



ITCA Update May 12, 2025

This update discusses the development of the House Budget Resolution designed as a blueprint for a reconciliation bill to enact President Trump's priorities for tax cuts and defense and border control increases.

Budget Reconciliation Three House committees are scheduled to mark-up their contributions to the ten-year House Budget this week. These actions are based on the instructions given to each committee to decide on specific savings on programs under their jurisdictions. By the end of the week, the Budget Committee is expected to combine these provisions into a bill that will go to the House floor before the Memorial Day recess.

The Senate is expected to develop its version of the bill by the end of June. Leadership in both the House and the Senate want the final bill to be passed by both chambers sometime this summer.

Energy and Commerce Committee The Energy and Commerce committee was given the following budget reconciliation instructions: "The Committee on Energy and Commerce shall submit changes in laws within its jurisdiction to reduce the deficit by not less than \$880,000,000,000 for the period of fiscal years 2025 through 2034." The assumption has been that these cuts will come primarily from Medicaid and advocates have been working nationally to encourage committee members not to cut Medicaid to achieve these savings.

The committee will meet late Tuesday to begin debate on draft provisions and pass language that will be sent to the House Budget Committee. The draft language for the committee's plan was released late last night. The plan includes significant cuts to Medicaid, but proposed cuts are less than had been considered in response to some members who are concerned about the reaction of their constituents to Medicaid cuts.

The plan is estimated by the Congressional Budget Office to generate at least \$715 billion in spending cuts with the vast majority coming from Medicaid. The plan includes energy and environmental provisions as well as the health provisions related to the Affordable Care Act and Medicaid. Proposed Medicaid cuts are expected to be challenged in the committee deliberations. Some proposals in the draft plan include:

- Freeze, at current rates, states' provider taxes in effect as of the date of enactment of this legislation.
- Prohibition of states establishing new provider taxes.
- Requirement that adults under expansion reapply for Medicaid every six months.

- No cap on federal spending, and no cut to the federal Medicaid matching rate for the expansion group.
- Medicaid work requirement for expansion adults, mandating work of 80 hours every month.
- Requirement that Medicaid beneficiaries earning more than the federal poverty limit pay higher co-payments for doctor visits.
- Requirement of co-payments of \$35 for many medical services.
- Setting funding cuts to states that fund health coverage for undocumented immigrants; and
- Making enrollment changes to individuals purchasing insurance through the federal marketplace.

Agriculture Committee The House Agriculture Committee has received instructions to achieve \$230 billion in savings. These savings will come entirely from SNAP. In addition, the committee markup may also consider the possibility of adding new farm program spending, which will require more cuts to other committee programs.

Structural changes to SNAP are also under consideration to shift some costs to states through a match. Also being considered is an expansion of SNAP's work requirements. The final language from the committee's work this week will also be incorporated in the Budget Committee's bill.

Ways and Means Committee Finally, the Ways and Means Committee in the House will also meet this week to finalize their language for the Budget. The committee's tax bill is considering the extension of the expiring tax cuts and the addition of new temporary tax cuts proposed by the President. Discussions are also being held on increasing the homeowners' deduction, the Child Tax Credit (CTC) and the expiring enhanced ACA premium tax credits.

The Committee also has jurisdiction over the Temporary Assistance for Needy Families Program and the Social Services Block Grant (SSBG). The Committee is considering elimination of the SSBG.