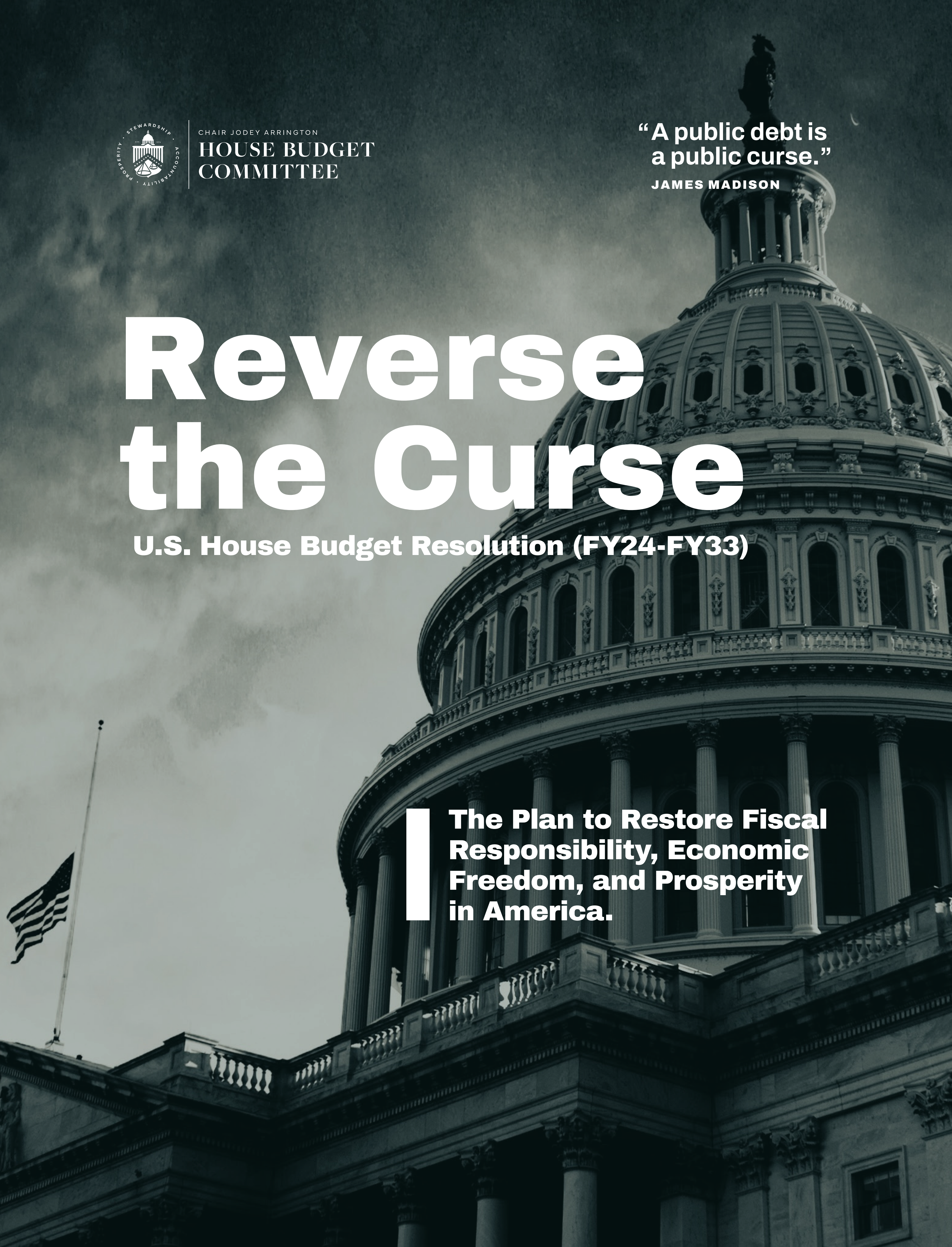

CHAIR JODEY ARRINGTON
HOUSE BUDGET COMMITTEE

"A public debt is a public curse."

JAMES MADISON

Reverse the Curse

U.S. House Budget Resolution (FY24-FY33)

The Plan to Restore Fiscal Responsibility, Economic Freedom, and Prosperity in America.

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Part I

Sounding the Alarm: America's Unsustainable National Debt

"A public debt is a public curse."

So said James Madison in a letter to Henry Lee in 1790. At the time, the new American government was struggling to pay off its $75 million debt to France, a country which had its own problems dealing with an increasingly violent revolution.

Today, our unprecedented, almost incomprehensible, $33 trillion national debt has eclipsed the size of our economy—the largest in the world. We have the highest debt-to-Gross Domestic Product (GDP) ratio since World War II—and we're in a time of relative peace and prosperity!

According to the nonpartisan Congressional Budget Office (CBO), over the next decade our annual deficits will double, our interest payments will triple, and for every dollar we borrow, 50 cents will go just to paying interest on this debt.

At this rate, interest payments alone will exceed what we spend on our entire national defense in less than 5 years. And, for the first time since the 1980s, Social Security and Medicare will become insolvent in this 10-year budget window—the most recent Trustees reports project that Medicare's Hospital Insurance (HI) Trust Fund will be insolvent by 2031 and the Social Security Trust Fund will be insolvent by 2033.

The 30 year outlook is unimaginable.

CBO predicts we will face a whopping $120 trillion in unfunded liabilities and an indebtedness twice the size of our economy.

These numbers are overwhelming and unsustainable.

This massive debt is being driven by the explosion of automatic spending from entitlements and other mandatory programs, which accounts for more than 70 percent of our overall spending, and 90 percent of our overall growth in spending over the next decade? This runaway mandatory spending is fueled by three major factors:

- Proliferating generational retirement—10,000 seniors per day
- Rising health care costs—185 percent increase over the past 20 years
- Soaring interest on our debt—35 percent of federal taxes within three decades

This runaway explosion in mandatory spending has caused our deficits to explode and crippled our ability to fund federal priorities like infrastructure, our food supply, and even the military, undermining our economic vitality as well as our national security. In the 1960s, defense spending relative to GDP was 9 percent. Over the years, this has shrunk by nearly 70 percent, with defense spending today accounting for just 3 percent of GDP and declining.

The bottom line is this: our out-of-control deficit spending and unsustainable debt is the greatest long-term threat to our country and our children's future.

No responsible leader can look at the rapid deterioration of our balance sheet, with its unsustainable deficit spending and massive unfunded liabilities, and stand idly by, defending the status quo.

The American people gave us a divided government not to sit in our respective corners with folded arms, but to responsibly govern by confronting the big challenges facing our country.

Let's be clear: both parties have contributed to this alarming financial predicament. This isn't a Republican problem or a Democrat problem – it's America's problem, and it's a mathematical reality that will requires real leadership from both sides of the aisle before it's too late.

Two scenarios will emerge if we fail to confront this challenge:

1. A slow and painful economic demise from sustained stagnation, OR
2. A swift and catastrophic sovereign debt crisis whereby our creditors lose confidence in our ability to service and repay our debt, jeopardizing the dollar's dominance as the world's reserve currency and resulting in massive tax hikes and austere spending cuts.

With dwindling resources and dire choices, both scenarios would imperil our Republic and our nation's future.

The only other time in American history that our debt-to-GDP ratio has been this high was in the aftermath of World War II. We were not only able to recover from that, but the United States emerged as the world's only superpower.

Their strategy was simple, but certainly not easy—persisting in the difficult task of reducing spending and putting the right policies in place to grow the economy.

If we demonstrate that same sense of urgency, persistence, and political courage, we will preserve America's leadership in the world and secure the blessings of liberty for our children. If we don't, we will be the first of our nation's leaders to leave the next generation not with a better and brighter future, but with a worse and weaker country than we inherited.

We must "reverse the curse."

Part II

Making Matters Worse: Biden’s Reckless Spending and Failed Economic Policies

Over the past two years, Democrats have financed their radical agenda and vast expansion of the federal government with an unprecedented $11 trillion in spending—$6 trillion of which has been added to the national debt. Under the guise of Covid relief, Democrats’ unbridled spending President Biden failed economic policies have lit the fuse on an inflationary firestorm resulting in soaring interest rates, a stagnant economy, and a nation on the precipice of an irreparable debt crisis.

Biden's "Inflation Reduction Act" (IRA) tax-and-spend monstrosity imposed massive tax hikes on job creators, strangled domestic oil and gas production, unleashed an army of IRS agents to shakedown working families and small businesses, subsidized Obamacare subsidies for wealthy Americans, and handed out hundreds of billions of dollars in Green New Deal giveaways.

The president has taxed job creators back to their knees as they try to recover in the aftermath of a nationwide shutdown.

He’s enacted policies that pay people more to stay home than to return to their jobs and waived work requirements for able-bodied adults—creating a labor shortage and trapping a whole new generation of Americans in poverty and government dependence.

He has unleashed an unprecedented barrage of regulations and executive actions at a record clip. All told, his administration has added over $400 billion in new regulatory costs on the economy. To put this into perspective, this is almost double the regulatory costs added under President Obama ($228 billion) during the same period in their respective administrations.

And, the president has launched a whole-of-government assault on American energy—the lifeblood of our economy, a cornerstone of our national security, and the blessing of affordable electricity and gas for families across the country.

Americans are suffering from a cost-of-living crisis as prices have skyrocketed by more than 16 percent while their wages have fallen for 28 consecutive months since Biden took office. Americans now make 4.6 percent less per week than they did just 2 ½ years ago, the equivalent of more than $5,000 in lost income per worker.

In March, President Biden had the opportunity to recognize this somber economic reality, reverse course, and do what the American people have had to do—tighten their belts and change their spending habits. Instead, the president doubled down on his reckless spending and radical policies, and continues to fuel the wasteful, woke, and bloated bureaucracy that is bankrupting our country.

President Biden's FY2024 budget proposes the highest sustained levels of spending, taxing, and borrowing in American history. But even after trillions of dollars of taxes on families, job creators, and energy producers, it still would not be enough to offset the massive growth in government the president seeks.

Despite the president's public pledge otherwise, his budget would raise taxes on middle-class Americans. A report from the left-leaning Tax Policy Center shows that more than 111 million taxpayers making under $400,000 would see tax increases in FY2024 under President Biden's proposal.

111 Million Taxpayers Would See Tax Increases Under President Biden's Budget Proposal.

	Includes People Earning Between	Percent of Tax Units Seeing a Tax Increase	Number of Tax Units Seeing an Increase	Average Tax Increase
Lowest Quintile	Less than $30,800	34.6	16,611,460	120
Second Quintile	$30,801 - 60,400	67.3	27,330,530	280
Middle Quintile	$60,401 - 107,300	76.6	28,702,020	570
Fourth Quintile	$107,301 - 194,800	72.4	21,937,200	1,220
80-90th	$194,801 - 284,400	84.6	10,888,020	2,080
90-95th	$284,401 - 410,200	97.6	6,129,280	3,210
Total Source: Tax Policy Center			**111,598,510**	

President Biden's vast expansion of the federal bureaucracy and radical reimagination of the government's role in the lives of our citizens not only jeopardizes economic prosperity and security for future generations, but threatens to unravel the very fabric of our great nation.

We must rein-in the woke and wasteful spending, restore economic freedom, and unleash prosperity in America once again.

We must "reverse the curse."

Part III

Lighting the Way: Principles for Restoring Fiscal Responsibility

Ours is a country founded on the principles of personal freedom, self-determination, and hard work. That's been our history. The story of American prosperity offers an inspirational message ingrained in our national DNA. These values have led to the largest and most dynamic economy in the history of humanity and served as the foundation for the greatest opportunities, best quality of life, and highest standard of living for generations of Americans and untold people around the world.

These are the 10 guiding principles to restore freedom and fiscal accountability that inspired our budget resolution:

- The federal government and the resources that fund it belong to "We the People," not Washington politicians or unelected bureaucrats
- Congress has the power of the purse, and as such, congressional leaders are fiduciaries of taxpayer monies with the sacred trust of fiscal stewardship
- The Constitution limits the role and power of the federal government and affirms the broader role and powers of the states and our citizens
- The chief responsibility of the federal government is "to provide for the common defense" and "secure the blessings of liberty"

- Government spending, taxes, and debt have a direct impact on our freedoms, opportunities, and quality of life
- Economic freedom is essential to prosperity and prosperity is the foundation of a strong nation
- The American character of thrift, enterprise, and independence has been shaped by the freedom and opportunity provided by our economic system
- A free enterprise system is the best way to achieve maximum value for the American people
- The states are closer to the problem, more accountable to the people, and best equipped to provide the most innovative and cost-effective solutions
- It is irresponsible and immoral to leave the next generation with debt that, as George Washington stated, it would be "throwing upon posterity the burden which we ourselves ought to bear"

Our budget resolution reflects America's foundational values, including:
- Limited government
- Fiscal responsibility
- Strong defense
- State sovereignty
- Free enterprise
- Work ethic
- Personal responsibility

Guided by these values and principles, our budget offers a blueprint for balancing our budget and restoring fiscal responsibility by reining-in spending and unleashing economic growth.

Part IV

Reversing the Curse: The Path to Balance and Beyond

"Federal budgets are a statement of the values of its drafters. With this budget, Chairman Jodey Arrington and the other representatives and staff of the committee have offered a vision of how to preserve our God-given rights and get America back on track towards a more prosperous future. Their budget shows that it is still possible to balance the budget in 10 years, ending the current inflation crisis wrought by government spending.

Further, this budget offers the pro-growth regulatory reform policies that will be required to allow American families to truly flourish. Decades of left-wing assaults on our freedoms and most cherished civic institutions have sapped our national strength and weakened the American spirit. With the reforms this budget offers, we can begin the work of dismantling the weaponized regulatory state. Americans will be able to raise their families and build their communities as they see fit, restoring our civil society and preserving our way of life for generations to come."

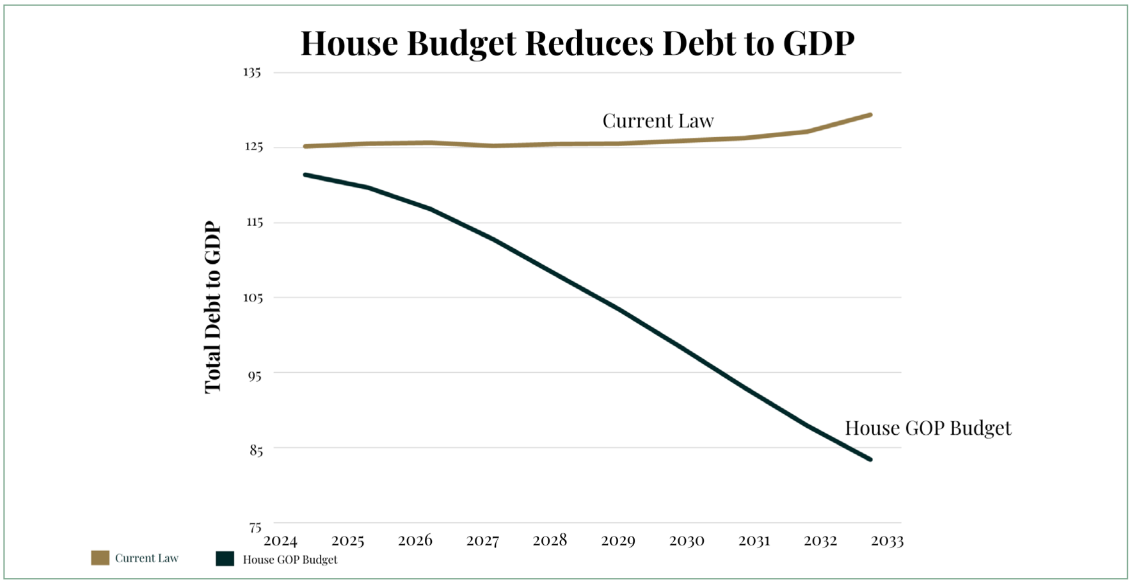
KEVIN ROBERTS, PRESIDENT, THE HERITAGE FOUNDATION

> **"The priorities outlined in this budget by conservatives in the House start our country on a path back to fiscal sanity by realizing pro-growth economic policies and a smaller federal government. They emphasize economic growth, unleashing American energy, cutting taxes for families and small businesses, and securing the border—policies that put America First. This budget offers a plan to finally reverse our country from its current debt spiral and trillion-dollar deficits. Our Nation cannot balance the budget in 10 years without starting at year one, and this budget does that."**
>
> **BROOKE ROLLINS, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AMERICA FIRST POLICY INSTITUTE, FORMER DIRECTOR OF THE WHITE HOUSE DOMESTIC POLICY COUNCIL AND CHIEF STRATEGIST**

The fiscal state of our nation is unsustainable, but not unfixable.

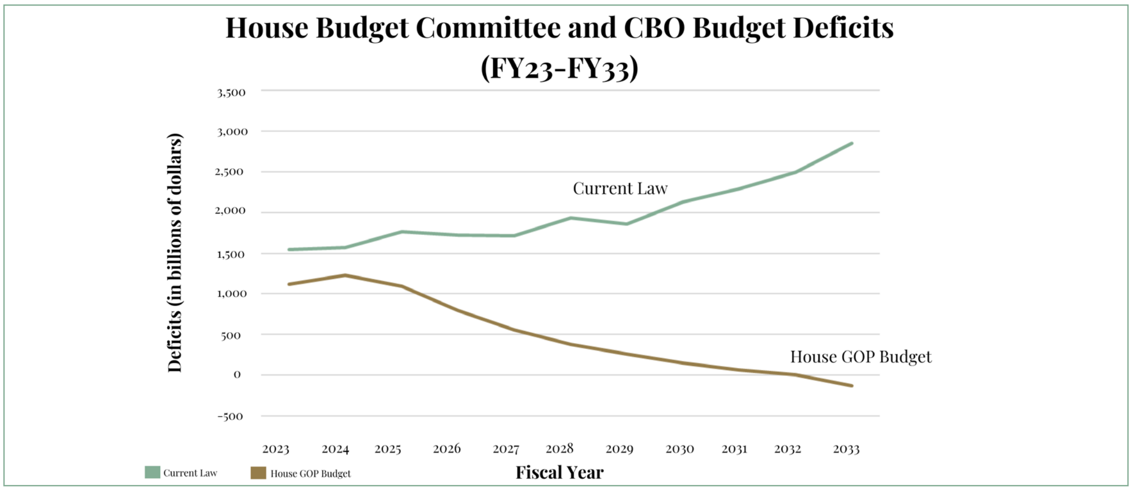
Our budget focuses on two main objectives: reducing spending and promoting economic growth. That combination over the next 10 years can and will put our nation on a path to balancing our budget and bringing down our national debt.

Our resolution proposes to cut deficit spending by $16 trillion between FY2024 and FY2033 compared to our current baseline budget—resulting in a balanced budget and a surplus of $130 billion.



When we rein-in spending and return to pro-growth policies, over time, we will reduce our debt-to-GDP ratio, restore fiscal responsibility, and put our nation on a path to prosperity.

Our budget will lower our debt-to-GDP ratio from a record high to pre-Covid levels.



A Stronger Fiscal Future:

Our budget makes it an urgent priority to enact policy reforms in the first year. In FY2024, spending would be $324 billion lower than projected in the CBO baseline. This is important for several reasons.

Too often, Congress pledges to be fiscally responsible in the long-term, but continues deficit spending in the short-term. The promised responsibility never materializes with lawmakers caring more about their immediate political futures than the long-term health of our nation.

Reducing government spending is also a necessary part of reducing inflationary pressures and reversing the cost-of-living crisis caused by irresponsible fiscal and monetary policy.

It's impossible to balance the budget and rein-in spending if government spending is growing faster than the economy. Our budget would strengthen the economy and control spending in order to right-size the government and put our country on a sustainable fiscal trajectory. Another proven principle of fiscal responsibility is to keep the growth of overall spending lower than inflation and population growth.[1] This budget does just that.

Leading by Laying out an Optimistic Vision:

Our budget represents a bold and optimistic vision for America's fiscal future. With uncommon courage and common-sense policies, we can strengthen America's balance sheet, stave off a debt crisis, and save the Union. To do that, our budget focuses on these five important strategies:

- Right-sizing the bloated bureaucracy
- Reversing Biden's spending spree
- Reining-in runaway mandatory spending
- Rooting out waste and fraud in entitlement programs
- Reigniting growth and prosperity

[1] Paul Winfree, "Causes of the Federal Government's Unsustainable Spending," Heritage Foundation Backgrounder No. 3133, July 7, 2016, https://www.heritage.org/budget-and-spending/report/causes-the-federal-governments-unsustainable-spending.
Vance Ginn, "The Responsible American Budget: Bringing Fiscal Sanity to the Federal Budget," Texas Public Policy Foundation, May 25, 2021, https://www.texaspolicy.com/the-responsible-american-budget-bringing-fiscal-sanity-to-the-federal-budget/.

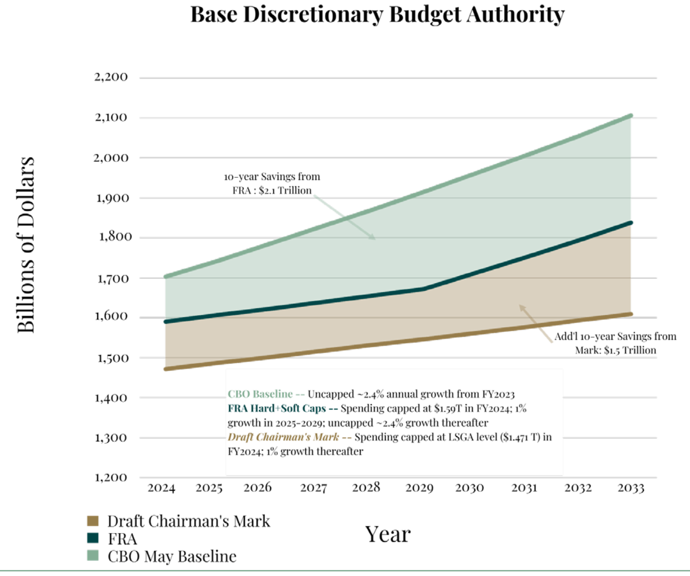
Right-sizing the Bloated Bureaucracy

> "As we look to lift our country out of this mess and restore fiscal sanity in Washington, any responsible plan must be anchored in right-sizing the bloated bureaucracy and eliminating the woke and wasteful discretionary spending."
>
> **CHAIRMAN JODEY ARRINGTON, MARCH 29, 2023**

Resetting and Restraining Discretionary Spending

Our budget right-sizes the bureaucracy and reins-in wasteful Washington spending by setting FY2024 discretionary spending at $1.471 trillion pre-Covid inflation levels, which is an eight percent reduction ($131 billion) from FY2023, in accordance with the Limit, Save, Grow Act (H.R. 2811).

Additionally, our budget puts a cap on spending growth at only one percent for FY2024 and the remaining nine years of the budget window. The combination of resetting at FY22 levels of spending and capping annual growth at one percent, produces over $3 trillion of savings in the 10-year budget window.



While our budget resets discretionary spending back to FY2022 levels, it does so without negatively impacting national security, our commitment to veterans, and other critical services important to hardworking American families such as disaster relief.

Remove One-Time Spending from the Baseline

While our budget resets discretionary spending back to FY2022 levels, it does so with the flexibility to fund mission essential areas such as national security, homeland security, and veterans' services.

This is a longstanding political ploy that transforms spending that should be temporary into a permanent part of the discretionary baseline.

Under the CBO baseline, emergency spending that responds to a specific event in time is assumed to be repeated year after year.

This emergency spending is exempt from the normal budgetary controls and should be reserved only to respond to unanticipated national emergencies.

Unfortunately, this "off balance sheet gimmick" is too often abused to disguise increases in non-emergency spending. For instance, the FY 2023 omnibus spending bill included things like $3.6 billion for Housing and Urban Development Rental Assistance, $2.5 billion for the Low-Income Home Eneregy Assistance Program, and other non-emergency programs.

Of course, removing the “emergency spending” gimmick from the baseline does nothing to infringe on the ability of the federal government to respond to the natural disasters we know will occur each year and budget for them accordingly.

Our budget would also remove the assumption that the one-time spending from the "Infrastructure and Investment Act"—which was too broad, too expensive, and too progressive—continues beyond its authorization. This “Green Infrastructure Bill” spent tens of billions of taxpayer funds on wasteful and unnecessary projects, such as subsidized EV charging stations and other Green New Deal projects. The funds provided by this law should have been targeted towards traditional roads and bridges, not wasteful initiative such as:

- $6.4 billion for the new Carbon Reduction Program
- $7.5 bilion for 500,000 electric vehicle charging stations and nation-wide electric infrastructure
- $10 million for career skills training to install energy efficient building technologies
- $5 billion for electric and low emitting buses and ferries
- $5.6 billion for low or no emissions bus projects

Rooting Out Woke and Wasteful Spending

Over the past two years, Democrats and President Biden have financed their socialist policies and radical agenda at the expense of our children's future. With an unprecedented $11 trillion in spending—$6 trillion of which was added to the national debt—ALL of which created a cost-of-living crisis for working families.

In fact, the average family of four is paying over $14,000 a year more to purchase the same goods and services as they did in January 2021—over $1,200 a month! This is completely unsustainable for the six out of 10 Americans who are living paycheck to paycheck.

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, Democrats have been fighting tooth-and-nail for the status quo in government spending.

What has the status quo done for the American people? It created skyrocketing prices, shrinking paychecks, soaring interest rates, a culture of dependency, an overall weaker economy, and a more vulnerable nation.

Many in Washington will justify this spending as "Covid relief" 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, growing the bureaucracy, and injecting wokeness into every aspect of government and as a result, divisiveness into every corner of our country.

These are just some examples of wasteful and unnecessary Democratic spending:

- Over $1 billion to the Department of Homeland Security to police "political extremism"
- $286 million in taxpayer funds for organizations that provide abortions
- $25 million for the Global Equity Fund
- $385 million for green energy subsidies at the State Department
- $225 million to programs supporting Palestinians in the West Bank and Gaza

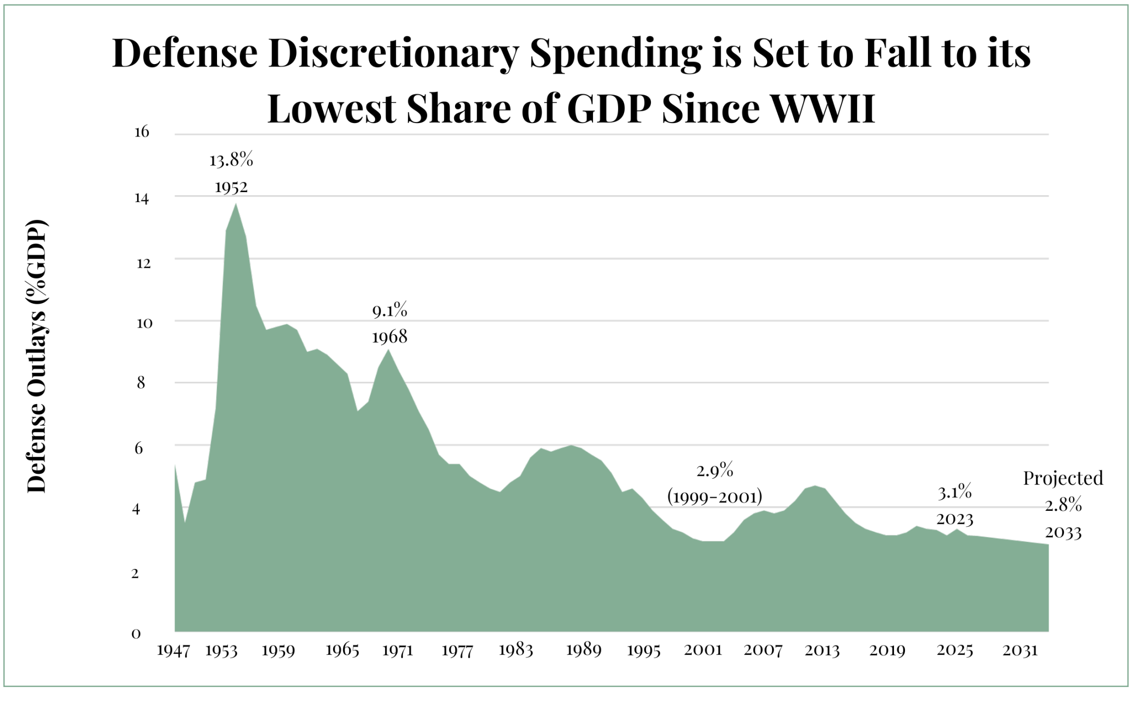
And billions more waste for all kinds of woke pet projects, including:

- LGBTQ+ museum in New York City and pride centers throughout the country
- 'Anti-racism virtual labs' set up by the Institute in Rhode Island
- Co-working and community spaces for women and gender expansive people of color
- 'Gender and non-conforming housing in New York
- Workforce development programs for 'transgender, intersex, and gender non-conforming' immigrant women in Los Angeles

Refocusing on National Priorities

President Biden has repeatedly said, “Show me your budget and I’ll show you your priorities.” Judging by his FY2024 budget, the president has very different priorities than the American people.

Our budget preserves critical defense spending to protect vital national interests today and modernize the military of tomorrow. Without urgent spending reforms, we will continue to squeeze our federal priorities like defense, which is already at pre-World War II spending levels, under the pressure of rising debt and soaring interest payments.



While we must also eliminate widespread waste at the Pentagon, it is critical we make the necessary investment to protect our nation and the American people—the first and most important responsibility. Our budget allows us to refocus on our troops and their security mission while canceling irrelevant programs and cutting unnecessary spending.

Our budget recognizes that border security is national security and provides the necessary resources to the Department of Homeland Security to deter and prevent illegal immigration, secure the border, stop the deadly flow of drugs, and effectively control the entry and exit of permanent and temporary workers and other valid visa holders. To achieve this, our budget supports H.R. 2, the Secure the Border Act.

"Since President Biden has been in office, there have been over 5 million migrant encounters at the southwest border and over 1.3 million known "gotaways" who evaded U.S. Border Patrol agents in the last two years. U.S. Customs and Border Patrol (CBP) seized over 14,000 pounds of fentanyl at the southwest border in FY2023 alone—enough to kill over 3.1 billion people. There is no question that the United States is facing a border crisis. Congress must dedicate appropriate resources to the Department of Homeland Security (DHS) to deter and prevent illegal immigration, secure the border, and effectively control the entry and exit of all people. Although securing our border and addressing the migration crisis is a top priority, the United States also has a growth problem, and one of the fundamental flaws of the current immigration system is that it does not prioritize economic growth. Instead, it prioritizes costly mass amnesty for illegal immigrants. This budget is a return to pro-growth policies, providing ample resources to secure our border and bolster border and immigration security by including H.R. 2, the Secure the Border Act, which would combat illegal immigration, secure the border, and save taxpayers billions."

CHAD WOLF, EXECUTIVE DIRECTOR, CHIEF STRATEGY OFFICER, AND THE CHAIR FOR THE CENTER FOR HOMELAND SECURITY & IMMIGRATION, AMERICA FIRST POLICY INSTITUTE, FORMER ACTING SECRETARY OF THE U.S. DEPARTMENT OF HOMELAND SECURITY

Securing Our Southern Border

In the Preamble of the Constitution, our Founding Fathers outlined the chief responsibility of the federal government—"provide for the common defense."

It is clear to any honest and serious person living in this country that President Biden has abdicated his constitutional duty to provide for a common defense and has continually and intentionally failed in his sacred oath to protect the American people.

As a result of President Biden's failure to secure the border and enforce the laws of the land, our nation has experienced an unprecedented and unmitigated humanitarian and national security crisis.

Our budget prioritizes the safety of the American people, equips our Customs and Border Protection agents with the resources they need to regain control of the southern border, and stops the flow of drugs, crime, and criminals that the Biden Administration's policies have allowed to pour into our communities.

Reversing Biden's Spending Spree

> "President Biden's spending and debt surge downgraded an already bleak budget outlook. President Biden's gusher of giveaways wastes taxpayer funds while expanding the federal government's bloat and lethargy."
>
> **KURT COUCHMAN, SENIOR FELLOW IN FISCAL POLICY, AMERICANS FOR PROSPERITY**

Reversing Biden's Spending Spree

Inflation Reduction Act

In August 2022, Democrats used reconciliation to jam through the so-called IRA. This government-expanding spending monstrosity imposed massive tax hikes on job creators, strangled domestic oil and gas production, unleashed an army of 87,000 Internal Revenue Service (IRS) agents to shakedown working families and small businesses, expanded Obamacare subsidies for the wealthy, and handed out hundreds of billions of dollars in Green New Deal giveaways. Contrary to its grandiose title, the IRA kept prices high for Americans struggling to afford gas and groceries by flooding a sluggish economy with over a trillion more in federal spending.

- **Dismantle Biden's Army of IRS Agents**: The IRA allots $80 billion in new funding for the IRS—more than six times the agency's current annual budget. Included in the $80 billion is funding to send 87,000 new IRS agents after Americans and their family-owned businesses on the belief that everyone is a tax cheat. The IRS has already been targeting lower- and middle-income earners, yet Democrats want to hire new IRS agents to audit individuals and small businesses. The IRS has a long and unfortunate history of corruption and politicization, including admitting to targeting conservative groups for political harassment. The best way to ensure tax compliance is to simplify the tax code, not supercharge the bureaucracy—which is why our budget eliminates every last penny of the IRS expansion.

- **Repeal Green Corporate Welfare**: The IRA included hundreds of billions in taxpayer dollars for grants, loan guarantees, and tax breaks to force unreliable, unproven, and expensive green technologies into our energy industry. These green energy tax giveaways are expected to cost at least $650 billion—a 240 percent increase from original estimates. While the Biden Administration's assault on domestic energy and spending-induced inflation is already causing consumers pain at the pump, 90 percent of the IRA's green corporate welfare benefits companies making over $1 billion—the very same Wall Street companies Democrats constantly demonize on the campaign trail. These giveaways also expand China's dominance over America's energy and critical mineral supply chains, enriching our greatest adversary at the expense of hardworking taxpayers.

- **Rolling Back Obamacare Subsidies for the Highest Earners**: The IRA spent over $64 billion expanding Washington-controlled health care so our nation's highest earners could qualify for taxpayer-funded subsidized health insurance. In fact, in certain areas of the country, families with a household income above $500,000 a year now qualify for these premium tax credits. Unfortunately, analysis by the Galen Institute has shown that "nearly 75 percent of the new spending goes to people who have coverage and largely replaces private spending with government spending." To that end, our budget supports saving taxpayers billions of dollars by reinstating the income eligibility limit to ensure government assistance is tailored to those most in need.

Eliminating Expensive Government Overreach

Excessive and over-reaching regulations kill jobs, suppress growth, reduce wages, and increase costs to consumers. We need reasonable and limited rules for fair competition and consumer protection, basic safeguards for health and safety—BUT, by ceding our constitutional legislative powers, Congress has created a fourth branch of government and a massive "regulatory state" that is compromising our freedom, quenching our entrepreneurial spirit, and choking the life out of our economy.

In just 2 ½ years, President Biden has unleashed an unprecedented barrage of regulations and executive actions at a record clip. All told, his administration has added over $400 billion in new regulatory costs on the economy. Just to put this into perspective, his administration is on pace to double in four years the costs of the Obama White House's regulations over eight years.

- **Stop the Student Loan Bailout**: One of the most expensive and egregiously unconstitutional of Biden's executive actions is the regressive student loan bailout. In addition to supercharging entitlement culture, this proposal is unfair to the people who couldn't afford college, the millions of students who worked their way through school, and the taxpayers who stand to shoulder the burden of upper-income individuals. After having their original bailout plan struck down by the Supreme Court, the Biden Adminsitration is now trying to circumvent the court through expansive changes to Income-Drive Repayment Plans. In response, our budget resolution stops any and all forms of student debt cancellations.

Reining-in Runaway Mandatory Spending

"I applaud the House Budget Committee for marking up a fiscal year 2024 budget resolution. That is its job and I hope that the Senate Budget Committee soon follows suit. I further applaud its willingness to embed the budget blueprint within a pro-growth vision for tax and regulatory policy. Finally, no genuine progress toward a better fiscal future can be made without addressing the need for financially sustainable mandatory spending programs that grow no faster than the economy.”

DOUGLAS HOLTZ-EAKIN, PRESIDENT, AMERICAN ACTION FORUM,
FORMER DIRECTOR OF THE CONGRESSIONAL BUDGET OFFICE,
FORMER CHIEF ECONOMIST OF THE PRESIDENT’S COUNCIL OF ECONOMIC ADVISERS

Putting Patients in Charge of Health Care

"A budget is a statement of priorities and Chairman Arrington and the House Budget Committee have laid out a bold agenda to put patients in more control of their health care spending and get markets working more efficiently and competitively to bring down costs. President Biden and Democrats consistently choose to limit choices, ration care and pour more taxpayer subsidies into a poorly functioning health care system. It will lead to a less healthy, poorer country. Chairman Arrington and his colleagues are showing a better way."

JOE GROGAN , VISITING SENIOR FELLOW, USC SCHAEFFER SCHOOL, FORMER DOMESTIC POLICY ADVISOR TO PRESIDENT TRUMP

Cutting waste spending and right-sizing the bureaucracy are important, but to truly reverse the curse and put America back on track, we must address the biggest drivers of our debt. Hardworking Americans demand it, beneficiaries need it, and our children and grandchildren deserve it. Our focus should be on protecting their futures, not our political fortunes.

Since taking office, President Biden has doubled down on the failed health care policies of the past. Democrats' one-size-fits-all, 'Washington knows best' approach has made health care less efficient for taxpayers, more complicated for patients, and increasingly onerous for providers.

Our budget focuses on a patient-centered health care system, where patients are empowered to make informed decisions that best fit the needs of their families, doctors are unincumbered to treat their patients, and barriers to lifesaving technologies are replaced with competition and innovation.

The American people deserve affordable, accessible, and personalized health care from a competitive health care market that delivers low-cost, high-value health care options.

Our budget relies on the following four pillars to put health care decisions back in the hands of individuals, families, and their doctors—not unelected Washington bureaucrats or health care monopolies:

Enhancing the Doctor-Patient Relationship and Empowering Effective Consumers:

Our budget supports policies to improve care for Americans and bolster the physician workforce by reining-in excessive administrative burden and restoring the doctor-patient relationship. We must implement greater transparency in the health care delivery system so patients can make well-informed decisions and taxpayers know that their money is being well-spent.

Combating Waste, Fraud, and Abuse:

An unfortunate, yet foreseeable byproduct of Democrats' significant expansion of federal health programs and related mandatory spending is improper payments. To ensure the long-term viability of necessary health care programs, our budget supports policies to combat waste, fraud, and abuse, including by incentivizing states to protect taxpayer dollars from improper payments and taking action to maintain the integrity of programs such as the 340B drug pricing program to ensure tax dollars are safeguarded for those of greatest need.

Unleashing the Power of American Innovation:

The United States leads the world in medical innovation, providing Americans with access to cutting-edge delivery systems, treatments, and cures. The damaging effects of Democrats' government price controls are already apparent, presenting dire consequences to future research and development and killing patients' hope for new therapies, particularly for cancer and rare diseases. Our budget supports market-based solutions to unleash the power of innovation and preventive care, increasing patient access to new cures and therapies while lowering costs through competition and early intervention. More important than reforming health care programs, we must make the necessary changes to improve the overall health care system itself. We must remove all barriers to innovation, which have the greatest potential to drastically improve access to quality and affordable health care.

Fostering Healthy and Competitive Markets:

The health care sector in the United States lacks many of the characteristics of a healthy and competitive market. Our budget supports policies that lower costs and increase quality by eliminating Big Government intervention and private sector monopoly forces while encouraging competition and choice.

These things include equalizing payments at identical settings of care, combatting hospital consolidation, increasing oversight of pharmacy benefit managers (PBMs), enhancing price transparency, and ending patent abuse.

Strengthening Medicare for Seniors

Saving Social Security and Medicare Requires Bipartisan Leadership:

Reversing the curse and restoring fiscal sanity in Washington requires real leadership—the political will to make tough decisions—and a responsible plan. It also requires telling the American people the truth: Social Security anMedicare are the two biggest drivers of debt, accounting for 99 percent of the projected deficits over the next 30 years. There is no escaping this fact.

President Biden said earlier this year, "I guarantee you I will protect Social Security and Medicare without any change. Guaranteed." Except by ruling out any change, he has left these programs to become insolvent. The president's own actuaries confirm that if lawmakers and the president do nothing, the trust funds for Social Security and Medicare will be depleted by 2035 at the very latest, meaning current retirees cannot be paid promised benefits.

The lack of urgency around the insolvency of Social Security and Medicare is an unconscionable abdication of leadership.

Solving these problems isn't easy. Real leadership isn't either.

We need courageous leaders who are willing to overcome the forces of Washington that focus on the near-term and immediate political gratification rather than the needs of the American people we were elected to serve.

It's why the looming crisis of Social Security and Medicare's insolvency has persisted, regardless of who is in the White House or who holds the majority in Congress.

The only realistic way to address the insolvency of Social Security and Medicare is for Republicans and Democrats to come together, earnestly hash out our differences, and be ready to take bold and decisive action.

Our budget calls for the creation of a bipartisan fiscal commission to get all sides together to fix the insolvency of Social Security and Medicare and focus on the lion's share of the U.S. government's long-term unfunded liabilities, in a depoliticized and responsible way.

Our budget resolution does not make any changes to Social Security or Medicare benefits. Rather, it provides a mechanism to force Congress and the president, as well as Democrats and Republicans, to find consensus and fix the Medicare and Social Security. A bipartisan commission will devise reforms guided by three fundamental principles:

First, we must be responsible stewards of taxpayer dollars by taking urgent action to address the unsustainability of these programs—the longer we wait to fix them, the more they will cost.

Second, we must give seniors peace of mind by protecting our current beneficiaries and those near retirement who have already planned on the current construct of Social Security and Medicare.

Third, we must modernize these decades-old programs by making them cost-effective and sustainable for future generations.

Strengthening Medicare for Seniors

Medicare is the largest federal health program by spending and the second largest by enrollment. Last year, gross costs from the Medicare program totaled $937 billion, and CBO projects spending to more than double by 2033, exceeding $2 trillion.[2]

An aging population will increase the number of beneficiaries relying on Medicare, projected to be nearly 80 million in 2033, up from 65 million in 2022.[3]

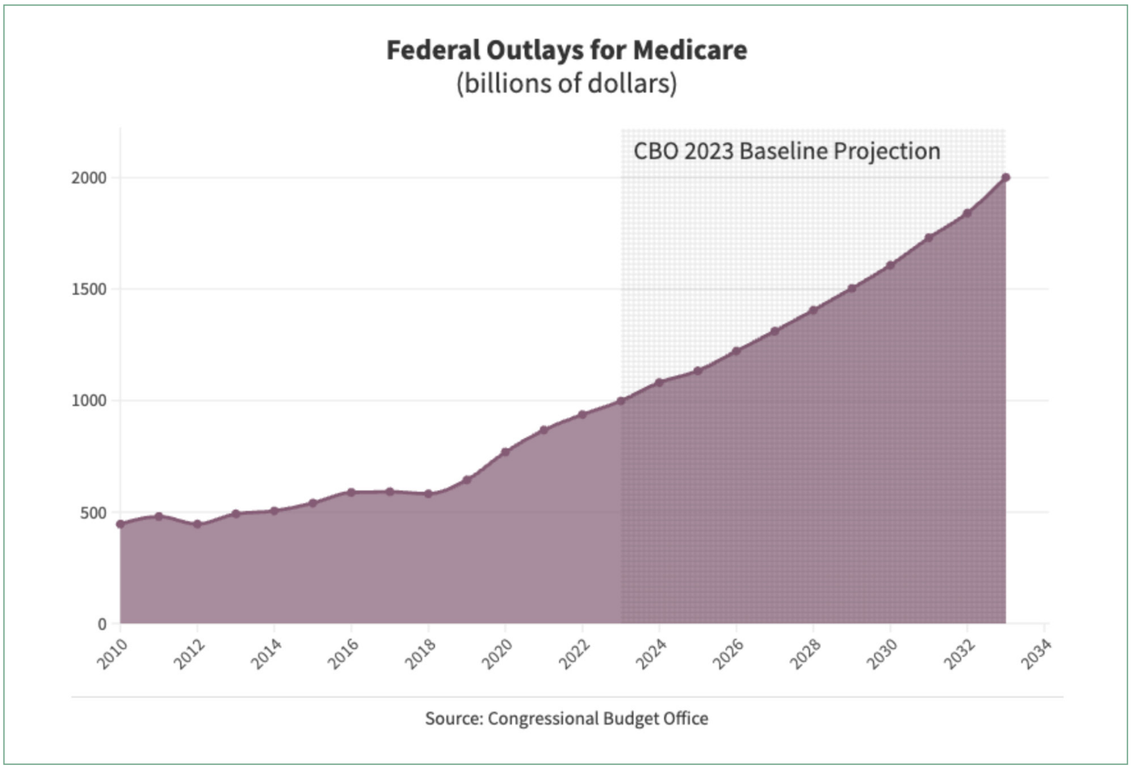
> **"Medicare cost growth must be addressed not only for the sakes of the program and its beneficiaries, but for the sake of federal finances. It is the single largest contributor to a worsening federal fiscal imbalance, and no fiscal reforms can be lastingly effective unless and until Medicare cost growth is moderated."**
>
> **CHARLES BLAHOUS, J. FISH AND LILLIAN F. SMITH CHAIR, MERCATUS CENTER, VISITING FELLOW, HOOVER INSTITUTION, FORMER PUBLIC TRUSTEE FOR SOCIAL SECURITY AND MEDICARE, FORMER DEPUTY DIRECTOR OF THE NATIONAL ECONOMIC COUNCIL**

As Medicare continues to consume an increasingly larger portion of the federal budget, the program also faces significant long-term fiscal challenges. The Medicare Trustees project that Medicare's Hospital Insurance (HI) Trust Fund will be insolvent by 2031 and estimates that there will be $53.1 trillion in long-term unfunded promised benefits in the Medicare program.[4] This does not include the tens of trillions that will accrue in additional interest costs.

[2] *Congressional Budget Office, The Budget and Economic Outlook: 2023 to 2033, February 15, 2023, https://www.cbo.gov/publication/58848.*

[3] *2023 Annual Report of The Boards of Trustees of The Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, https://www.cms.gov/oact/tr/2023.*

[4] *Ibid*



Our budget protects and strengthens Medicare through policies that drive down out-of-pocket costs for seniors, stop overpayments, and enhance our health care workforce.

Creating Payment Parity for the Same Services:

Unnecessary costs in health care are not only breaking the bank of working families, but they are bankrupting our country. Patients, providers, and taxpayers should pay the same amount for the same service, regardless of the setting. A hospital outpatient department is paid substantially more by Medicare compared to other delivery settings such as a physician office or ambulatory surgery center. This includes payment for lower-complexity services such as office visits, imaging, and drug administration, which MedPAC has noted are safe and effective to be delivered in a physician office.[5]

Because Medicare pays more, seniors also pay more in out-of-pocket cost sharing requirements, as well as Part B premiums and deductibles, which are indexed annually to a percentage of program costs. Accordingly, equalizing payments for certain outpatient services will decrease spending in Medicare and reduce costs for millions of seniors. Our budget supports equalizing Medicare payments for health care services that can be safely delivered in a physician's office.

[5] *Medicare Payment Advisory Commission. June 2022 Report to the Congress: Medicare and the Health Care Delivery System.* Washington, DC: MedPAC, 2022. *https://www.medpac.gov/document/june-2022-report-to-thecongress-medicare-and-the-health-care-delivery-system/.*

Improving Uncompensated Care:

Medicare currently provides additional financial support to hospitals that serve a disproportionate share of low-income patients related to uncompensated care. These payments are limited to hospitals, which fails to acknowledge the amount of uncompensated care delivered in non-hospital settings. Furthermore, the Government Accountability Office (GAO) has found that Medicare overpays hospitals for uncompensated care. Our budget supports reforming uncompensated care payments by removing the payment from the Medicare Trust Fund and establishing a new uncompensated care fund that will equitably distribute payments to providers based on their true share of charity care and non-Medicare bad debt.

Aligning Medicare with the Private Sector:

Medicare currently reimburses hospitals for uncollected beneficiary cost sharing, or bad debt, while private payers do not typically reimburse providers for bad debt.

While the intent of this policy may have been to prevent hospitals from shifting costs to other payers, limited evidence of cost shifting calls into question the need for bad debt Medicare payments.[6]

The budget supports aligning Medicare with the private sector by gradually decreasing the amount that Medicare reimburses providers for bad debt which reduces overall HI Trust Fund expenditures.

Streamlining Graduate Medical Education (GME):

All Americans benefit from a strong physician workforce. However, the current system is not meeting the nation's needs either in terms of specialty or geography, particularly for Americans in rural areas. The complexity of Medicare GME payment formulas linked to a hospital's Medicare inpatient volume is inefficient with MedPAC acknowledging overpayments to teaching hospitals. Additionally, current formulas make accountability and oversight next to impossible.[7] Lastly, the current system fails to recognize the rapidly changing delivery model by discouraging resident training in lower cost outpatient settings.

Our budget supports streamlining GME payments, providing greater flexibility for teaching institutions and states to develop innovative and cost-effective approaches to medical education. This will allow us to train more physicians to better meet our nation's needs.

[6] *Congressional Budget Office, Options for Reducing the Deficit 2019 to 2028, December 2018* *https://www.cbo.gov/system/files/2019-06/54667-budgetoptions-2.pdf.*

[7] *Medicare Payment Advisory Commission. June 2021 Report to the Congress: Medicare and the Health Care Delivery System. Washington, DC: MedPAC, 2021.* *https://www.medpac.gov/wp-content/uploads/import_data/scrape_files/docs/default-source/default-document-library/jun21_ch6_med pac_report_to_congress_sec.pdf.*

Making Medicaid Work for the Most Vulnerable

"The budget includes crucial reforms to improve Medicaid for those who truly need the program. Medicaid is failing both families who need public assistance and those who finance the program. The House Budget Committee proposal would enhance the program. Its reforms would focus efforts on increasing the value that states and enrollees get out of the program instead of the status quo, which simply incentivizes reckless spending.."

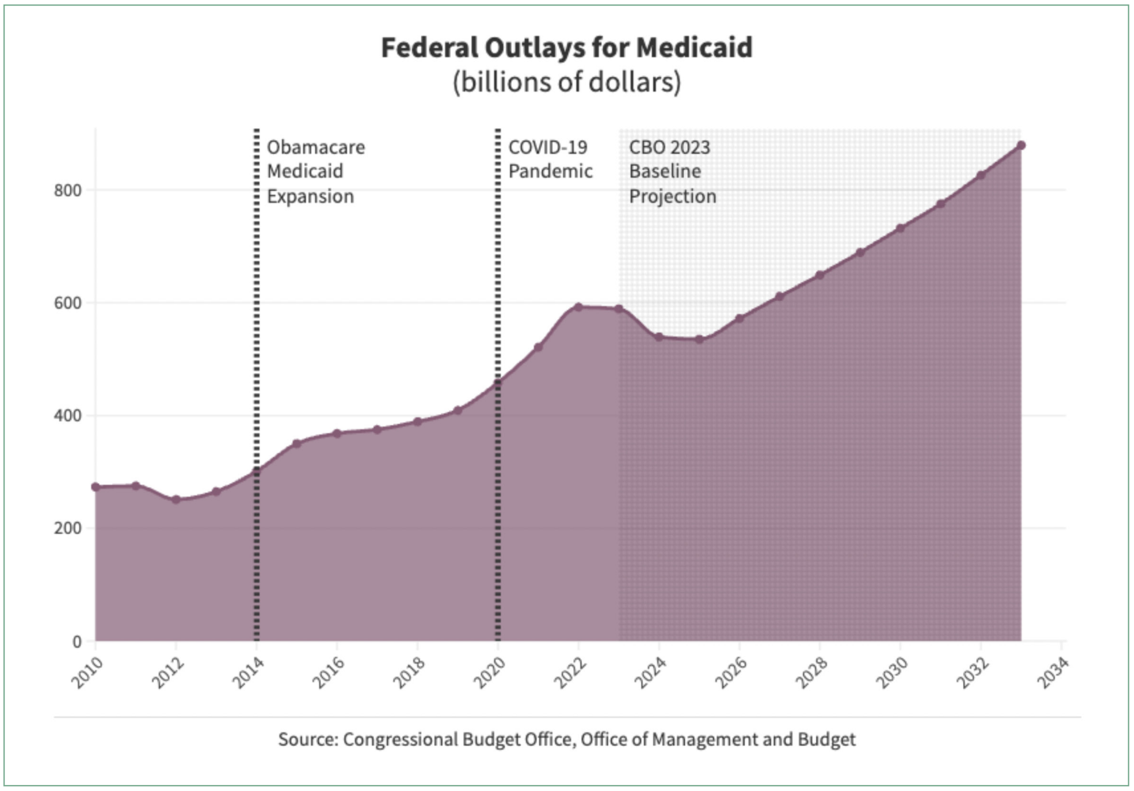
BRIAN BLASE, PRESIDENT, PARAGON HEALTH INSTITUTE, FORMER SPECIAL ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY

Rising government health care spending continues to be a key driver of deficits and the debt. Medicaid, the largest health care program in the United States by enrollment, has grown significantly from Obamacare's Medicaid expansion to the recent changes during the Covid pandemic.

Medicaid has grown so large that the program covered 1 in 4 Americans in 2022. In 2022, federal spending on Medicaid was $592 billion, a 45 percent increase from 2019 spending levels and a 123 percent increase from 2013 spending levels. A disappointing consequence of this spending growth is rampant fraud: GAO reported over $80 billion in taxpayer dollars were spent on improper payments in 2022.[8]

By 2033, CBO projects federal spending on Medicaid will grow to $879 billion. Combined with state spending, total Medicaid costs are projected to exceed $1 trillion annually. This unrestrained growth in Medicaid spending is unsustainable, piling billions more on to existing federal deficits. This is putting tremendous pressure on state budgets which is crowding out their ability to fund priorities such as education and infrastructure as well as to ensure access to health care for Medicaid enrollees.

[8] *Government Accountability Office, "Improper Payments: Fiscal Year 2022 Estimates and Opportunities for Improvement"* GAO-23-106285,March 2023, *https://www.gao.gov/assets/gao-23-106285.pdf.*



To make matters worse, the Medicaid program is not producing quality results. Research suggests that in some cases, Medicaid recipients have worse health outcomes compared to uninsured individuals.[9] Equally concerning is the Obamacare expansion for able-bodied adults squeezing services for the most vulnerable Medicaid population. Medicaid expansion has shifted resources away from low-income children and at-risk Americans to healthy, work-capable adults.[10]

Our budget makes health care more cost-effective by refocusing Medicaid resources on the most vulnerable Americans. It puts the Medicaid program on a sustainable path through common sense and compassionate reforms that protect this critical safety net for those that need it the most: children, pregnant women, individuals with disabilities, and seniors. These reforms include:

Putting Medicaid on a Budget:

The current federal match financing model in Medicaid incentivizes states to shift costs to the federal government and discourages them from participating in program oversight to drive down costs. Our budget proposes shifting to a per capita cap financing model where the federal government reimburses states for Medicaid costs up to a defined amount for each of the various beneficiary categories.

[9] *Brian Blase and David Balat, "Is Medicaid Expansion Worth it?," Texas Public Policy Foundation, April 2020, https://www.texaspolicy.com/wp-content/uploads/2020/04/Blase-Balat-Medicaid-Expansion.pdf.*

[10] *Charles Blahous and Liam Sigaud, "The Affordable Care Act's Medicaid Expansion Is Shifting Resources Away from Low-Income Children," Mercatus Center at George Mason University, December 2022,https://www.mercatus.org/research/research-papers/affordable-care-acts-medicaid-expansion-shifting-resources-away-low-income.*

Establishing Work Requirements:

The budget seeks to restore the dignity of work by proposing work requirements for able-bodied adults without dependents to qualify for Medicaid coverage, as included in the House-passed Limit Save Grow Act (H.R. 2811). Certain populations would be exempted, such as pregnant women, primary caregivers of dependents, individuals with disabilities or health-related barriers to employment, and full-time students.

Ending Preferential Status for Adults:

Obamacare Medicaid expansion provides preferential treatment of able-bodied adults over children or individuals with disabilities with a set 90 percent FMAP federal reimbursement for the Obamacare adult expansion population. The budget supports ending Obamacare's preferential treatment for adults over children by equalizing federal reimbursement of expansion adults to the normal FMAP formula.

Enhancing Medicaid Program Integrity:

The GAO has listed Medicaid as a high-risk program since 2003 and nearly $81 billion in improper payments were estimated to have come from the Medicaid program in fiscal year 2022 alone. The budget supports policies to enhance Medicaid program integrity, reduce improper payments, and bolster enrollee eligibility verification to ensure Medicaid provides quality health care coverage to those most in need.

Stopping D.C.'s Special Treatment:

The nation's capital unfairly benefits from special treatment in federal Medicaid reimbursement with the federal government paying a larger share of the District of Columbia's Medicaid costs compared to every other state. Our budget supports equalizing the federal reimbursement for Washington, D.C. to that of the 50 states.

Ending Cradle to Grave Dependence

"It is encouraging to see Chairman Arrington and his committee using the budget resolution to do the necessary work to reinvigorate America's workforce and protect safety net programs for the truly needy. They understand the challenges we face as a nation and the solutions that will put our country back on a path to greatness. America is at its best when Americans reach their full potential. And Chairman Arrington knows that real opportunity comes in the form of a paycheck, not a welfare check.

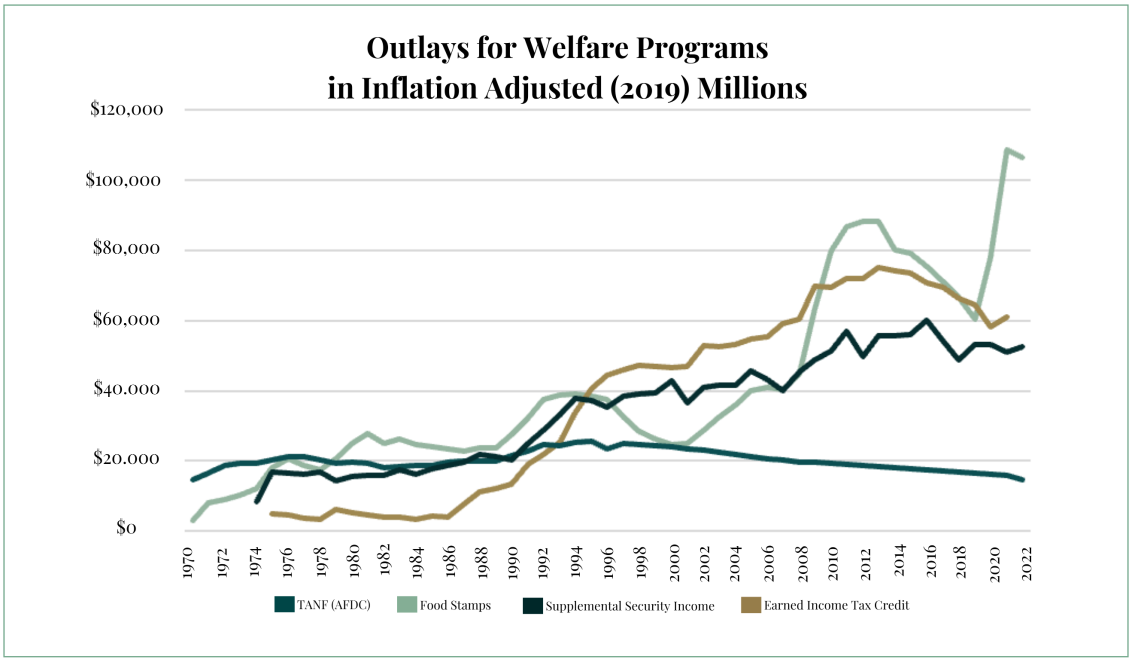
In short, America works when people work. Work requirements work. It's that simple.

We look forward to engaging with the Chairman and his committee as they work to restore the American work ethic and put our nation on a better path toward a brighter future."

TARREN BRAGDON, PRESIDENT AND CHIEF EXECUTIVE OFFICER, FOUNDATION FOR GOVERNMENT ACCOUNTABILITY

The federal government operates nearly 100 different welfare programs, costing taxpayers more than $1 trillion each year. Over the next decade, the federal government is projected to spend more than $12 trillion on welfare programs.

Welfare enrollment in 2022 was even higher in many programs than at the height of the pandemic and government lockdowns in 2020. As welfare enrollment has grown, welfare spending has skyrocketed. Outlays for welfare programs have grown significantly even in inflation adjusted terms.



Unfortunately, welfare programs too often result in long-term dependency for most enrollees, trapping millions of Americans on the welfare rolls rather than promoting opportunity.[11]

Thankfully, we know a better path exists for families in need. In 1996, congressional Democrats and Republicans, as well as President Bill Clinton, enacted welfare reform that promoted work.[12] As even then-Senator Joe Biden said when voting for welfare reform: "The culture of welfare must be replaced with the culture of work. The culture of dependence must be replaced with the culture of self-sufficiency and personal responsibility."[13]

Welfare reforms in the 1990s led to substantial declines in poverty, increases in work, and decreases in government dependency. The Temporary Assistance for Needy Families (TANF) program was a central feature of these reforms.

Our budget promotes opportunity and temporary assistance, not cradle to grave dependance. We continue to build off the successes of the Fiscal Responsibility Act to strengthen TANF work requirements so states will engage more recipients in activities leading to self-sufficiency. We strengthen the work requirements for able-bodied adults in other welfare programs, such as the Supplemental Nutrition Assistance Program (known as SNAP, or food stamps) and public housing programs.

Closing loopholes in federal law that allow many states to waive work requirements will prevent states from gaming the system and promote opportunity and self-sufficiency.

[11] *Data shows that the plurality of recipients of Food Stamps, housing assistance and SSI remain on the program for extended periods of time rather than cycling off of welfare; only in TANF do the majority of recipients leave the welfare rolls within one year. U.S. Department of Health and Human Services, "Welfare Indicators and Risk Factors 21st Report to Congress," Figure 12, March 2022, https://aspe.hhs.gov/sites/default/files/documents/08b81f08f8a96ec7ad7e76554a28efd1/welfare-indicators-rtc.pdf; and Shelley K. Irving,* "How Long Do People Receive Assistance?," U.S. Census Bureau, May 28, 2015, *https://www.census.gov/newsroom/blogs/random-samplings/2015/05/how-long-do-people-receive-assistance.html.*

[12] *Matt Weidinger and Angela Rachidi, "Questions and Answers About Work Requirements Provisions in the House Republican Debt Limit Proposal, Part II," American Enterprise Institute, April 21, 2023, https://www.aei.org/opportunity-social-mobility/questions-and-answers-about-work-requirements-provisions-in-the-house-republican-debt-limit-proposal-part*

[13] *Senator Joe Biden, speaking on the Personal Responsibility and Work Opportunity Reconciliation Act Of 1996--Conference Report, 104th Cong., 2nd sess., Congressional Record Vol. 142, No. 116, August 1, 1996, S. 9399.*

A major challenge for the American economy is low labor force participation: too many people are not working or even looking for work. There are now about 8.8 million unfilled jobs - millions more job openings than there are unemployed individuals looking for work..[14]

To help people get back into the workforce, our budget reforms and strengthens job search requirements.

Improve Program Integrity and Modernization:

Many welfare programs are decades old and have never been seriously reevaluated or modernized.

The budget would implement a range of reforms to modernize and improve programs, including requiring Social Security numbers for all Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) payments and requiring accountability from states and reporting on their use of federal funds.

SNAP eligibility enforcement would be strengthened by ending the broad-based categorical eligibility loophole and ending the heat and eat loophole.

Reinstate the Public Charge Rule:

Longstanding immigration law states that an alien is "inadmissible" if he or she is "likely at any time to become a public charge." But the term "public charge" is not clearly defined. The Trump Administration implemented a rule in 2019 to ensure that determinations took into consideration whether an immigrant was likely to rely on government assistance programs, such as Medicaid, SNAP, and public housing programs, and our budget would support that rule becoming the law of the land.

[14] *Bureau of Labor Statistics, "Job Openings and Labor Turnover Survey News Release," August 29, 2023, https://www.bls.gov/news.release/jolts.nr0.htm*

Reining-In Wasteful Interest Costs

"This budget resolution will foster opportunity for workers and help promote strong families. It will do so by curbing overly burdensome regulations, encouraging free trade with free people, and expanding energy production while increasing economic growth. By promoting economic growth and reducing the deficit through lower spending this fiscal plan will also reduce both net interest costs and interest rates. These changes will make the federal budget more sustainable. At the same time, reduced borrowing by the federal government will increase funds available for private investment making it easier for people to start a new business, buy a home or car, move to a new job, and have financial freedom. In essence, lowering interest costs is not only central to avoiding a future crisis but it is also essential to supporting the American Dream."

PAUL WINFREE, PH.D., PRESIDENT AND CEO, ECONOMIC POLICY INNOVATION CENTER, FORMER WHITE HOUSE DIRECTOR OF BUDGET POLICY AND DEPUTY DIRECTOR OF THE DOMESTIC POLICY COUNCIL

According to the CBO, interest payments on the debt will triple under current law from $475 billion (1.9 percent of GDP) in 2022 to $1.4 trillion (3.7 percent of GDP) in 2033—the highest level in American history. Over the next decade, net interest spending will total the staggering sum of $10.6 trillion. Today, interest payments on the debt are the fifth largest federal program and the fastest growing line item in the federal budget, consuming 10 percent of federal revenue. By 2033, interest payments will be the third most expensive federal program (behind only Social Security and Medicare) and consume 20 percent of federal revenue.

As the debt continues to grow, hard-working American families are seeing more and more of their money going towards government interest payments for which they get nothing in return.

Americans do not see any benefits from government spending on interest costs—those dollars don't go towards fixing our crumbling infrastructure, providing services to seniors or veterans, or fulfilling the core functions of government. We are throwing money into the wind simply by continuing our unsustainable spending spree.

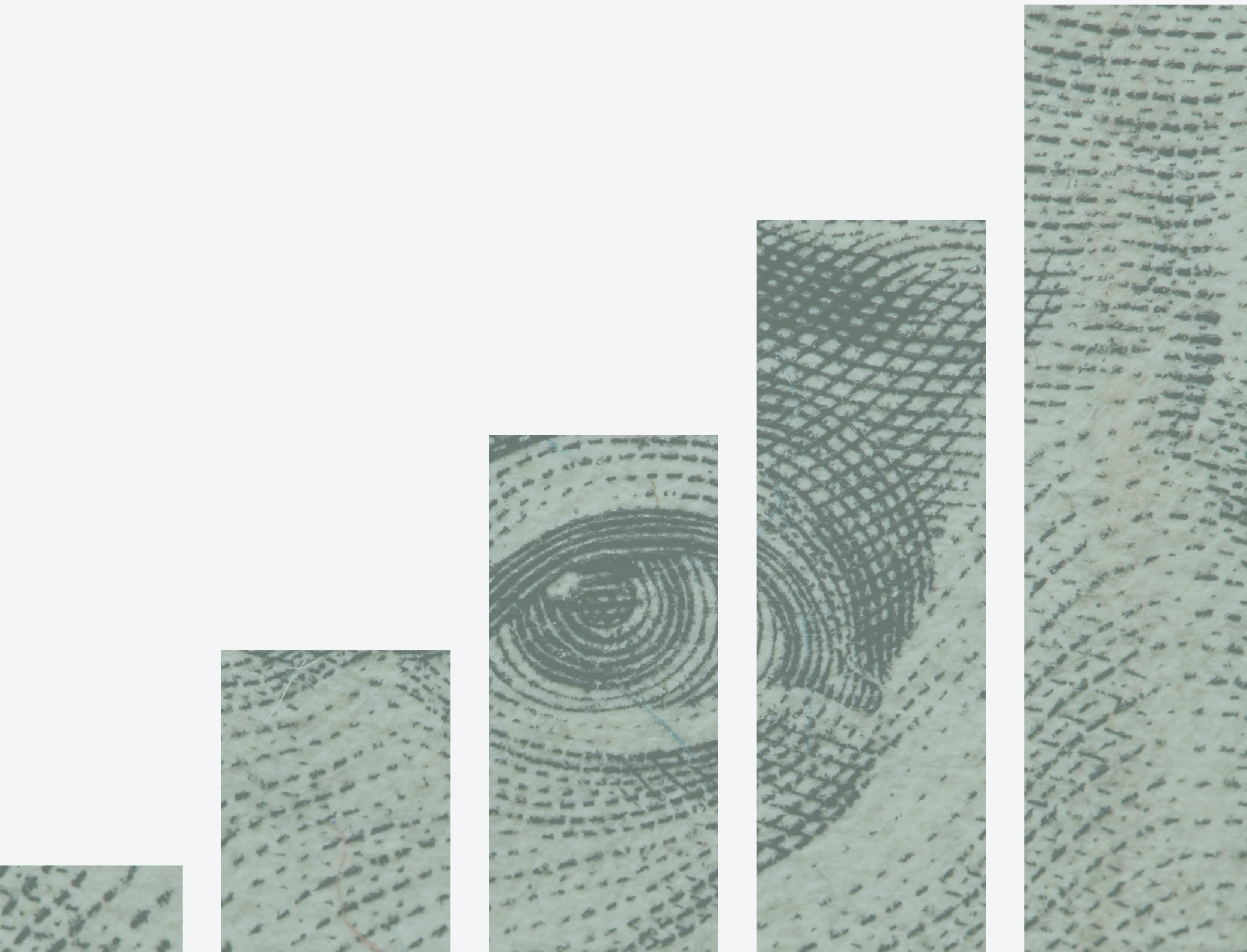
The president's inflationary policies have forced the Federal Reserve to raise interest rates, exacerbating these trends. The interest rate on 10-year Treasury notes for 2023 has increased from a projected 1.5 percent when President Biden took office to over 4 percent. According to CBO, due to higher interest rates and inflation, the

president's economic policies have caused interest payments to increase by $3.6 trillion over the next decade.
Our budget reins-in the threat of higher interest payments on the debt to our economy in two ways.

First, our budget will reduce interest payments on the debt by $1.3 trillion over 10 years from lower debt principal.

Second, according to CBO, each 10-percentage point change in the federal government's debt-to-GDP ratio causes a quarter point change in interest rates on the debt. Our budget lowers debt-to-GDP by 49 percentage points, sufficient to lower interest rates on the debt by more than a percentage point, reducing interest costs by $1.7 trillion over 10 years.

In total, the our budget reduces interest payments on the debt by $3 trillion—nearly 30 percent—compared to current CBO projections.



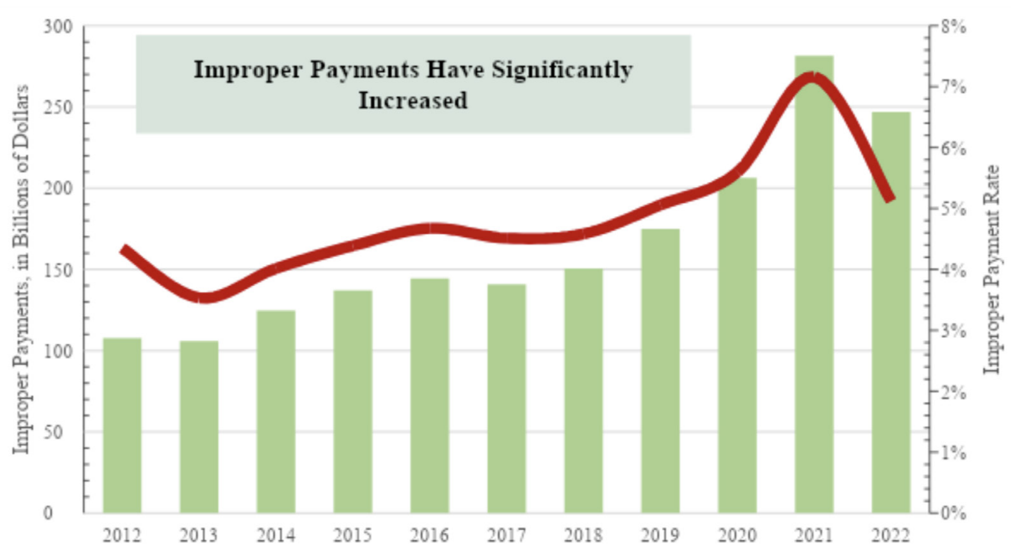
Rooting Out Waste and Fraud in Entitlement Programs

> "With excessive growth in government has come an explosion in waste and inefficiency. Last year, the federal government spent $245 billion—over $1,800 per household—on improper payments. The result is higher costs—the EITC, for example, has to take $1.46 from one person's paycheck to correctly add $1 to another's. Any private company with that track record couldn't remain in business.
>
> I applaud Jodey Arrington's budget for being the first to tackle improper payments and for recognizing that the federal government should be subject to the same budget constraints and sound business practices as ordinary Americans."
>
> **RACHEL GRESZLER • SENIOR RESEARCH FELLOW • THE HERITAGE FOUNDATION**

Rooting Out Waste and Fraud in Entitlement Programs

Ineffective financial management plagues the federal government.

Agencies are cutting checks so recklessly that, according to the GAO, over the last two years, more than half a trillion dollars went out the door improperly and fraudulently.[15] The rate of these fraudulent payments has jumped dramatically under President Biden, by nearly 60 percent. It is estimated that taxpayers lost $163 billion alone through unemployment fraud.

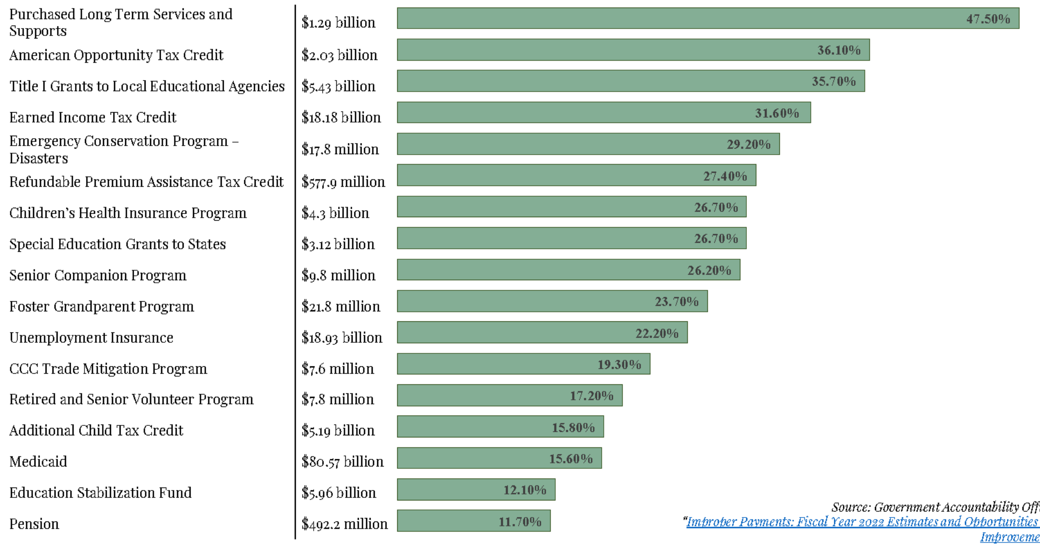


Meanwhile, the error rates in some of these marquee programs are astounding:

- 31.6 percent rate of improper payments for the EITC
- 27.4 percent for Obamacare tax credits
- 15.6 percent for Medicaid

[15] *Government Accountability Office, Improper Payments: Fiscal Year 2022 Estimates and Opportunities for Improvement,* GAO-23-106285, 29 March, 2023, https://www.gao.gov/products/gao-23-106285.

Federal Programs with Annual Estimated Improper Payment Rates Greater Than 10 Percent for Fiscal Year 2022



Source: Government Accountability Office, "Improper Payments: Fiscal Year 2022 Estimates and Opportunities for Improvement"

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 expanding these floundering programs even further—without any new oversight or accountability.

According to testimony received by the House Budget Committee, "over the past 10 years, the federal government has spent $1.96 trillion (in 2022, inflation-adjusted dollars) on improper payments."[16] According to these trends, in the upcoming budget window improper payments made by the federal government would exceed $2 trillion and could be as high as $3.5 trillion.[1]

Republicans on the House Committees on Budget and Oversight and Accountability are leading an effort to aggressively reduce government-wide waste, fraud, and abuse, with a goal of saving $1 trillion over 10 years.

GAO believes one key to curbing improper payments is to prevent them from being made in the first place. In GAO's words: "[S]trong preventive controls can serve as the frontline defense against improper payments."[18]

[16] *Rachel Greszler, "Congressional Testimony: Exposing the Woke, Wasteful, and Bloated Bureaucracy," House Budget Committee, May, 2023, https://docs.house.gov/meetings/BU/BU00/20230511/115896/HHRG-118-BU00-Wstate-GreszlerR-20230511.pdf.*

[17] *Ibid*

[18] *Government Accountability Office, p. 28.*

Solutions worth consideration include:

- Improving data sharing among agencies and require agencies to leverage data at their disposal to protect taxpayers. For example, while agencies are required to use the Do Not Pay database before spending taxpayer funds, "agencies generally receive the results after payments have been made," according to testimony heard by the House Oversight and Government Accountability Committee[19]
- Enhancing identity and eligibility verification, such as requiring applicants for the EITC and CTC to have a valid Social Security Number
- Incentivizing states to play an active role in reducing fraud by allowing them to keep a percentage of recovered funds resulting from investment in more effective systems
- Conditioning funding for states on compliance with anti-fraud rules
- Holding underperforming agencies directly accountable for their mismanagement of taxpayer resources

[19] *Ibid*

Reigniting Growth and Prosperity

> “We must reduce unnecessary government burden and re-establish pro-growth policies that create jobs and promote prosperity for all Americans.”
>
> **CHAIRMAN JODEY ARRINGTON, MARCH 29, 2023**

Reigniting Growth and Prosperity

"Growth is the number one ingredient necessary to create broadly shared prosperity for the American people while solving our long-term budget challenges. As we witnessed before the pandemic, economic growth arises from a pro-growth tax code that lets Americans keep more of what they earn while incentivizing investments by American companies that result in higher productivity. The House Budget Committee's proposal also encourages regulatory reform that allows entrepreneurs to run their businesses instead of bureaucrats, policies encouraging more people to enjoy the satisfaction that comes from productive work, and the reduction of the government's chokehold on American people, businesses, and resources."

LARRY KUDLOW • VICE CHAIR OF THE BOARD FOR AFPI AND CHAIR OF THE CENTER FOR AMERICAN PROSPERITY, AMERICA FIRST POLICY INSTITUTE
HOST, "KUDLOW" ON FOX BUSINESS,
FORMER DIRECTOR OF THE NATIONAL ECONOMIC COUNCIL

"The House GOP budget caps spending, eliminates tens of billions of dollars of wasteful, ineffective and redundant spending, and it allows for pro-growth tax reforms that will make the economy grow faster with higher incomes for American workers. I believe that with strict budget controls, combined with an economic game plan that gets the economy to above 3 percent annual economic growth (the CBO forecast is a measly 1.7 percent compared to the post-World War II average of 3.2 percent), a balanced budget is achievable.

This is the best plan I've seen to get us back to fiscal sanity and limited government in Washington."

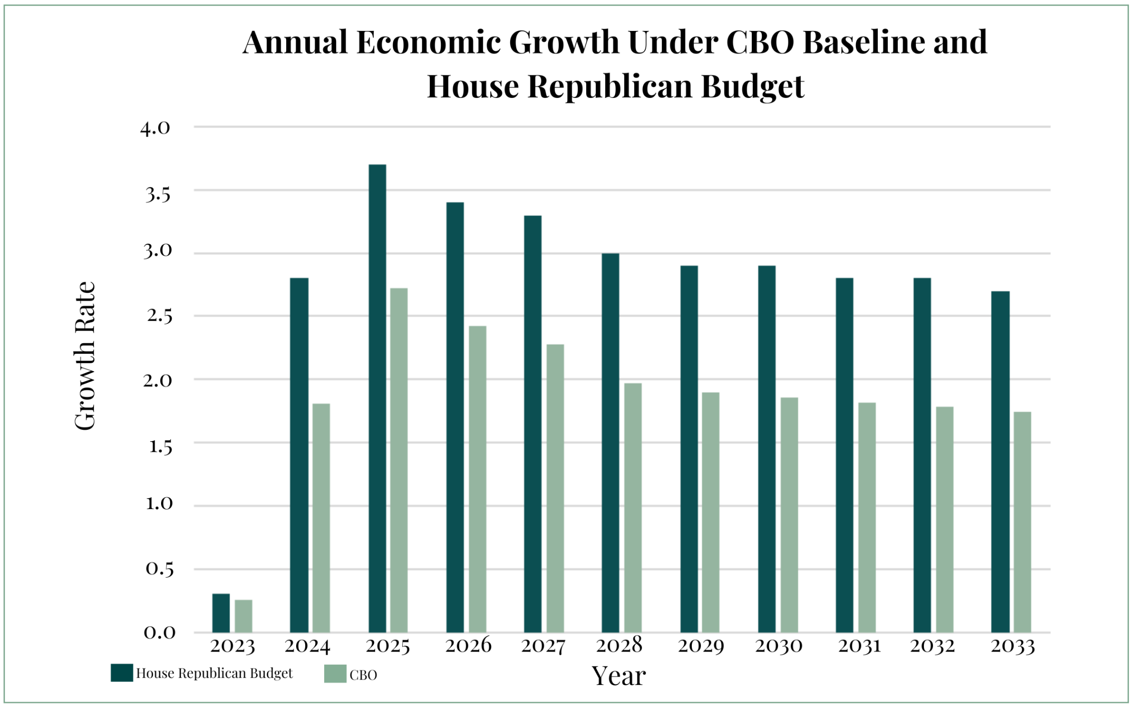
STEPHEN MOORE • DISTINGUISHED FELLOW IN ECONOMICS, THE HERITAGE FOUNDATION,
FOUNDER, THE COMMITTEE TO UNLEASH PROSPERITY

Economic growth is essential to reining-in our deficits and reducing our nation's indebtedness. Growth generates more revenue for our country, reduces spending by lifting American families out of poverty and off of government dependence, and allows people to keep more of their hard-earned money. These lower deficits will strengthen America's credit-worthiness, bring down our interest costs, and fund our nation's priorities.

In order to achieve $16 trillion in deficit reduction and a balanced budget, we combine spending restraint with pro-growth policies including:

- Eliminating the regulatory state
- Locking in tax cuts, unlocking opportunities for all
- Expanding America first trade
- Restoring the dignity of work
- Unleashing American energy dominance

As a result of these policies, the House Budget Committee estimates that economic growth will average three percent over 10 years—one percentage point faster than CBO's projected growth rate—generating a substantial $3 trillion in deficit reduction. The House Budget Committee's growth rate is comparable to the long-term U.S. average growth rate of 3.1 percent and the growth experienced during the 1980s and 1990s.



Eliminating the Regulatory State

"The Biden Administration's hyper-aggressive regulatory agenda is contributing to small business owners' stubbornly low optimism levels, which remains well below historical averages. Small businesses do not have lawyers or compliance officers to help navigate complex regulatory issues. In 1980, Congress recognized the impact of burdensome, one-size-fits-all regulations on small businesses by enacting the Regulatory Flexibility Act (RFA). However, federal agencies continue to disregard laws like the RFA that were meant to protect small businesses from onerous regulatory requirements. NFIB's nearly 300,000 small businesses greatly appreciate Chairman Arrington's efforts to provide regulatory relief and eliminate red tape for small businesses."

KEVIN KUHLMAN • VICE PRESIDENT, FEDERAL GOVERNMENT RELATIONS · NATIONAL FEDERATION OF INDEPENDENT BUSINESSES

President Biden's regulatory agenda has harmed American families and job creators. Since taking office, President Biden has added over $400 billion in new regulatory costs on the economy. This is 11 times the regulatory costs added under President Trump ($37 billion) and almost double the regulatory costs added under President Obama ($228 billion) during the same period in their respective administrations.[20]

Our budget unleashes growth by eliminating the Biden administration's regulatory burden and rolling back big government interference that has plagued Americans for years. This will provide historic relief and permanently prevent unaccountable Washington bureaucrats from adding costly and unnecessary red tape to the economy.

Terminate President Biden's Regulatory Agenda:

Our budget assumes the elimination of excessive regulations added under President Biden including his Waters of the United States (WOTUS) rule, the Bureau of Alcohol, Tobacco, Firearms, and Explosives pistol brace ban, green mandates on manufactured homes, and new reporting requirements on self-employed Americans.

[20] *Dan Goldbeck, "Agencies See Plenty of Action During Short Week," American Action Forum, September 11, 2023, https://www.americanactionforum.org/week-in-regulation/agencies-see-plenty-of-action-during-short-week/*

Provide Historic Regulatory Relief:

Our budget also assumes the elimination of unnecessary and burdensome regulations that have been on the books for years including:

- Permanently eliminating regulations that were waived during Covid
- Exempting small businesses from onerous union regulations
- Repealing radical mandates on auto manufacturers
- Repeal the Consumer Financial Protection Bureau (CFPB) by zeroing out mandatory appropriations

Permanently Restricting the Power of Unelected Bureaucrats:

Regulatory reform would be incomplete without changes to the process itself. Our budget assumes enactment of legislation that empowers Congress to rein-in overregulation including:

- The Regulations from the Executive in Need of Scrutiny (REINS) Act, which requires congressional approval of new major regulations
- The Article I Regulatory Budget Act, which requires agencies to implement a regulatory budget
- The All Economic Regulations are Transparent (ALERT) Act, which requires federal agencies to submit a monthly regulatory report
- The Guidance Out of Darkness Act, which requires agencies to publicly post regulatory guidance
- The Regulatory Accountability Act, which requires a formal rulemaking process for all major regulations
- The Require Evaluation before Implementing Executive Wishlists (REVIEW) Act, which prohibits a regulation from being implemented until its economic impact has been determined
- The Separation of Powers Restoration Act, which removes the power of agencies to unilaterally interpret the law

Locking In Tax Cuts, Unlocking Opportunities for All

"America's economic and fiscal challenges can only be addressed through disciplined spending and tax policies that promote a vibrant economy. The key is designing tax policies that make the U.S. a competitive place to do business. That means policies that reduce the tax cost of investing in workers and productivity enhancing tools and equipment.

The Tax Cuts and Jobs Act of 2017 did a lot to reduce the tax burden on capital investment, research and development, and manufacturing in America. But the expiration of these important tax provisions acts like a tax penalty on American innovation, entrepreneurship, and jobs.

Good tax policy can only be effective if it is stable and predictable. That is why lawmakers must take steps to make pro-growth tax policies permanent. American businesses and workers deserve no less."

DANIEL BUNN • PRESIDENT AND CEO, AND
SCOTT HODGE • PRESIDENT EMERITUS AND SENIOR POLICY ADVISOR, THE TAX FOUNDATION

In each of his first three budgets, President Biden proposed trillions of dollars in new taxes—including a $4.7 trillion tax hike in his most recent budget. Our budget rejects President Biden's tax-and-spend agenda and instead builds on past Republican accomplishments that reduced the tax burden on American families and job creators.

The Tax Cuts and Jobs Act (TCJA) overhauled America's tax code to revitalize our nation's economy and deliver historic tax relief to workers, families, and local job creators. By lowering taxes across the board, eliminating costly special-interest tax breaks, and modernizing our international tax system, the TCJA helped create more jobs, increase paychecks, and made the tax code simpler and fairer for Americans of all walks of life.

TCJA's historic pro-worker, pro-growth tax reform led to the lowest unemployment rate in 50 years and record high consumer confidence. American workers enjoyed the fastest wage growth in more than a decade, with lower-wage workers' income rising 50 percent faster than high-income workers. Economic growth and prosperity—like we experienced under TCJA—is the tide that lifts all boats. It results in more jobs, higher wages, lower unemployment and poverty rates, and an overall improved standard of living for all Americans.

Builds on Tax Relief for Workers and Families:

We assume permanent extension of policies such as the nearly doubled standard deduction and lower individual income tax rates to allow individuals and families to keep more of their hard-earned money and encourage greater workforce participation. We assume Congress will lock in key provisions that have successfully boosted investment and job creation such as full expensing for capital, R&D, and interest costs.

Enacts Pro-Growth Tax Reforms:

Republican tax reform helped unleash an unprecedented economic renewal. We saw tremendous growth in GDP that surpassed all economic expectations, including from the CBO. Within three years of enactment, unemployment hit a 50-year low, business investment hit an all-time high, companies moved their headquarters from overseas, and wage growth for working families hit the highest percentage increase in decades. Notably, 6 million people were lifted out of poverty. Despite false alarms of tax cuts blowing a hole in the coffers of the U.S. Treasury, tax revenues, even before the pandemic stimulus, hit an all-time high. This year, total tax revenues were almost $5 trillion. This is more than $1 trillion above pre-pandemic levels, adjusted for inflation. These numbers are staggering and may seem counterintuitive following massive tax cuts. But they are the result of pro-growth policies and market incentives unleashing free enterprise.

Our budget establishes a dedicated reserve fund providing the House Committee on Ways and Means flexibility to make tax relief for families permavnent, advance pro-growth tax reforms, and improve the tax code.

Expanding America First Trade

Our budget recognizes the tremendous value that free and fair trade has on the growth of our economy and the quality of life of our citizens. Effective trade policy promotes American jobs, workers, and productivity through access to new markets and level competition. Too often, barriers are imposed that unduly limit opportunities for American products and increase prices for American consumers.

Both American workers and consumers benefit when foreign and domestic markets are opened to trade in a fair and reciprocal manner. However, the growing prevalence of unfair trade practices around the world, especially in China, reinforces the need for policies that ensure a level playing field and the enforcement to hold nations accountable.

Our budget supports trade policies that promote our nation's security and economic growth by:

- Bolstering our national security and economic independence by expanding trade with U.S. allies and moving supply chains out of adversarial nations
- Enacting policies that ensure fair and reciprocal trade for our farmers, workers and manufacturers while reducing barriers to new markets

Restoring the Dignity of Work

"Policies, like those being discussed in the House, that commit to lower taxes and regulatory relief reduce the costs of growing businesses, which encourage job creation and investment in new equipment, which, in turn, enhance worker productivity: newer factories, offices, and equipment means higher worker productivity.

Connecting work to welfare benefits further encourages more involvement in the workforce by incentivizing those on the economy's sidelines to improve their labor skills and build that all-valuable work history."

WILLIAM BEACH, SENIOR FELLOW IN ECONOMICS, ECONOMIC POLICY INNOVATION CENTER, FORMER COMMISSIONER OF LABOR STATISTICS AT THE BUREAU OF LABOR STATISTICS

Since our nation's inception, the foundation of America's promise has been based on the dignity of work. Our work ethic and the entrepreneurial spirit are defining principles that have made this country the most powerful, dynamic, and compassionate in the world.

We want people to have the blessing and dignity of work. We want people to reach their God-given potential. We want them to contriute to, and have ownership in, our society. It's who we've always been, it's why America's great.

In 1996, then-Senator Joe Biden justified his own vote for bipartisan welfare reform, which included work requirements to incentivize employment and reduce welfare caseloads. Biden said, "the culture of welfare must be replaced with the culture of work. The culture of dependence must be replaced with the culture of self-sufficiency and personal responsibility."

Unfortunately, President Biden has now abandoned that view, and the value of work along with it.

Not only did President Biden and congressional Democrats' $2 trillion Covid legislation light the fuse on inflation, it trapped a whole new generation of Americans in a cycle of poverty and dependence by paying them not to work. This administration has enacted policies to further undermine the dignity of work by expanding welfare programs including turning the CTC into a universal basic income, stripping Medicaid eligibility verification, and unilaterally increasing SNAP benefits.

Our budget returns to pro-growth policies by restoring the dignity of work and encouraging participation in the workforce by:

Expanding Work Requirements

Our budget assumes legislation that puts Americans back to work and empowers them to become independent, such as:

- Closing gaps in SNAP that allow for states to waive work requirements for able-bodied adults without dependents
- Strengthening work requirements in the TANF program and across the nearly 100 programs that comprise the federal welfare system
- Creating Medicaid work requirements for able-bodied recipients

Unlocking America’s Workforce

A comprehensive approach should be taken to ensure federal policy promotes the dignity of work. This includes:

- Ensuring the tax code empowers workers and job creators
- Protecting the self-employed and independent workers
- Removing barriers to work flexibility

The dignity of work is an essential part of the American story, one that is weaved together by a common thread of economic opportunity that has lifted millions of people out of poverty. For centuries, the promise of the American dream—the fundamental idea that if we work hard and play by the rules, we can do better for ourselves and our families than previous generations—is what has kept this country moving forward. Unfortunately, that dream has been continually diminished by a creeping and systematic dependence on the government.

Our budget breaks this trend and and begins restoring America's work ethic. We believe that the best social program is a good and stable job, one that puts the American dream within reach of every American, no matter who they are or where they come from.

Unleashing American Energy Dominance

"America is energy independent due to vast resources of oil and natural gas that have been discovered and produced through innovative technology. But the administration is pushing a futile climate plan that is only guaranteed to harm Americans and America while strengthening belligerent China. President Biden's plan will make Americans less secure, poorer, hungrier, less likely to be housed, and more unhealthy.

With H.R 1, America can develop an energy sector supply chain and manufacturing base that is not subject to control or disruption by foreign adversaries."

DIANA FURCHTGOTT-ROTH, DIRECTOR, CENTER FOR ENERGY, CLIMATE, AND ENVIRONMENT AND THE HERBERT AND JOYCE MORGAN FELLOW IN ENERGY AND ENVIRONMENTAL POLICY, THE HERITAGE FOUNDATION, FORMER DEPUTY ASSISTANT SECRETARY OF THE DEPARTMENT OF TRANSPORTATION

Since taking office, President Biden has launched unilateral assaults on American oil and gas, choking the lifeblood of our economy, crushing consumers with high energy costs, and sending energy production overseas. Between canceling the Keystone XL Pipeline, sitting on over 5,000 applications for permits to drill, depleting the Strategic Petroleum Reserve by nearly 50 percent, and proposing endless anti-energy regulations on domestic producers, the Biden Administration's hostility to American energy knows no bounds.

These policies have increased energy bills for hardworking Americans and weakened national security by making the U.S. more reliant on foreign adversaries.

Our budget returns to pro-growth policies by returning to American energy dominance. It will provide the American people with more affordable energy by assuming repeal of Green New Deal policies and regulations that hamstring energy production. We assume repeal of all federal methane and greenhouse gas regulations as well as restrictions on fracking on private land. Regulation and permitting of energy projects, including on federal lands, would be divested to the states.

Unleashing American energy production starts with enacting H.R. 1, the Lower Energy Costs Act, that the House of Representatives passed with bipartisan support on March 30, 2023. This legislation focuses on two priorities: increasing the production and export of American energy and reducing the regulatory burdens that make it harder to build American infrastructure and grow our economy.

H.R. 1 achieves five key goals:

- Accelerates American energy production
- Increases the mining and processing of critical minerals
- Streamlines energy infrastructure and exports
- Implements broad permitting reform
- Reverses Biden's anti-energy policies

Our budget supports reducing emissions by investing in common sense solutions like carbon capture, renewable hydropower, safe nuclear power, natural gas, and energy storage. Modernizing infrastructure and ensuring that America continues to lead the world in reducing emissions can be done without crushing hardworking Americans and their energy bills.

Part V

Fixing the Broken Budget Process: Transparency, Accountability, and Responsibility

America’s long-term future—the strength of our economy, the health of our democracy, our standing in the world itself—rests on our ability to tackle our fiscal challenges. This generational problem is made more difficult by the fact that Congress has become incapable of even the most basic budgetary disciplines.

The cascade of showdowns and shutdowns in recent years shows just how far we've fallen short of the current statutory budget process. Under the Congressional Budget Act of 1974, a unified House-Senate budget resolution is supposed to set a spending framework by April 15, distilled into individual appropriations bills that are sent to the president by the start of the new fiscal year on October 1.

Up until the late 1990s, Congress never failed to pass a budget while routinely delivering appropriations bills. Since then, it has become increasingly rare to pass, or even prepare, a budget resolution.

“The basic and fundamental premise of public budgeting is to provide a means of disciplining and informing decision makers of the choices they must make while maximizing societal benefits from limited available resources. In truth, budgeting is governing and governing requires budgeting.
Reforms have been advanced over the last many years both by Republicans and Democrats, by special commissions and committees. They all point to changes that will improve the budget process going forward and restore fiscal sense.

In the end, however, no reforms can work if there is no political will to enforce changes. What began 50 years ago with bipartisan support and strong political agreement to reform will be required again.”

In the end, however, no reforms can work if there is no political will to enforce changes. What began 50 years ago with bipartisan support and strong political agreement to reform will be required again.”

G. WILLIAM HOAGLAND, SENIOR VICE PRESIDENT, BIPARTISAN POLICY CENTER

Today, there are few, if any, consequences to missing deadlines to produce a budget framework. Far from working toward a unified budget blueprint, the process has been used by both parties in recent years to advance their respective partisan agendas and bypass supermajority requirements in the Senate.

The congressional budget process is fundamentally broken and will continue to yield bad results and incentivize bad behavior until we address the root causes.

Our current rules and practices lack the necessary, accountability, and responsibility.

Our resolution recognizes that Washington's budgetary dysfunction is a root cause of Congress' failure to exercise fiscal responsibility. An overhaul is desperately needed.

Our budget proposes reforms in two major areas—and the Budget Committee has already begun work addressing both. First, we need wholesale review and reform of the 1974 Budget Control Act. In the summer of 2023, Chairman Arrington and Ranking Member Boyle announced a new bipartisan initiative to fix the broken budget process.

Second, we must establish the the right mechanism to addrerss long-term entitlement spending—a problem that is best solved through bipartisan solutions. Efforts are already underway at the House Budget Committee to identify the most effective model for establishing a debt commission.

Congressional Budget Act Reform:

The Congressional Budget and Impoundment Control Act of 1974 was a landmark law that tasked Congress with setting fiscal policy for each fiscal year, establishing a budget blueprint that in turn determines how much appropriators can spend on federal programs, and what changes (if any) should be made to entitlement spending and the level of revenues.

In the 49 years since its enactment, the law remains largely the same as when it was first drafted.

As an illustration of the need for reform:

- Congress has not passed a budget on time in over 25 years
- The national debt has climed to a record high $33 trillion, over 100 percent debt-to-GDP
- Controls on new spending and deficits have been repeatedly delayed

Fiscal decisions are routinely made only in the heat of a crisis, limiting the ability of Committees and individual members to participate meaningfully in the budgeting process.

There are numerous ways to improve the current budget process that will reduce deficit spending and long-term debt-to-GDP, encourage fiscally responsibly outcomes, and strengthen the financial health of our country. House Budget Committee members are already working on ways to fix this process.

Our efforts will focus on (but not be limited to):

- Provisions to help ensure that we complete responsible budgets that will reduce our long-term debt-to-GDP and the threat of default from the debt ceiling, while providing opportunities for members to bring forward bipartisan debt reduction proposals. The Responsible Budgeting Act, which provides new avenues for addressing the debt limit, is one example of legislation that would help accomplish these goals.
- Achieving bicameral agreement on a budget framework that will guide subsequent fiscal legislation. Over the past 49 years, Congress has agreed to a budget resolution 36 times, but Congress has only met the statutory deadline to pass a budget resolution six times.
- Completing a robust annual appropriations process in a timely manner. It has been over 25 years since Congress has completed the entire appropriations process on schedule, leading to last-minute spending agreements passed in the middle of the night that have fueled our nation's debt and deficits.

Creating a Framework for a Successful Debt/Fiscal Commission

Our second initiative to address the debt challenges facing our nation, and to fulfill the promises outlined earlier in this blueprint regarding critical programs like Medicare and Social Security, a comprehensive review of the United States' current debt situation is necessary to ensure that the country's financial future is secure. Our budget recommends the creation of a bipartisan debt commission to make recommendations and find solutions for legislative and administrative action addressing the principal drivers of U.S. debt, and entitlement spending and should include recommendations and answers for achieving long-term fiscal sustainability and solvency of these programs.

This commission should be:

- Bipartisan and bicameral
- Required to review and report on its findings about the drivers of the U.S. debt
- Seek advice and consult with a wide variety of outside experts with experience on fiscal policy and legislative operations

Several bipartisan efforts to address our mounting debt are already underway. For example, the Sustainable Budget Act, which provides fast-track consideration of recommendations from a National Commission on Fiscal Responsibility, offers a workable model. Alternatively, other bipartisan commissions to address our fiscal challenges and near-term trust fund insolvency would create forums for bipartisan solutions.

Producing an accountable, transparent, and responsible budget is a key ingredient to creating a sustainable fiscal path for our country. This must be achieved by traversing two separate paths. We need to address both a broken congressional process and also find the best structure to secure bipartisan solutions to our long-term entitlement challenges, like Medicare and Social Security.

Appendix

Tables

S-1	FY2024 House Budget (Nominal dollars in billions)									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024-2033
House Budget											
Outlays	6,094	6,097	6,203	6,355	6,528	6,724	6,931	7,161	7,429	7,662	67,184
Revenue	4,848	4,974	5,317	5,658	5,919	6,142	6,368	6,607	6,841	7,102	59,777
Macroeconomic Impact on the Deficit	-20	-30	-90	-140	-230	-320	-410	-490	-580	-690	-3,000
Deficit(+)/Surplus(-)	1,226	1,092	796	557	379	261	154	64	7	-130	+4,407
Debt Held by Public	26,623	27,812	28,698	29,358	29,832	30,173	30,385	30,490	30,515	30,381	
As a Share of GDP											**10-YearAverage**
Outlays	22.1%	21.0%	20.4%	19.8%	19.4%	19.0%	18.6%	18.3%	18.1%	17.7%	19.4%
Revenue	17.6%	17.2%	17.4%	17.7%	17.6%	17.3%	17.1%	16.9%	16.6%	16.4%	17.2%
Macroeconomic Fiscal Impact	-0.1%	-0.1%	-0.3%	-0.4%	-0.7%	-0.9%	-1.1%	-1.3%	-1.4%	-1.6%	-0.8%
Deficit(+)/Surplus(-)	4.4%	3.8%	2.6%	1.7%	1.1%	0.7%	0.4%	0.2%	0.0%	-0.3%	+1.5%
Debt Held by Public	96.5%	95.9%	94.2%	91.6%	88.6%	85.2%	81.6%	77.9%	74.2%	70.3%	n.a.

S-2	FY2024 House Budget vs. CBO Baseline (Nominal dollars in billions)										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024-2033
Outlays	-324	-639	-832	-1,012	-1,325	-1,274	-1,562	-1,737	-1,909	-2,292	-12,907
Revenue	0	0	0	0	0	0	0	0	0	0	0
Macroeconomic Impact on Deficit	-20	-30	-90	-140	-230	-320	-410	-490	-580	-690	-3,000
Deficit	-344	-669	-922	-1,152	-1,555	-1,594	-1,972	-2,227	-2,489	-2,982	-15,907
Debt Held by Public	-765	-1,434	-2,356	-3,508	-5,063	-6,657	-8,630	-10,857	-13,346	-16,328	

S-3	FY2024 House Budget by Major Category (Outlays in billions)										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024-2033
Social Security (OASI)	1,299	1,387	1,468	1,545	1,634	1,725	1,822	1,923	2,028	2,134	16,964
Medicare (Net)	824	889	950	1,014	1,158	1,080	1,234	1,319	1,411	1,627	11,506
Medicaid & Other Health	617	603	582	594	621	648	676	705	736	770	6,552
Other Mandatory	946	832	810	779	689	845	767	776	800	672	7,916
Discretionary	1,708	1,685	1,672	1,676	1,656	1,644	1,649	1,652	1,661	1,680	16,683
Net Interest	700	700	720	746	769	782	784	787	793	780	7,562
Total Outlays	**6,094**	**6,097**	**6,203**	**6,355**	**6,528**	**6,724**	**6,931**	**7,161**	**7,429**	**7,662**	**67,184**

S-4	FY2024 House Budget vs. CBO Baseline by Major Category (Outlays in billions)										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024-2033
Social Security (OASI)	0	0	0	0	0	0	0	0	0	0	0
Medicare (Net)	-4	-28	-33	-38	-44	-43	-50	-55	-60	-70	-423
Medicaid & Other Health	-96	-108	-142	-172	-187	-206	-227	-248	-273	-296	-1,956
Other Mandatory	-43	-175	-220	-258	-405	-213	-344	-360	-368	-573	-2,959
Discretionary	-137	-254	-322	-379	-456	-510	-561	-608	-651	-693	-4,571
Net Interest	-44	-73	-115	-166	-234	-302	-381	-465	-557	-661	-2,997
Total Outlays	**-324**	**-639**	**-832**	**-1,012**	**-1,325**	**-1,274**	**-1,562**	**-1,737**	**-1,909**	**-2,292**	**-12,907**

S-5	FY2024 House Budget Base Discretionary Budget Authority vs. CBO Baseline (Nominal dollars in billions)										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024-2033
Total in Budget Resolution	1,471	1,486	1,501	1,516	1,531	1,546	1,561	1,577	1,593	1,609	15,390
Total in CBO Baseline	1,700	1,742	1,784	1,827	1,870	1,914	1,961	2,008	2,055	2,105	18,965
Total Difference	-229	-256	-283	-311	-339	-368	-399	-430	-462	-496	-3,575