



Democratic
**Policy &
Communications**
Committee

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Extreme Republican Proposals Benefit the Wealthy and Well-Connected while Hurting American Families

In the last two years under President Biden and Democratic Majorities in Congress, the federal deficit has been reduced by over \$1.7 trillion. Not by hurting families but by investing in economic opportunity for all Americans and asking the wealthiest Americans to pay their fair share in taxes.

Executive Summary

Republicans like to advertise themselves as the “party of the common man.” But actions speak louder than words, and House Republicans have made it clear for whom they’re actually working. The wealthy. The well-connected. And big corporations. Not you, your family, or your community.

Their first action in the new Congress? Protect tax cheats – a move that would increase the deficit by [\\$114 billion](#). And they want American families to pay for it. Now the Republicans have a new goal – balance the budget within 10 years. They plan to do it by slashing programs Americans depend on without raising taxes on people who are failing to pay their fair share. And they’re relying on the former Trump budget director, Russell Vought, to do it.

Vought, [according to the Washington Post](#), “has quietly emerged as an intellectual leader of the GOP’s conservative flank ... [who] has sold many Republicans on the untested premise that the GOP can push to obliterate almost all ... major forms of federal spending, especially programs that benefit lower-income Americans.” House of Representatives Budget Chairman Jodey Arrington [recently said](#) their Republican budget, “...is consistent with what’s in [Vought’s] budget.”

As deficits have grown – due to the Trump tax cuts and the response to the COVID-19 pandemic – the cuts necessary to balance the budget within 10 years have become deeper.

Because the cuts needed to balance the budget would be so severe, the last [Trump budget request](#) gave up on this idea. So did the [most recent budget plan](#) put together by Senate Republicans when they last held the majority.

However, under their new extremist majority, House Republicans have promised to revive this one-time budgetary goal detailed in [Vought’s 10-year budget plan](#) and the Republican Study Committee budget. They would:

- Let Wall Street gamble with Social Security and raise the retirement age to 70, cutting benefits by 21% for future beneficiaries.
- Privatize Medicare, raise the eligibility age to 70, and cut \$1 trillion from these health care services.
- Rip medical coverage away from tens of millions of Americans, including children, people with disabilities, seniors, and vulnerable families.
- Increase the cost of health insurance for Americans by over \$1,000 a month by eliminating Affordable Care Act tax credits.
- Balance the budget on the backs of our veterans by slashing benefits.
- Eliminate or reduce food assistance for up to 40 million people.
- Eliminate all federal student loan programs, making it harder for people to attend college.

Meanwhile, Republican proposals would extend the budget-busting Trump tax giveaways through 2032, providing monster tax breaks to wealthy families and huge corporations. They don't need it.

What follows is a closer look at what a Republican budget plan modeled off Russell Vought's proposal and other recent Republican proposals would mean for hundreds of millions of Americans of all walks of life.

Push Millions of Americans Off of Social Security Benefits

One in four American adults – [61 million people](#) – has a disability that can impede a person's ability to live and work with dignity. With every paycheck, Americans pay into Social Security so that their families have a lifeline when they can no longer support themselves through work, not just in retirement, but also due to having a severe disability. Social Security is not just a retirement program, but a protection against hardship.

Republican proposals cut Social Security Disability and Supplemental Security Income together by 21% by the plan's final year. Collectively, the two programs serve [nearly 16 million people](#), and a 21% cut could push 3.3 million off the program, or reduce already modest benefits.

Republican Proposal: Raise the Retirement Age to 70

Republicans continue to push the false narrative that Americans can work longer because life expectancy is increasing in order to justify raising the retirement age as high as age 70, as the Republican Study Committee [proposes](#). That's just not the case for most Americans. The majority of increases in life expectancy have been to those in the top half of the income distribution. Meanwhile, Black and Hispanic workers, low-wage workers, workers without a college degree, and those working in physically-demanding jobs have a lower life expectancy after age 65 and are more likely to claim Social Security benefits early. As a result, they receive lower lifetime benefits and would be even worse off if Congress raises the retirement age or forces Americans to work longer to receive their full earned benefits. Each year that the retirement age is raised represents a 7% benefit cut. The RSC budget's proposal to raise the age by three years represents a 21% benefit cut for all future beneficiaries.

Republican Proposal: Let Wall Street Gamble with Social Security

For decades, Republicans have tried to hand over Americans' Social Security benefits to Wall Street bankers and hedge funds to turn the program into private accounts. The Republican Study Committee [proposes](#) doing exactly that. Investing in the stock market would [undermine](#) Social Security's defining pillar: Social Security will always be there for you. Marketable securities and equities are significantly riskier investments than investing in government-backed securities, and working families – not Wall Street – would be on the hook for any losses. Meanwhile, Social Security is backed by the full faith and credit of the U.S. government, does not fluctuate with the whims of the stock market, and has provided financial security for millions of seniors and people with disabilities.

Republican Proposal: Weaken Disability Requirements to Force Americans to Work

When determining eligibility for disability benefits, Social Security considers the applicant's age, education, work history, and other factors to determine whether they can perform work in the national economy. Republicans as proposed in the [Vought proposal](#) and as part of Trump Administration's regulatory [priorities](#) want to make it more difficult for disabled Americans over age 50 to receive benefits, arguing that changes to work and other demographic factors make them "not really disabled" anymore. **Every American who receives Social Security disability has rightfully earned these benefits by paying into the program through years of work.**

Republican Proposal: Cut Support for Americans with Disabilities Who Are Trying to Return to Work

The Republican Study Committee [proposal](#) would prevent individuals from simultaneously receiving both Unemployment Insurance and Social Security Disability Insurance benefits. Both of these lifelines work together to support Americans with a disability who are striving to return to work. Social Security disability beneficiaries are encouraged to work and can earn up to \$1,470 a month without affecting their benefits. If they lose that job, they can receive UI while looking for another job – a crucial support intended for all workers.

Republican Proposal: Reduce Protections for Workers Who Struggle to Keep Working

Current law allows workers approved for Social Security disability benefits up to 12 months of back benefits from the time they applied. The policy protects people from losing out on their earned benefits if their health condition or its treatment is so challenging it prevents them from even filing an application for benefits. The Republican [proposal](#) would reduce this important protection to six months. As a result, the average beneficiary would lose over \$7,000 in earned benefits.

Republican Proposal: Cut Supplemental Security Income Benefits to Families with Multiple Children with Disabilities

This Republican [proposal](#) would implement a "sliding scale" for Supplemental Security Income disability benefits that considers the number of family recipients. This fails to account for the varying needs of families raising children with disabilities and would leave them unable to cover care costs. Each child may have individual therapies, need specialized adaptive equipment, medically prescribed diets, and different medications. This cut would hurt families struggling to care for children with disabilities and make it harder to care for those children at home.

Republican Proposal: Restrict Eligibility to Americans Whose Disability Impairs Ability to Stay Employed

Current law requires individuals to have worked five of the last ten years to qualify for SSDI benefits. The [Republican Study Committee budget proposal](#) cuts programs that benefit people with disabilities by nearly \$50 billion over 10 years by restricting anybody who hasn't worked for at least two of the past six years from getting

disability benefits. Americans with disabilities face numerous barriers to employment, from lack of workplace accommodations and discrimination by employers, as well as the individual's impairments that make it more difficult for them to perform full-time work or engage in traditional employment. As a result, disabled Americans are significantly [less likely](#) to be employed than their non-disabled peers. This proposal unnecessarily punishes disabled Americans who are unable to work because of employment or medical barriers.

Cut Medicare Funding by More Than \$1 Trillion, Endangering Seniors

Republican Proposal: Raise Eligibility Age for Medicare to 70

The [FY23 Republican Study Committee budget proposal](#) raises the retirement age for Social Security to 70 and raises the Medicare eligibility age from 65 to 70.

Republicans justify their plans to increase the Medicare eligibility age by citing the “great miracle” of “increased average life expectancy.” This is out of touch with reality. Many working Americans face unexpected health complications, physically demanding jobs, or family circumstances that lead them to [retire earlier](#) than they planned. In 2022, the [average](#) retirement age was 61.

[CBO projects](#) that raising the Medicare eligibility age to 67 would lead 600,000 seniors to go without health insurance and cut Medicare benefits by \$60 billion over 10 years. Up to [3.7 million people](#) who would have been eligible for Medicare coverage at age 65 would have to find other health insurance. Further, experts [project](#) that raising the Medicare eligibility age to 67 increases out-of-pocket costs for 65- and 66-year-olds by \$3.7 billion, with 3.3 million people facing an average \$2,200 increase in premiums and cost-sharing per year. Raising the Medicare eligibility age also raises premiums for [all Medicare beneficiaries](#), as the Medicare program would cover older, higher-cost beneficiaries on average. Increasing the Medicare eligibility age to 70 would only worsen these impacts.

Republican Proposal: Privatize the Medicare Program

For decades, Republicans have sought to privatize Medicare through a so-called voucher system.

Privatizing Medicare would end Medicare as we know it. The [FY23 Republican Study Committee budget proposal](#) guts the guaranteed Medicare benefit and converts it to a system in which seniors receive flat payments or vouchers to purchase health insurance. **This would threaten seniors' access to guaranteed services and providers if the voucher did not cover out-of-pocket costs. In addition, Americans who remain in traditional Medicare would pay higher premiums.**

Republican Proposal: Cut Federal Funding for Hospitals and the Healthcare Workforce

Republicans support [policies that would](#) restructure and cut federal payments for hospitals that train physicians in the U.S. These proposals shift guaranteed Medicare

funding to train physicians under the graduate medical education program into a new discretionary program, slashing federal funding by up to [\\$81 billion](#) over 10 years. This GOP proposal would undermine a historically bipartisan program that is a key solution to addressing the healthcare workforce shortage.

Kick Millions of Americans Off Their Health Insurance

In September 2022, Medicaid covered [more than 90 million](#) Americans. Medicaid covers [6 in 10 Americans](#) living in nursing homes, nearly [half of all births](#), [54% of children](#), [48% of children with special health care needs](#), and [83% of low-income children](#). About [875,000 veterans](#) – nearly 1 in 10 veterans ages 19 to 64 – rely on Medicaid.

Medicaid is also essential for several priorities Republicans claim to champion, such as fighting the opioid epidemic and eradicating HIV. Medicaid is the largest single payer of treatment for substance use disorders in the U.S. Medicaid covers [38%](#) of non-elderly adults with opioid addiction and an estimated [42%](#) of people with HIV.

The Republican proposals would cut Medicaid by \$2.2 trillion, enough to end coverage for tens of millions of Americans. It would do this by lowering federal matching rates in half the states, gutting states' expansion of Medicaid, and making massive funding cuts to safety-net hospitals.

Republican Proposal: Kick 20 Million People Off of Health Insurance

In 2017, Republicans tried to [cap federal Medicaid spending](#) in their efforts to repeal the Affordable Care Act. Republicans are now [bringing this](#) idea back – **threatening health coverage and access to essential care for tens of millions of children, people with disabilities, seniors, and families living on lower incomes.**

Medicaid provides comprehensive health coverage to [more than 90 million people](#). This coverage is [efficient](#), with Medicaid costs per person historically growing at a slower rate than per-enrollee costs in private insurance.

Despite this, Republicans [for decades](#) have wanted to cut Medicaid by capping the federal dollars that are available, either by turning it into a block grant or limiting spending per enrollee.

According to CBO, these caps would cut Medicaid by between [\\$501 billion and \\$871 billion](#) over 10 years.

These radical Republican ideas would have dire consequences. **States would be forced to slash Medicaid benefits and restrict eligibility, resulting in [21 million](#) people losing coverage and jeopardizing comprehensive benefits for millions more. People with higher costs of care, including children and adults with disabilities, would [be at high risk](#) for state cuts.**

States would also be forced to dramatically cut provider payment rates, deepening workforce shortages and making it harder for patients and families to receive care.

This would have severe consequences for nursing homes, access to home and community-based services, and [mental health and substance use disorder treatment](#). These payment cuts would force some providers to close, including [hospitals in rural communities](#) as well as [nursing homes](#).

Republican Proposal: Gut the Affordable Care Act's Expansion of Medicaid for Lower-Income Adults

Republicans would [repeal or gut funding for the Affordable Care Act's Medicaid expansion coverage](#), jeopardizing health care for nearly [17 million Americans](#).

When the ACA was enacted, it required states to expand Medicaid to include non-elderly adults with incomes under 138% of the federal poverty level. This expansion became optional for states following the Supreme Court's decision in NFIB v. Sebelius. Since then, 39 states and D.C. have expanded Medicaid coverage in line with the ACA and now receive enhanced federal Medicaid funding for these enrollees. Despite this enhanced funding, 11 states have declined to expand Medicaid, leaving millions of Americans [uninsured](#).

Republicans are once again targeting Medicaid expansion by gutting the enhanced funding states receive or repealing the option altogether. CBO estimates that dropping this enhanced funding would cut Medicaid by [\\$604 billion](#) over 10 years, while others estimate that repealing expansion would cut Medicaid by [\\$1.1 trillion](#).

These proposals would force many states to drop their expansion programs altogether, ripping health coverage from millions of Americans. While Republicans argued in 2017 that these people would find coverage in the ACA marketplaces, Republicans also propose eliminating ACA marketplace premium tax credits, leaving millions with no viable coverage options. [The vast majority of people who lose Medicaid will remain uninsured](#), priced out by insurers' high premiums and cost-sharing requirements.

Republican Proposal: Eliminate or Restrict a Key State Tool for Financing Medicaid

Republicans also propose eliminating or restricting [provider taxes](#), a key tool states use to finance their Medicaid programs. This would force states to further scale back coverage and benefits for millions of people.

Today, [nearly all states](#) use taxes on health care providers to help fund their share of Medicaid costs, which expands eligibility, increases provider payments, and provides other improvements to support access to care. These taxes are an especially important tool states use to fund care in hospitals and nursing facilities. Republicans could [restrict or eliminate](#) states' ability to levy these taxes, which CBO estimates would cut federal Medicaid funding by between [\\$41 billion and \\$526 billion](#) over 10 years.

States would be forced to absorb these changes by scaling back eligibility, dropping optional benefits like dental and vision care or personal care services for people with disabilities, and lowering provider payment rates, with profound consequences for hospitals and [nursing homes](#).

Republican Proposal: Cut Medicaid Payments for Safety-Net Hospitals

Republican [budget proposals](#) also propose cutting \$45 billion in Medicaid funding for safety-net hospitals. This will force safety-net providers to absorb even higher losses from uncompensated care, putting hospitals at risk of closing and undermining an essential source of health care in vulnerable communities.

Increase the Cost of Health Insurance for Families by Over \$1,000 a Month

The Republican [proposal](#) completely eliminates Affordable Care Act tax credits, slashing nearly \$650 billion over 10 years. Without tax credits, health insurance will again be out of reach for many working American families. **For instance, for a family of four making \$50,000, the cost of insurance [would increase](#) to \$1,418 from the current \$50 per month.**

Republican Proposal: Repeal ACA Health Care Tax Credits for Low-Income and Middle-Class Americans

[Repealing tax credits for low- and middle-income Americans](#) would jeopardize life-saving health care for [16 million people](#) who obtain coverage through the federal or state-based marketplaces.

Since 2010, Republicans have been laser-focused on undermining the individual insurance marketplaces created by the Affordable Care Act. Since President Biden took office, more than [9 million people new to the exchanges](#) have purchased coverage in the marketplaces. In 2021, [2.5 million small-business owners and self-employed](#) individuals purchased their health coverage through the ACA marketplaces.

Although Republican budget proposals claim that these tax credits harm families who do not qualify for insurance subsidies, Republicans are pushing these same families into “junk” plans that bypass the ACA’s consumer protections, including protections for people with pre-existing conditions.

Junk plans can deny coverage of any of the 10 essential health benefits offered under marketplace coverage. Many junk plans [exclude coverage](#) of prescription drugs, for example, along with maternity care, mental health care, and substance abuse treatment. Below is a table showing what percentage of junk plans cover important benefits.

Table. [Percentage of Short-Term Health Insurance Products Covering Select Benefits](#)

	Mental Health	Substance Abuse	Prescription Drugs	Maternity
US Average	57%	38%	29%	0%

Junk plans can also [rescind coverage for a pre-existing condition](#) (like cancer) and set arbitrary dollar limits for covered health care services, exposing patients to huge surprise bills.

Summary Table of Republican Health Proposals

Proposal	CBO Estimated Cuts over 10 years	Impact
Repeal ACA Marketplace Tax Credits	\$750 billion	Eliminates the Affordable Care Act’s premium tax credits for low- and middle-income individuals and families that limit premiums to be no more than 8.5% of income. This would lead to higher premiums in the exchange, forcing many to go uninsured or to choose “junk plans” that do not have the ACA’s coverage protections.
Radically Cut and Gut Medicaid with Federal Funding Caps	\$501-\$871 billion	States will be forced to slash benefits and restrict eligibility, kicking tens of millions of children, seniors, people with disabilities, and lower-income adults off of Medicaid and limiting access to critical health care services for those remaining in the program. States will also cut provider payments, forcing hospital closures and deepening a health care workforce crisis.
Gut the ACA’s Expansion of Medicaid for Lower-Income Adults	\$604 billion	Repealing or gutting funding for Medicaid expansion will lead states to drop expansion programs, ripping health coverage from the nearly 17 million people who are eligible for Medicaid today because their states expanded.
Eliminate or Restrict a Key State Tool for Financing Medicaid	\$41-\$526 billion	Restricting provider taxes will lead states to restrict eligibility, drop benefits like dental and vision care, and lower provider payments, leading to coverage losses, less comprehensive coverage, and poorer access to providers.
Cuts to Medicaid Payments for Safety-Net Providers	\$45 billion (not CBO estimate)	Cuts to Medicaid Disproportionate Share Hospital payments will lead safety-net providers to face higher uncompensated care losses, putting hospitals at risk of closing in vulnerable communities and gutting the health care safety net for Medicaid and uninsured patients.

Raise Medicare Eligibility Age from 65 to 70	Over \$60 billion	More people would lose their Medicare benefits, and all Medicare beneficiaries would face higher out-of-pocket healthcare costs. Specifically, 3.7 million people would have to find an alternate option for health insurance coverage, and up to 600,000 would forgo health insurance altogether. Out-of-pocket costs for 65- and 66-year-olds would increase by \$3.7 billion, with 3.3 million people facing an average \$2,200 increase in premiums and cost-sharing. All Medicare beneficiaries would have to pay higher premiums, as the Medicare program would be covering older, higher-cost beneficiaries on average.
Privatize the Medicare Program	\$184-\$419 billion	Privatizing the Medicare program through Medicare premium support or vouchers would end Medicare as we know it. Seniors and people with disabilities would be forced into more expensive, lower-quality health care. Premiums would double for people in traditional Medicare, and premiums would continue to rise, leading to a “death spiral” of increasing costs.
Cut Federal Funding for Hospitals and the Healthcare Workforce	\$68-\$81 billion	Federal proposals to reform and cut graduate medical education programs would result in significant funding cuts. This would exacerbate the healthcare workforce shortage by rolling back programs that are training the next generation of physicians.

Cut Essential Veterans Benefits

The Republican [proposals](#) would cut more than \$135 billion from veterans’ benefits by narrowing eligibility and squeezing benefit awards. Republicans also propose further cuts to VA mandatory funding, all of which would hurt men and women who have served our nation in uniform as well as their families.

Republican Proposal: Reduce VA Disability Benefits and End Other Benefits at Social Security Age

Many veterans are unable to draw Social Security because they’ve been rated 100% disabled and/or deemed Individually Unemployable due to service-connected disabilities that prohibited them from working and paying into Social Security. At least 1 million veterans would see their benefits cut by Republican proposals to end or reduce benefits at age 67.

Republican Proposal: Narrow Eligibility for Disability Compensation

By eliminating disability compensation for veterans who are rated at 10% or 20% disabled, Republicans would discount veterans' military service and the real harm suffered during that service. Out of 5.2 million veterans currently receiving disability compensation, 1.3 million veterans are rated at 10% and 20% disabled.

Republican Proposal: Exclude Disabilities Unrelated to Military Service

This proposal disregards the long-established process through which VA determines service-connection for a veteran's disability. The current system requires veterans to prove their disability coincides with military service – not that their military service was the direct cause. Raising this standard would impose additional delays and place more obstacles between veterans and the benefits and care they have earned and urgently need.

Gut SNAP and Child Nutrition Assistance

At a time when [more than one in eight](#) households with children are food insecure, the Republican proposals cut \$412 billion from the Supplemental Nutrition Assistance Program. These harmful policies could result in benefits being eliminated or reduced for up to 40 million people.

The Republican budget also combines several child nutrition programs into one block grant and slashes them by \$100 billion over 10 years.

Republican Proposal: Cut SNAP Spending

[Republicans propose](#) limiting SNAP spending to pre-pandemic levels and capping funding for the program. One of SNAP's strengths is its ability to expand and contract based on need. The program grows during economic downturns and shrinks as the economy improves, as experienced during the Great Recession or at the height of the COVID-19 pandemic. Limiting this adjustment [risks harming millions of low-income families](#) with children, seniors, and people with disabilities who use SNAP's benefits to put food on the table each month.

In times of increased need, like natural disasters or economic downturns, states would bear the entire cost of additional food assistance. Many states would choose to stay within the capped funding amount, forcing eligible people to go hungry.

SNAP's ability to respond to economic downturns allows it to function as an "automatic stabilizer" for a weak economy. A [2021 USDA study](#) showed that in the aftermath of the Great Recession, "SNAP benefits spent by eligible households generated an annual increase in rural and urban industry output of \$48.8 billion and \$149.3 billion."

Other Republican proposals include:

- [Eliminating the minimum benefit of \\$23](#), which would disproportionately impact low-income seniors or adults with disabilities who live alone. This assistance helps people access healthier food.
- Capping SNAP household allotment at six people per household. This would penalize larger households, including families with kids, multigenerational households, and families living together to save money on housing costs.

Republican Proposal: Consolidate Child Nutrition Programs to Single Block Grant

The Republicans propose to convert a “collection” of different [child nutrition programs into a single block grant](#). This change would cripple child nutrition programs and prevent them from feeding kids.

About [30 million children](#) participate in the National School Lunch Program. Schools are reimbursed for those meals based on the household income of a child and whether a child is eligible for a free, reduced price, or paid meal. A [block grant would cap the funds to schools](#), meaning that meal reimbursement wouldn't increase during an economic downturn when more children qualify for free meals. Ultimately, if funding runs out or is diverted to another use, students who qualify for free meals wouldn't receive them, which would hurt their ability to learn.

A block grant structure would not account for rising costs that schools already face. This would also prevent investments in healthy food and limit a school's ability to serve school breakfast. This is also not the first time Republicans have [tried](#) to implement devastating block grants for school meals.

Child nutrition programs also serve different populations of children and families. The Child and Adult Care Food Program supports healthy meals for children in child care, while summer meals help feed children during the summer months. The WIC program supports pregnant and nursing moms, babies, and children up to age five. A consolidated block grant would lead to wait lists and eligible people missing meals.

Make College Less Affordable

More than 40 million people have federal student loan debt. Since 1980, the total cost of both four-year public and four-year private college has nearly tripled, even after accounting for inflation. Federal support has not kept up. Republican proposals would make college even less affordable by cutting more than \$260 billion in critical student financial assistance programs. This would reduce access to postsecondary education for low-income and working-class Americans and prevent businesses from finding the trained workers they need.

Republican Proposal: Phase-out the Federal Student Loan Program

The Republican proposals would eliminate all elements of the Federal Student Loan Program – Stafford and PLUS loans. It falsely claims that tuition has dramatically risen because of generous federal subsidies. Evidence [shows](#) that tuition has grown the most since the Great Recession, largely due to inadequate state investment in public higher education.

Phasing out the loan program without providing free public higher education would roll back decades of progress in expanding educational opportunity.

- In 2019-20, [41% of first-time, full-time degree or undergraduate students were awarded federal student loans](#).
- In 2019-20, [students awarded federal financial aid had an average out-of-pocket cost of \\$18,630 after all grant and scholarship aid was applied to pay for college](#).
- [84% of graduates who received Pell Grants graduate with debt](#).
- [81% of Black graduates borrow](#)— a rate higher than their white peers, meaning the end of the loan program would disproportionately close postsecondary access to Black students.

Republican Proposal: Eliminate Subsidized Student Loans

Direct Subsidized Stafford Loans, which cover interest payments while students are enrolled in school or during other qualified periods of deferment, are available only to undergraduate students with financial need. **In 2022, 30.2 million borrowers held a Subsidized Stafford Loan.** These students would face increased borrowing costs if the program were eliminated.

Republican Proposal: Eliminate Public Service Loan Forgiveness

The Public Service Loan Forgiveness program encourages people to enter important public service fields including teaching, nursing, and law enforcement. While the Republican proposal rightfully points out that this program is too complex for borrowers, the solution is to expand and improve the program, not gut it. In fact, the Biden Administration released new regulations for PSLF that will reduce regulatory barriers that have historically made it harder for borrowers to make progress toward loan forgiveness. **During the Biden Administration alone, Democrats delivered more than [\\$14 billion in loan relief](#) for over 236,000 borrowers.**

Republican Proposal: Slash Funding for Pell Grants

The federal Pell Grant program is the single largest source of federal grant aid supporting postsecondary education students. For the 2023-24 award year, the maximum Federal Pell Grant award is \$7,395. The program provided \$26 billion in aid to approximately 6.1 million undergraduate students in FY2021. Unlike loans, Pell Grants are need-based aid that students do not repay. An estimated 97% of Pell Grant recipients had a total family income at or below \$60,000 in academic year 2020-2021. **Republicans' proposal to eliminate all mandatory funding for the program would immediately reduce the maximum Pell Grant by more than \$1,000.**

Give Tax Breaks to the Wealthy

The Republican proposals would extend the Trump tax cuts through 2032 at a cost of at least an additional \$2.6 trillion. This would provide huge tax breaks to the wealthiest families and largest businesses in America, forcing middle-class families to shoulder

a larger share of federal taxes: Nearly [half of the benefits](#) of the Trump tax cuts have gone to the top 5%. And corporations got a huge tax cut and new tax breaks for sending jobs and profits overseas.

Once Republicans took control of the House, their first order of business was to slash IRS funding, protecting wealthy tax cheats while adding [\\$114 billion](#) to the deficit. The Republican proposals would cut the agency's enforcement budget by half and reduce funding for taxpayer services. For Republican donors, a weak IRS means getting away with more tax dodging. For working people, it means [not getting their calls](#) answered and [delayed refunds](#).

Republican Proposal: Extend Expiring Provisions from the 2017 Trump Tax Law

When Republicans wrote the Trump tax law, they were bound by Senate rules that limited what changes they could make permanent. Republicans prioritized locking in permanent tax breaks for corporations while making tax cuts for individuals temporary. With the expiration date for the individual reforms approaching, Republicans want to lock in those tax breaks, too.

Analysis from the [Joint Committee on Taxation](#) and [researchers at the University of Chicago](#) demonstrate how the wealthiest Americans benefited from both the individual and corporate tax changes. The Tax Policy Center [estimates](#) that the richest 5% would receive 40% of the benefits from making the Trump tax cuts permanent.

The Republican proposals may assume that the entire Trump tax law will be made permanent. This would be an attempt to conceal the true cost of that law from the public. The Tax Policy Center [estimates](#) that cost is \$3 trillion over the 10-year window.

Republican Proposal: Rescind Tax Enforcement Funding

The Inflation Reduction Act invests \$80 billion to improve tax enforcement and taxpayer service, following a decade of cuts and anticipating the [expected](#) retirement and attrition of 52,000 employees in the near future. In 2019 – the last fiscal year before the pandemic – IRS funding for tax enforcement was 28% less in inflation-adjusted dollars than in 2010, and the agency had 34% fewer enforcement staff.

Even with IRA funding, CBO projects the IRS budget in 2031 will be just one-tenth larger than it was in 2010, when measured as a share of the economy. The \$80 billion will enable the IRS to hire [new employees](#), improve customer service, eliminate backlogs, raise revenue from high-income tax cheats, study free direct e-filing that would lower costs for taxpayers, and make critical technology and infrastructure updates. CBO [estimates](#) that this increase in funding for the IRS will boost revenues by more than \$180 billion. Democrats and the Biden Administration have committed to focusing these new enforcement resources where the IRS is most overmatched today – tax cheating by the wealthy and large corporations.

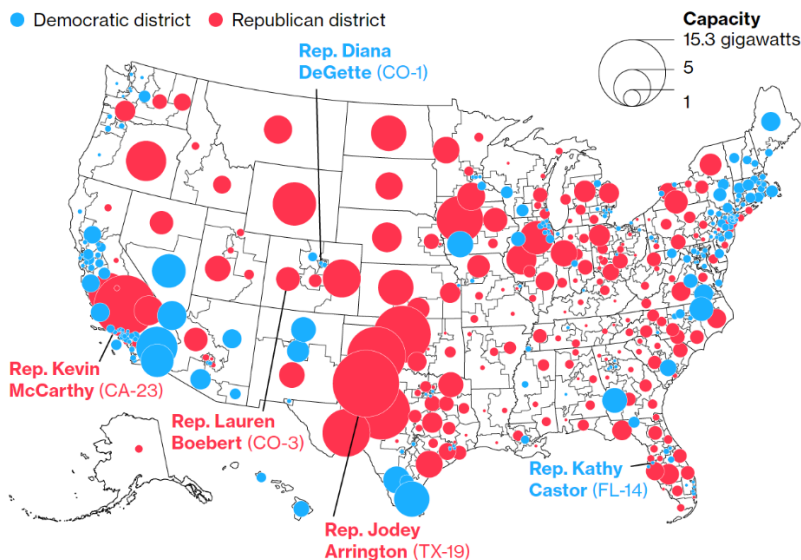
The Republican bill in the House to repeal \$70 billion of the IRS funding may appear to reduce government spending, but the change would actually [increase](#) the deficit by \$114 billion because of the loss of revenue garnered through increased tax compliance.

Eliminate Clean Energy Tax Credits, Costing American Jobs

The Republican proposals would eliminate \$200 billion in clean energy tax credits and millions more in clean energy program funding, dramatically rolling back our progress in combating the climate crisis. [Government policies](#) have led to substantial clean energy cost declines over the last decade, to the point where solar and wind are now cheaper than coal and natural gas. The investments spurred by these policies have [created thousands](#) of projects and hundreds of thousands of good-paying jobs across our country, [including in red states](#).

Mapping Green America

Republican districts, particularly in the Midwest, dominate in terms of US clean technology projects



Sources: Enersection, US Energy Information Administration; US Census Bureau (116th Congress district boundaries)
Note: Planned and operating utility-scale wind, solar and battery capacity by congressional district.

Yet Republicans, beholden to the fossil fuel industry, would rather cut these investments and move these jobs to other countries while subjecting Americans to higher energy costs and hazardous air and water pollution. Republicans propose to eliminate the Low-Income Home Energy Assistance Program, which provides support for millions of Americans with low incomes in meeting their immediate home energy needs.

Further, undoing these policies will saddle generations now and in the future with greater levels of debt. Since 1980, the U.S. has sustained 341 weather and climate disasters where damages exceeded \$1 billion. [In total](#), these 341 events cost more than \$2.48 trillion with 60 occurring in just the past three years. Without climate mitigation and adaptation programs, the federal government could spend an additional \$25 billion to \$128 billion each year on coastal disaster relief, flood insurance, crop insurance, healthcare insurance, wildland fire suppression, and flooding at federal facilities. The cost of inaction is far greater than the cost of action now – and that cost will grow exponentially under the Republicans' destructive proposals.

Cut Federal Health and Retirement Benefits

The Republican [proposals](#) would cut more than \$160 billion from federal workers' retirement and health insurance benefits, a massive pay cut for the country's 2 million federal workers.

Republican Proposal: Erode Health and Retirement Benefits for Civil Servants

The Republican proposals would erode health and retirement benefits for civil servants, who since 2010 have endured a three-year pay freeze, furloughs, and two substantial increases in their retirement contribution requirements. Federal workers earn an average of [24% less](#) than their counterparts in the private sector, and cutting retirement benefits would put federal workers even further behind. Along with pay, retirement and health insurance benefits have a significant impact on the federal government's ability to compete with the private sector for top talent and to fill open positions to effectively serve the American public.

Republican Proposal: Make Federal Jobs Less Competitive With the Private Sector

The Republican proposals would **exacerbate federal agency staff shortages, hindering the government's ability to serve the American public.** Making federal jobs less competitive compared to the private sector will worsen existing staff shortages. Critical government services that would be significantly impacted by heightened staff shortages include:

- **Caring for veterans:** According to the Department of Veterans Affairs Office of Inspector General, approximately [90%](#) of Veterans Health Administration facilities face severe shortages of medical officers and nurses.
- **Firefighting:** Even as they work longer shifts and a greater number of days, there are not enough federal firefighters to meet fire suppression demands.
- **Responding to natural disasters:** The frequency of natural disasters is increasing, yet the agency responsible for responding to national emergencies – the Federal Emergency Management Agency – also suffers from staff shortages.
- **Fixing infrastructure:** The federal government [needs to fill nearly 8,000 positions](#) to fix and improve our roads, bridges, electric grid, water systems, connectivity, and other critical infrastructure priorities included in the bipartisan Infrastructure Investment and Jobs Act.
- **Combating cyber threats:** There are nearly [40,000 cybersecurity jobs](#) that need to be filled in the public sector in order to close the federal government's cyber talent gap. Filling these jobs is critical to protect Americans from cyber threats as instances of cybercrime increase.

Republican Proposal: Make Cuts to the U.S. Postal Service

The Republican proposals would make unnecessary and drastic cuts to the Postal Service that will hurt veterans, small business owners, rural residents, and other Americans who depend on reliable and timely mail delivery. These proposals would make delivery less frequent and more expensive for everyone, from rural seniors

awaiting their medication to businesses sending financial documents. The budget would also strip postal workers of their right to collectively bargain and reduce benefits for these workers who deliver for their communities every day.

Conclusion

Under Republican budget proposals, the vast majority of American families would feel pain and experience a lower quality of life.

Republican proposals would finally accomplish what they've been trying to do for decades: eliminate Social Security and Medicare as earned, guaranteed benefits.

They would also slash or entirely eliminate services that American families depend on. Health care for people with disabilities. Food assistance for hungry families. College loans. Even support for our nation's veterans.

The wealthy and well-connected? They will be just fine.

Republicans continue to advocate for budget-busting tax cuts that disproportionately benefit the wealthiest taxpayers. And they also have prioritized gutting tax enforcement, which is nothing more than a giveaway to tax cheats.

In the last two years under President Biden and Democratic Majorities in Congress, we have responsibly cut the federal deficit by over \$1.7 trillion. Not by hurting Americans but by investing in economic opportunity for all Americans and asking the wealthiest Americans to pay their fair share in taxes.

The bottom line is, Democrats are putting people first. The Republicans continue to stand with the wealthy and the well-connected.