WAYS AND MEANS COMMITTEE

Health

Limit Federal Health Program Eligibility Based on Citizenship Status
Up to $35 billion 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Currently, many non-citizens who entered the country illegally are eligible for federal health care programs including advance premium tax credits and Medicaid. This policy would remove specified categories of non-citizens from eligibility for federal health care programs.

Eliminate Medicare Coverage of Bad Debt
Up to $42 billion 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Medicare currently reimburses hospitals at 65 percent of bad debt (uncollected cost-sharing that beneficiaries fail to pay), while private payers do not typically reimburse providers for bad debt. This policy brings Medicare more in line with the private sector by gradually reducing the amount that Medicare reimburses providers for bad debt.

Medicare Site Neutrality
Up to $146 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Currently, Medicare and beneficiaries pay more for the *SAME* health care service furnished in hospital outpatient departments (HOPDs) than in physician offices. The budget supports Medicare site neutral payments by equalizing Medicare payments for health care services that can be safely delivered in a physician's office.

Improve Uncompensated Care
Up to $229 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- 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. This policy reforms 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.

Prevent Dual Classification for Hospitals Under Medicare
Up to $10 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Prevent dual reclassifications for hospitals under Medicare to eliminate double dipping of benefits.

Other Reforms to Obamacare Subsidies
Up to $5 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Reform Obamacare subsidies in the individual market to: lower premiums, lower out-of-pocket costs, direct subsidies to patients over health insurers, and target Premium Tax Credits to the most needy Americans.

Reform Graduate Medical Education (GME) Payments
Up to $10 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Reform Medicare graduate medical education (GME) payments. Enact H.R. 8235, Rural Physician Workforce Preservation Act reported out of the Ways and Means Committee on May 8, 2024. The bill would ensure that 10 percent of newly enacted GME slots would go to truly rural teaching hospitals. Also include a policy that would decrease excess GME payments to “efficient” teaching hospitals.

Geographic Integrity in Medicare Wage Index
Up to $15 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Enact geographic integrity in Medicare’s Wage Index calculations to reduce overpayments to urban hospitals.

Repeal DACA Obamacare Subsidies Final Rule
$6 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- In May 2024, the Biden Administration finalized a rule that would allow DACA recipients to enroll in subsidized marketplace and basic health program (BHP) plans. The rule expands eligibility by modifying the definition of "lawfully present" to include DACA recipients.

Codify Individual Coverage Health Reimbursement Arrangement (ICHRA) Rule
No budgetary effects
VIABILITY: HIGH / MEDIUM / LOW

- Codify the Individual Coverage Health Reimbursement Arrangement (ICHRA) Treasury rule to allow companies to offer their employees defined benefit contributions towards qualified health plans. Enact H.R. 3799, the Custom Health Option and Individual Care Expense Arrangement Act reported out of the Ways and Means Committee on June 7, 2023.

Second Chances for Rural Hospitals Act (H.R. 8246)
Up to $10 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Increase access to rural emergency care services and facilitate better discharges to post-acute care for patients. Ensure patients can expeditiously access emergency and post-hospital care in long-term care hospitals, nursing homes, and home health programs. Enact H.R. 8246, the Second Chances for Rural Hospitals Act reported out of the Ways and Means Committee on May 8, 2024.

Eliminate Inpatient-only List
Up to $10 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Eliminate the inpatient-only list so more same-day surgeries and procedures can be performed in lower cost, outpatient settings.

Improve Senior Access to Innovation and Telehealth
Up to $20 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Enact H.R. 8261, the Preserving Telehealth, Hospital, and Ambulance Access Act reported out of the Ways and Means Committee on May 8, 2024. **Enact H.R. 2407, the Nancy Gardner Sewell Medicare Multi-Cancer Early Detection Screening Coverage Act (JCA bill)**, H.R. 8816, the American Medical

Innovation and Investment Act, H.R. 1691, the Ensuring Patient Access to Critical Breakthrough Products Act of 2023, and H.R. 4818, the Treat and Reduce Obesity Act of 2023 reported out of the Ways and Means Committee on June 26, 2024.

Reform IRA's Drug Policies
Up to $20 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Reform the Inflation Reduction Act's prescription drug policies to discourage price setting on innovative drugs treating rare patient populations.

Reform Medicare Physician Payments
Up to $10 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Reform Medicare's physician payment system to encourage more predictability and certainty.

Reform Obamacare Market Plan Design and Eligibility
Up to $10 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Reform Obamacare market plan design and eligibility rules such as actuarial value calculations and open enrollment periods.

Recapture excess Affordable Care Act (ACA) subsidies
Up to $46 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Currently, an individual can receive advance payments of the premium tax credit to coincide when health insurance premiums are due each month, based on an estimate of income. If the tax credit is paid in advance, the taxpayer must reconcile the advance credit payments with actual income filed on the tax return and repay any excess tax credits. For individuals with incomes below 400 percent of FPL, any repayment amount is capped. The budget removes limits on repayments of excess premium tax credit payments so any individual who was overpaid in tax credits would have to repay the entire excess amount, regardless of income.

Block Grant GME at CPI-M
Up to $75 billion in 10-year savings

VIABILITY: HIGH / MEDIUM / LOW

- The Federal Government spends more than $20 billion annually in the Medicare and Medicaid programs to train medical residents with little accountability for outcomes. GME reform has been recommended by the independent Medicare Payment Advisory Commission (MedPAC) and included in past presidential budgets. This policy streamlines GME payments to hospitals, while providing greater flexibility for teaching institutions and states to develop innovative and cost-effective approaches to better meet our nation's medical workforce needs.

Repeal Obamacare Subsidies "Family Glitch" Final Rule
Up to $35 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The text of the Affordable Care Act (ACA) made it clear that individuals with affordable employer coverage (as defined in the law) are not eligible to receive Obamacare subsidies for ACA plans. The affordability standard in Obamacare specifically applied only to individuals and not to the cost of family coverage overall. The provision was written this way to reduce the Congressional Budget Office (CBO) score for this provision. In October 2022, the Biden Administration illegally altered the ACA by creating a new affordability standard to both employees and their dependents, running afoul of the text and Congressional intent of the law, resulting in individuals leaving employer coverage and onto ACA plans.

Energy

Repeal Title I of IRA (Excluding: 45Q Carbon Sequestration, 45U Nuclear Power, 45Z Clean Fuels, and EV Tax Credit)
$404.7 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Reducing 45Q, 45U, and 45Z would streamline and reduce government intervention in the energy industry that props up the green energy sector and distorts market competition.

Close the EV credit leasing loophole
$50 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Closing the EV credit leasing loophole ensures that only EV buyers, not lessees, receive tax credits, preserving integrity of the program and preventing misuse of taxpayer dollars.

Tax

<u>Repeal Green Energy Tax Credits</u>
Up to $796 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would repeal credits created and expanded under the Inflation Reduction Act. These credits are related to clean vehicles, clean energy, efficient building and home energy, carbon sequestration, sustainable aviation fuels, environmental justice, biofuel, and more. The full cost of the IRA provisions is about $329 billion, which becomes about $800 billion when paired with the tailpipe emission rule designed to dramatically increase the uptake of EVs and EV credit use. Based on political will, there are several smaller reform options available (starting as low as $3 billion) that would repeal a smaller portion of these credits.

<u>End Employee Retention Tax Credit</u>
$70-75 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Employee Retention Tax Credit (ERTC) is a refundable tax credit aimed at encouraging employers to keep employees on payroll during economic hardships, such as the COVID-19 pandemic. Ending the ERTC would extend the current moratorium on claims processing and eliminate the credit for claims submitted after January 31, 2024, along with introducing stricter penalties for fraud. These changes align with the House-passed *Tax Relief for American Families and Workers Act.*

<u>SSN Requirement for Child Tax Credit</u>
$27.7 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would better ensure program integrity by requiring claimants (children *and* parents) to have a Social Security number to be eligible for the CTC. This change enforces a clear eligibility requirement based on Social Security numbers valid for employment, directly aligning these credits with the principle of supporting those who contribute to the economy through work. This measure not only streamlines administration, potentially reducing fraud, but also reinforces the idea that tax-based benefits should reward work and support families genuinely eligible under the law. TCJA included a provision that required a SSN for each child to claim the CTC which is expiring in 2025.

Endowment Tax Expansion to 14 Percent Rate
$10 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The 2017 Tax Cuts and Jobs Act (TCJA) imposed a new tax on a small group of private nonprofit colleges and universities. Institutions enrolling at least 500 students that have endowment assets exceeding $500,000 per student (other than those assets which are used directly in carrying out the institution's exempt purpose) pay a tax of 1.4 percent on their net investment income. In 2022, the tax raised $244 million from 58 institutions. This would raise that rate to 14%.

H.R. 8913, Increase Applicability of Endowment Tax
$275 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- H.R. 8913 adjusts the criteria for which students are counted when determining whether a private college or university is subject to an excise tax on its net investment income. This bill incentivizes universities that receive generous U.S. federal tax benefits to either enroll more American students or spend more of their endowment funds on those students to avoid being subject to the endowment tax. This bill would subject roughly 10 to 12 additional schools to the Endowment Tax, all of which could avoid the tax by admitting more American students or spending down their endowments.

H.R. 8914, University Accountability Act
No budgetary effects
VIABILITY: HIGH / MEDIUM / LOW

- H.R. 8914, marked up by the Ways and Means Committee on July 9, 2024, would enact penalties for colleges and universities that violate students' rights under Title VI of the Civil Rights Act (which applies to educational institutions and protects against discrimination). It was ordered reported favorably by a vote of 24 yeas (you and 23 other Republicans) and 12 nays (all Democrats).

Repeal SALT Deduction
$1.0 trillion in 10-year savings relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would eliminate both the individual and business State and Local Tax deduction. Currently, the cap is $10,000. After 2025, this limitation will expire.

Make $10k SALT Cap Permanent, but Double for Married Couples
$100-$200 billion cost relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would extend the $10k SALT cap but double it for married couples.

$15k/$30k SALT Cap
$500 billion cost relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would cap the SALT deduction at $15k for individuals and $30k for married couples.

Eliminate Income/Sales Tax Deduction Portion of SALT
$300 billion cost relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would eliminate deductibility of state and local income or sales taxes from the SALT deduction, making only property taxes SALT deductible. The $10k SALT cap would expire as scheduled in current law.

Eliminate Business SALT Deduction
$310 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would eliminate the business SALT deduction. The individual SALT deduction would be unchanged from current law.

Eliminate the Home Mortgage Interest Deduction
About $1.0 trillion in 10-year savings relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would fully repeal the deduction for mortgage interest on primary residences. This is a Tax Foundation score.

Lower Home Mortgage Interest Deduction Cap to $500k
About $50 billion in 10-year savings relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would lower the cap on the home mortgage interest deduction from the TCJA level of $750k to $500k. This is a Tax Foundation score.

Eliminate Nonprofit Status for Hospitals
$260 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- More than half of all income by 501(c)(3) nonprofits is generated by nonprofit hospitals and healthcare firms. This option would tax hospitals as ordinary for-profit businesses. This is a CRFB score.

Eliminate Exclusion of Interest on State and Local Bonds
$250 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Interest earned on municipal bonds is currently excluded from taxable income. This option would end the exclusion, making income from municipal bond interest taxable.

End Tax Preferences for Other Bonds
$114 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would eliminate the exclusion of interest earned on private activity bonds, Build America bonds, and other non-municipal bonds.

Eliminate Head of Household Filing Status
$192 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Head of Household filing status provides a larger standard deduction for unmarried individuals who have children. This option would eliminate the Head of Household filing status.

Eliminate the American Opportunity Credit
$59 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The American opportunity tax credit (AOTC) is a credit for qualified education expenses paid for an eligible student for the first four years of higher education.

Taxpayers can get a maximum annual credit of $2,500 per eligible student. This option would repeal the credit.

<u>Eliminate the Lifetime Learning Credit</u>
$26 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Lifetime Learning Credit ("LLC") provides a nonrefundable tax credit equal to 20 percent of qualified tuition and related expenses of the taxpayer that do not exceed $10,000. This option would repeal the credit.

<u>Replace HSA's with a $9,100 Roth-Style USA Indexed to Inflation</u>
$110 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would replace Health Savings Accounts (HSA) with a $9,100 Universal Savings Account indexed to inflation. While it would raise revenue by $110 billion in the budget window, it would have a small cost outside of the budget window. This is a Tax Foundation score.

<u>End Treatment of Meals and Lodging (Other than Military)</u>
$87 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Employer-provided meals and lodging are generally excluded from taxable income if they are for the employer's convenience. This option would eliminate this exclusion for all employees except military personnel, making these benefits taxable and saving $87 billion over 10 years.

<u>Eliminate Deduction for Charitable Contributions to Health Organizations</u>
$83 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Taxpayers can deduct contributions to qualifying health organizations (patient advocacy groups, professional medical associations, and other U.S.-based charitable organizations with 501(c)(3) tax status) from their taxable income. This option would remove the deduction for contributions to health organizations, generating $83 billion in savings over 10 years.

<u>Eliminate Credit for Child and Dependent Care</u>
$55 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Taxpayers can claim a credit for a portion of their child and dependent care expenses (up to $2,100). This option would remove the child and dependent care credit, yielding $55 billion in savings over 10 years.

Eliminate Exclusion of Scholarship and Fellowship Income
$54 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Qualified scholarships and fellowships are generally excluded from taxable income if used for tuition and related expenses. This option would make all scholarship and fellowship income taxable, increasing revenue by $54 billion over 10 years.

Eliminate Employer Paid Transportation Benefits
$50 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Employer-provided transportation benefits (up to $315 per month), like transit passes and parking, are excluded from taxable income. This option would eliminate the tax exclusion for these benefits, generating $50 billion in savings over 10 years.

Eliminate Exemption of Credit Union Income
$30 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Credit unions are exempt from federal income taxes on their earnings. This option would subject credit unions to the federal income tax.

Eliminate Exclusion of Employer Provided On-Site Gyms
$20 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Employer-provided on-site gym facilities intended for employees and their families are excluded from taxable income. This option would make the value of on-site gyms taxable.

Eliminate Deduction of Interest on Student Loans
$30 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Taxpayers can deduct up to $2,500 of interest paid on student loans from their taxable income. This option would eliminate the deduction for student loan interest.

<u>Federal Excise Tax on Federal Unions' Non-Representation Spending</u>
$7 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would impose a federal excise tax on non-representation spending by federal unions.

<u>Make DEI Union Expenses Non-Deductible</u>
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- Currently, federal unions are able to deduct all expenses on DEI training because they are "educational." This proposal would impose new limits, likely raising some revenue.

<u>Increase Electric Vehicle Fees</u>
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- Electric vehicles do not currently contribute to the Highway Trust Fund, which is largely funded by the federal gas tax. This option would assess a new fee on electric vehicles.

<u>Border Adjustment Tax</u>
$1.2 trillion+ in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option creates a new tax on goods where they are consumed, not produced. This shift from an origin-based tax to a destination-based tax.

<u>H.R. 5688, Improvements to Health Savings Accounts</u>
$10 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- H.R. 5688 allows individuals who utilize key health services such as direct primary care arrangements and worksite health clinics to use their own resources to contribute to health savings account funds. The bill also eliminates a prohibition against an individual establishing an HSA if their spouse has an existing flexible spending arrangement and allows individuals to convert their own flexible spending or health reimbursement arrangement dollars into a health savings account.

Eliminate Tax on Tips
$106 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Tips received by employees are subject to income and payroll taxes. This option would eliminate the income tax on tips.

Eliminate Tax on Overtime
$750 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- This blanket exemption would prevent overtime earnings from being taxed. This is a Tax Foundation score.

Exempt Americans Abroad from Income Tax
$100 billion 10-year cost
VIABILITY: HIGH / MEDIUM / LOW

- Currently, the foreign earned income exclusion offers tax benefits to Americans residing overseas. Adjusted annually for inflation, the exclusion amount reached $126,500 for 2024. It is unclear whether this proposal intends to raise this limit or fully eliminate U.S. taxation on individual foreign income. This is a Tax Foundation score.

Auto Loan Interest Deduction
$61 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- This would allow Americans to deduct their auto loan interest payments from their taxes. The specifics are unclear at the moment. This is a Tax Foundation score.

Repeal IRA's Corporate Alternative Minimum Tax
$222 billion 10-year in costs

VIABILITY: HIGH / MEDIUM / LOW

- The Inflation Reduction Act (IRA) imposes a 15% corporate alternative minimum tax on adjusted financial statement income for corporations. This option would repeal the IRA's corporate AMT.

Eliminate the Death Tax
$370 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Estates exceeding a certain value are subject to federal tax. The TCJA doubled the estate tax exclusion. The 2023 exclusion amount is $12.9 million per person ($25.8 million for married couples). This option would eliminate the federal estate tax.

Cancel Amortization of R&D Expenses
$169 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Prior to TCJA, research and development (R&D) costs could be immediately expensed. TCJA replaced R&D expensing with amortization. This option would return to the pre-TCJA treatment of R&D.

Implement Neutral Cost Recovery for Structures
$10 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- While TCJA improved the tax treatment of short-term investments with the temporary 100 percent Bonus Depreciation provision, it did not improve the treatment of long-term investments in buildings and structures. This policy would allow businesses to index the value of deductions to inflation and a real rate of return (to address the time value of money). Experts believe this would preserve the economic benefits of full expensing for long-term structures at a fraction of the cost. Has a large cost outside of the budget window. This is a Tax Foundation score.

Lower the Corporate Rate to 15 Percent
$522 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- TCJA permanently lowered the corporate income tax rate from a globally uncompetitive 35 percent to 21 percent. This option would further lower the corporate rate to 15 percent.

Lower the Corporate Rate to 20 Percent
$73 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- TCJA permanently lowered the corporate income tax rate from a globally uncompetitive 35 percent to 21 percent. This option would further lower the corporate rate to 20 percent.

Repeal IRA's IRS Enforcement Funding
$46.6 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Over the FY25-FY34 period, that rescission is estimated to reduce outlays by $20 billion, reduce revenues by $66.6 billion, and as result increase the deficit by $46.6 billion. This estimate is relative to the 2024 baseline.

Restructure the EITC to Reduce Improper Payments
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- In 2023, the Earned Income Tax Credit (EITC) had an estimated improper payment rate of 33.5 percent, totalling $22 billion dollars. This policy option would simplify the EITC by breaking it out into a "worker credit" and a "child credit," allowing for more accurate eligibility verifications and reducing improper payments.

Trade

Codify and Increase 301 Tariffs on China
$100 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The current 301 tariffs bring in approximately $40 billion per year. This option would codify the 301 tariffs in addition to increasing the tariffs on products already subject to 301.

10 Percent Tariff
$1.9 trillion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would create a 10% across the board tariff on all imports.

H.R. 7679, End China's De Minimis Abuse Act
$24 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Legislation requiring de minimis value shipments to also pay any existing 301 tariffs would reduce the volume of de minimis shipments from China by half.

Welfare

Codify the Chained CPI-U for Poverty Programs
$5 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Codifying the Chained CPI-U will limit the Executive Branch's ability to change the federal poverty line, which determines eligibility and funding allocations to states for federal means-tested welfare programs. Using just the CPI-U overstates inflation, contributing to a larger welfare system and a culture of government dependency.

Eliminate Social Services Block Grant
$15 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Social Services Block Grant (SSBG) is an annually appropriated capped entitlement to states to support a range of social service activities. However, most of these activities are funded by other federal programs, including TANF, the Community Services Block Grant, the Child Care and Development Fund, and more. Furthermore, the SSBG provides excessive state discretion over $1.7 billion annually with no accountability. Presidents Bush and Trump proposed eliminating the SSBG in their budgets and the House has proposed its elimination in budget resolutions in the 112th, 113th, 114th, and 115th Congresses. This block grant is duplicative of other programs, lacks effective oversight, and should be eliminated.

Eliminate TANF Contingency Fund
$6 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The TANF Contingency Fund provides additional funding to states experiencing economic hardship. However, it is essentially a slush fund, providing states with excessive discretion over federal funds, and is duplicative to other federal programs. This policy option would eliminate the TANF Contingency Fund.

Improve SSI Income and Asset Verification
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- SSI provides cash assistance to aged, blind, and disabled individuals with little or no income. Under current law, SSA is not required to verify financial accounts of SSI applicants and recipients who allege ownership of resources valued at less than $400. A recent SSA-OIG report concluded that this practice led to incorrect resource determinations, resulting in 198,960 recipients receiving $718 million in SSI payments for which they were not eligible. This policy option would lower the $400 resource-level tolerance to $0 and require SSA to validate the financial accounts of all SSI applicants and recipients, strengthening program integrity and reducing improper payments.

TANF Work Requirements
$7 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Adult TANF recipients, with some exceptions, must participate in work activities to receive benefits. Under current law, HHS has the authority to reduce or waive penalties to states that do not meet TANF work participation requirements. This policy option would take away HHS's ability to do so with the intent to incentivize work as a pathway to self-sufficiency, reducing direct spending by $7 million.

Require School Attendance for SSI Benefits
$640 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Children under 18 may qualify for SSI if they are disabled and their household has limited income and resources. This policy option would condition SSI benefits for qualified children under the age of 18 on school attendance.

Sliding Scale for SSI Benefits
$5 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- SSI, unlike other welfare programs, does not pay benefits on a sliding scale. Recognizing household economies of scale, this reform (based on a CBO budget option) converts SSI payments to a sliding scale. The sliding scale formula would be (as per the CBO budget option and proposed by the 1995 National Commission on Childhood Disability): SSI federal payment rate multiplied by the number of child recipients in the family and raised to the power of 0.7.

Deny SSI to Those with Felony Arrest Warrants
$3 billion in 10-year savings

VIABILITY: HIGH / MEDIUM / LOW

- In addition to being an important program integrity measure, this policy option would help restore the original intent of PRWORA to discontinue SSI benefits for individuals who are ‘‘the subject of an arrest warrant’’ compared to the previous language of ‘‘fleeing to avoid’’ arrest. It would also have the added benefit of helping law enforcement find criminals who have been evading the law.

Reduce TANF by 10 Percent
$15 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The TANF block grant provides fixed funding to the 50 states, DC, and territories, for a range of benefits and services to assist low-income families with children. Current law allows states to carry over unspent TANF funds indefinitely. At the end of 2022, $9 billion TANF dollars remained unspent – over half the size of the $16.5 billion block grant. This policy option would reduce the TANF block grant by 10 percent.

ENERGY & COMMERCE COMMITTEE

Health

Reverse Executive Expansion of State-Directed Payments in Medicaid
Up to $25 billion in 10-year savings (Informal Estimate)
VIABILITY: HIGH / MEDIUM / LOW

- The Biden Administration finalized regulations effectively removing limits on the levels of state-directed payments (SDPs) in Medicaid, which are used to artificially increase federal Medicaid matching funds. This policy would impose limits on SDPs.

Medicaid FMAP Penalty for covering Illegal Aliens with State-Only Money
TBD on Savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would impose a reduction in a state’s FMAP if the state uses state-only funding to provide coverage to illegal aliens through the state’s Medicaid program. States currently offering Medicaid coverage for illegal aliens include California and New York.

<u>Repeal CMS Nursing Home Minimum Staffing Final Rule</u>
Up to $22 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would repeal the final rule, "Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting." The rule was finalized in May 2024 and would impose minimum staffing standards on long-term care facilities, creating an unfunded mandate on critical health care facilities across the country, threatening provider facility closures and patient access to care.

<u>Eliminate Prevention and Public Health Fund</u>
$15 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Created under Obamacare, the Prevention and Public Health Fund (PPHF) is "the nation's first mandatory funding stream dedicated to improving our nation's public health system." In reality, the PPHF has served as a slush fund for the HHS Secretary, who has full authority to spend funds in this account on any program or activity under the Public Health Service Act the Department chooses without further congressional action. There is currently authorized $1.3B for FY24-FY25, $1.8B for FY26-FY27, and $2B for FY28 and every fiscal year thereafter. This policy would repeal this fund but does not cut a specific program.

<u>Equalize DC FMAP to What States Receive</u>
$8 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This policy would base the District of Columbia's federal medical assistance percentage (FMAP) on the standard formula rather than fixed at 70 percent by statute. Under the policy, the District's matching rate would fall from 70 percent to 50 percent.

<u>Lower Medicaid Matching Rate Floor</u>
Up to $387 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- There is currently a floor for states' federal medical assistance percentage (FMAP) set in statute at 50%. This option would lower the floor and allow all states' FMAPs to be set according to the formula. This option would primarily impact high-income states, like California and New York.

Equalize FMAP for ACA Expansion Population
$561 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Obamacare Medicaid expansion gives preferential treatment to able-bodied adults over children or individuals with disabilities with a set 90 percent Federal Medical Assistance Percentage (FMAP) federal reimbursement for the Obamacare adult expansion population. This policy would end Obamacare's preferential treatment for adults over children by equalizing federal reimbursement of expansion adults to the normal FMAP formula.

Establish Medicaid Work Requirements
$100 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The policy would restore the dignity of work by implementing 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.

Limit Medicaid Provider Taxes
$175 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- States increase the amount of federal Medicaid funding they receive by levying taxes on providers and then increasing their reimbursement rates. This policy would lower the Medicaid provider tax safe harbor from 6% under current law to 4% from 2026 to 2027 and 3% in 2028 and after.

Repeal Biden Administration Finalized Medicaid/CHIP ACCESS Rule
$121 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- In May 2024,the Biden Administration finalized a rule focused primarily on expanding access to Home and Community Based Services (HCBS) in both fee for service (FFS) Medicaid and in managed care plans, including by instituting worker compensation requirements.

Repeal Biden Administration Finalized Medicaid Eligibility Rule

$164 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- In September 2023 and April 2024, CMS finalized two parts of a rule that governs protocols for states verifying Medicaid and CHIP eligibility. Among other things, the proposed rule imposed a prohibition on conducting eligibility checks more frequently than once every 12 months, elimination of the requirement for in-person interviews for some populations, and minimum time allowances for enrollees to provide documentation needed.

Medicaid Per Capita Caps
Up to $900 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Currently, states receive open-ended Federal Medicaid matching funds based on the costs of providing services to enrollees. Under Medicaid today, for every dollar a state spends on Medicaid services, it gets $1 to $3 of Federal support (richer states get $1, poorer states get $3). States are guaranteed continued federal support for actual spending, even if those costs go up or do not achieve desired outcomes. With a per capita cap, the federal government makes a limited payment to the state based on a preset formula, which does not increase based on actual costs. States exceeding the “cap” for enrollees would thus need to find other revenues to maintain spending levels or explore innovative ways to reduce excessive costs. This policy would establish a per capita cap for each of the different enrollment populations set to grow at medical inflation.

Remove American Rescue Plan Temporary FMAP Increase
$18 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The American Rescue Plan included a provision that aimed to encourage non-expansion states to expand their Medicaid programs. In addition to the 90 percent FMAP available under Obamacare for the expansion population, states can also receive a 5 percent increase in their regular federal matching rate for 2 years after expansion takes effect. The additional incentive applies whenever a state newly expands Medicaid and does not expire. This policy rolls back this additional 5 percent FMAP incentive.

Standardize Medicaid Administrative Matching Rate
$69 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The federal government reimburses states at a different rate for some administrative activities. This policy option would standardize the Medicaid administrative matching rates at 50 percent for all administrative categories.

Medicare Site Neutrality
Up to $146 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Currently, Medicare and beneficiaries pay more for the *SAME* health care service furnished in hospital outpatient departments (HOPDs) than in physician offices. The budget supports Medicare site neutral payments by equalizing Medicare payments for health care services that can be safely delivered in a physician's office.

Unspecified Proposals to Address IRA Drug Pricing Policies
Unknown costs
VIABILITY: HIGH / MEDIUM / LOW

- Energy and Commerce provided no details on this policy option, solely stating that the policy would mitigate the "worst of innovation killing parts of IRA."

Unspecified Proposals to Reform CMMI
Unknown costs
VIABILITY: HIGH / MEDIUM / LOW

- Energy and Commerce provided no details on this policy option, solely stating that the policy would reform CMMI and cost money.

Unspecified Proposals to Post-Acute Care
Unknown costs
VIABILITY: HIGH / MEDIUM / LOW

- Energy and Commerce provided no details on this policy option, solely stating that the policy would "facilitate better discharges to post-acute care for patients" and cost money.

Unspecified Proposals to Medicare's Physician Payment System
Unknown costs
VIABILITY: HIGH / MEDIUM / LOW

- Energy and Commerce provided no details on this policy option, solely stating that the policy would include “reforms to Medicare’s physician payment system” and either cost money or be budget neutral.

Unspecified Proposals to ACA Subsidies in Individual Market
Unknown
VIABILITY: HIGH / MEDIUM / LOW

- Energy and Commerce provided no details on this policy option, solely stating it would “lower premiums, lower out of pocket costs, direct subsidies to patients over health insurers, and counter the Democrats goal of subsidizing wealthy Americans premiums and further increasing ACA spending.”

Unspecified Proposals to Change FMAPs
Unknown
VIABILITY: HIGH / MEDIUM / LOW

- Energy and Commerce provided no details on this policy option, solely stating it would “rebalance Federal Matching Rates to be more fair to states with more people with lower incomes.”

Energy

Inflation Reduction Act Repeals in Titles V and VI
$17.3 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Title V programs include ($12.69 billion):
    - Home energy performance based and whole-house rebates ($2.8 billion)
    - High efficiency electric home rebate program ($2 billion)
    - State-based home energy efficiency contractor training and grants ($120 million)
    - Assistance for latest and zero building energy code adoption ($600 million)
    - Funding for Department of Energy, Loan Program Office ($3.9 billion)
    - Advanced vehicle technology manufacturing ($1.6 billion)
    - Transmission facility financing ($14 million)
    - Interregional and offshore wind transmission planning and modeling ($73 million)
    - Department of Energy administrative funding ($80 million)
    - Federal Regulatory commission funding (($85 million)
    - 1.42
    - Grants for interstate electricity transmission lines ($337 million)

    - Advanced industrial facilities deployment program ($2.3 million)
    - Department of energy oversight ($59 million)
    - Canal improvement project ($21 million)
    - Domestic manufacturing conservation grants ($1 billion)

- Title VI Programs include ($4.64 billion):
    - Clean heavy-duty vehicles ($621 million)
    - Grants to reduce air pollution at ports ($1.8 billion)
    - Diesel emissions reductions ($20 million)
    - Funding to address air pollution ($40 million)
    - Funding to address air pollution at schools ($4 million)
    - Low emissions electricity program ($20 million)
    - EPA production declaration assistance ($44 million)
    - Methane emissions reduction grants ($698 million)
    - Climate pollution reduction grants ($2 million)
    - Low embodied carbon labeling for construction materials ($30 million)
    - Environmental and Climate Justice Block Grant ($1.4 billion)

H.R. 2811 Energy Leasing and Permitting Provisions
$7.5 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Division D, Title II and III of H.R. 2811, Limit, Save, Grow Act includes all of H.R. 2 , The Lower Energy Costs Act and Transparency, Accountability, Permitting, and Production of American Resources Act or the TAPP American Resources Act. CBO's score of the LSG notes that these provisions reduce revenues by $6.4 billion. The HBC Energy team does not have any further information or detail on this provision.

Repeal EPA Tailpipe Emissions Rule and Department of Transportation CAFE Standards Rule
$111.3 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The EPA Tailpipe and DOT CAFE Standard rules considerably increase the usages of the IRA's EV tax credits. It is likely that these rules will be among the first repealed by Trump executive action.

Sell Oil from the Strategic Petroleum Reserve
Can be Dialed Based on Need
VIABILITY: HIGH / MEDIUM / LOW

- SPR sales can be dialed based on need.

Other

Electromagnetic Spectrum Auction
$70 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- FCC auctioning certification and permitting for electromagnetic spectrum to provide wireless and broadcast services throughout the country.

AGRICULTURE COMMITTEE

Welfare

Reform 2021 Revaluation of the Thrifty Food Plan (TFP)
Up to $274 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- In August 2021, President Biden expanded the TFP without cost constraints, leading to a 23 percent increase in SNAP benefits at the cost of $300 billion over ten years. At the request of congressional lawmakers, GAO conducted a legal review of Biden's reevaluated TFP and found that USDA's actions violated the 1996 Congressional Review Act, which requires government agencies to submit significant policy updates to Congress. This policy option could implement a range of reforms to the TFP, from limiting changes in the cost to the rate of inflation (saving $36 billion over ten years) to completely repealing the Biden Administration's TFP expansion (saving $274 billion over ten years).

SNAP Work Requirements
$5 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Able-bodied adults without dependents (ABAWDs) age 18 – 49 are supposed to meet work requirements to be eligible for SNAP benefits. The FRA temporarily increased the age limit for exemption from work requirements to 54 and created various exemptions for certain populations from work requirements. This policy implements work requirements from LSG to raise the age limit for exemption to

56 and restricts the ability for states to carry forward work requirement exemptions to future years.

<u>End Broad-Based Categorical Eligibility</u>
$10 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Current law allows states to provide SNAP benefits to individuals who would otherwise be ineligible through broad-based categorical eligibility (BBCE), which allows individuals who receive welfare assistance from programs such as TANF to enroll in SNAP automatically. Because some TANF services are available to households with incomes higher than those that are eligible for SNAP, states can allow individuals to enroll in SNAP without meeting federal eligibility criteria for assets, income, or both. Ending BBCE would improve program integrity within SNAP and protect the program for the truly needy.

<u>End SNAP-LIHEAP Linkage ("Heat and Eat")</u>
$7 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The amount of SNAP benefits a household receives is based on its countable income (income minus certain deductions). The "heat and eat" loophole allows states to provide minimal Low-Income Home Energy Assistance Program (LIHEAP) benefits to SNAP recipients to make them eligible for larger countable income deductions, triggering higher SNAP benefits. Eliminating this loophole would encourage fiscal responsibility by closing misaligned incentives that game the system, emphasizing that government benefits should be for those who need them the most and simplifying program administration.

<u>Cap SNAP Maximum Benefit</u>
$2 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- SNAP benefit amounts are tied to the cost of USDA's Thrifty Food Plan and determined by household size. Currently, the average monthly SNAP benefit increases for each additional household member. This policy option would cap the maximum household SNAP benefit equal to a family of six.

<u>Repeal Provision Requiring USDA to Disregard Improper Payments Below $56</u>
$70 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Under current law, USDA is required to tolerate and disregard improper payments below $56 when calculating payment error rates, contributing to a distorted portrayal of SNAP's improper payments. This policy option would eliminate this "tolerance threshold" to provide a more comprehensive understanding of fraud, waste, and abuse within SNAP.

Expand the National Accuracy Clearinghouse
$658+ million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This policy option would expand the use of the SNAP National Accuracy Clearinghouse (NAC), which is designed to prevent SNAP recipients from receiving benefits in multiple states.

Prohibit Retail Food Store Owners from Redeeming Benefits at Their Own Stores and Disqualify Retailers Convicted of SNAP Benefit Trafficking
$5 million in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- One common type of fraud within SNAP involves owners of stores redeeming their own benefits for ineligible items or cash. This policy option would combat this fraud by prohibiting store owners from redeeming SNAP benefits at their own stores and disqualifying retailers convicted of SNAP benefit trafficking.

Require States to Suspend SNAP Account After 60 Days of Purchases Made Exclusively Out of State
$1 million in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- While SNAP is federally-funded, states are responsible for providing SNAP benefits to their residents. Prolonged out-of-state SNAP activity may indicate a recipient has moved, and therefore should be receiving SNAP benefits from another state, or may be a sign of potential fraud. This policy option would suspend SNAP accounts of recipients who make exclusively out-of-state transactions for 60 days to ensure the integrity of state SNAP programs and flag potential fraud.

EDUCATION AND WORKFORCE COMMITTEE

Higher Education

Repeal Biden's "SAVE" plan, streamline income-driven repayment plans
$127.3 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Under this option, the Department of Education (ED) would offer borrowers two repayment plans for loans originated after June 30, 2024: the currently available 10-year repayment plan and a new income-driven repayment (IDR) plan.
- This option would eliminate all other plans, including the Saving on a Valuable Education (SAVE) Plan, which is the IDR plan that was created administratively in 2023.

Limit the ED's regulatory authority
$30 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would limit the authority of the ED to issue regulations that would increase the cost of federal student loans or that would have economically significant effects (have an annual effect on the economy of $100 million or more or that would adversely affect the economy in a material way).

Establish risk-sharing requirements for federal student loans, PROMISE grants
$18.1 billion 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Under this policy option, postsecondary institutions would be required to make annual payments, called risk-sharing payments, in order to participate in the federal student loan program.
- Those payments would be the main source of funding for the Promoting Real Opportunities to Maximize Investments and Savings in Education (PROMISE) grants, which would be made to eligible postsecondary education institutions to help improve affordability and promote success for students.

Reform Gainful Employment
TBD 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This policy option would establish minimum levels of performance (i.e. expanding Gainful Employment) for programs to participate in Title IV federal student aid programs.

Repeal Biden closed school discharge regulations
$4.9 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would repeal a Biden administration rule that established a standard process for discharging loans made to borrowers who attended schools that closed, thus increasing the likelihood of loan discharge for those borrowers.

Repeal Biden borrower defense to repayment discharge regulations
$9.7 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would partially repeal a Biden administration rule that made it easier for a borrower to discharge loans as a result of a school's misconduct, including, for example, misrepresentation of student outcomes.

Repeal 90/10 rule
$1.6 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- This option would repeal the requirement that for-profit institutions receive no more than 90 percent of their revenue from federal financial aid, including veterans' education benefits.

Reform Public Service Loan Forgiveness (PSLF)
TBD 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would allow the Committee on Education and the Workforce to make much-needed reforms to the PSLF, including limiting eligibility for the program.

Sunset Grad and Parent Plus loans
TBD 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would eliminate parent PLUS loans, which are offered to parents of dependent undergraduate students, and grad PLUS loans, which are offered to graduate students and students enrolled in professional programs.
- This option would generally eliminate such loans to new borrowers beginning on July 1, 2025, and would eliminate the program altogether by 2028.

Establish new annual and aggregate loan limits for unsubsidized undergraduate and graduate loans
TBD 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Accompanying the above option, beginning on July 1, 2025, this option would amend loan limits for unsubsidized graduate and undergraduate loans.
- In total, CBO estimates this and the former option would reduce direct spending by $18.7 billion.

Amend the need analysis formula used to calculate federal student aid eligibility
TBD 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would amend the need analysis formula to calculate federal student aid eligibility using the median cost of attendance of similar degree programs nationally instead of the cost of attendance of a student's individual program.

End in-school interest subsidy
TBD 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Currently, the government pays the interest that accrues on a student loan while the borrower is still enrolled in school full-time, essentially meaning the student does not have to pay interest on their loan while actively studying. This policy option would eliminate this arrangement.

Allow borrowers to rehabilitate their loans a second time
$138 million in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- This option would allow borrowers who default on their loans to be eligible for a second rehabilitation loan, which allows borrowers to exit default by making nine one-time payments.
- Under current law, borrowers can rehabilitate their loans just once.

Eliminate interest capitalization
$3.8 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Interest capitalization is when unpaid interest is added to the principal balance of a federal student loan. This good governance option would eliminate interest capitalization.

Reform Pell Grants
TBD 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would allow the Committee on Education and the Workforce to make reforms to the Pell program, such as capping grants at the median cost of attendance and/or expanding Pell grant eligibility to short-term credential programs.

Health

Ban Telehealth and Other Facility Fees
$2.3 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- As hospitals expand ownership of outpatient and physician office settings, consumers are seeing an uptick in fees for more than just the care provided to them. These "facility fees" are increasingly a driver of healthcare costs in America, and are leading to consumers being charged as though they received treatment in a hospital even if they never entered one. This proposal would prohibit hospitals from billing unwarranted facility fees for telehealth services and for certain other outpatient services.

Make It a Prohibited Transaction for Employer-Sponsored Health Plans to Pay for 340B Drugs Above the 340B Discounted Price
Unknown
VIABILITY: HIGH / MEDIUM / LOW

- 340B covered entities routinely charge commercial insurers full price for 340B discounted drugs. This policy would make it a prohibited transaction under ERISA for an employer-sponsored insurance plan to pay full price for a 340B discounted drug. Such a policy would require full transparency of 340B discounts.

Increase Penalties for Transparency Noncompliance
Unknown
VIABILITY: HIGH / MEDIUM / LOW

- Penalties under the Lower Costs, More Transparency Act for noncompliance are dialable. Noncompliance penalties could be increased in order to generate increased budgetary savings, assuming the underlying transparency penalties are enacted into law.

Clarifying and Bolstering ERISA Preemption
Unknown/Savings Presumed
VIABILITY: HIGH / MEDIUM / LOW

- The purpose of ERISA is to provide a uniform regulatory framework over employee benefit plans. However, the scope of ERISA preemption has been challenged numerous times in federal court. Strengthening the ERISA preemption could increase revenue by decreasing compliance costs for employer sponsored health insurance plans.

H.R. 2868 - Association Health Plans Act
$579 million in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Favorably reported by E&W June 6, 2023 24 - 18. Passed the House on June 21, 2023 as part of the CHOICE Arrangement Act (H.R. 3799) 220 - 209. This bill provides statutory authority for the treatment of association health plans (AHPs) as single, large employer health plans for purposes of the Employee Retirement Income Security Act (ERISA).

H.R. 2813 - Self-Insurance Protection Act
No budgetary effects
VIABILITY: HIGH / MEDIUM / LOW

- Favorably reported by E&W June 6, 2023 23 - 18. Passed the House on June 21, 2023 as part of the CHOICE Arrangement Act (H.R. 3799) 220 - 209. This bill specifies that stop-loss coverage is not health insurance coverage for purposes of regulation under the Employee Retirement Income Security Act of 1974. The bill also preempts state laws that prevent employers from obtaining stop-loss coverage.

H.R. 824 - Telehealth Benefit Expansion for Workers Act of 2023
Unknown
VIABILITY: HIGH / MEDIUM / LOW

- Favorably Reported by E&W July 19, 2023, 29 - 20. This bill allows employers to offer stand-alone telehealth benefits to all employees. This includes employees who are eligible for enrollment in their employer's group health plan.

Expanding Direct Contracts and Value-Based Care within Employer-Sponsored Health Insurance
Unknown
VIABILITY: HIGH / MEDIUM / LOW

- This would include legislation to expand the use of direct contracting and innovative, value-based care models among employer-sponsored insurance plans.

Telehealth-Only COBRA Coverage Option
Unknown
VIABILITY: HIGH / MEDIUM / LOW

- The intent would be to provide both COBRA-enrollees and employers tasked with offering COBRA continuation coverage to offer a telehealth-only option, within the existing employer's health plan.

Specialty Drug Coverage Under ERISA
Unknown
VIABILITY: HIGH / MEDIUM / LOW

- The intent would be to bolster employer-sponsored insurance coverage of high cost specialty drugs, either through value-based arrangements, reinsurance models, or expanded risk pools through association health plans.

Other

Change Community Eligibility Provision (CEP) to 60 Percent
$3 billion 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Community Eligibility Provision (CEP) allows the nation's highest-poverty schools and districts to serve breakfast and lunch at no cost to all enrolled students without collecting household applications. Instead, schools that adopt CEP are reimbursed using a formula based on participation in other specific means-tested programs, such as SNAP and TANF. Currently, schools can qualify if 40 percent of students receive these programs. This proposal would lift that to 60 percent.

Require Income Verification for School Breakfast Program (SBP) and National School Lunch Program (NSLP)
$9 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would require all students who apply and are approved for free and reduced price meals to submit income verification documentation. This policy option would increase program integrity, ensuring those who receive benefits are in fact eligible, and would preserve the fiscal sustainability of the program for future generations.

FINANCIAL SERVICES COMMITTEE

Financial Regulators

Eliminate the Securities and Exchange Commission's (SEC) transfer abilities
TBD 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Securities and Exchange Commission (SEC) currently has the ability to carry-over unspent funds into the next Fiscal Year. This ability is eliminated under this policy option.

Eliminate SEC Reserve Fund
$475 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The SEC's so-called "Reserve Fund" is simply a slush fund created by Dodd-Frank, allowing regulators to spend without oversight by Congress.
- This policy option would eliminate this fund,—as was requested by President Trump.

Eliminate mandatory funding for Consumer Financial Protection Bureau
$9 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Consumer Financial Protection Bureau (CFPB) is a mandatory program that is not subject to Congress' oversight through appropriations. This policy option would subject the CFPB to the annual appropriations process.
- **Savings could depend on the appropriations process.*

Eliminate mandatory funding for financial regulators
$47 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- With the exception of the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC), presently all federal financial regulators are mandatory programs and not subject to Congress' oversight through appropriations. This policy option would revise the funding structure for the Office of Comptroller of the Currency, National Credit Administration, Federal Deposit Insurance Corporation, Consumer Financial Protection Bureau, and Office of Financial Research so that industry assessments are re-routed directly to the Treasury, then Congress appropriates one year of funding.
- **Savings could depend on the appropriations process.*

Eliminate Office of Financial Research
$946 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This policy option would eliminate the Office of Financial Research (OFR). The Dodd-Frank Act grants the OFR broad powers to compel financial companies to produce sensitive, non-public information. While the Dodd-Frank Act describes the OFR as an "independent agency," OFR reports to the Secretary of the Treasury who serves in the President's cabinet and is arguably one of the most political financial regulators. Additionally, OFR funding is outside congressional appropriations and oversight.

Other

Repeal Orderly Liquidation Authority
$22 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Through the Orderly Liquidation Fund (OLF), the Federal Deposit Insurance Corporation (FDIC) now has the authority to access taxpayer dollars in order to bail out the creditors of large, "systemically significant" financial institutions. This increases moral hazard on Wall Street by explicitly guaranteeing future bailouts and is, thus, eliminated under this policy option.

Reduce Fed Dividend payment to big banks
$3 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- When a Federal Reserve bank accumulates a surplus fund, under the provisions of Section 7 of the Federal Reserve Act, it is required to pay out of such fund to its stockholding member banks dividends for a year in which the current earnings of the Federal reserve bank are insufficient for this purpose. This policy option would reduce these dividend payments to big banks (presumably directing savings to the Treasury).

Rescind remaining unobligated HAMP-to-HHF funds transferred in Omnibus
Unknown 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The savings from ending the Home Affordable Modification Program (HAMP; $2 billion) was transferred to the account of the Hardest Hit Fund (HHF) under Division O, Sec. 709 of the Omnibus. This policy option would rescind these funds.

Increase and extend the G-Fees charged to pay for 2011 Payroll Tax Bill
$14 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Government sponsored enterprise (GSE) guarantee fees are charged by Freddie Mac and Fannie Mae to lenders for bundling, selling, and guaranteeing the payment of principal and interest on their Mortgage Backed Securities (MBS). G-Fees help GSEs manage their credit risk by covering projected credit losses from borrower defaults over the life of the loans, administrative costs, and a return on capital. This policy option would thus increase and extend G-Fees.
- Payroll tax could be a problem; extension CRFB option ($5 billion).

Reform Fannie Mae & Freddie Mac
At least $5 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Nearly 16 years after the 2008 financial crisis, Freddie Mac and Fannie Mae remain under government conservatorship, with taxpayers standing behind their obligations. This policy option would reform these two government-sponsored enterprises with the goal of increasing their efficacy and accountability.

Move Fed employees to basic government pay and benefits scale
$1 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Currently, as an independent agency, the Fed has their own pay and benefit arrangements. This policy option would require the Fed to follow the G.S. payscale.

Eliminate all NFIP subsidies
$11 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Currently National Flood Insurance Program (NFIP) subsidies are not based on need and fail to adequately assess risk. This policy option would eliminate all NFIP subsidies and divert revenue from the program to the Treasury.

SCIENCE, SPACE, and TECHNOLOGY COMMITTEE

Inflation Reduction Act

Repeal IRA spending under jurisdiction
Up to $232 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This policy would repeal IRA Title IV measures under the jurisdiction of the Science, Space, and Technology committee.
- Title IV measures include:
  - Alternative Fuel and Low-Emission Aviation Technology Program ($123 million)
  - Oceanic and Atmospheric Research and Forecasting for Weather and Climate Budget Authority ($47 million)
  - Computing Capacity and Research for Weather, Oceans, and Climate ($4 million)
  - Acquisition of Hurricane Forecasting Aircraft ($22 million)

NATURAL RESOURCES COMMITTEE

Leasing

Restore noncompetitive leasing
$160 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This policy restores noncompetitive leasing for oil and gas, streamlining the process and enhancing federal revenue through increased energy development.

Offshore Oil and Natural Gas Leasing
$4.2 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Expanding offshore leasing opportunities would boost federal revenue by opening new areas for oil and gas exploration, contributing significantly to savings over the next decade.

Reopen ANWR and require new lease sales
$45 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Alaska's Right to Produce Act (H.R. 6285) would reopen lease sales in the Arctic National Wildlife Refuge (ANWR), generating revenue from oil and gas extraction, with additional contributions from offshore leasing.

Onshore Oil and Gas Leasing
$500 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Expanding onshore leasing for oil and gas would generate substantial federal savings, with estimates currently ranging from $500 million to potentially higher based on updated analyses.

Increased Geothermal Leasing
$20 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This policy would boost leasing for geothermal energy development, contributing additional revenue while promoting cleaner energy alternatives.

Increased Coal Leasing
Savings TBD
VIABILITY: HIGH / MEDIUM / LOW

- Expands coal leasing; scores will likely be in the single digit millions.

H.R.7370, Permit Processing Reform for Geothermal

Savings TBD
VIABILITY: HIGH / MEDIUM / LOW

- Streamlined the permit process for geothermal energy

IRA Funds

Rescind IRA Funds
$1.943 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Title IV savings include:
    - Investing in Coastal Communities and Climate Resilience *($1.3 billion)*
- Title V savings include:
    - National Parks and Public Lands Conservation and Resilience *($132 million)*
    - US Geological Survey 3D Evaluation Program *($7 million)*
    - Bureau of Reclamation Domestic Water Supply Projects *($487 million)*
    - Department of Interior Oversight *($3 million)*
    - National Parks Service Employees *($267 million)*
- Title VI savings:
    - Endangered Species Act Recovery Plans *($50 million)*
    - Funding for USFWS to Address Weather Events *($40 million)*
- Title VIII savings
    - Tribal Climate Resilience *($195 million)*
    - Native Hawaiian Climate Resilience *($1 million)*
    - Tribal Electrification Program *($115 million)*
    - Emergency Drought Relief for Tribes *($11 million)*

Rescind Presidio money from IRA
Up to $200 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- U.S. Department of the Interior Fish and Wildlife and Parks Assistant Secretary Shannon Estenoz directed the transfer of $200 million in funding provided in the Inflation Reduction Act (IRA) to address deferred maintenance to the Presidio Trust, despite the fact that this was not consistent with standard agency practices for selecting priority deferred maintenance projects. This policy would revoke this $200 million transfer.

Other

Timber Sales
$1-2 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Increase Timber Sales. Can be dialed up or down.

Sell Federal Land
Savings TBD
VIABILITY: HIGH / MEDIUM / LOW

- Increases sale of federal land

H.R. 4374, Chaco Canyon
$17 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- End the restriction on oil and gas leases in Chaco Canyon

OVERSIGHT AND GOVERNMENT REFORM COMMITTEE

Federal Workforce

Raise FERS Contribution Rate to 4.4 Percent
$44 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- In the Federal Employees Retirement System (FERS), employee contribution rates are tiered by year hired: 0.8 percent if hired in 2012 and earlier, 3.1 percent if hired in 2013, and 4.4 percent if hired in 2014 and after. This option would raise the contribution rate across-the-board to 4.4 percent.

Eliminate FERS Supplemental Retirement Payments
$5 - $13 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would eliminate the supplement to FERS employees who retire before they are eligible for Social Security. Under current law, if an employee retires before 62, a supplemental FERS payment is made to bridge the employee until they are eligible for Social Security. This change will align federal retirement policies more closely with the private sector and encourage longer service.

Base FERS Retiree Benefit on High-5 Instead of High-3 Salary
$4 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This policy option would change the FERS retirement formula to use the average of employees' earnings over the five consecutive highest earning years as opposed to the currently used calculation of the highest three consecutive years. This shift, which would reflect employees' career earnings more accurately and be more in line with private sector plans, would reduce FERS spending to ensure the system's long-term sustainability.

Enact Federal Employee Health Benefits Protection Act (H.R. 7868)
$2.1 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Under this Act, OPM must conduct a comprehensive audit of employee family members currently enrolled in the FEHB program and disenroll or remove from enrollment any ineligible individual found to be receiving FEHB benefits. This reform would reduce improper payments, saving $2.1 billion over 10 years.

Convert New Federal Workers to At-Will Employment Unless They Accept Higher FERS Contribution
Unknown
VIABILITY: HIGH / MEDIUM / LOW

- This option would require future federal employees to elect between two classification systems: the current system with merit-based civil service protections or a new at-will classification. If an employee elects to be classified as an at-will classification, they will maintain a lower FERS annuity contribution rate (4.4 percent or lower). However, for employees that elect to be classified under the current merit-based civil service system, their annuity employee contribution would be increased to a higher rate. Since a significant percentage of future civil service employees would elect to take advantage of the job protections of the current merit-based civil service system, this reform should yield mandatory savings due to the reduction in the federal agency's FERS annuity contribution share.

Eliminate Official Time Unless Unions Compensate the Federal Government
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- This reform would charge federal labor organizations for their use of agency resources as well as any official time.

Charge a Fee for Federal Employee MSPB Appeals
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- Federal employees subject to adverse action by their agency, including dismissal, can appeal their case to the Merit Systems Protection Board (MSPB). In the majority of cases, MSPB upholds the ruling of the agency. This policy option would charge a fee for federal employee MSPB appeals, raising revenue while reducing the cost of frivolous MSPB filings.

Adjustment to Limit of Federal Employee Buy-Outs
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- This policy option would increase the federal employee buy-out threshold from the existing $25,000 maximum allowance for civilian employees to $40,000 (in parity with DOD's current authority) and would establish a $2 billion Voluntary Separation Incentive Payment Fund within the U.S. Treasury to fund these buy-outs. It would also lower the 20-year Voluntary Early Retirement (VER) option to 15 years of service.

Move FEHB from a Premium-share Model to a Voucher Model
$16-18 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The FEHB program provides the federal workforce and annuitants (and their dependents and survivors) with health insurance coverage. The FEHB program also covers postal workers but beginning in 2025, those benefits will be provided through the Postal Service Health Benefits (PSHB) program. Under this option, the FEHB and PSHB programs would be reformed by replacing the current premium-sharing structure with a voucher, which would not be subject to income and payroll taxes. CBO classifies the federal share of premiums for most federal employees as discretionary but federal spending on premiums for annuitants and postal workers is classified as mandatory.

Other

<u>Government Efficiency Commission</u>
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- This option creates a Government Efficiency Commission in support of the Administration's efforts.

<u>Federal Building Occupancy At Minimum of 80 Percent</u>
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- This policy option requires agencies to meet a minimum 80 percent average occupancy in their buildings and leased spaces in the DC-VA-MD-WV area and to dispose of any surplus properties.

<u>Renewing Efficiency in Government by Budgeting (REG Budgeting) Act</u>
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- This policy option requires federal regulatory agencies to constrain unfunded new costs imposed by federal regulators and requires OMB to set an annual, regulatory budget that restricts the amount of new, unfunded regulatory costs agencies can impose each year.

<u>Full Responsibility and Expedited Enforcement (FREE) Act</u>
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- The federal permitting process is often burdensome, inconsistent, and costly. This option streamlines the federal permitting process by expanding the use of "permits-by-rule" (PBR) rather than case-by-case application for and review of individual permit applications, creating a more efficient and consistent process.

JUDICIARY COMMITTEE

<u>The Secure the Border Act</u>
$6.1 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Our signature border security package this Congress. CBO reports that it will decrease direct spending by approximately $21 billion over the window, decrease revenues by approximately $27.1 billion over the window, and decrease discretionary spending by approximately $32 billion over the window.

Immigration Fees
$5-20 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Judiciary is open to dialing up any and all immigration related fees in their jurisdiction to hit a desired reconciliation target.

Extend and Increase Customs User Fees
$25 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Customs User Fees are collected by CBP for inspecting cargo and people. This option would extend the fees through the 10-year window and increase them by 25 percent.

Eliminate Diversity Visa Program
$3.2 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Diversity Immigrant Visa program, provides up to 55,000 immigrant visas annually. It aims to attract applicants from countries with otherwise low immigration rates to the U.S. Unlike most visa programs, it requires no job offer or familial tie for entry. This option would eliminate the program.

Reinstate Public Charge Rule
$15 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The public charge rule reduces the number of people eligible for green cards or visas by redefining what made them dependent on government benefits. This policy was expanded under the Trump Administration with two proposed rules in 2019. Neither are in effect. This policy would prevent people who are unable to take care of themselves from benefiting from long-term care at the government's expense.

Reclaim Certain Funding
No score; possible deficit reduction
VIABILITY: HIGH / MEDIUM / LOW

- Leadership requested the reclamation of funding for certain offices and programs included in the list below. We are not sure how much funding remains in these accounts.
    - US Refugee Admissions Program (USRAP)
    - United Nations Refugee Agency (UNHCR)
    - International Organization for Migration (IOM)
    - Safe Mobility
    - Funding for the Executive Office for Immigration Review
    - EOIR Language Access Plan
    - Stab-Serv and Case Management Pilot Program
    - Welcome Corps
    - Housing Programs for illegal migrants (HUD)
    - Non-Government Organizations participating in aiding illegal migration

Visa Overstay Fee
No score; possible deficit reduction
VIABILITY: HIGH / MEDIUM / LOW

- This option would increase the fee on visa overstays and make such fees non-waivable.

Ongoing Immigration Fees
No score; possible deficit reduction
VIABILITY: HIGH / MEDIUM / LOW

- This suite of options would impose ongoing fees (monthly) for the duration of parole, ongoing fee for asylee until case is adjudicated, ongoing work authorization fees (monthly) for asylees and parolees, and additional fee on work applications.

Increased Penalties for Employing Illegal Immigrants
No score; possible deficit reduction
VIABILITY: HIGH / MEDIUM / LOW

- Leadership did not provide any further detail on this option.

Rescind DOJ Asset Forfeiture Account
$1 billion in 10-year savings

VIABILITY: HIGH / MEDIUM / LOW

- This was private option on the FY25 budget resolution

Bonus to Law Enforcement Agencies that honor ICE Detainers
No score; deficit increase
VIABILITY: HIGH / MEDIUM / LOW

- Program not detailed by leadership. Would likely need to be a mandatory account with a grant program to pass Byrd Rule.

REINS Act
No budgetary effects
VIABILITY: HIGH / MEDIUM / LOW

- Restrains the administrative state by amending the Congressional Review Act (CRA) of 1996, by requiring the Legislative Branch's approval on major rules and regulations proposed by the Executive Branch.

HOMELAND SECURITY COMMITTEE

Border and Immigration

Border wall funding appropriation
No score yet; deficit increase
VIABILITY: HIGH / MEDIUM / LOW

- The Homeland Committee would like funds to build border barriers, including the "Trump Wall" (a 33 ft high concrete barrier) along 700+ miles of the border.
- The Homeland Committee estimates $18 billion for 734 miles of new wall, $7.8 billion to replace legacy fencing/vehicle barriers, and another $10 billion for additional secondary barriers.
- Leadership stated the need for Rio Grande River buoys but no specifics were provided.

State Reimbursement for Border Security Initiatives
No score yet ($11-13 billion); deficit increase
VIABILITY: HIGH / MEDIUM / LOW

- This option would focus on reimbursing Texas for Operation Lone Star and Stonegarden. The provision would need to be written broadly so as to "affect multiple entities" or it will trigger Byrd Rule.

Border Security Personnel Investments
No score yet; deficit increase
VIABILITY: HIGH / MEDIUM / LOW

- Homeland would like to surge funding to hire 3,000 additional Border Patrol Agents, 5,000 more Office of Field Operations Agents (CBP), and 200 more Air and Marine Operations Agents. The estimate the cost of this surge to be $12.6 billion over 10 years.
- Homeland is also requesting $100 million for retention bonuses.

Technology Improvements at the Border
No score yet; deficit increase
VIABILITY: HIGH / MEDIUM / LOW

- Homeland estimates around $2 billion is necessary to update technology at and between ports of entry.

Destruction of Invasive Plant Species along the Southwest Border
No score yet; deficit increase
VIABILITY: HIGH / MEDIUM / LOW

- Carrizo cane and salt cedar hinder detection of illicit activity along the Rio Grande. Homeland estimates a cost of $250 million.

Extend TSA Security Passenger Fees
Up to $25 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

Option 1: Extend the deficit reduction portion through 2034 at the level currently specified for 2027

- On a preliminary basis, enacting option 1 would reduce direct spending by about $11.8 billion over the 2025-2034 period.

Option 2: (a) Extend the deficit reduction portion through 2034 at the level currently specified for 2027 and (b) increase the passenger security fee by 25 percent, effective upon enactment, and deposit those amounts in Treasury as receipts

- On a preliminary basis, enacting option 2 would reduce direct spending by about $24.7 billion over the 2025-2034 period.

TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

Modify Eligibility to Certain IIJA Programs
Unknown costs or savings
VIABILITY: HIGH / MEDIUM / LOW

- Given that a rescission of IIJA advance appropriation funds would retain its emergency designation and therefore be unable to offset new spending in a reconciliation bill, this proposal would impose 'restrictions' or 'limitations' on certain IIJA advanced appropriations of duplicative programs that are eligible for several competitive grant programs (bike paths, EV charging stations, Amtrak, etc.) which can crowd out more traditional infrastructure projects. A restriction or limitation would be scored with regular outlay savings if it is significant enough to create a budgetary effect, according to CBO.

Modify Treatment of Overflight Fees
$3 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This proposal would repeal mandatory subsidies/overflight fees for the Essential Air Service (EAS) program, subjecting the funding to future appropriations.

Sell Federal Buildings
Unknown costs
VIABILITY: HIGH / MEDIUM / LOW

- This proposal is designed to realize savings through consolidations and sales of Federal real estate by directing the General Services Administration to identify vacant Federal real estate and require GSA to move agencies out of underutilized space into smaller, lower cost options and sell the vacated buildings. *Savings would be booked as a mandatory saver, but depend heavily on what/how specific properties would be sold, how clear incentives are for agencies to sell properties, and how properties are exempt from federal laws that impede/discourage sales.

Electric Vehicle Inclusion to the Highway Trust Fund (HTF)
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- Incorporate electric vehicles into the HTF's revenue stream to contribute toward constructing and improving the nation's infrastructure.

<u>H.R. 1152, Water Quality Certification and Energy Project Improvement Act</u>
No budgetary effects
VIABILITY: HIGH / MEDIUM / LOW

- This legislation fixes the *Clean Water Act's* (*CWA*) permitting provision to promote infrastructure development by streamlining the permitting process under section 401 of the *CWA* and clarifying section 401's focus on CWA water quality. CBO's preliminary estimate projected no effect on direct spending or revenues, T&I staff is assessing additional changes in the legislation that may affect direct spending or revenues

<u>H.R. 7023, Creating Confidence in Clean Water Permitting Act</u>
No budgetary effects
VIABILITY: HIGH / MEDIUM / LOW

- The bill would provide regulatory and judicial certainty for regulated entities and communities, increase transparency, and promote water quality, among other provisions. CBO did not produce an estimate, but they continue to work with T&I staff on an estimate of direct spending and revenues; however, they anticipate either no budgetary effect or a relatively small score.

<u>H.R. 5089, Reducing Regulatory Burdens Act</u>
No budgetary effects
VIABILITY: HIGH / MEDIUM / LOW

- This proposal would prohibit the Environmental Protection Agency and states authorized to issue permits under the National Pollutant Discharge Elimination System from requiring a permit for some discharges of pesticides. While CBO estimated no effect on direct spending or revenues, T&I staff is looking at ways to create some sort of scorable effect for this proposal to be appropriate for reconciliation.

<u>Appropriations for Polar Security Cutters</u>
No score yet; deficit increase
VIABILITY: HIGH / MEDIUM / LOW

- This proposal would provide mandatory appropriations for long lead materials for polar security cutters number three and four. T&I anticipates any appropriations would be significant and will need to work with CBO on a preliminary estimate to ensure any spending does not fall beyond the ten-year budget window.

Increase Vessel Tonnage Duty
Up to $600 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Vessel tonnage duties are imposed on the cargo-carrying capacity of vessels which enter the United States from a foreign port or place or depart from and return to a United States port or place on a 'voyage to nowhere.' In 1990, these rates were raised to nine cents per ton, not to exceed 45 cents per ton in a single year, and 27 cents per ton, not to exceed $1.35 cents per ton in a single year. In 1997, the higher duties were extended through 2002 but once they expired, they returned to the 1990 levels. If these levels are increased, offsetting receipts would go up; T&I staff is still exploring options in this space.

Redirect Oil Spill Liability Trust Fund to deficit reduction
Up to $5 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This proposal would transfer a portion of the Oil Spill Liability Trust Fund's balance for deficit reduction. T&I is contemplating $2 billion transfers in each of the first two years and dropping the transfer to $1 billion in the subsequent three years. T&I is working with CBO to determine a magnitude, but T&I believes that a transfer could potentially achieve outlay savings.

Container Casualty Vessel Act
Unknown costs
VIABILITY: HIGH / MEDIUM / LOW

- This proposal establishes the responsibility of container vessels for response costs and damages related to container vessel casualties. It would limit per incident liability, except in the case of negligence. It also would establish a Container Vessel Marine Casualty Liability Trust Fund (funded with a per container fee) which pays for response and damages until reimbursement can be received, for amounts above the liability limits, and for amounts where the responsible cannot be found or is unable to pay. T&I will require feedback from CBO on any such proposal.