

EXAMINING THE GROWTH OF
THE WELFARE STATE,
PART II

HEARING

BEFORE THE
SUBCOMMITTEE ON HEALTH CARE
AND FINANCIAL SERVICES
OF THE
COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES
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* Article, *San Francisco Chronicle*, “Homegrown and Homeless in Oakland”; submitted by Rep. Simon.

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ADDITIONAL DOCUMENTS

- * Questions for the Record: to Dr. Carson; submitted by Rep. Gosar.
- * Questions for the Record: to Mr. Edwards; submitted by Rep. Gosar.
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These documents were submitted after the hearing, and may be available upon request.

EXAMINING THE GROWTH OF THE WELFARE STATE, PART II

Wednesday, May 7, 2025

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON HEALTH CARE AND FINANCIAL SERVICES
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:05 a.m., Room 2247, Rayburn House Office Building, Hon. Glenn Grothman [Chairman of the Subcommittee] presiding.

Present: Representatives Grothman, Gosar, McGuire, Krishnamoorthi, Randall, Bell, and Simon.

Mr. GROTHMAN. This hearing on the Subcommittee on Health Care and Financial Services will come to order. Welcome, everyone. Without objection, I may declare a recess at any time.

I recognize myself for the purpose of making an opening statement. For the people in the room today, I will point out there are a lot of other hearings going on, so a lot of the Congressmen are going to be jumping in and out, which I do not like, but that is what we have got. OK.

At our last hearing, we learned about some of the disincentives that happened because of our welfare program. And the fact is the Federal welfare system—I am talking about food stamps, low-income housing, Medicaid, Pell grants, everything—is filled with horrible incentives and disincentives. It certainly discourages marriage, and I know there is kind of Marxist, the 1960s sort of thing, that kind of makes fun of the old-fashioned “Leave it to Beaver” family. So, we have a program that discourages marriage and hard work, and at the same time encouraging dependency.

It costs taxpayers more than \$1 trillion annually while failing to lift people out of poverty.

Today’s hearing, and this is kind of the second one we are taking up on this topic, will provide an opportunity to hear from three witnesses who are experts in Federal rental assistance programs, including Dr. Ben Carson, the former Secretary of HUD, a good friend of mine.

These programs are textbook examples of good intentions that have gone awry. I do not even know if they are good intentions. I

cannot see how you could put programs like this out there, not knowing what would happen.

For example, Section 8 housing vouchers and public housing programs contain marriage penalties, making it foolish to get married. In many cases, individuals risk losing their Section 8 voucher if they marry somebody with an even average income, and their combined threshold brings them out of eligibility for those programs.

As we discussed during Part I, marriage and a strong family unit are a well-established way to get people out of poverty. And not just out of poverty. We know that you are going to be raising children, less likely to commit crime, more likely to do well at school, less likely to have drug problems, less likely to have depression, anxiety, other disorders.

And yet, our current welfare system, including housing assistance programs, discourages marriage. It is not hard to find people who say, "I cannot work more. I cannot get married or I will lose my benefits."

Due partially to these penalties, the number of children born to unmarried women has skyrocketed. In 1960, 5 percent of children were born to unmarried women—5 percent. We are now at 40 percent. And, of course, it is not coincidence that things began to shoot up after Lyndon Johnson, in the 1960s, declared war on marriage.

Like marriage, the current system discourages rental assistance recipients from seeking employment, higher wages, or overtime if the increased income pushes them out of eligibility. We are fostering a cycle of dependency on government assistance.

The average Section 8 tenant spends 10 years on the program, and the average public housing tenant, 12 years.

Welfare also benefits the middlemen and the administrative state more than the low-income Americans it purports to be for. The Section 42 Low-Income Housing Tax Credit give the developers tax incentives to build affordable housing for low-and moderate-income people. Yet, the program's complicated design mostly benefits developers, law firms, accounting firms, and state bureaucrats. I do not know who thought that thing up, but man, that is a mess. Middlemen and administrators can take advantage of Section 8 and public housing as well.

The Milwaukee Housing Authority reported in January that its leadership misused \$2.8 million Federal dollars, intended for the tenants, to pay its staff. The problem had apparently been ongoing since 2019 but was not caught for 6 years. Meanwhile, taxpayers are on the hook for more and more spending on these programs every year.

But of course, the biggest problem is not the fact that we are overspending on this at a time when we are broke out of our mind. The biggest problem is what it does to the people who become part of the program. Rental assistance programs account for more than \$53 billion of Federal spending each year, which is just amazing. And nearly every problem we will discuss today applies to dozens of other programs and hundreds of billions of taxpayers' dollars.

We owe it to our constituents to be responsible stewards.

During a recent interview, Senator Schumer criticized our constituents for expecting this of their elected officials. He said, "Their attitude is, 'I made my money all by myself. How dare the govern-

ment take my money from me?” To that I say—I mean, this is just horrible. Everybody knows back home people are mad at the welfare system. Of course, people are mad because they know people in the system, who do not have to be in the system, which creates hatred and dislike of the system, and somehow we have got to get back trust of the American worker. To do that, we must attempt to disentangle the web of welfare programs and find ways to fix it.

I hope today’s discussion will provide an opportunity to learn more about how the current housing system is failing taxpayers and program participants alike, and how we might fix it, so we stop discouraging people from getting married and discouraging people from work. And like I said, I think the current system, it is like designed by somebody who, like, makes fun of the “Leave it to Beaver” sort of family. And, you know, I think there were a lot of radicals in the 1960s, Kate Millett and that crowd, who actively discourages keeping the man in the family. And it is like their dream program. I do not know whether Lyndon Johnson was intentionally trying to destroy the family in the 1960s, but that was his effect.

In any event, with that I yield to my good buddy, Ranking Member Krishnamoorthi, for your opening statement.

Mr. KRISHNAMOORTHY. Thank you, Mr. Chair. Thank you for convening this hearing, though I must once again express my frustration with its premise.

I, myself, am a product of the very life-sustaining programs this hearing is attacking, programs that time and again have proven to lift individuals out of poverty, stabilize families in times of crisis, and build the foundation for long-term economic stability, mobility, and growth. At our last hearing, Majority witnesses spent their time, in part, demanding beneficiaries of the social safety net rather than offering bipartisan solutions to make these programs more effective. Slashing the budgets of these critical lifeline will not magically eliminate inefficiencies. What they will do is inflict real, immediate harm on our constituents, no matter if they live in red states or blue states. Children will go to bed hungry. Seniors will forego lifesaving medications. Hard-working families, many of whom are already working multiple jobs, will face the agonizing choice between paying rent and putting food on the table.

We must not lose sight of the real-life consequences of these policy debates. The truth is that the overwhelming majority of recipients of these programs are not abusing the system. They are doing everything they can to survive and improve their lives while continuing to contribute meaningfully to our society.

I am so passionate about the benefits of the safety net because I have experienced them. When my family legally immigrated to this country we fell on hard times and utilized, for a short period, public housing and SNAP’s predecessor, the food stamp program. The programs sustained my parents until my father got a great job in, of all places, Peoria, Illinois. My parents realized the American Dream, and they never took it for granted, and I have not either.

Every night in Peoria my father would say, “Think of the greatness of this country, and whatever you do, make sure it is there for the next families who need it.” That has been and will continue to be my mission statement in Congress.

According to H.Con.Res 14, the House Republicans' instruction with regard to the budget reconciliation process, social safety net programs, very likely Medicaid and SNAP, will be cut to the tune of \$1.1 trillion. That is trillion with a T. There is no plausible way that such deep budget cuts will only rid those programs of waste, fraud, and abuse. If Republicans go through with this plan, kids will go to sleep hungry because their parents lost their SNAP benefits. Millions—millions—will lose their health coverage. These cuts will be catastrophic. Funding tax breaks for special interests and the wealthiest among us by gutting life-sustaining programs is disgraceful.

I am proud of what these programs have allowed my family and millions of others to achieve. I have no intention of sacrificing these programs on the altar of tax cuts for the wealthiest among us. Not only is such a plan fiscally imprudent, it is flat out morally wrong.

I yield back.

Mr. GROTHMAN. Thank you. I am pleased to welcome today our witnesses for today, Dr. Ben Carson, Mr. Chris Edwards, Mr. Howard Husock, and Mr. Indivar Dutta-Gupta. Was that pretty good?

Mr. DUTTA-GUPTA. Pretty good.

Mr. GROTHMAN. Dr. Carson is the former Secretary of HUD and founder of the American Cornerstone Institute. Mr. Chris Edwards occupies the Kilts Family Chair in Fiscal Studies at the Cato Institute. Mr. Husock is a Senior Fellow in Domestic Policy Studies at the American Enterprise Institute. Mr. Dutta-Gupta is an Advisor for Community Change and Doris Duke Distinguished Visiting Fellow at Georgetown University's McCourt School of Public Policy.

Pursuant to Committee Rule 9(g), the witnesses will please stand and raise your right hand.

Do you solemnly swear or affirm that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[Chorus of ayes.]

Mr. GROTHMAN. Let the record show the witnesses have answered in the affirmative. Thank you. You may take a seat.

We appreciate you guys all being here today and look forward to your testimony. Let me remind the witnesses that we have read your written statement and this will appear in full in the hearing record. Please limit your opening statements to 5 minutes. As a reminder, please press the button on the microphone in front of you so that the Members can hear you. When you begin to speak the light in front of you will turn green. After 4 minutes the light will turn yellow. When the red light comes on your 5 minutes have expired, and we would ask that you please wrap up.

OK. We will start with you, Mr. Carson, for your opening statement. Dr. Carson. I am sorry.

**STATEMENT OF THE HON. BEN CARSON
FORMER SECRETARY**

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Dr. CARSON. Thank you, Mr. Chairman, Ranking Member, and Members of the Committee.

Mr. GROTHMAN. By the way, he has got a great autobiography. I strongly encourage everybody in the room to read it. OK. Go ahead.

Dr. CARSON. Reclaiming my time.

[Laughter.]

Dr. CARSON. Thank you for the opportunity to testify today. I am Benjamin Carson, Sr., former Secretary of the U.S. Department of Housing and Urban Development, where I had the honor of leading an agency that serves the housing needs of millions of Americans.

After my tenure at HUD, I founded the American Cornerstone Institute, where I currently serve as Chairman of the Board. I appreciate the Subcommittee's commitment to examining federally assisted housing policies and programs, and I welcome this chance to share my perspective on improving affordable housing delivery, safeguarding taxpayer dollars, and ensuring program integrity while strengthening American families and communities.

I would like to address one of the most critical factors undermining American society today: how public policy, particularly housing assistance programs, disincentivizes family formation and contributes to the dissolution of American families. Marriage is an essential social institution, and while many societal factors influence family formation, Federal housing assistance programs, even unintentionally, create barriers to marriage.

We have created a system where growing numbers of citizens have become reliant upon government subsidies, incentivizing government dependency over self-sufficiency. The so-called "marriage penalty" embedded in assistance programs creates a tangible disincentive to family formation. For example, when two adults marry and live together, their incomes are combined to determine eligibility and rent contribution. If their combined income exceeds program limits they may lose eligibility or face substantial rent increases.

Conversely, if they remain unmarried and maintain separate residences, each may independently qualify for benefits such as separate vouchers, lower rent contributions, or continued eligibility. This financial reality causes many individuals to delay or entirely forgo marriage, undermining traditional family structures, particularly among lower-income Americans.

Instead of functioning as a temporary safety net, government assistance has increasingly replaced the family as the primary provider for many Americans. If America is to reclaim its strength and spirit, we must once again elevate the role of marriage and family rather than replacing it with bureaucracy.

Economic mobility is a cornerstone of the American Dream, yet this dream is increasingly out of reach for many. One-third of children who grow up poor in the United States remain poor in adulthood. Addressing this perpetuating cycle of poverty requires prioritizing programs that support economic mobility and self-sufficiency as the true key to escaping generational poverty. Programs that emphasize work, education, family stability, and homeownership are essential tools for breaking cycles of poverty and building lasting prosperity. It is with this vision that public assistance can transform from a final destination into a stepping stone.

As we all know, one of the keys to the American Dream is homeownership as it represents more than a place to live. Owning a home is a personal achievement that fosters a sense of investment in one's community. Homeowners are more likely to engage in civic organizations, local businesses and schools, and community affairs which strengthen the bonds of civil society. Yet, homeownership has become out of reach for far too many Americans, and housing unaffordability has become a stumbling block to family formation as young people, unable to afford homeownership, often delay marriage.

Protecting access to homeownership is not just an economic imperative and vital to keeping the American Dream alive, it is a key cornerstone to support family creation.

Yet, too many believe that government involvement in housing must expand. Government should not be in the business of owning, operating, or constructing housing projects on a large scale. History has shown that government-run housing often leads to inefficiency, neglect, and the erosion of individual dignity. Government can facilitate opportunity, but it should not replace private initiative.

Therefore, the Low Income Housing Tax Credit, when properly administered, can be an important tool for addressing America's housing challenges. The program leverages housing market forces, entrepreneurial innovation, and private accountability to increase housing supply. Private sector leadership through LIHTC allows communities to benefit from high quality development and local expertise. By aligning incentives toward self-sufficiency, promoting upward mobility, and reducing long-term taxpayer burdens by avoiding the pitfalls of direct government construction, LIHTC can continue to play a role in building a future where housing is available, communities are strengthened, and the American Dream remains well within reach.

Programs that uphold the dignity of work, strengthen traditional family structures, and offer real hope for upward mobility are the ones that truly serve the American people. This is why I support the efforts of the President, Secretary Turner, and the DOGE team in their goals of restoring fiscal health to America. This work is essential to safeguarding the future of the American Dream and promoting true upward mobility. Americans rightfully demand responsible stewardship of tax dollars. Every dollar lost to mismanagement and fraud is a dollar that could have helped a struggling family secure stable housing.

Government waste and fraud undermine public trust in programs meant to lift Americans out of poverty. We must restore integrity to the system, preserve opportunities for future generations, and ensure the American Dream remains within reach for all who strive for it.

Thank you for your attention to these critical issues. I look forward to your questions.

Mr. GROTHMAN. Thank you. Chris Edwards?

**STATEMENT OF CHRIS EDWARDS
KILTS FAMILY CHAIR IN FISCAL STUDIES
THE CATO INSTITUTE**

Mr. EDWARDS. Thank you, for inviting me to testify. I will discuss Federal subsidies for affordable housing, in particular the Low-Income Housing Tax Credit, which provides \$14 billion a year of income tax credits to multifamily housing developers.

The Housing Tax Credit, or LIHTC as it is often called, while well-meaning it is a complex and inefficient solution to housing affordability. The program displaces market-based housing, and part of the benefits go to developers, not to tenants.

A better way to reduce housing costs is tax and regulatory reforms, as I will discuss. LIHTC is an incredibly complex program with vast amounts of regulations. A standard industry guidebook to LIHTC is 1,940 pages in length. There is a huge bureaucratic overhead and lawyers in place for the LIHTC program. It is not a simple tax cut.

LIHTC apartment buildings cost substantially more than market-based projects because the financing is complex and because the construction is micromanaged by state-imposed blueprints. A 2024 article in a Chicago business magazine reported that local LIHTC projects cost up to \$900,000 per unit. The article said, quote, “Costs are driven by the byzantine rules of the Federal tax credit system,” unquote. One LIHTC project in the city, quote, “took nearly 4 years to get the project financed, with legal fees three times the cost of a market-rate apartment tower,” unquote.

A 2024 article in *The Wall Street Journal* compared subsidized housing projects in Los Angeles that had an average cost of \$600,000 per unit to a market-based, low-income apartment project that cost half of that per unit. The market-based apartment developer said, quote, “We believe there is a different way than using government money, which really becomes slow and arduous and increases costs.” Studies by the GAO and academics confirm that LIHTC projects cost substantially more than market-based projects.

There is a fraud problem with the LIHTC program. Developers have been found to inflate construction costs to take excessive tax credits. The GAO noted that there is little policing of contractor costs in LIHTC.

The LIHTC program has encouraged corruption in some cities. Officials have handed out housing subsidies to developers in return for bribes and campaign contributions. IRS oversight of LIHTC to police such abuse is minimal, according to GAO.

So, who benefits from the LIHTC program? Well, statistical studies suggest that a large share of LIHTC benefits go to investors and developers, not to tenants. One 2024 study by MIT economist, Evan Soltas, found, quote, “Developers capture around half of the LIHTC subsidy in profits,” unquote.

LIHTC housing substantially displaces market-based housing. Many academic studies that I cite in my written testimony find that only half or less of LIHTC housing units actually increase the overall housing stock. The rest are displaced market-based units that would have been built. The 2024 MIT study I mentioned found, quote, “LIHTC has little impact on the overall size of the

housing stock, as LIHTC heavily displaces private development that would have otherwise occurred,” unquote.

So, how do we boost affordable housing which is, of course, a very important goal? The states should liberalize zoning and building regulations that reduce housing supply and raise costs for multifamily housing.

Another problem is property taxes. This is often overlooked. Across 50 U.S. cities, the average effective tax rate on apartment buildings is 44 percent higher than on owner-occupied homes, for no good reason. Cities should cut these high property taxes to boost multifamily investment.

As for Congress, it should reform tax depreciation rules for multifamily investment. Apartment buildings have a lengthy 27.5-year write-off period, which raises effective tax rates. The Tax Foundation estimated that depreciation reforms for an apartment building would boost construction by 2 million units over 10 years.

So, in sum, with tax and regulatory reforms, markets, in my view, would supply more housing for moderate-income families. Congress should reform depreciation rules for apartment buildings and the states should cut property taxes on apartment buildings and liberalize zoning and building regulations that reduce supply and increase costs.

Thank you very much.

Mr. GROTHMAN. Thank you. Mr. Husock?

**STATEMENT OF HOWARD HUSOCK
SENIOR FELLOW, DOMESTIC POLICY STUDIES
THE AMERICAN ENTERPRISE INSTITUTE**

Mr. HUSOCK. Good morning, Chair Grothman, Ranking Member Krishnamoorthi, and Members of the Subcommittee. I will suggest changes in the regulation governing tendencies in public and subsidized housing that I believe will help the housing voucher and public housing programs cease to encourage dependency, instead encourage upward mobility, and in the process allow them to serve more of those who currently languish on waiting lists.

First is background. Let me turn to a comparison between one aspect of our social safety net, housing subsidies, and another, temporary assistance to needy families, which provides——

Mr. GROTHMAN. Here, I will tell you. Do you want to move next door and maybe use a different microphone? There is something wrong with yours.

Mr. HUSOCK. OK if I start over?

Mr. GROTHMAN. Yep, yep, yep, yep.

Mr. HUSOCK. I did push the button.

[Laughter.]

Mr. HUSOCK. Once again, good morning, Chair Grothman, Ranking Member Krishnamoorthi, and Members of the Subcommittee. I will suggest changes in the regulations governing tendencies in public and subsidized housing that I believe will help the housing voucher and public housing programs cease to encourage dependency, instead encourage upward mobility, and in the process allow them to serve more of those who currently languish on waiting lists.

First is background. Let me turn to a comparison between one aspect of our social safety net, housing subsidies, and another, temporary assistance to needy families, which provides cash welfare.

It is little appreciated that we budget twice as much for housing vouchers alone, \$30 billion, as for cash welfare, \$16 billion. Although both are intended to alleviate poverty, the rules governing the two programs are strikingly different.

Beginning with the Personal Responsibility and Work Act of 1996, there has been a 5-year time limit as well as a work and education requirement for those receiving public assistance. The effect was dramatic. Welfare rolls declined from \$13.6 to \$1.9 million. Over the past 35 years, the child poverty rate has declined, from 18.7 to 8.6 percent.

Housing voucher recipients, in contrast, qualify for a lifetime stay in almost all localities. The median stay, 9 years. In New York City, as of 2025, 23 percent of public housing tenants have lived in their unit 40 years or more.

New research we are currently undertaking at AAI, between myself and University of Chicago economist Bruce Meyer, indicates that 87 percent of current voucher recipients, excluding the elderly and disabled, will, based on past data, likely spend more than 5 years in subsidized housing, including 73 percent who will spend more than 10 years. I have submitted this data in my written testimony.

It is worth noting that according to HUD data, the largest percentage of non-elderly subsidized tenants are single parents with children. Only three percent of all tenants are two married adults.

What is more, if even one resident of a multi-bedroom apartment is a legal citizen or a legal immigrant, the remaining tenants may be undocumented migrants.

It is time to align the rules for our housing subsidy programs with those of public assistance. To begin to support housing policy in line with those values, we should begin by permitting a ceiling on length of tenure, a time limit for new, non-elderly, non-disabled tenants. A 5-year limit, as with TANF, makes sense. It would not affect the majority of new tenants. It would encourage planning for a post-subsidy future as well as an out-and-up turnover to make way for those on waiting lists, such as those of the more than 22,000 households currently on active waiting lists in the city of Milwaukee, and 6.5 million households on housing authority waiting lists nationwide.

Currently, this should be complemented instead with a voucher and housing system to replace the 30 percent rule. It sounds like a good deal if you only pay 30 percent of your income, but that means as your income goes up, so does your rent. I do not think anybody on this Committee would sign a lease like that. As household income rises, instead of paying more in rent, what would have been an increase should be deposited in an escrow account, like a Health Savings Account. And so, on exit, that would be available for a down payment on homeownership, as Secretary Carson has emphasized. An increase in income would require employment, which should also be required, nor should rent increase if marriage occurs, as the Chair has so importantly pointed out.

At the same time, there is a role for local discretion. Across the country, many housing authorities are using the Rental Assistance Demonstration Program to draw private capital into the renovation of aging, deteriorated housing projects. These require long-term guarantees of housing vouchers. These upgrades, which bring in private money, should not be undermined, and may require local adjustment of time limits.

It is worth noting that time limits are not unprecedented. They have been implemented, for instance, in San Bernardino, California, where most housing authority tenants moved out before the 5-year time limit, saw their incomes increase, and their employment levels increase.

Finally, at a time when waiting lists are long, the scarce housing assistance safety net benefit should go to U.S. citizens and legal immigrants. This is not to take a stand on long-term immigration policy and how we might deal with the undocumented but to give priority to those who work hard and play by the rules, as President Clinton once put it.

Taken together, these suggestions, I believe, should draw bipartisan support in order to encourage turnover, reduce waiting lists, and reduce penalties for earned income. Our housing subsidy policies should switch from being a dependency trap to what Lyndon Johnson had hoped his war on poverty would be, not a handout but a hand up.

Thank you very much for your time.

Mr. GROTHMAN. Thank you. Now trade places again. OK, Mr. Dutta-Gupta.

**STATEMENT OF INDIVAR DUTTA-GUPTA
ADVISOR
COMMUNITY CHANGE**

Mr. DUTTA-GUPTA. Thank you. Chairman Grothman, Ranking Member Krishnamoorthi, and Members of the Subcommittee, thank you for the opportunity to testify today. I am Indi Dutta-Gupta, and I am here as an advisor to Community Change and as the Doris Duke Distinguished Visiting Fellow at Georgetown University's McCourt School of Public Policy. We are here to discuss America's basic needs programs.

While the framing of the hearing focuses on the growth of the welfare state, I believe it is more accurate and productive to view these basic needs programs as essential components of a social protection system, helping families afford health care, groceries, caregiving, and housing, which helps stabilize communities and raises employment and earnings over time.

Instead of cutting vital services like health care, food assistance, and childcare, Congress should improve their effectiveness by expanding them and removing burdens like asset limits that hold people back. This can be done by ensuring that the wealthy pay their fair share of taxes, helping us all afford these essential needs. Proposals moving through Congress now are moving unequivocally in the wrong direction and would inflict enormous harm.

Now, the vast majority of our families depend on income from work, but the United States does far less than other wealthy coun-

tries to ensure adequate wages for our workers. For example, we rank 31 out of 32 OECD countries for our high share of low-paid jobs. Partly because of this, we need more robust investments in basic needs programs than other wealthy Western nations.

And indeed, these programs should be understood as investments, especially in children and families, rather than solely as spending. The evidence shows that they provide dramatic immediate benefits, significantly reducing hardship. In 2023, programs like Social Security, SNAP, Rental Assistance, the Child Tax Credit, and the Earned Income Tax Credit kept over 34 million people above the poverty line.

Furthermore, these programs provide stunning long-term benefits. Research on the introduction of the Food Stamps program, now SNAP, shows that early childhood access led to increased educational attainment, higher adult earnings, and even greater life expectancy. The benefits to the participants have been estimated to be 62 times the cost to the government, and the net fiscal cost to the government was estimated to be zero. Similar evidence exists for other programs, including Medicaid, cash support, Head Start, and more. So, Mr. Krishnamoorthi's story is actually much more the norm with these programs.

Proposed cuts to basic needs programs like SNAP, Medicare, and housing assistance threaten to undermine these positive impacts. We are seeing a recurring theme in these proposals—bureaucrat work reporting requirements, harsh and counterproductive time limits, and shifting financial burdens onto states and localities who are ill-equipped to absorb them.

For SNAP, proposals could take away or reduce food assistance for millions of low-income families, including by requiring states to pay a portion of benefit costs and expanding existing harsh work mandates. For Medicaid, proposals repeat failed work mandates and shift costs to states, in turn leading to reduced coverage and services. Housing assistance programs face potential funding cuts, rent hikes, and damaging time limits, which threaten to increase homelessness.

Instead of cuts and new red tape, policymakers should prioritize strategies that boost employments and incomes. We need to raise the minimum wage, expand the Earned Income Tax Credit and Child Tax Credit, fund jobs programs, invest in care infrastructure, and ensure housing affordability.

Cash supports have proven effective with long-term benefits to children. Research shows that these funds are primarily used for essential needs, and they can increase employment in some instances.

Subsidized employment and other jobs programs have proven effective at preventing divorce and facilitating more two-parent families. Investing in care enables parents and other caregivers to work and creates jobs in the care sector here at home. A large, sustained commitment to expand affordable housing and rental assistance would bridge the gap between incomes and housing costs for many.

In conclusion, we should embrace basic needs programs as an investment in opportunity. We should strengthen and expand proven strategies, and we should move away from outdated narratives and

burdensome mandates on families. Rising costs are hurting families who are often just one paycheck away from a crisis.

Basic needs programs have been there when Americans fall on hard times, and they provide millions of us the foundation we need to access and take advantage of opportunity in this country. We should protect and strengthen them so they are there, and always there when we or our loved ones need them. Thank you.

Mr. GROTHMAN. Thank you very much. I am going to call upon myself to begin to ask some questions.

Just a brief comment. Look, the Earned Income Tax Credit is just one more program, the more you work, the more you lose the money. If you marry somebody with an income, you lose the benefit.

But I will start with Mr. Edwards. This LIHTC stuff, I have really delved into it for the first time in the last week, and I have a feeling whoever came up with it, and lobbied Congress to begin it, was not the poor people it was designed to benefit. It was the property developers. But you have said that it benefits the developers and middlemen more than the average American. Could you elaborate on that a little bit? I think it is so true.

Mr. EDWARDS. The reason why that is, is because as the recent MIT study that I mentioned—which was a very detailed study, it collected data from hundreds of LIHTC projects across 40 states—found that the average rent savings from LIHTC buildings compared to nearby private market, unsubsidized buildings was only 12 percent. Other studies find there is really not that much difference between rent and LIHTC buildings.

So, the Feds give \$14 billion in tax credits, so where do the benefits go? A number of studies find that most of the benefits go to the developers, because the system is so complex.

We also know this is true because there is a huge, intense competition at the state and city level to get these credits by the developer. That is how we know they are extremely lucrative, because they all want to get these benefits.

So, that has been the general conclusion from the academic literature.

Mr. GROTHMAN. Do you know about what percentage-wise—and we are working on a change in LIHTC right here—do you know percentage-wise how much the cost of a building is paid for by the tax credits, about?

Mr. EDWARDS. Well, essentially all of the costs of the building is paid by the tax credits. I mean, the 9 percent credit covers 70 percent of the cost of construction. That is kind of the standard. But the investors get more benefits than just the credit. They get the benefit of the tax losses that flow from the projects, and they get the benefit, potentially, in 15 or 30 years, from selling the buildings and getting a capital gain.

Mr. GROTHMAN. My god. You mean 70 percent of the building is paid for by the government, but the developers and the syndicates are the ones who wind up owning it?

Mr. EDWARDS. That is right. The investors own it. The 9 percent credit covers 70 percent of the cost of construction. And again, that is only part of the tax benefit that the investors get.

Mr. GROTHMAN. Oh, my god. No wonder so many people are running around here trying to keep that program going. Is there a better way to, if it is the government's business, a better way to set up housing to help people?

Mr. EDWARDS. Well, I mean, I talked in my testimony about deregulation and tax cuts. One thing that is striking, that is often overlooked, is property taxes on apartment buildings are far higher than single-family homes. There is no good reason for that. Property tax rates should be the same across the board. So, there is a bias in local government tax codes against people who live in apartment buildings.

For Congress, in 1986, Congress increased the depreciation life-span on buildings—that was a mistake, it increased taxes on apartment buildings. I think Congress ought to fix that mistake and reduce the write-off period for apartment buildings to get more private sector investment.

Mr. GROTHMAN. OK. Mr. Carson, you know, we are talking about housing here, and we can talk about Section 8, but we are also talking about SNAP. We are talking about a variety of other programs. And it is not unusual—is this your experience? To say, a single mom, if she wants to marry a guy, and maybe even the father of her children, the guy is making \$40, \$50 grand a year, that she would lose tens of thousands of dollars in benefits?

Dr. CARSON. Unfortunately, that is the case. And it becomes a lifestyle, a way of living. You know, I grew up I poverty and I listened to a lot of the people who were on these programs, and the various schemes that they would come up with, rather than trying to figure out how to get out of poverty, rather than trying to figure out how to—

Mr. GROTHMAN. We cannot hear you. Can you press the—

Dr. CARSON. It is pressed.

Mr. GROTHMAN. OK. Go ahead. Go ahead.

Dr. CARSON. It is. Yes. But rather than trying to figure out how to improve their lives, improve their education, improve their income, they are always trying to figure out how to get around the various rules.

Mr. GROTHMAN. I have heard that too. It is like a full-time job to make sure you keep the money coming.

Dr. CARSON. Yes.

Mr. GROTHMAN. Mr. Husock, yes or no, are there marriage penalties in housing assistance programs like Section 8?

Mr. HUSOCK. Definitely, and it is because of the 30 percent rule. You pay 30 percent of your income in rent. So, as your income goes up, you pay higher rent. If you get married and there are two incomes, you pay higher rent still.

Mr. GROTHMAN. Does that sometimes cause people not to get married, do you think?

Mr. HUSOCK. Logically, it is a disincentive to marriage.

Mr. GROTHMAN. Right. And I think if more Congressmen got out of showing up at fundraisers and spent time with average people, they would come up with tons of examples of people who are specifically not married, to keep these things going.

In any event, I used up my time. We are going to give ourselves a chance to ask questions later. But I will turn to Mr. Krishnamoorthi to ask his questions.

Mr. KRISHNAMOORTHI. Thank you, Mr. Chair. Good morning, Mr. Edwards. The title of this hearing is “Examining the Growing Welfare State,” and I actually have an article here which talks about cutting corporate welfare. You remember this article, right? And in this article, it says, “One ripe area for reform is corporate welfare, which a new Cato study estimates costs the Federal budget \$181 billion a year.” That is what you said, right, in this article?

Mr. EDWARDS. Absolutely.

Mr. KRISHNAMOORTHI. And your study helpfully breaks down the number \$181 billion, by agency and program. Right?

Mr. EDWARDS. That is right.

Mr. KRISHNAMOORTHI. Unfortunately, however, H.Con.Res 14—this is the Republican House budget resolution—does not use your study, believe it or not, to find savings. For example, you have identified subsidies to different corporations, but this particular budget resolution does not actually use your study, or any study, to cut those subsidies. You do not dispute that, right?

Mr. EDWARDS. No, right. I think Congress should cut corporate welfare and low-income welfare.

Mr. KRISHNAMOORTHI. Well, let me talk about corporate welfare for a second and what this particular budget resolution tries to do. H.Con.Res 14 targets social safety net programs. It directs the Energy and Commerce Committee, which oversees the Medicaid program, to cut \$880 billion from its budget. You do not dispute that, right?

Mr. EDWARDS. I have not looked in detail, but I assume that is right.

Mr. KRISHNAMOORTHI. Additionally, H.Con.Res 14 directs the Ag Committee, which oversees SNAP, to cut \$230 billion from its budget. You do not dispute that, right?

Mr. EDWARDS. Right.

Mr. KRISHNAMOORTHI. When I was young, I relied on the Food Stamp program, which was the predecessor to SNAP, and it was critical for my family. And I believe that cutting food aid is just plain wrong.

Let me turn to another topic. Dr. Carson, you said the following: “Obamacare is really the worst thing that has happened in this Nation since slavery.” You do not dispute you said that, right, sir?

Dr. CARSON. I do not dispute that.

Mr. KRISHNAMOORTHI. Well, let us look at the facts. Obamacare is really the Affordable Care Act, or the ACA. In 2024, the government reported that over 65 million people have health insurance because of the ACA. You do not dispute that, right, sir?

Dr. CARSON. What I am making a point, and when I said that is that, all of the socialists and the Marxists say that socialized medicine is the linchpin to providing socialism throughout the entire system. And that is a system that moves us much closer to socialized medicine.

Mr. KRISHNAMOORTHI. Well, I—let me ask you this. The ACA prohibits health insurance companies from refusing coverage for preexisting conditions. You do not dispute that, right?

Dr. CARSON. I would have to have a little more context than you just gave.

Mr. KRISHNAMOORTHY. Well, believe me, the ACA prohibits health insurance companies from refusing coverage for people with preexisting conditions. It also allows children to stay on their parents' health plans until the age of 26.

You know, it does not sound like the catastrophe that you painted to be akin to slavery. On the contrary, the ACA is not keeping people down. It is lifting people up. And I find your prior comments about Obamacare being the worst thing since slavery really appalling.

Mr. Dutta-Gupta, right now, according to *realtor.com*, the U.S. has a shortage of nearly 4 million homes, causing a housing crisis, right?

Mr. DUTTA-GUPTA. Yes.

Mr. KRISHNAMOORTHY. In addition, since Donald Trump took office, the Bureau of Labor Statistics found that price hikes for food have accelerated. Correct?

Mr. DUTTA-GUPTA. Yes.

Mr. KRISHNAMOORTHY. *The Wall Street Journal* also found that new Trump tariffs are expected to cost American households at least \$2,100 annually. You do not dispute that, right?

Mr. DUTTA-GUPTA. I believe it is analysis from the Budget Lab at Yale, but yes.

Mr. KRISHNAMOORTHY. The affordable housing crisis is squeezing families today, and these new tariffs will make everything from rent to groceries even more unaffordable, unfortunately.

Let me return to Dr. Carson. Dr. Carson, you did not live in public housing, right?

Dr. CARSON. That is correct.

Mr. KRISHNAMOORTHY. I spent part of my childhood in Section 8 housing. This is actually a picture of the public housing that I lived in. It gave my family the stability we needed to work, breathe, and build a new life, and my parents were actually married. My family story is not unique, sir. HUD found that for every year a woman spends in public housing as a teenager, she generated \$925 additionally in adult earnings than someone with unsteady housing. You do not dispute that, right?

Dr. CARSON. Well, the issue is not whether public housing is helpful or not. The issue is, are there things that we can do to improve the situation and to make people more likely to exit from public housing. Real success is the number of people we can get off of assistance, not how many we can put on it.

Mr. KRISHNAMOORTHY. I agree with you, 100 percent. I exited public housing, sir. My family exited public housing. We moved to Peoria, Illinois. We entered the middle class. And I sit before you as a United States Congressman.

Dr. CARSON. And I applaud you.

Mr. KRISHNAMOORTHY. That is the hallmark of a successful program.

Dr. CARSON. That is good, but unfortunately—

Mr. KRISHNAMOORTHY. Thank you, and I yield back. Thank you.

Dr. CARSON. Unfortunately, that does not happen for everybody.

Mr. GROTHMAN. OK. I now recognize Mr. Gosar for 5 minutes.

Mr. GOSAR. Thank you, Mr. Chairman. We are over \$36 trillion in debt, and public housing has only contributed to that cost. Section 8 housing, for example, does not have a time limit. Participants can receive subsidized housing for decades while those most in need are stuck on a wait list.

But the housing cost crisis is not the result of just one regulatory requirement but rather a series of challenges that forced costly and unattainable standards on local communities. Not only did Biden's HUD inflate the cost of housing welfare, but it also reinstated Obama's Affirmatively Furthering Fair Housing Initiative, or the AFFH rule. You are very familiar, aren't you, Doctor?

In 2015, Obama introduced the AFFH rule to dictate zoning requirements in any community across the country that applied for Community Development Block Grant. According to the Cato Institute, Mr. Edwards, AFFH required Federal and local agencies to spend \$55 million each year to comply with its regulations, thus increasing local taxes, reducing property values, and causing greater harm than good to impoverished communities. Luckily, President Trump terminated this rule, and my legislation, the Local Zoning Decisions Protection Act will codify that termination. I invite all of my colleagues to join in on helping me with that.

Dr. Carson, it is great to see you again, and thanks for testifying. As Secretary, you worked to give Americans a hand up, not a hand-out. How does the AFFH rule harm local communities?

Dr. CARSON. Well, it is just a very good example of how the government insinuates itself into places where they do not need to be. You know, communities have developed on their own throughout the time that we have existed as a Nation. Many of them thrived extremely well. They had people who came from different countries. They could not speak to each other because they did not have the same language. But they understood one important thing. That is called the common good. It is a phrase used frequently by our founders, that means not what is good for this group versus that group but what is good for everybody.

AFFH has a bunch of bureaucrats who impose their rulings in a situation like that. The reason that those communities thrive is because if it was harvest time and Mr. Jones broke his ankle, everybody else harvested his crops. They did not ask what his religion was or what his politics were. They said, "This is my neighbor. They need help."

That is the kind of communities we need to get back to, not government-sponsored and dictated communities.

Mr. GOSAR. That sounds great. Thank you.

Mr. Husock, in February 2024, 70 New York City Housing Authority employees were charged with accepting cash from contractors in exchange for awarding certain contracts to these entities. Is it correct that public housing authorities that administer these HUD programs are required to place tenants who receive housing benefits on their Housing Authority boards?

Mr. HUSOCK. There are representatives required—it varies state by state, but that certainly is possible. And that was one of the largest corruption cases in New York municipal history.

Mr. GOSAR. In your opinion, what is the first step to addressing abuse of these public housing authorities?

Mr. HUSOCK. Well, I think they should not be in the management business at all. We have—and I live in the metro New York area—there are a lot of companies that really know how to manage buildings, and one of them is not the Housing Authority of New York.

Now, there may be well-meaning people who could oversee contracts. That is a proper role for government. It happens all the time. This Congress does it. But we should have private management. And we are moving slowly in that direction, through the Rental Assistance Demonstration Program, where we are bringing in private management. You some people yell “That is privatization and it is bad.” But no, we need to bring in private management and not let these housing authorities, which have a proven record of corruption and incompetence. The New York City Housing Authority, the largest one in the country, is under the oversight of a Federal monitor because of dilapidated conditions.

Mr. GOSAR. Mr. Edwards—and first of all, thank you very much for your institute, Cato, looking into the national emergencies that I was so hyped up about, showing that there is \$12 trillion that between Bill Clinton and Joe Biden, all that time in between, we ran up \$12 trillion worth of our debt, one-third of our debt with no receipts. So, thank you very much for that.

In my legislation, Putting Trust in Transparency Act, would require any NGO that receives even a penny of Federal funding to disclose its extravagant donors so Congress can see what NGO’s have nefarious intentions. So, in the case of affordable housing, the American people would have access to the books of NGO’s, that house illegal aliens at the expense of the taxpayer. Is that true? If that were to pass, is this a place to be looking?

Mr. EDWARDS. There are entities that receive Federal grants—are required, do have required financial disclosure. But the threshold is very high. It is like a million dollars, or something like that, annually.

Mr. GOSAR. Yes. Thank you. I will have more questions later. Thank you.

Mr. GROTHMAN. The gentleman from Missouri.

Mr. BELL. Thank you, Mr. Chair and Ranking Member. With all due respect, Dr. Carson, really? I just do not understand the logic. We are talking about schemes, and housing assistance and people who need these programs, and labeling it as “schemes” is off-putting and offensive, to be perfectly frank. As someone who lived in housing projects and had families—my family, when we were younger, had housing assistance—let me tell you about a scheme.

This woman that I know, she was a single mom at the time, and she took an entry-level position because that is the best position she had because she did not have a degree at the time. And she worked her way up. But in the meantime, she did not make a lot of money. And so, she had a son, who, she worked so that he could go to undergrad, go to law school, and then eventually sit before you on this dais as a Congressman. Then she went on, after she did that for her son, to get her degree, and her master’s degree. But without having some assistance early on, none of those things would have happened.

So, when we look at the worst offender, we cherry-pick a particular offender and say, oh, well this is the rule for all of these hardworking people who are just trying to move up in life, and are not asking for handouts, but just—and I will even say this. It is not even about handouts. If the rules were fair, a lot of these folks would not ask for anything. But a lot of them are starting from a position where they are handcuffed and their shoelaces are tied, and then they are told to go run a race and win the race. So, it just seems disingenuous when we talk about schemes, when we should be supporting these individuals.

And I will say this. As a Christian, I do not believe that anything that is man-made is going to be perfect. So, you can pick any program, that a Democrat or a Republican started, and you will find something that is not perfect about it. But instead of gutting the programs, perhaps we could actually sit down, work together, and improve those programs.

So, I want to paint a picture of how urgent these issues are. The low-income assistance programs we are discussing are not just numbers on a page. They are lifelines. And despite what some of my Republican colleagues may suggest, what is happening here is not isolated. It is part of a troubling pattern. And right now, this Administration is targeting programs like Medicaid, not to reform them but to bankrupt them and gut them to fund for tax breaks for billionaires. Cuts to Medicaid do not just hurt on paper, they hurt real people in every community. Medicaid funds critical mental health care, from school counseling to crisis and addiction services. In Missouri, in my state, more than 48,000 people rely on Medicaid expansion. Without it, many would have nowhere else to turn. And yet, while some Republicans claim mental health is the root of tragedies like mass shootings, they are cutting the very programs designed to help.

So, if mental health is truly a priority, why are we slashing Medicaid? If mental health is truly a priority, who are proven mental health programs on the chopping block? If mental health is truly a priority, why was funding just frozen for the bipartisan Safer Communities Act, which improves school safety and expands mental health care? That law, which was a bipartisan bill, has been unraveled in 100 days, and President Trump's budget would make even deeper cuts.

If Republicans were serious about mental health, they would not be cutting student support, slashing Medicaid, and undermining community safety. And as a prosecutor, mental health and public safety should not only matter after tragedies. We need to act before lives are lost. Protecting Medicaid, SNAP, housing, and other vital programs is how we do that, and this is not rocket science. The choice is simple—protect billionaires or protect communities.

I have a quick question for Mr. Dutta-Gupta. Given that stable, long-term housing is essential to children's development and mental health, does it make sense to push millions of families onto the streets?

Mr. DUTTA-GUPTA. Absolutely not. It is completely counter-productive. And your life experience and Mr. Krishnamoorthi's is the norm that these programs substantially improve the outcomes, especially of children.

Mr. GROTHMAN. OK. We are like over a minute.

Mr. BELL. I yield back. Thank you.

Mr. GROTHMAN. OK. Mr. McGuire?

Mr. MCGUIRE. Thank you, Mr. Chairman. Thank you to our witnesses for being here today to answer our questions.

You know, I grew up in poverty, as well. My older sister and I were abandoned. The police found us. And we bounced around to different foster homes. I attended nine different elementary schools. But through the grace of God, my grandparents, who had already raised their children, rescued me and my older sister and raised us until my dad got sober. And I think God gives us adversity to chisel us into the men and women we are supposed to be. I decided I wanted to serve our country, because my grandfather served in the Navy in World War II, to become a Navy SEAL. Typically, 200 men per class. Usually 20 graduate. One class graduated 0 out of 200, because not everybody gets a trophy.

But what you learn in the military, it is not what you look like. It is what you fight like. And if somebody saved your life on the battlefield, you would not care if they were pink or blue, male or female, if they called themselves a Democrat, Republican, or an independent. We are all Americans.

We qualified for free lunches when we grew up. We did not have health care. And we somehow, some way, we learned to improvise, adapt, overcome, and work hard.

I want to commend President Trump's budget. President Trump's budget request ensures taxpayers will not continue paying for housing for illegal immigrants. It also ensures that the Department of Housing and Urban Development concentrates its funding on our most vulnerable, including the elderly, disabled, and foster children. Importantly, it puts a 2-year cap on rental assistance for able-bodied adults, which I believe will help address many of the challenges we are speaking about today.

So, I have a question for Dr. Carson. We really appreciate you being here today. Thank you so much for all you have done. We appreciate your expertise and what you did. You did a phenomenal job leading the Department of Housing and Urban Development during President Trump's first Administration.

Earlier this year, this Committee looked at welfare programs like Medicaid and SNAP. What we found is incentives for these programs to discourage work, marriage, and other behavior that may reduce their need for welfare. In fact, we looked at every single safety net program, and witnesses said that every single one of them incentivized single-parent homes. And I think the breakdown of the nuclear family is what is threatening our country. I heard the Chairman say that, in 1960, 5 percent of American homes had a single parent. Today it is 40 percent and growing. That is a recipe for destroying our country and everything that so many men and women, military or not, gave their life for.

Dr. Carson, when you arrived, did you see these bad incentives at welfare programs at the Department of Housing and Urban Development?

Dr. CARSON. We definitely had many disincentives for self-sufficiency. And I thought, you know, coming into the Department, that it would be easy coming to Capitol Hill and getting bipartisan sup-

port for self-sufficiency programs and getting rid of the dependency. I was wrong. There are many people who were not interested in doing that and perpetuating this situation because it gave them a power base.

And I think it is time for us, really, to sit down, put the facts in the middle of the table, and think about what are our goals? Our goals are not just to support people who have difficult situations. Our goals are to get them out of that situation and help them to be able to realize the American dream.

So, you know, I do not disagree with some of the things the Congressman from Missouri was saying, but the Bible tells us we have an obligation to the poor, but we do not have an obligation to keep them poor.

Mr. MCGUIRE. I love it. It makes sense. A hand up, not a hand-out.

Let us see, Mr. Husock, for a couple living in poverty, how significant are the financial penalties they face if they get married while on welfare?

Mr. HUSOCK. Well, I am not an expert on temporary assistance to needy families, although we, in 1996, this Congress passed a 5-year limit on cash welfare, and cash welfare dropped tremendously in terms of the number of people on it, and it helped reduce the poverty rate.

In terms of public housing and voucher housing, it just does not make sense to have two incomes, or certainly it does not make sense to declare two incomes. So, those of us who are concerned about having formal marriage arrangements as opposed to partners living together or not having the biological parents in the same house, there is a tremendous disincentive for those who would declare legally the incomes that they have.

It is worth noting that in the New York City Housing Authority, which is the largest in the country, 177,000 units of public housing in New York City. They estimate there are 400,000 legal residents. They estimate, just in the amount of garbage that is picked up, that there are 600,000 people living in public housing.

So, there may be many other partners in the home, but they are not declared legally, and that is not a good thing either.

Mr. MCGUIRE. Thank you, and I yield back.

Mr. GROTHMAN. Thank you. Ms. Simon?

Ms. SIMON. Thank you, Mr. Chair. I want to thank the witnesses for being here today.

Where do I even begin? The issues surrounding families who are low income and the working poor, supporting them in their plight, I believe is what we are all here to do. But this conversation is extremely troubling.

I came to Congress to represent those families, clearly. One of those families is the Tsu family in my district, a multigenerational family in the Bay Area, and they overcame decades of anti-Asian laws and housing covenants to live the American dream, a family that bought a home, and season tickets to the A's, although they have left. Very, very sad.

But to many families like this family, changes did happen. The Tsu family incurred medical bills, like my family did, divorce, and the 2008 recession changed everything, broke down their safety

net. Derek Tsu, he lost his home during that period, and his car, and he could not afford rent on his \$1,000-a-month income that came from disability once he was disabled. Today Derek is leading advocacy efforts for dignified—dignified—folks who are too low income to afford rent. And I am so thankful for that work.

Mr. Chair, I ask unanimous consent to enter into the record the *San Francisco Chronicle's*, "Home Grown and Homeless in Oakland."

[Pause.]

Ms. SIMON. Well, I hope that can go in without—

Mr. GROTHMAN. Oh, sure, yes.

Ms. SIMON. Thank you, sir.

I just want to say, right here in this building, the daycare workers make \$30,000 a year, to take care of the children, school-aged children, of Members of Congress, \$30,000 a year. Suppose two of these folks, who work, are married. They are married, working in this Capitol. They cannot afford a one-bedroom in Washington, DC. So, few people who make laws for the poor have been poor.

Many of you all know that I was a teen mom. I went to college. I got food stamps, \$26 a month. Every other week I was at the counter putting back food because, again, people were making policy for poor folks who had no idea what it was like having to move through an economy that did not understand what it was really like to be poor.

I want to be clear. Those daycare workers in this building, don't you think they want a better income, or do you want for them to leave the daycare here in 2 years? You want full economies to shift, have people leave, because being poor, to many folks in this room, is a crime. Being poor, or literally working at Walmart, where you still, when you work at Walmart, do you know, across this country, you still qualify for SNAP? These low-wage jobs that folks are working with their bodies, cannot afford health care, cannot afford the rents in their community. I apologize to the folks who are watching this, who are strong and amazing and dutiful and patriotic folks. Folks are punching down on you, and it is not just not fair, it is extremely cruel.

The permanence of poverty in this country is clear. There is a permanence of poverty of folks who, again, are working day in and day out, and in my district cannot afford \$2,400 for a two-bedroom, for a one-bedroom.

I just want to be clear. The reality is—and I have been there—being poor is hard. Being poor is hard. And the Federal Government should not be making poverty harder. When we ask a family that is paying 50 percent of their income to rent, to afford childcare—I have been there—and elder care, and medical insurance, we are sentencing them to lifelong debt, housing insecurity, and hunger.

I want to be clear, that any reduction in SNAP, any reduction in Medicaid, any reduction in housing benefits for the working poor, or services, that could be the difference between life and death, or living on the streets, for so many vulnerable individuals and families is what we are proposing.

President Trump, this week, actually last week, released a budget that would slash housing vouchers, public housing, housing pro-

grams for seniors and people with disabilities. It is clear. We have read it. Cut the LIHEAP, which, regardless, we know it helps working families afford heat in the winter and cool air in the summer. It would limit homeless individuals who are at risk of future homelessness because you want to give a clear-cut cap on how long these deserving people need to get out of poverty. Believe me, I have gotten out of poverty. It takes longer than 2 to 4 years.

My constituents have been clear with me. They have brought me here because they are hard-working and they deserve a government that is going to work with them as they move through an economy that has no idea what it means to move through poverty.

And I yield back.

Mr. GROTHMAN. Thank you. Ms. Randall?

Ms. RANDALL. Thank you, Mr. Chair, and our guests. I am also grateful for the remarks of my colleague, Ms. Simon. I think we so often seek to depersonalize the work that we do in this chamber and this Capitol. We talk about it in terms of funding levels and dollars saved. But we are talking about programs that impact real people, real families who are trying to live their lives.

And, you know, in addition to the budget reconciliation package that we have seen and been discussing in committees, that make steep cuts to Medicaid, SNAP, and other critical programs to pay for tax cuts for billionaires, the Trump Administration's skinny budget proposal that they released last week would slash many of the Federal programs that families around the country rely on, at a time when this President's radical tax and tariff agenda is driving the country into a recession and making daily life, housing, childcare, baby strollers, more expensive for working families.

This Republican budget reconciliation package that we are discussing would cut Federal housing support by nearly \$27 billion, and limit rental assistance to only 2 years for—and I am using big air quotes here—able-bodied adults.

What this means is that millions are going to get forced out of their homes. Millions more are going to be couch surfing or on the street. And I hear from a lot of business interests that more people on the streets is not—they do not tell me it is a community challenge. They tell me it is bad for their business. And these are problems we can solve. We can solve homelessness by ensuring that people have housing, through housing and rental assistance programs. It is not magic. It is housing.

We can ensure that people are not forced out of their tenuous living situations by continuing LIHEAP, the program that Ms. Simon was just talking about. It is a Low-Income Energy Assistance Program. Now, I do not know if anyone on this panel has ever had to decide whether they pay for medication, a medical appointment, or your electricity bill, whether you can let it go for 3 or 4 days, or whether you let it go for another month. Maybe you live in a state that has protections, where they cannot cutoff your heat in the winter. Maybe you do not.

Families are making these challenging decisions every day, and for us to come in here and hear lines of questions and testimony about the expanded welfare state, as if human beings are a drain on our economy, when they are just trying to build lives for themselves, is truly horrifying to me.

Housing programs in my district are saving people's lives. New Horizons, in Mason County, is a program targeted at homeless veterans. It is housing first, tiny homes, that allow veterans who have been chronically homeless, living on the street, dealing with challenging medical issues, the chance to have security, stability, a roof over their head, and be connected with job support programs.

Peninsula Services is a housing program in downtown Bremerton focused on supporting people with disabilities. The top floor has a Hoyer lift in the ceiling, so that someone wheelchair-bound, who is also a parent, can get from bed to the shower or the bathroom while also taking care of their kids.

In Jefferson County, Habitat for Humanity is building 134 affordable housing units close to a school and public transportation, so folks in a rural community can get where they need to go and find stability. We are seeing housing programs like Wheaton Landing, that is ensuring that homeless families with school-aged kids can find stability, and not be forced to live in a shelter or in the woods.

Now I am reaching the end of my time, but I hear we may have a few extra minutes later for questions. So, I will yield at this moment to the Chair. Thank you.

Mr. GROTHMAN. Thank you. Yes, this is such a great hearing, I thought we would go another 10 minutes, and I would call on myself first, and I will give you guys some more time.

I want to point out what the goal of the Committee is, and I will ask another couple questions. First of all, the benefits right now, the support benefits, be it housing, be it food, be it earned income tax credit, whatever, all discourage work, and even more, discourage marriage, because if you marry somebody who is making \$40, \$50 grand a year, it takes all these benefits away from you. I think anybody who goes back home and talks to people, not lobbyists or other Congressmen, will find examples of people who even out of the chute do not get married because they do not want to lose their benefits. But that is where we stand.

And I wanted to focus a little bit on the LIHTC program, which, the more you look at it, overwhelmingly the primary beneficiary is a bunch of well-off property developers, not the so-called poor that they claim to be helping.

But in any event, I will ask Mr. Carson one more time. Do you believe that these benefits, collectively, have changed society in which there are less children raised in marriage, and over time more people adapting? Like you said, they spend time looking at how to get the government benefits instead of getting a job. Do you think that is true, Mr. Carson?

Dr. CARSON. It is true. I do not think it may have been done intentionally, but we have to be smart enough to look at the effect of what is happening, and ask ourselves what can we do to change this outcome? I do not think anybody disagrees with helping poor people and giving them a hand up. I think the issue here is do we perpetuate that situation? And I think some people obviously do not realize that if we continue down the pathway we are going, with waste, fraud, and abuse, our whole country will go bankrupt, and everybody will be in a terrible shape at that time. It is being

able to look at the big picture that sometimes people are not able to do.

Mr. GROTHMAN. OK. In your experience, and I know you came out of a tough background, but in your experience can you see benefits, not just to the children but to the men, as well, who frequently our society has set up programs designed to make sure the men are not in the household, benefits not only to the father of the children as well as benefits to the children if we had more of a society in which marriage was the goal?

Dr. CARSON. Well, marriage is the institution that was set up by our God, and it is the perfect environment for children to be raised in. There was a recent study done by the Brookings Institute and Princeton University, looking at the effect of traditional nuclear families on the well-being of the state. And it was pretty dramatic, that those states that had the largest number of traditional nuclear families did much better, provided a much better environment for the raising of their children. It is something we need to be concerned about as a Nation.

Mr. GROTHMAN. OK. Thank you much.

Mr. Edwards, I did want to focus a little bit more on the LIHTC stuff and the fact that, you know, lobbyists are always moving around this building. Do you believe, one more time, that this program primarily benefits the so-called low-income or working poor, or does it primarily benefit the property developers, the lawyers, the accountants?

Mr. EDWARDS. The statistical studies that have been done have shown that half or more of the benefits go to the investors and the developers and not to low-income tenants. You could see that, for example, by the fact that the rent, the average rent payments in the LIHTC buildings, are not much lower than nearby market housing.

To build on something quickly that Dr. Carson touched on, there is a big difference between the intentions of programs—all of these programs are well meaning. The actual reality is often different. The SNAP program, the N is for Nutrition, a quarter of the benefits go to junk food. So, the results are actually different than the intention, and that is the same with the LIHTC program. The intention is to benefit tenants, but the reality of the program is it has been taken over, as you mentioned, by the corporate lobbyists, the banks, the investors, and most of the benefits go to them.

Mr. GROTHMAN. OK. Thank you. We are going to go to Mr. Gosar, but first of all, Mr. Krishnamoorthi, do you want to say anything else, briefly?

Mr. KRISHNAMOORTHY. Are you going to yield us 5 minutes total?

Mr. GROTHMAN. Total, yes.

Mr. KRISHNAMOORTHY. OK. I will yield myself 1 minute. Let me ask Mr. Dutta-Gupta. Look, I think that there is a misconception that somehow Democrats would want to discourage marriage, or harm the institution of marriage. As you know, in my own particular story, my parents remained married, and then we exited successfully from public housing, and went on to live a middle-class life.

But to address the issues that Dr. Carson and others raise, what is a reform that you would suggest?

Mr. DUTTA-GUPTA. Well, for one thing, we have a lot of evidence of programs that do reduce divorce, which we need to think about too, and facilitate marriage, with positive outcomes. These are not, unfortunately, the Bush-era Healthy Marriage programs, some of whom actually increased domestic and intimate partner violence. These are really jobs and income programs.

So, we have track record, with some jobs and income programs, particularly in the Midwest, that by helping people have health coverage, decent-paying jobs, which the United States has way too few of, in fact, we found that then people chose to get married at higher rates, and they chose to stay together and avoid divorce at higher rates. So, jobs and income support programs can be the best way to promote that outcome.

Mr. KRISHNAMOORTHY. Thank you. I yield back to you.

Mr. GROTHMAN. OK. I guess Paul Gosar, and then another.

Mr. GOSAR. Yes, Dr. Carson, I want to give you ample time to come back at something that was said about Medicaid, slashing Medicaid. Only in Washington, DC, is an increase a cut. You know, so one of the core tenets of Obamacare was to expand Medicaid, was it not? And during Biden's term, we saw 60-plus percent increases in the number of people that were placed on Medicaid. Key here is "placed." Would you agree?

Dr. CARSON. Yes.

Mr. GOSAR. So, part of the problem here is that when you are looking at debt service of \$36 trillion—and Mr. Edwards, thank you again, from Cato, from the bottom of my heart, for looking at that national emergencies—you have got to make some hard choices. How, if you are just going to cap those rates—let us just say you are going to cap them, as inflated as they are—you increase it by the medical inflationary aspect, which is twice what normal inflation is. It sounds to me like that would be something that could work. Would you agree?

Dr. CARSON. I would agree, but also would bring up the point that we spend over \$13,000 per capita, per year, on health care in this country. That is more than most concierge practices cost. So, obviously there is a lot of money going places where it does not need to be going. What do you need? You need a patient. You need a health care provider. Along comes the middleman to facilitate, and becomes the principal entity, sucking out most of the money out of the system, and people are not getting the care that they need. We need some major reforms there.

Mr. GOSAR. Oh, I am glad you said that, because, you know, it is now cool to eat well. Maybe when Mrs. Obama was around, when she wanted to eat well, it was not cool. But it is cool now to eat good food. So, we ought to be pushing pay-to-play to pay for well health.

Thank you. I appreciate it. I yield back.

Mr. GROTHMAN. Thank you. Mr. Bell.

Mr. BELL. Thank you, Mr. Chair. You know, I talked tongue-in-cheek about schemes when I was referring to my mom. Obviously, I was making a point. But I do think there is a scheme when we talk about how these programs, it was mentioned, that these programs benefit lawyers, they benefit developers, and I guess rich folks, for the most part.

So, I mean, another side of that is we could talk about the fact that, how about improving these programs so that they do not. But instead, it seems like Republicans are saying, OK, we are also going to give benefits to the rich in the form of tax cuts, because those tax cuts, they are not helping poor folks. They are helping millionaires and billionaires.

When we look at these tariffs that have been implemented whole-heartedly, or holistically, across everything, without any kind of target or plan, the benefit does not go to poor and working-class people because the cost of food, the cost of housing, that all goes on the back of poor folks. Folks who are making good money, it does not impact them as much. But folks who are trying to rise, to take a step up, and move out of public housing, move off of assistance, makes it a whole lot more difficult when the cost of food is ridiculously high, when we see kids get out of high school or college and there is no way they can afford a house.

So, how does this work out when we have these benefits that go to the rich people? We say we are going to cut Medicaid. We are going to cut all these programs that help people make that step up, and then we turn around and say, oh well, this is just a scheme, and we need to gut all of these programs. I think this is completely out of whack. I think everyone on this dais and in this room should be focusing on working-class families and the things that are going to help people move themselves out of poverty, and not handcuff them to the situations that they are in.

I yield back. Thank you.

Mr. GROTHMAN. OK. Ms. Simon?

Ms. SIMON. Thank you so much. I wanted to quickly comment and ask a quick question to Mr. Dutta-Gupta. There have been conversations about SNAP, and I really love that you brought up that poor folks with SNAP just by junk food.

Mr. Dutta-Gupta, can you give us 40 seconds and talk to this room and folks who are watching about food deserts, particularly in urban and rural communities, and what is usually available to poor people? I understand that the Administration that is in power right now wants to cut the program where farmers actually bring fresh fruits to communities, that allow folks to use their SNAP. Give us a little bit. Educate us.

Mr. DUTTA-GUPTA. Fresh, healthy produce, in particular, can be far more expensive than processed and ultra-processed food that is often shelf stable, and is often unavailable precisely where people with the lowest incomes live. So, that would be a move completely in the wrong direction.

Ms. SIMON. And we call those food deserts, communities without grocery stores, with bodegas and corner stores and candy shops, but no fresh food. If you have not seen it, Bryan Stevenson says, "Let us get proximate." I will take you on tours all across the country of food deserts. It is important for folks who are making policy around this stuff to see those places.

Mr. GROTHMAN. Thank you. We have Ms. Randall.

Ms. RANDALL. Thank you so much, Mr. Chair, for this extra bit of time.

You know, some of my colleagues have mentioned programs that help get folks out of poverty, and, you know, we talked about jobs

that even in a two-parent household, twoadult working household, barely allow you to pay for housing in your community, near where you work. You know, maybe you have public transit, but in my district you do not have a lot of public transit to get to your job, as you get pushed farther and farther and farther out into rural communities.

I spent a lot of time working in the state legislature on housing and food assistance programs for particularly community and technical college students, students of all ages who are trying to build themselves out of poverty. One in every two college students in Washington State is housing or food insecure. That is half, half of the students, those who persist, anyway. Many of them do not because they lose childcare subsidy because they are going to school and not working. They lose some of the other assistance programs, which we have tried to expand in Washington State.

But some of the programs that really work are project-based vouchers that allow working student parents, who are doing like six jobs, at the end of the day, a little bit of stability.

Now, I think—I am seeing some nods—I think some of these project vouchers are at risk of being cut. Can anyone on the panel attest to that, under this budget reconciliation package? Mr. Dutta-Gupta, maybe?

MR. DUTTA-GUPTA. Well, under the skinny budget that the Administration put forward we know that for sure. And by the way, Ms. Randall, you have hit on exactly the sort of population that is doing everything right, everything we want them to do, and you put some new bureaucratic work reporting requirements, and you will ensnare them. You will bump off people who should be eligible and who deserve the support, and for whom, not that we need this in every instance, but we will get a huge return on investment. Sometimes we do things because it is the right thing to do, and in this case that happens to be the smart thing to do, economically.

MS. RANDALL. Thank you. Thank you, Mr. Chair.

MR. GROTHMAN. OK. I will yield to Ranking Member Krishnamoorthi for your closing remarks.

MR. KRISHNAMOORTHI. Well, thank you so much, Mr. Chair. Look, I think that what we need to recognize is that we have a large number of programs designed to help people who are struggling in this country. As I mentioned before, my family was one of them, so I have personal experience with the safety net. And I can say, without a doubt, I would not be here but for that safety net. I would be here but for that food stamp assistance, now known as SNAP. I would not be here but for that public housing.

And so, my father would say, "Think of the greatness of this country, and whatever you do, make sure this country is there for the next families who need it." That has become the mission statement of my office, and, indeed, my why, at this point. My why.

And so, when I hear repeated attacks on those programs and proposals to cut them to the tune of, we are talking \$1.1 trillion, with a T, we are talking about programs that are going to hurt real people, and people just like me.

And so, I would just make two comments. One, do those programs require improvements that could make them more efficient? The answer is yes. But do those programs require such deep cuts

that tens of millions of people who are already struggling would then fall further into poverty, or become more sick, or become more unable to work? No.

And so, we have to work together, I think people of goodwill among Republicans and Democrats, to make the programs more effective, more efficient, and make sure that the people who need help get the help in a timely fashion. And so, I welcome the opportunity to work with anybody, on any side, to make them hit their marks.

But cutting them or sacrificing them on the altar of tax cuts is a bridge too far, completely unacceptable, fiscally imprudent, and morally repugnant.

Thank you, and I yield back.

Mr. GROTHMAN. Thank you. A few final comments. We have gone from a society in which the married couple was the norm to much less common. I do want to point out that there are many tremendous single parents out there. I am looking at Dr. Carson. His mom, his grandparents, real heroes in that regard. And we heard several other testimonies from people up here on the Committee.

I do believe, whether it is right or wrong, I do not know, but we do have many examples in this country of particularly immigrants who come here. I am thinking of the Hmong in my district who came here straight from Laos, who needed some of these programs when they first landed here.

However, there has been some question as to whether the overwhelming prejudice against married couples was intentional or not. I would like to believe it was not. However, it is not hard to find, like very powerful feminists in the 1960s or Karl Marx himself, who were very hostile to the traditional nuclear family. It was their goal to break it down. How much influence they had on the programs that were created in the 1960s and which survive today I do not know.

But in any event, I hope everybody here, when they continue to work on public policy dealing with poor people, remembers that we should not be expanding or coming up with new programs designed to put a married couple at a disadvantage compared to couples without both Mom and Dad at home. And right now, it is not unusual to be at a \$20,000 or \$25,000 disadvantage, which is preposterous.

And I did try to highlight the LIHTC program as an example of a program that I think benefits—it is corporate welfare at its worst. I kind of did not like it when I found out that the credits were going to be equal to 70 percent of the value of the cost of a building. And if you build a new building to help the poor, the government kicks in 70 percent of the cost of the building, but winds up with none of the ownership of the building. On its face, it ought to cause people to wonder what in the world is going on here. So, hopefully we can find, if we have to have low-income housing, a way for somebody else to benefit.

Earlier today, we also talked about food stamps, and the huge degree that you buy junk food with food stamps, which is not really helping anybody and probably causing people's health to decline. But again, I think, just like the LIHTC, the program is sometimes

used to benefit big corporations or well-off people and not the people it is designed to help.

But in any event, I would like to thank—well, this is very good, very honored to have all four of you stay here to the bitter end. That is good.

Now, we have a little script here. With that, and without objection, all Members have 5 legislative days within which to submit materials and additional written questions for the witnesses, which will be forwarded to these witnesses.

If there is no further business, without objection, the Subcommittee stands adjourned.

[Whereupon, at 11:41 a.m., the Subcommittee was adjourned.]

