



March 18, 2016

Fact Sheet: House Committees Cut Aid for Low-Income People in Bid to Attract Support for House Budget Resolution

The House Budget Committee recently approved its FY17 budget resolution. To garner enough support from conservatives for the proposal, House leaders crafted bills to cut certain mandatory programs (those not subject to the annual appropriations process). These bills, passed by the House Committee on Ways and Means and Committee on Energy and Commerce, would substantially reduce low- and moderate-income people's access to health care, eliminate funds for social services for families with children, youth, and seniors, dramatically reduce public health funding at a time when the nation faces multiple public health emergencies, and deny tax credits to low-income immigrant families with children. They are estimated to cut \$123 billion over 10 years.

The bills are expected to be part of a set of mandatory cuts that are intended to mollify those who opposed the deal to increase appropriations beyond sequestration cut levels for FYs 2016 and 2017. For FY 2017, that will be a \$30 billion increase, which was [paid for](#) as part of the deal Congress enacted. These new mandatory cuts would therefore offset the appropriations increase more than four times over. While it is unclear whether these cuts will persuade enough members to support the budget resolution on the House floor, they are likely to be advanced independently.

The details of the cuts are outlined below. **These cuts could be headed to the House floor as early as the week of March 21.**

Bills passed by the House Ways and Means Committee would cut \$98 billion over 10 years (\$16.5 billion estimated cut in the first two years) by:

- **Eliminating the \$1.7 billion Social Services Block Grant.** H.R. 4724 would deny vital help to the 30 million vulnerable people who benefit from SSBG-funded services, including millions of children. Across all programs receiving SSBG support, nearly half (47%) serve children. Although proponents of ending SSBG say its funding is duplicative, it is intended to allow states to target funds to areas they want to increase (and where many eligible people go without services). In some areas, SSBG provides a large proportion of total spending: almost half (49%) of special services for at-risk youth are funded through SSBG. In addition, two-thirds of funding for adult day care services is provided through SSBG.
- **Denying the Child Tax Credit to millions of children (mostly citizens) in low-income working immigrant families.** H.R. 4722 would deny the refundable CTC to low-income immigrants who file their tax forms with an Individual Taxpayer Identification Number, harming about 4.1 million

citizen children and another 1 million undocumented children. Low-income families without a Social Security number will lose on average \$1,800 if the CTC is taken away from them.

- **Ending limits on how much people of modest means would be asked to repay overpayments of ACA health insurance subsidies.** Because people's income fluctuates, overpayments in subsidies provided through the Affordable Care Act are not uncommon, and repayments are currently capped based on income. H.R. 4723 would end these caps, a move that is likely to deter 220,000-250,000 people from signing up for health insurance.

The bill passed by the Energy and Commerce Committee (H.R. 4725) would cut \$25 billion over 10 years by:

- **Eliminating the Prevention and Public Health Fund created under the Affordable Care Act.** Only a small fraction of health spending in the U.S. invests in prevention, and many of the prevention programs supported by this fund offer help especially needed by low-income communities and communities of color. Eliminating public health funding for things like diabetes prevention, responses to foodborne infections, preventing child lead poisoning and increasing vaccine coverage among children reduces already scarce funding at a time when we face ongoing/growing threats in all these areas plus the new threat of the Zika virus.
- **Cutting federal funding for the Children's Health Insurance Program.** The reduction in match rates for CHIP – a 23 percentage point drop for most states – would take place in 2016, leaving states in the lurch without time to plan for these cuts. States will likely be forced to cut benefits or access to CHIP, threatening services in an essential program now serving 8 million children.
- **Reducing Medicaid reimbursements to states for people in prison.** Reducing federal Medicaid coverage for eligible prisoners would likely reduce the quality of health care available to them, making them less able to work and rejoin their communities. It also shifts additional costs to states.
- **Shifting Medicaid costs to the states.** By further restricting states' ability to levy taxes on health care providers in order to finance their Medicaid programs, states will experience shortfalls and will likely be forced to cover fewer people in Medicaid or cut access to Medicaid services. As with the cuts mentioned above, when health care costs are shifted to states, the poorest states are likely to deny services to the people most in need.

Additional cuts to mandatory programs may be coming, too: the Financial Services and Judiciary Committees are also being asked to find cuts. The Agriculture Committee and others could be tasked to do so as well. The House budget resolution assumes at least \$30 billion in cuts over 2 years and at least \$140 billion over 10 years.

The Coalition on Human Needs opposes these bills because they would harm low- and moderate-income families, including many children. Low-income programs providing vital services have sustained [multiple cuts in recent years](#); these bills would further target the people who can least afford more losses.