

# The Top Two Reforms to Restore Federal Fiscal Sanity

In order to address the nation's dire fiscal situation, we must address both sides (congressional and executive) of the spending ledger. President Biden's federal *regulations cost more than the entire federal discretionary budget*. Congress can tighten up federal discretionary spending too.<sup>1</sup>

## THE GOOD NEWS

With a universal work requirement, and by requiring congressional approval for costly executive actions, Congress can save trillions *and* roll back President Biden's spending spree.



### GET AMERICANS BACK TO WORK (CONGRESSIONAL)

#### *With Universal Work Requirements in Food Stamps and Medicaid*

**THE PROBLEM:** There are currently two available jobs for every American looking for work with millions of open jobs and businesses looking to hire.

**THE SOLUTION:** Requirements to work, train or volunteer for 20 hours a week for those able-bodied adults on welfare, similar to what's required for cash welfare now.

**THE FINANCIAL FIX:** If only 10 million able-bodied adults go back into the labor force with work requirements it will increase annual gross domestic product (GDP) by \$372 billion, Social Security revenues by \$159 billion, and Medicaid revenues by \$62 billion, and it could save American taxpayers **\$300-350 Billion over 10 years.**<sup>2</sup>

**That's half a trillion or more in new revenue and fiscal savings from moving millions from welfare to work!**



### REIN IN THE BIDEN ADMINISTRATION (EXECUTIVE)

#### *By Requiring Congressional Approval for Costly Executive Actions*

**THE PROBLEM:** In 2021, the Biden administration finalized 69 economically significant regulations—regulations that carry a \$100 million annual price tag or have a substantial effect on the economy.

**THE SOLUTION:** The Regulations from the Executive in Need of Scrutiny (REINS) Act would require congressional approval of major rules—regulations with an annual price tag of \$100 million or more—before federal agencies could implement them.

**THE FINANCIAL FIX:** In 2022, the Biden administration proposed **more than \$1 trillion in costs to taxpayers through new regulations. The REINS Act could curb that spending.**



# THE COST OF INACTION: NO CHECK & BALANCE ON THE ADMINISTRATIVE STATE

Below are just a handful of the trillions of dollars' worth of rules and regulations the Biden administration executed with no oversight and no congressional approval.<sup>3</sup>



**\$430  
BILLION**

**STUDENT LOAN BAILOUT:** In 2022, the Biden administration unilaterally and unlawfully announced it was “canceling” \$519 billion in student loans. This unilateral and unlawful “cancelation” is costing taxpayers upwards of \$430 billion.

**\$230  
BILLION**

**INCOME-BASED REPAYMENT:** The Biden administration also made other student loan payment changes—including a costly new rule to change income-based repayment.

**\$225  
BILLION**

**MEDICAID ELIGIBILITY RULE:** In 2012, the Obama administration issued new rules that weakened program integrity in the Medicaid program by limiting how frequently states could check eligibility for some groups to no more than once per year. In 2022, the Biden administration doubled down on this plan and proposed a new rule to apply those same restrictions to all eligibility groups.

**\$250  
BILLION**

**FOOD STAMP INCREASE:** In 2021, the Biden administration unilaterally and unlawfully adopted new agency standards that increased food stamp benefits by 25 percent. Taxpayers are on track to spend \$115 billion on food stamps in 2022—more than twice the 2019 levels and nearly 60 percent more than 2020 levels.

**\$67  
BILLION**

**MEDICAID HANDCUFF GUIDANCE:** During the public health emergency, states can receive additional federal Medicaid funding if they agree not to remove ineligible enrollees. In 2022, the Biden administration issued new guidance encouraging states to take up to a full year to process and even longer to remove ineligible enrollees once the public health emergency expires. The taxpayer cost to cover these ineligible enrollees totals nearly \$16 billion per month.

**\$34  
BILLION**

**ILLEGAL OBAMACARE SUBSIDIES:** In 2022, the Biden administration proposed a unilateral eligibility change for ObamaCare subsidies. Under the law, employees are only eligible for ObamaCare subsidies if the cost of self-only coverage from their employers exceeds certain thresholds.

**TOTAL = \$1.2 TRILLION**

Sources:

<sup>1</sup> Comparison of total estimated regulatory cost (\$2 trillion) and the 2021 Congressional Discretionary Budget (\$1.6 trillion).

<sup>2</sup> Authors' calculations based upon the results of a proprietary computable general equilibrium model calculating the long-run economic impact of moving able-bodied adults from welfare to work, adjusted for changes to the capital stock and labor supply caused by increasing the labor force, and the impact on Social Security and Medicare payroll tax revenue as a result of GDP increases. For other uses of this proprietary model, see, e.g., Jonathan Bain and Jonathan Ingram, “How mandatory E&T can boost the economy and help solve the worker shortage,” Foundation for Government Accountability (2022), <https://thefga.org/research/et-can-boosteconomy-solve-worker-shortage>.

<sup>3</sup> Congressional Budget Office, Centers for Medicare and Medicaid Services, state Medicaid agencies, and Foundation for Government Accountability