisdiction of multiple appropriations subcommittees.

The supplemental data file posted along with this report provides detailed information about the status of individual explicit authorizations of appropriations.

How CBO Determines Expired and Expiring Authorizations of Appropriations

The process of assembling information on expired and expiring authorizations of appropriations occurs in three phases. First, CBO's analysts review newly enacted laws to identify provisions that establish or modify explicit, time-limited authorizations of appropriations. Second, they catalog information about those authorizations in the agency's LCS database. Third, they review appropriations enacted for the current fiscal year to assess whether those acts provide funding for expired authorizations.⁸

8. CBO reviews appropriation acts for explicit authorizations of appropriations and updates the LCS accordingly. CBO's catalog of appropriations as compiled from the LCS is published with each edition of the report. See Congressional Budget Office, "Expired and Expiring Authorizations of Appropriations," <https://tinyurl.com/yc8pnkfu>.

Phase 1: Review Authorizations

CBO's analysts review the text of newly enacted legislation to identify provisions that create new authorizations of appropriations or that amend, extend, or repeal existing ones. To be included, each authorization must meet three criteria:

- **It authorizes an appropriation explicitly.** Many federal activities are governed by an enabling authorization (such as an organic statute that outlines an agency's mission and authorities) and by an explicit authorization of appropriation; others might not have an authorization of appropriation. This report considers explicit authorizations of appropriations only. A key determinant for inclusion is the text of the law, which often includes the words "authorization of appropriation."
- **It would receive funding in an appropriation act.** This report focuses on authorizations for funding that CBO expects would be provided in legislation under the jurisdiction of the House or Senate Committee on Appropriations.

Table 3.

**Public Laws That Are Major Sources of Expired Authorizations of Appropriations
With Identifiable Appropriations in 2022 and 2023**

Public Law	Title	2022 ^a		2023	
		Number of Authorizations	Amount of Appropriation (Millions of dollars)	Number of Authorizations	Amount of Appropriation (Millions of dollars)
104-262	Veterans' Health Care Eligibility Reform Act of 1996	1	100,184	1	122,306
114-255	21st Century Cures Act	2	44,999	6	48,580
109-162	Violence Against Women and Department of Justice Reauthorization Act of 2005	22	33,265	24	35,700
105-276	Quality Housing and Work Responsibility Act of 1998	2	32,547	2	34,916
114-95	Every Student Succeeds Act	26	27,765	26	29,022
107-228	Foreign Relations Authorization Act, Fiscal Year 2003	24	28,803	23	28,079
115-10	National Aeronautics and Space Administration Transition Authorization Act of 2017	9	24,363	9	25,573
99-83	International Security and Development Cooperation Act of 1985	3	24,052	3	23,650
111-152	Health Care and Education Reconciliation Act of 2010	1	22,475	1	22,475
110-134	Improving Head Start for School Readiness Act of 2007	1	11,037	1	12,342
115-270	America's Water Infrastructure Act of 2018	2	1,128	2	12,303
102-550	Housing and Community Development Act of 1992	7	6,012	7	11,080
106-104	Amendments to the Immigration and Nationality Act, 1999	1	9,807	1	10,943
109-58	Energy Policy Act of 2005	6	15,254	5	10,203
113-128	Workforce Innovation and Opportunity Act	15	8,857	15	9,173
113-186	Child Care and Development Block Grant Act of 2014	1	6,165	1	8,121
110-315	Higher Education Opportunity Act	31	7,197	31	7,602
102-567	National Oceanic and Atmospheric Administration Authorization Act of 1992	11	5,280	11	5,762
111-22	Helping Families Save Their Homes Act of 2009	1	3,213	1	3,633
111-358	America COMPETES Reauthorization Act of 2010 ^b	5	17,590	n.a.	n.a.
Subtotal		171	429,993	170	461,463
Subtotal (Percent)		40	90	40	90
All Other Laws With Identifiable Appropriations		254	45,798	258	49,002
Total		425	475,791	428	510,465

Data source: Congressional Budget Office. See www.cbo.gov/publication/58954#data.

CBO considered laws to be major sources of expired authorizations of appropriations in 2021 and 2022 if more than \$3 billion in appropriations was identified for expired authorizations in either year.

n.a. = not applicable.

a. Includes updates to the data presented in CBO's 2022 report. Those updates account for appropriations provided in supplemental appropriation acts enacted after the release of that report and correct database errors that CBO identified while preparing this edition of the report.

b. The authorizations in this law had expired when CBO's 2022 report was prepared but have since been extended.

- It has a specified expiration date. Authorizations of appropriations do not fit within the scope of this report if they are permanent or lack an end date.⁹ Because the report excludes explicit authorizations that do not expire, it cannot be considered an exhaustive list of enacted authorizations of appropriations.

9. If an authorization does not specify a particular expiration date but specifies a fiscal year, then CBO lists September 30—the last day of the fiscal year—as the expiration date.

Phase 2: Catalog Authorizations

During this phase of the process, analysts update the LCS, recording new authorizations as well as repeals, modifications, and extensions. The LCS contains information about each authorization: the committees of jurisdiction, references to the public law or section of the U.S. Code that contains the authorization, the expiration date, and the latest amount authorized prior to expiration. If the authorized amount is indefinite, the LCS shows a zero.

Table 4.

Summary of Authorizations of Appropriations Expiring on or Before September 30, 2023, by House and Senate Authorizing Committee and Appropriations Subcommittee

	All Expiring Authorizations of Appropriations		Expiring Authorizations With Definite Amount Authorized in 2023	
	Number of Laws ^a	Number of Authorizations ^b	Number of Authorizations	Authorized Amount (Millions of dollars) ^c
Total	n.a.^d	355	317	909,662
House Authorizing Committee				
Agriculture	2	127	119	3,438
Armed Services	3	6	6	816,688
Education and the Workforce	3	4	4	222
Energy and Commerce	14	69	64	41,143
Financial Services	2	2	1	101
Foreign Affairs	4	11	11	6,010
Homeland Security	2	2	2	17
Judiciary	3	14	14	608
Natural Resources	9	31	25	1,657
Oversight and Accountability	3	8	7	485
Permanent Select Committee on Intelligence	1	16	2	1,178
Science, Space, and Technology	4	11	9	317
Transportation and Infrastructure	10	45	45	36,894
Veterans' Affairs	2	6	5	30
Ways and Means	1	3	3	870
Senate Authorizing Committee				
Agriculture, Nutrition, and Forestry	2	127	119	3,438
Armed Services	3	9	9	848,163
Banking, Housing, and Urban Affairs	2	2	1	60
Commerce, Science, and Transportation	9	44	44	35,364
Energy and Natural Resources	9	28	22	1,628
Environment and Public Works	10	22	22	1,728
Finance	2	4	4	890
Foreign Relations	4	11	11	6,010
Health, Education, Labor, and Pensions	11	52	47	9,651
Homeland Security and Governmental Affairs	3	11	8	115
Judiciary	5	22	22	1,249
Select Committee on Intelligence	1	16	2	1,178
Veterans' Affairs	3	7	6	185

Continued

To ensure the reliability of data cataloged during the second phase, CBO is required by law to consult with staff of Congressional committees. CBO shares a preliminary version of the data for the upcoming report and asks staff members to review items within each committee's jurisdiction. That process helps CBO identify and correct errors in the LCS—particularly errors related to committees' jurisdiction and the status of authorizations.

The goal for this phase is to ensure that the data related to authorizations are entered into the LCS in a way that helps analysts identify subsequent appropriations for those authorizations in future years, if they expire. In

some cases, authorizations are combined to make it easier for analysts to identify appropriations for a given program or activity. For example, large authorization bills—such as the annual National Defense Authorization Act and the biennial Water Resources Development Act—can contain hundreds of discrete authorizations of appropriations for a broad range of activities of a federal department or agency. CBO consolidates many of those authorizations in the LCS to be consistent with the way related appropriations are typically provided. As a result, the number of expired or expiring authorizations in the LCS can be smaller than the actual number of discrete authorizations contained in those laws.

By contrast, if there is ambiguity about whether two
Table 4.

third phase of the process. Analysts start by assessing
Continued

**Summary of Authorizations of Appropriations Expiring on or Before September 30, 2023,
by House and Senate Authorizing Committee and Appropriations Subcommittee**

	All Expiring Authorizations of Appropriations		Expiring Authorizations With Definite Amount Authorized in 2023	
	Number of Laws ^a	Number of Authorizations ^b	Number of Authorizations	Authorized Amount (Millions of dollars) ^c
Appropriations Subcommittee				
Agriculture, Rural Development, FDA, and Related Agencies	2	129	121	3,527
Commerce, Justice, Science, and Related Agencies	11	37	34	2,094
Defense	1	9	3	798,200
Energy and Water Development and Related Agencies	7	22	17	31,959
Financial Services and General Government	6	14	12	516
Homeland Security	4	19	15	14,619
Interior, Environment, and Related Agencies	11	22	20	663
Labor, HHS, Education, and Related Agencies	13	58	53	10,561
Military Construction, Veterans' Affairs, and Related Agencies	4	9	8	19,823
State, Foreign Operations, and Related Programs	5	13	12	6,014
Transportation, HUD, and Related Agencies	6	23	22	21,681

Data source: Congressional Budget Office. See www.cbo.gov/publication/58954#data.

This table shows only the committees that have jurisdiction over authorizations of appropriations expiring in 2023; therefore, not all authorizing committees or spending committees are included.

FDA = Food and Drug Administration; HHS = Health and Human Services; HUD = Department of Housing and Urban Development; n.a. = not applicable.

a. Includes laws with expiring authorizations of appropriations for definite or indefinite amounts.

b. Number of explicit authorizations of appropriations within the jurisdiction of each House authorizing committee that expire on or before September 30, 2023.

c. Amounts specified in statute or legislative history; excludes authorizations of appropriations that do not specify an amount.

d. The laws shown do not sum to a total because some laws are under the jurisdiction of multiple authorizing committees and appropriations subcommittees.

authorizations of appropriations may interact or overlap, both are included in the LCS. That way, each explicit authorization is cataloged as closely as possible to the way it appears in the law. However, that treatment may result in multiple entries for some amounts authorized to be appropriated. For example, if an explicit authorization of appropriations for a series of grant programs is in place and a new law establishes an explicit authorization for a specific type of grant, analysts may not be able to determine whether the new authorization is meant to be additional to or derived from the existing authorization. In that case, CBO catalogs both the new authorization and the existing one in the LCS, potentially causing the amount authorized to be counted multiple times.

**Phase 3: Identify Appropriations for
Expired Authorizations**

Once full-year appropriation acts for the fiscal year covered by the report are enacted, CBO begins the

the list of authorizations that have expired as of that time. Then, they review appropriation legislation that provides funding for the current fiscal year, including any supplemental appropriations and any permanent or advance appropriations already in place.¹⁰ Analysts also consult detailed tables provided by the House and Senate Committees on Appropriations and the joint explanatory statement. (Joint explanatory statements accompany appropriation acts and further specify the allocation of budget authority.)

10. When a supplemental appropriation is enacted after CBO publishes the report for a fiscal year, CBO updates the LCS to reflect changes to funding for expired authorizations as well as corrections to database errors that CBO identified while preparing the report. CBO does not revise the report, but in the next report it provides details on the amount of supplemental appropriations that were identified and associated with authorizations that had expired when the previous report was published.

The goal for this phase is to connect appropriations with expired authorizations on the basis of the appropriation acts' text and the corresponding legislative history. CBO's ability to make such connections is limited by the amount of detail provided in those laws and in related materials. Without a clear link, CBO is not always able to associate an expired authorization with an appropriation—even if a federal agency could determine subsequently that appropriations are available for purposes covered by an expired authorization. In such cases, CBO might not identify those amounts in the LCS if the language of the authorization and the appropriation do not align. If authorizations overlap or interact, CBO tries to identify an appropriation for each authorization.

CBO aims to ensure consistency in the LCS's records of appropriations for expired authorizations. When more than one appropriation is identified for a single expired authorization, the amounts are consolidated and attributed to that authorization for that year. If an

appropriation can be associated with more than one authorization in the LCS, CBO associates that appropriation with just one authorization.

Uncertainty of the Reported Statistics

Cataloging authorizations and identifying appropriations involves analysts' judgment. For that reason, the report's statistics are subject to uncertainty. Under- or overstating the number of authorizations can skew the number of expired authorizations with identified funding and the dollar amounts of appropriations provided for expired authorizations. Thus, this report should not be construed as providing precise information about the current state of authorizations and related appropriations. Likewise, uncertainty in the cataloging of authorizations and appropriations affects the accuracy of comparisons between datasets from year to year. Comparisons of data between one report and another indicate broad overall trends, not precise differences.

This Congressional Budget Office report satisfies the requirements of section 202(e)(3) of the Congressional Budget Act of 1974, as amended. The report is intended to assist the Congress by identifying authorizations of appropriations that have expired or will expire in the current fiscal year. Previous editions, which until 2016 were titled *Unauthorized Appropriations and Expiring Authorizations*, are available from CBO's web page for major recurring reports, "Expired and Expiring Authorizations of Appropriations," at <https://tinyurl.com/yc8pnkfu>.

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CBO seeks feedback to make its work as useful as possible. Please send comments to communications@cbo.gov.



Phillip L. Swagel
Director



Mr. SMUCKER. That is here, the House and Senate rules require that all spending in appropriations bills be authorized by law, but this particular report by CBO reports that \$1.7 trillion in Fiscal Year 2023 in the omnibus included—the omnibus of \$1.7 trillion included \$510 billion in appropriations for unauthorized or expired programs. Is that any concern to you?

Ms. GRESZLER. Yes, sir.

Mr. SMUCKER. Are you familiar with that?

Ms. GRESZLER. Yes, I think that is over 400 programs that are currently—

Mr. SMUCKER. Four hundred twenty-eight programs, I think.

Ms. GRESZLER [continuing]. Unauthorized or expiring, and that is Congress's job to make sure that they are funding only the programs that have been authorized and that are still supposed to be funded. There is the Unauthorized Spending Accountability Act of 2023 that would be—

Mr. SMUCKER. And I don't even understand how we can today spend it, because very clearly, House rule XXI prohibits spending for unauthorized or expired programs, yet we spend half a trillion dollars on this type of spending. Like, how is that happening and what can we do to stop it?

Ms. GRESZLER. Well, it is happening because there is still funding being appropriated for them even though they are not authorized, and so, as I mentioned, the Unauthorized Spending Accountability Act of 2023 would essentially expire all those unauthorized programs after three years if Congress doesn't explicitly reauthorize them and fund them.

Mr. SMUCKER. Do you think as an individual Member or Members together, do you think we would have an opportunity to object to unauthorized spending during consideration of appropriations bill? And if so, how would that be done?

Ms. GRESZLER. Yeah, I think not just an opportunity, but an obligation that funds should not be going to programs that are unauthorized.

Mr. SMUCKER. Yeah, thank you. Thank you, Mr. Chairman.

Chairman ARRINGTON. I thank the gentleman from Pennsylvania and yield five minutes now to Ms. Wexton from Virginia.

Ms. WEXTON. I thank the witnesses today—

Chairman ARRINGTON. Push, there you go.

Ms. WEXTON. Thank you very much to the witnesses for being here today. Federal workers are the backbone of our government and carry out important functions and services every day that keep our country running smoothly. It is unfortunate that my colleagues across the aisle hosting this hearing aimed at disparaging the Federal workforce during Public Service Recognition Week. What is worse than that are the cuts that they are considering.

The proposal would be catastrophic for families across the country. It is designed to make it more difficult for Federal employees to serve the American people, almost as if they don't want government to function effectively.

Pediatric mental health. The U.S. is in the middle of a pediatric mental health crisis, and as a mother, I am heartbroken that we are not doing more for our children. I am proud to have fought for programs to help address this mental health crisis, including get-

ting more mental health professionals in schools, including the impact of social media on children's development and wellbeing, and the 988-suicide hotline.

The proposed cuts threaten families' access to these crucial programs in the middle of a crisis. Mr. Dutta-Gupta, how would decreased funding limit access to care for our kids and our families? How would this decreased funding that the Republicans are proposing in their budget, how would that limit the options for—how does that limit access to care for our kids and families, please?

Mr. DUTTA-GUPTA. Yeah, it would be significant. We are already facing the end of the continuous coverage requirement in Medicaid because of the end of the Public Health Emergency. We are expecting up to 15 million people to lose coverage. People need health insurance coverage to access the care and treatment that they need, and for young people and families, including those struggling with mental health challenges, it is often the only way that they can possibly be at their best, and I think that is what we all want. So, they need that coverage that is not being provided often in low paid jobs, and it is not being provided through any other means than these public programs.

In some cases, they would have to wait until it becomes an acute crisis, which is the worst possible outcome.

Ms. WEXTON. It is not only bad for their health, it is also bad for the bottom line for sure.

Mr. DUTTA-GUPTA. That is right.

Ms. WEXTON. The cuts could impact hundreds of thousands of children and cause them to lose access to childcare in preschool for nearly 6,000 children in Virginia. What impact would this have on children's wellbeing at large and largely within the economy with women in the workforce? What impact would this loss of childcare access have on women in the workforce as well as their children?

Mr. DUTTA-GUPTA. One of the clearest findings in research is that childcare helps women succeed in the labor market. So, you would be undermining our labor force participation and employment to population ratios. Women disproportionately bear care burdens as we know, and childcare is really unquestionably valuable investment with a meaningful return for taxpayers and the country overall.

Ms. WEXTON. How about pre-K?

Mr. DUTTA-GUPTA. You know, pre-K as well. I mean, we could lose hundreds of thousands of Head Start slots too, with a bill that has been passed by the House, and that has long-term payoff. Those investments, we know, dramatically improve the outcomes of kids who go to those programs. When they are adults, they graduate from school at higher rates, they go to college at higher rates, they do better in jobs, higher earnings, higher employment rates.

Ms. WEXTON. So, that is something we would encourage right?

Mr. DUTTA-GUPTA. Yeah.

Ms. WEXTON. Yeah. The Inflation Reduction Act includes significant funding to help IRS employees address its backlog of unprocessed returns and provide better service. We are already seeing the benefits this year. I know that in our office we had very few complaints this tax season, which last year we had many. I am glad that the increased funding has really helped with that.

We are also seeing a lot of cases that have been open for a long time be closed. So, I am very pleased to see that these new people that we have hired at IRS are actually working with customer service for a change. My colleagues across the aisle have tried to call these desperately needed funds back. How would this impact IRS's ability to modernize technology, reduce backlog, and increase approved customer service, Mr. Gupta?

Mr. DUTTA-GUPTA. So, we are addressing a longstanding challenge at the IRS, so it would completely reverse some of the gains that are underway that improve people's experience interacting with IRS, reduce errors that others here have discussed today, reduce improper payments, and help more people get the payments that they are eligible for, including some key tax credits.

Ms. WEXTON. Thank you very much. One other question for you. Earlier this week, I met with a group of people from our ID and DD communities, intellectually, developmentally disabled communities, people who depend on SSI for, to live. What would happen if—what would happen if the Social Security, the cuts to Social Security that are being proposed by the majority, what would take place?

Mr. DUTTA-GUPTA. They would have to wait longer and longer for eligibility determinations, redeterminations, possibly be denied life sustaining benefits.

Ms. WEXTON. Thank you very much, and those are most vulnerable people in our society. Thank you very much. I would yield back, Mr. Chairman.

Chairman ARRINGTON. I thank the gentlelady from Virginia, and now yield five minutes to my friend from Utah, Mr. Blake Moore.

Mr. MOORE. Thank you, Chairman, and Ranking Member. Mr. Ebell, I am going to start off with just a few questions and hope to get to some of the energy-related things that you worked on, but are we as high a debt-to-GDP as we were in World War II?

Mr. EBELL. Representative Moore, I think we are at a point that is in the same vicinity. I think what we need to understand is World War II was an existential crisis. It wasn't just a phony claim of existential crisis.

Mr. MOORE. Or bad planning.

Mr. EBELL. Or bad planning, yes.

Mr. MOORE. I like to highlight to a lot of my constituents that not a single, you know, it is just, it is bad planning. We are not dealing with a catastrophic World War III, right? We are not. Our revenues are as high as they have been, right? Our spending is far higher than it has ever been. Would you also agree that, with Larry Summers, former economic adviser to Obama, and Secretary of Treasury to President Clinton, that a \$2 trillion bill done within a very, very short timeframe with no real offset spending is going to increase inflation?

Mr. EBELL. Yes.

Mr. MOORE. Thank you. Okay. So, the other thing that I have noticed about this lovely place of Washington, D.C., I am in my second term, things are actually a lot more predictable than you would assume. When Republicans lost the Senate, control of the Senate on January 5, 2021, I said to many of my colleagues, we are going to see a record amount of spending this term. The same can

also be true, and I think that they could expect, that my Democratic colleagues could expect, that when we won the majority in the House, oh, you are going to see Republicans push back on spending.

That is not like earth shattering news. That should be predictable to everybody here. So, when the debt ceiling comes up and we push back and we put a bill that has an enormous amount of spending cuts in there, is that a surprise to anybody? Do you think that that should have been a surprise to anybody?

Mr. EBELL. No, and I am a little bit dismayed by the fact that it is claimed that the Republican bill is somehow a denial of the debt ceiling crisis. The bill passed by the House raises the debt ceiling. I am not real happy about that, and maybe some of you, maybe you aren't either.

Mr. MOORE. It is hard for fiscal conservatives. It is going to be hard for people in Utah, which is one of the most—

Mr. EBELL. But the fact is, the House is the only part of the tripart structure of our system that has addressed the debt ceiling.

Mr. MOORE. Do you think we should be at least exploring opportunities for restraint in our spending right now, given those realities? Our highest debt-to-GDP ratio. We have never had spending at what it is. We just came off of 2 years of the record spending. Do you think we should at least explore some constraints?

Mr. EBELL. Yes.

Mr. MOORE. Thank you. Okay. Easy questions. I get that. I am not trying to be flippant, but I would love your perspective on one particular thing. With respect to the Inflation Reduction Act, there has been some—and I have looked into this—there has been some independent review of the cost of that bill. Is there an area that we could come together and say, yeah, that is far more expensive than what it was set out to do? It is also not going to target lower income individuals. If you give an EV tax credit to folks, those are wealthier individuals that can buy an electric vehicle and they are the ones that are going to benefit from that bill. Is there an opportunity to look at that bill and say, we can claw back some of this and find a way to restrain some of this spending?

Mr. EBELL. Well, yes. As you know, I support, and CEI supports the complete repeal of all of the energy subsidies and handouts in the so-called Inflation Reduction Act, but yes, if there has to be compromise, and I understand that legislation is a messy business, then I think you could put caps on, for example, the amount of money that will be expended for the various subsidy categories because they are all uncapped. They are open ended.

Mr. MOORE. Another thing that I find fascinating, from the years of 2011 to 2018 when Republicans had control of, at least the House, like you saw significant cuts to discretionary spending. Did our government continue to operate? Did we continue to provide services to people? Were we able to look in that budget and find areas to cut? Obviously, leading towards this concept that we can roll the clock back about 5 months, about when we were operating under Fiscal Year 2022. Roll it back to that timeframe and put some spending caps going forward. Is that completely unreasonable?

Mr. EBELL. It is reasonable.

Mr. MOORE. Thank you. I yield back.

Chairman ARRINGTON. I thank the gentleman from Utah. I now yield five minutes to the gentleman from Maryland, Mr. Trone.

Mr. TRONE. Thank you, Mr. Chairman. We were called here today to talk about a woke government. Fascinating. Our government's barreling toward a default on its debt. Americans are dying in record numbers from mass shootings. Americans are dying in record numbers from suicides. Americans are dying in record numbers from drug overdoses. Yet, here we are to talk about wokeism, and women are living in fear of horrific limits on abortion access to their healthcare. We came to Congress to try and get stuff done and to help and focus on our Nation's most important problems. Frankly, wokeism, isn't it.

I would also like to correct the record of the previous gentleman. We talk about the deficit. The deficit under the last year of President Obama was, give or take, \$470–\$480 billion. Third year of President Trump, before COVID, before that hit, it increased a record amount more than it has ever increased. Under President Trump, the biggest increase ever to our deficit up to \$980 billion because of a ridiculous tax cut to C-corporations from 35 to 21 percent, which effective rate is probably 10 to 12 percent. Why are our C-corporations, Google, Apple, eBay, paying 10 and 12 percent when our hardworking families are paying 15, 20, 25 percent? That doesn't make any sense.

But President Trump, after last night's debate of lies, and lies, and lies, the Republicans can't seem to get out of their way on what is truth and what are lies, but we got to go with the facts. The facts are where we are in life. So, let's try and talk about the deficit with reality and not just make up a bunch of BS because it fits the talking points that some staffer gave someone that has never ran a business, never had a payroll, doesn't have any conception what the deficit really means.

Last month, the Republicans released the exclusive, the Default on America Act. The debt ceiling was drafted. No hearings, no transparency. That is because it is a bad deal for working Americans. The Default on America Act would hurt our country, hurt our people, hurt our children, hurt our future, but extreme Republicans still voted to pass it.

Mr. Gupta, on a brighter note, this week is teachers' week, teacher appreciation. What a great time to recognize America's teachers and the important role they play, but, but extreme Republicans have a funny way of celebrating. The Department of Education is estimated, from the Default to America Act, to lose \$4 billion cut from schools serving low-income students, resulting in 60,000 fewer teachers, 60,000 less teachers. That is the Republicans' plan. That doesn't sound too good about our children, does it? Not to me.

Your testimony explores how these critical programs such as Head Start—we all have to love Head Start. It works. We know it works. For our children and our families, this debt ceiling is going to result in hundreds of thousands of children losing access to these programs. So, in addition to hurting the children, hurting the families, how might these cuts have that opposite effect on the economy? What are they going to do with the economy that, then what the Republicans claim they are going to do?

Mr. DUTTA-GUPTA. It will slow our growth or even shrink our economy. It will reduce the foundation of our economy that the government does play a central role in ensuring.

Mr. TRONE. Bring our growth rate to a halt. Stop an economy that is growing. Stop an economy that has record folks working in the economy, the record low unemployment. Stop all of those awesome things that have happened. Instead, bring us backwards because they don't understand that a nation has to carry debt. As the Nation gets bigger, we carry more debt than we do in World War II. What a stupid question. World War II debt. What was happening in 1945, compare our economy today, in 2023 to 1945, and somehow that is germane. It is not germane. Mr. Gupta, your thoughts?

Mr. DUTTA-GUPTA. The United States can clearly afford this debt. People will be willing to continue to buy United States debt if we don't threaten the validity of it. It is one of the safest, if not the safest, investment in the world and in extraordinary demand and continues to be.

Mr. TRONE. You get bigger, you have more debt. My company at \$6 billion has hundreds of millions more debt than we had at \$1 billion.

Mr. DUTTA-GUPTA. You can use it—

Mr. TRONE. That is the way it works.

Mr. DUTTA-GUPTA. You can use it to finance investments. When you buy a house, you net.

Mr. TRONE. How you grow, how you build.

Mr. DUTTA-GUPTA. Yeah.

Mr. TRONE. Thank you. I yield back.

Chairman ARRINGTON. I thank the gentleman from Maryland and yield five minutes to my friend from Minnesota, Ms. Fischbach.

Ms. FISCHBACH. Thank you, Mr. Chair, and that last exchange just explains to me, you know, it is a perfect example of the absurd arguments that are being made to increase the out-of-control spending. I did have some questions, but after sitting here for a while, excuse me, I just have to say a few words because the arguments that are being made, and I think that Representative McClain was talking a little bit about, you know, pleading with the other side to come and help us get this spending under control, but they continue to use these outrageous emotional arguments about the things that would get cut.

They will not admit that we can do better, that we can do better. There are things that could be scaled back, that can be, let's face it, cut, in the Federal Government, there are places, but instead, what we always end up hearing about is, of course, they are going to cut, you know, food to children, and I think that that was one of the examples that Representative McClain used, and, you know, it is typical fashion for the Democrats to throw out the most extreme and emotional arguments that they can find because they are unwilling to admit that there is out of control spending.

I have been here two years and all I have seen is Democrats spend money, the first two years I was here, and now, they are unwilling to admit and, you know, they can blame it on Trump, they can blame it on Republicans, whatever, but let's face it, we have to get this under control.

There was a mention of this is going to hurt our children, this is going to hurt our future. The spending cuts were going to hurt them, but having this kind of out-of-control debt is going to hurt them even more and hurt the future of the country.

Like I said, I had some questions, but I really felt the need to just get that out because the other side is just unwilling to admit it, just plain and simple. They will make no efforts to cut a dime because what they want to do is continue to spend, and spend, and spend, and spend. They feel like there is no responsibility to the taxpayers, to those middle-class folks, the lower income folks that they talk so passionately about, but they are paying for this debt, too, and we have to get it under control. We have to get spending under control.

So, I feel very strongly that the American people want us to do this. They want us to get this under control. They understand that out-of-control debt, out-of-control spending does nobody any good, and I had to say that. I had to get it off my chest, because as I sit here, and I listen to these ridiculous arguments that we are going to starve children. We are going to do all kinds of horrible things.

Then come to the table and help us figure out this issue, that is all I ask. If they don't want that to happen, then where are they? They claim all these horrible, horrible things but won't actually help, but won't actually admit that there is even a problem.

They talk about, we could potentially, you know, we can afford this debt. It doesn't make sense. So, I ask, and I appreciate all of the witnesses being here, and all of you have put up with a lot of us all day long, and you have been here for the long haul. So, I appreciate that and I appreciate all your work, but I just, I had to talk a little bit about that because it has been so frustrating today to hear that they won't even come to the table and help. So, thank you, and I yield back, Mr. Chair.

Chairman ARRINGTON. I thank the gentlelady from Minnesota, and yield to another gentlelady from Oklahoma, my friend, Ms. Stephanie Bice.

Ms. BICE. Thank you, Mr. Chairman, and thank you, Ranking Member Boyle. I first want to start out by saying that the comment was made earlier that obligations were made and that the United States needs to pay their debt, but let me be very clear, obligations were made by some. I was not one of those. In the last two years, \$11 trillion worth of obligations were made. I did not agree with many of them, and it is sort of rich to sit here in this room and hear the other side of the aisle talk about how this didn't go through proper order, because I don't recall a single one of those very large bills, not only going through proper order, but not accepting amendments to be able to cut some of the wasteful spending that was in those bills. So, it is frustrating for me to sit here and hear, to be lectured by that.

Now, my friend on the other side of the aisle brought up a great point. He said, it is Teacher Appreciation Week, and I am incredibly honored to have my sister-in-law as a teacher back home. Shout out to Lisa, you are doing an amazing job. Mr. Gupta, how much did Democrats appropriate in Fiscal Year 2023 for the Department of Education?

Mr. DUTTA-GUPTA. I don't know that.

Mrs. BICE. One hundred seventy-five billion dollars. Do you know how much they appropriated in Fiscal Year 2023 for the Department of Energy, including loan payments?

Mr. DUTTA-GUPTA. I don't, but I bet you do.

Ms. BICE. Four hundred seventy-eight billion dollars. Seems to me that Democrats care more about climate change than kids. Let me make a couple of points on that particular issue. The so-called Inflation Reduction Act enacted last year, gave \$271 billion in tax credits to pay for green energy projects favored by Democrats' donor class. The preliminary JCT estimate, independent analysis keeps raising the price tag on that, with one recent estimate putting the green subsidy handouts at \$1.2 trillion. The debt ceiling is tied to spending. That is why we are in the position we are in, because we keep writing checks that the government can't cash. This has to stop.

To the points that have been made by my colleagues McClain and Fischbach, and many others, you can't sit here today and tell me that there is not one single dollar that can be cut, and we have been told over and over, I hear it in the press every day that Republicans haven't done anything. Hogwash. We passed the debt ceiling with offsets because we recognize that this is an unsustainable path. We can't continue down the road that we have been going over the last couple of years.

So, Ms. Greszler, interest rates have been hiked up ten times in response to Bidenflation. More Americans are unable to buy a home than they were a year ago. Can you talk about how interest rates are impacting the current situation with debt?

Ms. GRESZLER. Yes, the interest rates are exacerbating it, and those interest rates were caused by excessive government spending, most of which was passed after the crisis was truly over, and the problem here in talking about from the other side saying that the Republicans' Limit, Save, Grow Act is not accounting for inflation, Americans are already paying for their own inflation. Their wages have gone up by over \$5,000, but inflation has eaten away over \$8,000. So, they are actually \$3,000 poorer, and now, they are being asked to pay for the government's share of inflation, on top of that within the next year alone, \$11,500 in added debt to every household.

Ms. BICE. Mr. Ebell, Ms. Agostin, do you want to comment on that, too?

Mr. EBELL. Yes. I appreciate your focus on the energy slush funds in the so-called Inflation Reduction Act, and one of the things that you ought to focus on, you mentioned the Department of Energy. The Inflation Reduction Act raises the loan authority for green energy by \$350 billion. That is a lot of Solyndras.

Ms. BICE. Ms. Agostin, if you want to quickly comment on that as well, the interest rates issue.

Ms. AGOSTIN. Well, if you don't mind I don't want to comment about interest rates.

Ms. BICE. Fair enough.

Ms. AGOSTIN. What I do want to say is to your sister-in-law, I believe you said is a teacher. I just think that the teachers are as much a victim as the students when the woke ideology has totally

overtaken the institution that is our education system. I don't think your sister-in-law wants to teach kids that America is systematically racist.

Ms. BICE. Amen. To your comment about energy, I want to make a couple of points here, Mr. Ebell, if I may. The Inflation Reduction Act has given so much money to these sort of Green New Deal initiatives, including the estimates on the cost of electric vehicle battery production alone could cost upwards of \$196 billion. That is 540 percent more than the initial estimate of \$30 million—I am sorry, \$30 billion.

But the bigger issue here is China. China controls 50 percent of the processing capacity of key EV battery inputs like lithium, cobalt, and graphite. We, through these policies that Democrats have passed in the last two years, are becoming more and more and more reliant on China, and that is a problem for the future. Mr. Chairman, thank you for indulging. I yield back.

Chairman ARRINGTON. I thank the gentlelady and yield five minutes to the gentleman from Oklahoma, Mr. Josh Brecheen.

Mr. BRECHEEN. Thank you, Mr. Chairman. So, \$1.4 trillion is what we will overspend, the Congressional Budget Office projects this year. That was the size of our gross national debt exactly 40 years ago. So, for all of us that can remember where we were 40 years ago, and to think about the optimism and, you know, it took us 200 years as a Nation to get to \$1.4 trillion gross national debt. We will overspend this year in one year what it took us 200 years to accumulate in debt, and then ten years from now, the Congressional Budget Office says that is just the interest payments on our debt.

It was mentioned a minute ago. I am appreciative you take the \$6.2 trillion spend, multiply it times 0.77, or 0.72, rather, you do find out that in 2017, that our government was 30 percent less than the size that it is today. So, 30 percent less the size of government, totality in our spending 6.2 comparative to 4.5, we were that much less in the size of our government. Then, if you look at our dollar, I have a little prop, right? Props are fun. We know that since 2017 that if I fold back about 20 percent of this instrument of purchasing, that is the devaluation of our currency since 2017.

So, at the same time that our government's grown 30 percent, we have lost 20 percent of the value of our spending, and it is amazing. It is not just the devaluation of currency, it is that the countries around the world. Someone said a while ago, I don't mean to be mean spirited, but we talked about the strength of our world reserve currency. In 1983, that was an accurate statement, but when you have Brazil, Russia, India, China, and South Africa going, wait a minute, we think we will create our own European Union type currency. What has caused many people to believe in quantitative easing for years has been the thought that the world reserve currency would save us in our petrol dollar. That is being questioned.

So, man, we have got to take an honest look at the problems that are before us. It is really astounding that when we look at the spending and people say, well, it is about, you know, not spending enough here. The Democrat ideology is sacrificing our prosperity on the altar of the church of nature when it comes to what they are

doing with going after what needs to be another .com type boom in America. We have got to cut and we have got to grow.

I appreciate you bringing up a while ago that from 1992 to 2000, there was a four percent economic growth GDP. Well, what is causing us to get in the one percent now in this first quarter? It is because we are fighting with our hands tied behind our back and China and Russia are laughing at us. We have become not work brittle, they are work brittle. They are not abiding by the Paris Climate Accord, and yet we are fighting with our hands tied behind our back because of a woke ideology, and we have got to grow past this and we have got to grow up, and we have got to stop appeasing radical ideology.

Food prices up 17 percent in the last several years since 2021, since the Biden Administration took over. Gas prices up 37 percent. Real wages decreased 3.5 percent. Somebody today will spend, on average, \$13,000 more to buy the exact same goods and services as they did, you know, prior to Biden taking office, as a family. The ability to buy a home, to get a mortgage because of rising interest rates, 15 percent higher than just a year ago. Small businesses struggling to find line of credit, more seniors seeing their lifetime savings wiped out because of this, and then top three tier type banks looking to, having to go under because of this system that we have created. It is a self-inflicted wound.

All right, so I want to jump to Paige, you—Ms. Agostin, I apologize. You had mentioned earlier some of the egregious spending. I loved it. I love that you are trying to call us on the carpet as a Nation when some say there is no way to reduce spending.

Department of Health and Human Services, National Institute of Health actively pushing so-called gender affirming care, which is cross sex hormones and surgical mutilation, even for minors. I wrote a letter to the NIH a week or so ago about this. A couple of suicides and it gets brushed under the rugs, and hundreds of young adults, minors, these are young children we are giving cross sex therapy to, hormone treatment, and you have suicides, and this is what the Federal Government prioritizes?

So, I want to ask you a question. It is not just that. It is not just the hypersexualized culture. It is also where we are going backwards when it comes to race, and we are trying to drive ourselves back to a place to where we are incentivizing a focus on not being color blind but looking at color versus the content of your character. Can you speak to that?

Ms. AGOSTIN. Sure. If I may, there was somebody quoting Merriam Webster. I will just quote Kendi, “If racial discrimination is creating equity, then it is antiracist.” So, they redefine language as you do when you are embarking on a cultural revolution in order to reestablish systems of discrimination based on identity. Race being one of them.

Mr. BRECHEEN. I am out of time, Mr. Chairman. I thank you for your indulgence.

Chairman ARRINGTON. I thank the gentleman from Oklahoma, and now yield five minutes for my friend from Wisconsin, Mr. Glenn Grothman.

Mr. GROTHMAN. Thank you. I just got a few questions here. It seems our country is in a lot of trouble, and I would just like to

focus on things that I think make that problem worse. Ms. Greszler, I want to focus a little bit on the Earned Income Tax Credit, something I have long disliked for a variety of reasons. One of the most embarrassing things Republicans have done, I think, in the last 40 years, but that tax credit, which is really a welfare payment, is this right that almost 32 percent of the payments are improper every year?

Ms. GRESZLER. No, it is incredibly inefficient, and it is costing \$1.46 from one person to transfer that \$1 of Earned Income Tax Credit to somebody else.

Mr. GROTHMAN. It is very inefficient, right? And 32 percent of the payments are improper, which I will believe because it is so easy to cheat on it. Is that accurate?

Ms. GRESZLER. Correct.

Mr. GROTHMAN. Okay. Could you comment on, in general you think it is something we should keep going, or is it one of those places where we are giving a lot of money to people who maybe are only getting it fraudulently? And it discourages work, too, doesn't it? Do you want to lecture the Committee on how it discourages work?

Ms. GRESZLER. Yes. In the phase-out ranges with that credit, it poses very high marginal tax rates that discourage people from pursuing either more work or from pursuing education that would allow them to further climb the career ladder and taking—

Mr. GROTHMAN. Is it true depending on your family size, it discourages you from making another \$16,000 a year, or \$20,000, or \$26,000, or whatever, the well-informed will say, sorry, I can't improve myself more than, say, \$25,000 a year or I am going to lose my Earned Income Tax Credit?

Ms. GRESZLER. Yes. That program, combined with others, actually makes sense for people to not pursue better opportunities.

Mr. GROTHMAN. Well, thank you. Very good. That is what we want to hear. Next thing, President Biden's so-called American Rescue Plan expanded the child tax credit by removing work requirements and turning it into an unconditional cash payment per child. What effect on the moral fiber of this country will these changes have?

Ms. GRESZLER. It is incredibly problematic, and there were studies that showed that for the lowest income children, that would actually make them worse off because it would reduce labor force participation, and this is not a partisan issue. I like to remind people, President Clinton quoted Robert Kennedy when he said, work is the meaning of what this country is all about. We need it as individuals. We need to sense it in our fellow citizens, and we need it as a society, and as a people. Work is crucial, especially when you have children in the home, to building those foundations for success, and today, what we are talking about, in some of the limits that have been put, the work requirements in the Limit, Save, Grow Act, those are not even targeted at individuals with children. Those are individuals without children, older ones, and when I have been looking at what is happening in the labor force today, employment among people who have no children under the age of 18 at home is down by 1.6 percent. Employment of people who have children in the home is up by 1.3 percent.

So, it is not the families with children that are struggling today. Their employment has improved. It is predominantly people who don't have children at home who are not working.

Mr. GROTHMAN. So, I want you to restate that in this fashion. They always talk about the booming economy and the low unemployment rate, but that unemployment rate doesn't take into account: people are sitting on their butt, not trying to get a job does it?

Ms. GRESZLER. There are 2 million fewer people working today, and I do want to correct that for the record. The employment-to-population ratio is not higher than it has ever been. It is lower, and it is the equivalent of 2 million lower compared to February 2020.

Mr. GROTHMAN. Okay. So over time, under the Biden Administration, I think this is a goal of the Progressive Party, they like everybody dependent on the government, more and more people are just sitting it out because they can sit it out or working for cash, right?

Now, we got to mix it up a little bit here. Ms. Agostin, the Biden Administration, a memo was released or a whistleblower put it out there, encouraging the investigating of Catholic groups because I guess they don't like people who take their religion too seriously. They decided to also slander Catholic groups and say that they were, you know, filled with White supremacists, or working with White supremacy. Did the administration offer any justification for this action within the, particularly within the—it would appear like among other things, it is going against the free exercise of the religion clause of the First Amendment.

Ms. AGOSTIN. Sure, and I think that is part and parcel of what this Department of Justice is. It is weaponized against the American people.

Mr. GROTHMAN. Right, and over time, this government, this big government is going to be used to go after political enemies in particular, not just political enemies, but religious enemies, as they always do in a totalitarian state. Thank you very much.

Chairman ARRINGTON. I thank the gentleman from Wisconsin and yield five minutes to my friend from Georgia, Mr. Buddy Carter.

Mr. CARTER. I thank the gentleman for yielding and I appreciate all of you being here and what an appropriate and timely hearing that we are having that is entitled, "Exposing the Woke, Wasteful, and Bloated Bureaucracy," and nothing could be further from the truth. Thank you for that. This is something we needed to have, Mr. Chairman, and I do thank you. You know, I sit on the Energy and Commerce Committee and I have witnessed what has been going on with bloated, and bureaucracies, and it is very frustrating, especially when it comes to energy and climate, and I see this rush to green. Look, I have the honor and privilege of representing the entire coast of Georgia, 100 miles of pristine coastline, and it also happens to be my home, where I have lived all my life, and no one cares about the environment more than I do. So, I discharge this theory that we don't care about the environment. We do care about the environment.

But at the same time, what I am seeing, why this administration has been nothing less than an all-out war against fossil fuels. Day

one, this administration declared war against fossil fuels. You know, both parties share the same common goal and that is to decrease carbon emissions. It is not to decrease choices. The United States has decreased our carbon emissions more in the last decade than the next 12 countries combined while growing our economy. We have proven that it can be done, and even today, look at what is happening. The EPA's got a new power plant rule that will have significant new requirements on our baseload generation, more regulations. Unbelievable.

I would submit to you that what is going on in our economy right now is self-inflicted. Day one, when this administration declared war on fossil fuels, price of gasoline went up, inflation went up, interest rates went up, and now we got the mess that we have got. Self-inflicted, unnecessary, and it just frustrates me to no end.

Mr. Ebell, I want to ask you because you know a lot about climate policy and about free market environment. What type of consequences do you think that this administration and their policies have had on Americans, on everyday Americans, whether they make over \$400,000 a year or whether they make less than \$400,000 a year?

Mr. EBELL. Thank you, Representative Carter. You know, I think the consequences of these policies are really bad economically on the American people. They are also bad environmentally. Economic growth and opportunity are the basis of environmental protection. So, when you degrade the economy, you will degrade the environment as well. So, I think they are hiding a lot of bad things behind the climate blob, green blob. They are saying, oh, we have to do all these things because of climate, but in fact they have very deleterious impacts on the environment as well.

Mr. CARTER. Thank you. Ms. Greszler, what about you? What is your opinion?

Ms. GRESZLER. Well, I think that we are seeing the green energy agenda shift into other areas of the government as well and even threaten them. I know that the U.S. Army right now is facing a recruitment shortage, and then the same time that they are doing that they were submitting a 50-page report of their new green energy climate plan, and so, they are having to divert their resources towards fighting climate change instead of actually having the proper amount of army to protect the Nation.

Mr. CARTER. You know, in the first two years of the Biden Administration, Ms. Greszler, this government has spent over \$500 billion in improper payments, but instead of seriously working to address that problem, President Biden's budget proposes to inject even more spending on some of the worst performing programs, such as Medicaid, which spent \$80 billion improperly last year, a 15.6 improper payment rate increase. Again, another example of the Federal Government failing to do its job and not even attempting to fix it or get better. What are the consequences for taxpayers because of this lack of accountability?

Ms. GRESZLER. Well, they are already paying about \$1,800 per year, but I think it is incredibly insulting to them and causes them to lose faith in their government when the Federal Government expects taxpayers to pay the correct amount based on a 7,000-page tax code, and then the Federal Government, when it is admin-

istering the programs that it designed itself, is spending \$1,800 per household, per year, \$245 billion in total, making improper payments.

Mr. CARTER. Well, I am out of time, but I do want to thank you all for being here, and I want to thank you again, Mr. Chairman, because this is a very appropriate and a very timely hearing that needs to be brought to the attention of the American people because this rush to green as if we don't care about the environment is ridiculous. We do care about the environment, but we also care about our economy. We also care about people being able to make it, make ends meet. That is what we want to do. Thank you, Mr. Chairman, and I will yield back.

Chairman ARRINGTON. I thank my friend from Georgia. I couldn't agree more. We love God's great Earth, and we are stewards of those natural resources, but we better be stewards of taxpayer resources, or everything that anyone cares about on any side of the political spectrum will be irrelevant because we will bankrupt the country.

With that closing remark of mine, much shorter than my introduction, I might add, I want to thank the witnesses. You all did a lot of prep to come here, and you spent a lot of time with us. You have been generous. We appreciate your insights, your input, and God bless you, and we will close by saying that Members can submit written questions to be answered in writing. Those questions and your answers will be made part of the formal hearing record. Any Member who wishes to submit questions for the record may do so within seven days, and with that, the Committee stands adjourned.

[Whereupon, the Committee was adjourned.]

5/11/23

Budget Committee Hearing: “Exposing the Woke, Wasteful, and Bloated Bureaucracy”

Rep. Barbara Lee (CA-12) Question for the Record:

Please direct this question to the Democratic Witness, Mr. Dutta Gupta.

“In my own state of California, cuts proposed by Republicans will put over 2.6 million people at risk of losing Medicaid coverage, eliminate preschool and childcare for at least 35,000 children, and reduce access to outpatient care at Veterans Affairs medical facilities by approximately 2.3 million visits. These are impacts on people’s daily lives, they are not just statistics. These are real everyday challenges people will face if these cuts are passed.

What additional impacts are the American people going to feel if Republican budget cuts are implemented?”

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What additional impacts are the American people going to feel if Republican budget cuts are implemented?”

The Republican Limit, Save, Grow Act includes a number of budget cuts affecting the American people. These cuts would impede on any progress that has been made in reducing the wealth gap and achieving racial equity, and Americans would feel the effects of these policies for years to come. Some key provisions of that bill that would be particularly detrimental are listed below:

- Instituting discretionary spending limits for 10 years, beginning federal fiscal year 2024 (October 1, 2023 - September 30, 2024), that would be sizeable from the start and would become increasingly severe over time as they failed to keep up with inflation and population growth. The legislation does not set separate caps for military and domestic discretionary spending, and House Republican leaders have suggested that both military spending and veterans’ health care would be protected, forcing even more extreme cuts to the remaining programs.
- Rescinding the approximately 2 percent of funds appropriated for combatting the pandemic that remain unobligated.
- Rescinding long-needed funding for the Internal Revenue Service that is helping level the playing field between the wealthy and working class.
- Undoing President Biden’s student debt relief and income-driven loan repayment plans.
- Undermining or eliminating recently enacted incentives to help address the climate crisis while expanding fossil fuel investments.

- Mandating new work reporting requirements to take food, health coverage, and meager income supports from people.
- Restricting longstanding regulatory authority from federal agencies.

In particular, the cuts to Medicaid, SNAP, and TANF would shrink health coverage and grow poverty. The bill's provisions would expand or impose novel bureaucratic work reporting requirements, despite decades of empirical evidence making clear that mandates are ineffective in promoting work. Millions of people, including more than a million children could lose benefits due to the onerous paperwork requirements, including many who are working or should qualify for an exemption.

The damaging impacts of the Republican budget cuts resulting from the discretionary caps in the "Limit, Save, Grow Act", would be widespread—or impossibly deep if concentrated among a smaller share of vital programs that keep American children and families healthy and safe. If implemented, the cuts will be particularly harmful to low-income individuals and families and people of color. The legislation slashes everything including programs that support economic success such as school meals, job training, housing assistance, and access to postsecondary education.

According to analyses by the White House, the bill would also cut 780,000 jobs from our economy. 1.7 million women, infants and children could lose nutrition assistance, and 600,000 families would lose access to rental assistance. 200,000 children, would lose access to child care and 180,000 would be cut from Head Start. This will force more parents to drop out of the workforce and fewer people contributing to the economy.

The Pell Grant program could also be completely eliminated for 80,000 students and those who retained it would lose close to \$1,000. This will make it much harder for lower income students to access postsecondary education and will reduce enrollment at public institutions. 700,000 Americans would also be unable to access job training and employment services through the Department of Labor.

