TO: RSC Member Offices
FROM: RSC Policy Staff
DATE: May 2, 2023
RE: Myth vs. Fact: Debunking Biden's Lies about the Limit, Save, Grow Act

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The following memo is designed to assist RSC members in pushing back against some of the most commonly used lies Congressional Democrats and President Biden are spreading about the Limit, Save, Grow Act.

MYTH: Republicans are taking the debt limit hostage by advocating for spending reductions and pro-growth reforms in the Limit, Save, Grow Act.

FACT: Since 1985, the eight largest deficit-reduction laws were all attached to debt Limit legislation. Most recently this included the creation of Statutory Pay-As-You-Go (2010) and the Budget Control Act (2011). That is why on January 19, 2023, RSC Chairman Kevin Hern wrote to colleagues urging conservatives to push for commonsense solutions in conjunction with raising the debt limit.

Given the previous deficit-reducing debt limit laws and passage of the Limit, Save, Grow Act, the only reckless assumption Congress can make about our nation's debt crisis is that the status quo of Biden's runaway spending is sustainable.

If pushing for spending reforms is taking the debt limit hostage, then President Biden has himself advocated for taking the debt limit hostage. In 1984, as a Senator, Biden even stated "I cannot agree to vote for a full increase in the debt without any assurance that steps will be taken early next year to reduce the alarming increase in the deficits and the debt."

It's also notable that Democrats have leveraged recent debt limit bills to increase spending. In 2019, then Speaker Pelosi stated her refusal to increase the debt limit without first lifting caps on discretionary spending, "When we lift the caps then we can talk about lifting the debt ceiling — that would have to come second or simultaneous, but not before lifting the caps." This stance ultimately led to the Bi-Partisan Budget Act of 2019, which suspended the debt limit through July 31, 2021 and added $2.2 trillion to the national debt according to the Committee for a Responsible Federal Budget.

Moreover, the Limit, Save, Grow Act is designed to save our economy. It would create jobs, reduce regulation, save taxpayers from subsidizing wealthy corporations, and prevent middle- and lower-income Americans from the threat of IRS harassment. For example, the Heritage Foundation found that the provisions of the Lower Energy Costs Act would create 667,000 jobs, increase annual household income by $2,890 per year, and lower annual household energy costs by $795 per year, while increasing GDP by $379 billion and increasing tax revenue by $336 billion over ten years. The provisions of the REINS Act would prevent the Biden Administration from implementing more costly mandates. In 2021, Biden implemented 69 regulations that could have been prevented by the REINS Act, more than any President in history during their first year in office. The cumulative cost of regulations under President Biden has reached a new high of $1.1 trillion according to FGA.

Last, there is only one bill that has been passed this Congress to raise the debt ceiling. It is the Limit, Save, Grow Act. Senate Majority Leader Schumer and Senate Democrats have not even introduced a bill to raise the debt limit.

MYTH: This Limit, Save, Grow Act is a wish list of radical proposals.

FACT: Many of the proposals in this bill are based on longstanding bi-partisan policies.

- Discretionary spending caps were first enacted in 1990 in the Budget Enforcement Act (BEA) and extended multiple times on a bipartisan basis. About 20 years later, the Budget Control Act (BCA) enacted another set of budget caps. These passed Congress on a bipartisan basis, and were signed into law in 2011 by President Obama. The bill's proposal to limit spending to 1 percent growth annually was suggested by Democrat Senator Joe Manchin.
- H.R. 1, the Lower Energy Costs Act, was passed by the House in March with bipartisan support.
- The REINS Act, which would allow for Congress to curb excessive regulation has passed the House on a bi-partisan basis four times (2011, 2013, 2015, and 2017).
- The work requirements implemented under this legislation are similar to the 1996 welfare reforms enacted under President Bill Clinton.

The Limit, Save, Grow Act is the one and only bill that has been passed this Congress to raise the debt ceiling. Senate Majority Leader Schumer and Senate Democrats have not even introduced a bill raising the debt limit. Who is being radical?

The bill would rescind unspent COVID funds. The COVID pandemic is over, so why should we continue to shovel unspent COVID funds out the door for supposedly COVID-related purposes?

According to a survey conducted last year, "[n]early two-thirds of Americans oppose cancellation if forgiving $10,000 per borrower raises their taxes (64%) or if it primarily benefits higher income people (68%) … About three-fourths of Americans would oppose student debt cancellation if it caused universities to raise their tuition and fees (76%) or if

it caused more employers to require college degrees even if not needed to do the job (71%), also known as 'credential inflation.'"

Americans oppose Biden's IRS army. In January 2023, one poll found that 60% of Americans wanted Congress to prevent the hiring of President Biden's additional 87,000 IRS agents.

MYTH: This bill would cut funding for national security, veterans, and food assistance for seniors.

FACT: The Limit, Save, Grow Act implements two commonsense restrictions on runaway spending. It would simply return overall discretionary spending to FY 2022 and allow for 1% growth annually as suggested by Senator Joe Manchin (D-WV). Remember, FY 2022 ended just seven months ago.

The bill's caps do not in any way require any particular discretionary program or account to be reduced. Instead, it would require Congress to do its job to debate and prioritize funding within the bill's capped discretionary levels. As argued by House Appropriations Chairwoman and RSC Member Kay Granger (R-TX), "My priorities for this year's bills have not changed. We will provide for our national defense, take care of veterans, and secure our border – all while reducing overall spending."

Biden and Democrats are simply trying to distract from the fact there is an abundance of wasteful spending in the discretionary budget. For instance, the most recent omnibus funding bill included funding for woke projects such as $1.2 million for LGBTQIA+ Pride Centers, $3.6 million for the Michelle Obama Trail in Georgia, and $2 million for an anti-police AFL union affiliate.

MYTH: This bill would slash education funding.

FACT: The Limit, Save, Grow Act would prevent President Biden's illegal and regressive student loan actions. Especially during times of economic uncertainty and inflation, taxpayers should not be expected to pay for someone else's degree. The Biden Administration is specifically seeking to implement a student loan bailout which is expected to cost $400 billion and an income driven repayment (IDR) plan which is expected to cost taxpayers $230 billion, respectively. Biden's policies fail to lower exorbitant higher education costs and will risk worsening inflation. Moreover, Biden's student loan bailout will make attending college more expensive. His bailout would eventually increase college tuition rate inflation, which will raise the amount of debt that future students would need to borrow.

MYTH: This bill would cut off welfare benefits for struggling hardworking families.

FACT: This legislation would implement reforms modeled after the successful bi-partisan 1996 welfare reforms. As the Wall Street Journal Editorial Board pointed out, "Mr. Biden once

understood [the importance of work], too, which is why he voted for welfare reform that included a work requirement in 1996 when Bill Clinton was President."

Work requirements have a proven track record of increasing economic growth and reducing poverty. The bill would strengthen work requirements in the TANF and SNAP while adding a new community engagement requirement for Medicaid recipients.

There are currently more than 9.93 million jobs openings and America is suffering from historically low workforce participation, which is exacerbated by Biden's welfare policies. For better or worse, the Limit, Save, Grow Act, individuals subject to the work requirements do not even necessarily need to get a paying job. For instance, they could simply enroll in job training or volunteer 30 hours a week and still meet the work requirement.

Additionally, work requirements only apply to Able-bodied Adults Without Dependents (ABAWDS). "More than four million Americans ages 18 to 59 who aren't disabled and don't have children at home are on food stamps."

Last, Americans support work requirements. According to a poll from the Center for Excellence in Polling, "Majorities of likely voters from all political parties support requiring able-bodied adults with no children at home to work, train, or volunteer for at least 20 hours per week as a condition of eligibility for major welfare programs. Specifically, 75% of likely voters support this work requirement for cash welfare benefits and taxpayer-funded public housing. 74% of likely voters support this work requirement in food stamps, including two-thirds of likely Democrat voters (66%). 70% of likely voters support this work requirement in Medicaid, including nearly 70 percent of likely Independent voters (68%)."

MYTH: This bill would provide handouts to wealthy corporations.

FACT: As argued by Ways and Means Chairman and RSC Member Jason Smith (R-MO), the green climate subsidies repealed by the Limit, Save, Grow Act are taxpayer funded corporate welfare supported by President Biden and Congressional Democrats. According to a JCT analysis, companies with over $1 billion in sales receive more than 90 percent of green subsidies. Additionally, the green climate tax credits repealed by the Limit, Save, Grow Act are projected to cost $1.2 trillion over the next ten years.

As Ways & Means Republicans also point out, "Democrats failed to put appropriate safeguards on their special interest tax breaks in the IRA, so foreign entities of concern—including those controlled by the Communist Party of China—can receive taxpayer dollars. Chinese companies are lining up to cash in on Democrats' corporate welfare."

The Limit, Save, Grow Act would eliminate many of these unfair subsidies because hardworking Americans should not have to subsidize wealth companies to bankroll Biden's radical climate agenda.

MYTH: Republicans Want to Help Tax Cheats.

FACT: The Limit, Save, Grow Act would rescind funding for the IRS made available through the Inflation Reduction Act (IRA) for Biden to hire 87,000 new IRS agents to harass and spy on Americans.

While Biden claims these agents are necessary to go after wealthy "tax cheats", the IRA provided funding for 87,000 new agents in part because it called for the IRS to monitor all transactions above $600. Similarly, the Joint Committee on Taxation estimated that more than half of tax assessments done to crack down on under reporting income will be done to taxpayers earning $50,000 or less.