

AMENDMENT IN THE NATURE OF A SUBSTITUTE

TO THE VIEWS AND ESTIMATES LETTER

TO THE COMMITTEE ON THE BUDGET

OFFERED BY MR. SMITH OF MISSOURI

Strike all and insert the following:

VIEWS AND ESTIMATES LETTER

TO THE COMMITTEE ON THE BUDGET

September 17, 2025

The Honorable Jodey Arrington
Chairman
Committee on the Budget
204 Cannon House Office Building
Washington, DC 20515

Dear Chairman Arrington,

As required by Section 301(d) of the *Congressional Budget Act of 1974 (P.L. 93-344)* and in response to your letter dated July 21, 2025, this letter transmits the Views and Estimates of the Committee on Ways and Means on those aspects of the federal budget for fiscal year (FY) 2026 that fall within the Committee's jurisdiction. Specifically, the House Committee on the Budget asked for committees of jurisdiction to include efforts to address mandatory spending, improper payments, and unauthorized spending. This Congress, the Ways and Means Committee has continued to focus on program integrity efforts, particularly tackling fraud, in its larger effort to reduce programmatic waste in mandatory spending and improve efficiencies for taxpayers across government. As it pertains to unauthorized spending within the Committee's jurisdiction, in January, the Supporting America's Children and Families Act (P.L. 118-258) reauthorized critical child welfare services funded under Title IV-B of the Social Security Act. This was the first comprehensive reauthorization and modification of the Title IV-B Child Welfare Program in over 15 years. The Committee is committed to building upon these efforts for the remainder of the 119th Congress. Below is a list of the Committee's Views and Estimates organized by subcommittee.

Health – The Committee will work to advance policies to improve access to health care and promote better health outcomes for all patients. In particular, the Committee will examine

policies targeted at improving rural and underserved health outcomes and reducing access disparities. The Committee will seek solutions to make health care more affordable for Americans through increased affordability, expanding choices, and meaningful transparency and competition while modernizing and personalizing health care. Additionally, the Committee will monitor the effects of recent changes to Medicare's prescription drug programs and implementation of critical patient protections created by the *No Surprises Act*.

The Committee will also examine policies that reduce the cost of health insurance, increase health care quality and improve outcomes, protect access to meaningful and value-based innovation, breakthrough devices, treatments and testing, and correct misaligned incentives to eliminate excessive spending, waste, fraud, and abuse. The Committee will engage with relevant offices at the Department of Health and Human Services and Centers for Medicare & Medicaid Services to uncover and address improper payments and fraud in Traditional Medicare and Medicare Advantage, Affordable Care Act Marketplace premium tax credits, other tax-exempt health entities, and any bad actors in the health care industry.

Finally, the Committee will continue to undertake efforts to reduce waste, fraud, and improper payments in order to strengthen and secure Medicare to protect benefits for current and future retirees, ensuring the solvency of the Medicare Hospital Insurance Trust Fund.

Tax Policy – The Committee will continue to prioritize tax policies that support American workers, families, farmers, and small businesses. Further, the Committee will support policies that help grow the economy to the benefit of all workers and tax filers, yielding higher wages and increased revenues. The Committee will work closely with the Department of Treasury and IRS on the implementation of tax law changes made in P.L. 119-21 to ensure a smooth 2026 tax filing season. Additionally, the Committee will closely review full and fair administration of the tax laws by the IRS and consider additional ways to improve the nation's tax code. These efforts will include, but will not be limited to, the use of artificial intelligence to combat improper payments and fraud, improving tax administration, and ensuring efficiency of IRS operations. Additional Committee work will include examination of the growth in the tax-exempt sector over the last several decades and an exploration of whether tax law changes are needed regarding digital assets. We will also monitor and evaluate ongoing international tax discussions with impacts to the U.S. tax code and revenue base. The Committee will continue to develop policies to improve the tax code and the administration of tax law for the benefit of the American people following the success of the 2025 filing season consisting of timely processing, additional e-filing services, and average refund amount increasing in size.

Trade – The Committee seeks to protect and increase economic opportunities for American workers, farmers, and small businesses through oversight of implementation of U.S. trade laws that address unfair international trade practices, get better treatment for U.S. produced goods in foreign markets—especially U.S. agriculture, strengthen the resilience of key supply chains, eliminate unfair foreign trade barriers, and enforce U.S. rights under trade agreements. Establishing and ensuring fair treatment for Americans impacted by international trade will support economic growth, while robust trade enforcement will ensure effective customs administration, including duty collection.

With respect to trade negotiations, the Committee will vigorously oversee all of the Trump Administration's trade initiatives to advance American interests and protect the Constitutional role of Congress regarding commerce with foreign nations. The Committee will continue its oversight related to enforcement of trade agreements, including the United States-Mexico-Canada Agreement, other bilateral and regional free trade agreements, and the World Trade Organization (WTO) agreements, to hold trading partners accountable and render commitments secured from trading partners meaningful. The Committee will continue to closely scrutinize implementation of the Uyghur Forced Labor Prevention Act to ensure products manufactured wholly or in part by forced labor in the Xinjiang Uyghur Autonomous Region of the People's Republic of China do not enter the United States. Given concerns over China's disrespect for American intellectual property protections and otherwise aggressive posture, the Committee will monitor such activities to protect America's interests and vital supply chains. Further, the Committee will oversee the imposition and collection of import duties, including those imposed under Section 232 of the Trade Expansion Act of 1962 and Section 301 of the Trade Act of 1974, ensuring that investigations and any subsequent adjustments of imports appropriately protect U.S. strategic interests and take into account the effects on U.S. workers and businesses of all sizes.

In addition, the Committee will continue its oversight over ongoing trade negotiations under the auspices of the WTO, other multilateral and plurilateral efforts, and bilateral investment treaties, as well as the U.S. role in the WTO, including U.S. goals, negotiations, dispute settlement, and accessions. The Committee will continue oversight and consider legislation regarding the operation of U.S. preference programs for developing countries. Finally, the Committee will continue its oversight over the impact of tariffs on the federal budget, as well as the budgets and activities of agencies within its jurisdiction, including the Office of the U.S. Trade Representative, U.S. Customs and Border Protection, U.S. Department of Commerce, and the U.S. International Trade Commission.

Work and Welfare – The Committee will continue to focus on opportunities to reduce duplication, overlap, and fragmentation in social safety net programs to improve the overall effectiveness of federal efforts to reduce poverty, improve children's lives, promote self-sufficiency and protect taxpayer dollars. The Committee will continue to investigate improper payments and waste, fraud, and abuse across the Work and Welfare Subcommittee jurisdiction.

In the Unemployment Insurance (UI) program, the Committee will provide continued oversight to prevent fraud, enhance program integrity, improve access and accurate claims processing, and accelerate returns to work. Addressing unemployment fraud has been a core mission of the Committee particularly since the fraudulent theft of over \$100 billion of taxpayer dollars from federally-funded pandemic unemployment compensation programs. According to a Government Accountability Office (GAO) report, between \$100-\$135 billion in pandemic unemployment benefits was lost to fraud and criminal fraud rings. In 2022, GAO placed UI on the High-Risk List for programs with improper payments rates above 10 percent due to its administrative challenges, outdated technology systems, and service delivery issues. According to the Department of Labor, in FY 2024 the UI improper payment rate was 14.4 percent, down from 21.6 percent in 2022, but with a smaller drop from the 2023 rate of 14.9 percent. In February 2025, the Committee passed H.R. 1156, *Pandemic Unemployment Fraud Enforcement Act*, to extend the statute of limitations for prosecuting pandemic UI fraud from 5

to 10 years, which subsequently passed the full House of Representatives with bipartisan support on March 11, 2025, but has not been considered by the Senate. The Committee continues to evaluate lessons learned from the pandemic and remains committed to ensuring safeguards are implemented in future legislation to modernize the operation of state UI programs.

In the Temporary Assistance for Needy Families (TANF) program, the Committee will continue work to reauthorize the program and strengthen program integrity. GAO reports have found that state TANF non-assistance spending, which constitutes 78 percent of total spending, lacks basic guardrails and transparency, creating an environment ripe for waste, fraud, and abuse by states or subgrantees. HHW currently lacks statutory authority to require states to report additional data to address fraud or errors by subgrantees or calculate an improper payment rate as required by the *Program Integrity Information Act*. TANF has not been reauthorized since 2005 and the Committee has prioritized work to reauthorize the program to strengthen accountability, improve program integrity, and direct more TANF dollars toward core work activities.

The Committee will continue investigating overpayments in the Supplemental Security Income (SSI) program administered by the Social Security Administration (SSA). According to SSA, between FYs 2015 – 2019 \$21 billion (7 percent) was estimated to have been overpaid to SSI recipients. This places undue burden and stress on individuals with disabilities, putting them on the hook for avoidable “surprise bills” due to the government’s mistakes that led them to wrongfully receive overpayments in the first place. SSI includes a \$2,000 asset limit which can make it difficult to repay overpayments without significant hardship. Overpayments also can occur when beneficiaries fail to report their earnings to the SSA or the SSA fails to process earnings information in a timely manner. Issues with overpayments have created an environment that discourages work attempts by individuals receiving benefits that would like to establish connections to the workforce but are at higher risk for overpayment bills due to antiquated SSA processes for reporting earnings.

With regards to child welfare programs, last Congress, the Committee successfully reauthorized child welfare services funded under Title IV-B of the Social Security Act, including the Promoting Safe and Stable Families program. Title IV-B had not been reauthorized with significant policy reforms in over 15 years. The Supporting America’s Children and Families Act (P.L. 118-258) reauthorized Title IV-B and made considerable improvements to focus on prevention services, strengthen support for kinship care providers and caseworkers, as well as modernize the program building on witness testimony and recommendations made by former foster youth, child welfare practitioners, and state experts. Similarly, this Congress, the Committee will work to modernize the John H. Chafee “Chafee” Foster Care Program for Successful Transition to Adulthood provided under Title IV-E of the Social Security Act. The Chafee Program provides funding to states and tribes to assist youth in foster care to improve outcomes and help them transition to adulthood and self-sufficiency. The Committee will focus on ensuring federal support reaches vulnerable foster youth, improving state utilization of funds, and other reforms to modernize the program to better meet the needs of foster youth and improve accessibility.

Social Security – The Committee will work to save and strengthen Social Security for today’s and tomorrow’s workers and beneficiaries by ensuring that the right person gets the right benefit at the right time. Additionally, the Committee will focus on enabling the SSA to improve and modernize the service it provides to the public, and review and remove barriers to work.

It will reject proposals to deny benefits to individuals who meet the eligibility criteria in the law and policies that would improperly extend benefits to those who do not. The Committee will continue to focus on preventing improper payments before they occur and pursue policies that ensure beneficiaries are treated fairly when they do occur.

In 2023, the Social Security initial disability claims backlog grew to over one million for the first time in history. While progress has been made to reduce this backlog, the Committee will continue to focus on policy and process changes that will improve the timeliness and accuracy of claims processing and adjudication without sacrificing program integrity.

The Committee will also continue to build on its efforts to protect both Americans and the Social Security Programs from fraud, particularly related to identity theft as a result of the proliferation of the use, misuse, and improper disclosure of Social Security numbers. In addition, the Committee will examine the agency’s deployment of resources to ensure that they remain focused on the agency’s core mission of providing all Americans with timely and accurate service. The Committee will continue to promote transparency and accountability for the Administration’s management of the Social Security programs.

Public Debt Limit

The Committee will continue to monitor the growth of outstanding debt and debt interest and intends to pursue policies to address their growth and reduce the need for future increases in the statutory debt limit.

The Committee on Ways and Means looks forward to working with the Committee on the Budget as we promote prosperity, opportunity, security, and fiscal prudence.

Sincerely,

Jason Smith
Chairman, Committee on Ways and Means