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The House Budget Bill is "nation shaping and life changing" – very much for the worse

Statement by Deborah Weinstein, Executive Director, Coalition on Human Needs

House Speaker Mike Johnson may be right about the budget bill that passed the House 215-214. He <u>said</u> "Legislation of this magnitude is truly nation shaping and life changing." Yes – but if it becomes law, it will change our lives very much for the worse.

This is a bill that will take food and health care away from millions of people in order to pay for tax breaks that very disproportionately benefit the rich and corporations, and to increase military and ICE spending to detain and deport immigrants. This is a bill that rejects opportunities to increase income or reduce costs for families with modest incomes. Their losses pay for the gains of the rich and well-connected.

The American people do not support this legislation. A recent <u>poll</u> found that 45 percent opposed the House bill with 36 percent in support. Americans <u>strongly support Medicaid (78</u> <u>percent)</u> and <u>SNAP (72 percent)</u>. At least hundreds of thousands of letters have been sent to House and Senate recently to oppose cuts to basic needs programs. The Senate should respond to these strongly-held views and reject the pain that the House bill will inflict.

How would this bill shape our nation? According to the <u>Congressional Budget Office</u>, it would cause our poorest tenth to lose 4 percent of their income in 2033, while the richest ten percent gain the equivalent of 2 percent of their income. In dollar terms, according to the <u>Penn Wharton Budget Model</u>, in 2026, the lowest tenth, with incomes below \$17,000, would lose \$1,035, while the richest one-tenth of one percent, with incomes of \$4.3 million or more, would gain an average \$389,280. Those with the lowest incomes gain little from the well over \$3 trillion in tax breaks, but lose health coverage, nutrition and/or education benefits. Those at the top get richer from the tax breaks.

Of course, this nation-shaping must not be measured merely in dollar terms. People who depend on Medicaid are speaking out in fear of the life-threatening potential consequences of over \$800 billion in cuts. A family in Iowa depends on Medicaid services to care for their <u>9-year old son Charlie</u>, whose complex medical needs meant he couldn't walk at age 6. With care provided by Medicaid, he has now progressed to walking with a walker, and his medical daycare enables his mother to work. His family fears that cuts to Medicaid would result in Iowa discontinuing the optional program that covers Charlie's daycare.

This bill threatens vulnerable people, like Charlie and his family, or like the home care worker who appeared at a rally before the House vote to note that the Medicaid Home and Community Based Care program was optional for states, and vulnerable to being cut as states coped with loss of federal dollars, despite the huge need for these services. It threatens people with unprecedented loss of food: Feeding America estimates that the bill's SNAP cuts are equivalent to the loss of 9.5 billion meals a year. It fails the very people the President said he would help – workers with modest incomes. Some examples: the Child Tax Credit rises from \$2,000 to \$2,500 per child, but if you're a married couple with earnings of less than \$48,550, you will not get the full addition. If you're a single parent with two children earning \$24,000, you do not get a dime out of the increase – nothing. Or, if you're a working low-income person covered by the Medicaid expansion in place in most states, you will now be subject to a co-payment of up to \$35 for many medical services.

The rich, as noted, make big gains. So do the well-connected – allies in the fossil fuel business saw the elimination of tax incentives for sources of clean energy. Texas is expected to gain much of the \$12 billion included in the bill to repay states that spent their own money on anti-immigrant enforcement measures.

The bill would cause at least 14 million people to lose health care. About 8.6 million would lose Medicaid, many unable to cut through the red tape requirements to document that they are working or exempt from the expanded work requirements in the bill. It has been <u>well</u> <u>documented</u> that large numbers of people, despite being eligible for Medicaid, lose it because they do not provide the documentation required – they may not have received notifications, do not understand what is being asked of them, cannot get through to call centers, or cannot obtain proof of wages or that they are exempt.

The bill breaks the oft-stated promise that Medicare would not be cut. In fact, 1.4 million older people with low incomes would lose Medicare Part B, covering doctor visits and other care, because they will lose Medicaid coverage that helps pay for this Medicare insurance plan.

Further, the bill would break the promise of Medicare coverage for immigrants who have lived here legally for decades, working and paying Medicare taxes.

Despite the trillions in tax breaks, this bill did not make room for the extension of the expanded Affordable Care Act premium tax credit, which will expire at the end of this year if Congress does not extend it. That will cause 4.2 million people to be unable to afford insurance.

The nutrition cuts are also of unprecedented harshness. A new <u>CBO analysis</u> estimates that the expanded work reporting requirements in SNAP would lead to the termination of 3.2 million people in an average month. The requirement that states pay up to 25 percent of the SNAP benefits costs is expected to result in 1.3 million people per month seeing their benefits either reduced or ended. The loss of SNAP eligibility also leads to fewer children receiving child

nutrition benefits; CBO estimates 420,000 children will go without these food benefits as a result.

The current average SNAP benefit is only about \$6 per person per day. The House bill would restrict increases in benefit levels, making SNAP less able to provide nutritious meals. CBO says that by 2034, monthly benefits will be \$15 lower than they would have been because of this restriction. Other restrictions further limit benefit levels.

What sense does this make? Robert F. Kennedy, Jr. is busy telling us that Americans – children in particular – are not getting nutritious food. But this bill, strongly favored by President Trump, will make it harder for people with low incomes to afford nutritious food.

The bill fails to use the Child Tax Credit to lift more children out of poverty. The bill raises the Child Tax Credit to \$2,500, but only provides the increase to relatively well-off families, leaving <u>20 million children behind</u>, including the poorest children. It takes the giant backward step of newly denying the Child Tax Credit to 4.5 million children who are either citizens or lawful permanent residents if one of their parents does not have a Social Security number, one of the many ways the bill punishes families with immigrants.

The bill's repeated attacks on immigrants here legally, as well as citizen children of immigrant parents, shock the conscience. Immigrants here legally would lose access to health care, food, and other assistance they now have: Affordable Care Act subsidies, SNAP, and federal student aid, Medicare.

There are many other <u>punishments to immigrants</u>, many escaping acutely dangerous conditions. Parents seeking to be reunited with their children fleeing across the border will have to pay thousands of dollars, as will sponsors of unaccompanied children. Still more harsh, the bill provides large increases to the military and to the Department of Homeland Security to detain and deport migrants, including families with children. This is more support for the dangerous and illegal acts we have seen from the Trump administration – including detentions without due process and deportations to El Salvador and South Sudan.

To pry out enough votes to pass the House bill, President Trump is reported to have promised to make still other cuts by executive fiat, such as the cuts and massive reorganizations that courts have ruled against repeatedly, most recently <u>here</u>. The Senate needs to reject both serious harms and illegality – it needs to reject the House bill.