

**STATE FACT SHEET:
MAGA House Republicans' Default on America Act Would Have Devastating
Impacts for New Jersey**

Extreme bill would cut veterans' health care, jeopardize public safety, and raise costs for families—even as House Republicans separately push for trillions in tax cuts skewed to the wealthy and big corporations

Congressional Republicans are holding the nation's full faith and credit hostage in an effort to impose devastating cuts that would hurt veterans, raise costs for hardworking families, and hinder economic growth. The Default on America Act would cut veterans' health care, education, Meals on Wheels, and public safety, take away health care from millions of Americans, and send manufacturing jobs overseas. [Outside economists say](#) that if enacted, the Default on America Act would "increase the likelihood" of a recession and result in 780,000 fewer jobs by the end of 2024. And House Republicans are demanding these cuts while separately advancing proposals to add over \$3 trillion to deficits through tax cuts and giveaways skewed to the wealthy and big corporations.

The Default on America Act stands in sharp contrast with [President Biden's Budget](#), which invests in America, [lowers costs for families](#), protects and strengthens Medicare and Social Security, and [reduces the deficit by nearly \\$3 trillion](#) over 10 years, while ensuring no one making less than \$400,000 per year pays a penny more in new taxes.

The Default on America Act would mean at least \$1.7 billion fewer federal grant dollars invested in New Jersey, including cuts that would:

Jeopardize Transportation Safety and Infrastructure

- **Cut 190 Rail Safety Inspections in New Jersey.** At a time when train derailments are wreaking havoc on community safety, House Republicans' Default on America Act would lead to **190** fewer rail safety inspection days and **230** fewer miles of track inspected in New Jersey next year alone. Since the Norfolk Southern train derailment, bipartisan Senators have called for more rail inspections, not fewer.
- **Jeopardize Air Safety by Shutting Down at Least 1 Air Traffic Control Tower in New Jersey.** The Default on America Act would shut down services at **1** Contract Air Traffic Control Tower in New Jersey, likely also require shut down of additional Federally-staffed facilities, and increase wait times at TSA security check points at large airports across the country by over 2 hours.
- **Withhold Vital Transportation Infrastructure Funding.** Under the Default on America Act, New Jersey would stand to lose nearly **\$174 million** in funding for transit and highway infrastructure projects all across the state.

Raise Costs for Families

- **Eliminate 9,100 Preschool and Child Care Slots in New Jersey.** The Default on America Act would mean **3,900** children in New Jersey lose access to Head Start slots and **5,200** children lose access to child care—undermining our children's education and making it more difficult for parents to join the workforce and contribute to our economy.

- **Strip Nutrition Food Assistance from Women and Children in New Jersey.** The Default on America Act would also mean **43,000** women, infants, and children would lose vital nutrition assistance through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), increasing child poverty and hunger.
- **Raise Housing Costs for 20,200 New Jerseyans.** Under the Default on America Act, **20,200** families in New Jersey would lose access to rental assistance, including older adults, persons with disabilities, and families with children, who without rental assistance would be at risk of homelessness. The House Republican Default on America Act would also mean as many as **1,600** families across New Jersey who are homeless, at risk of homelessness, or attempting to flee domestic violence would lose access to emergency housing vouchers.

Harm Seniors, Older People, and Veterans

- **Threaten Medical Care for 50,500 New Jersey Veterans.** The House Republicans' Default on America Act would result in 30 million fewer outpatient visits for our nation's veterans all across the country. That means **50,500** veterans could lose access outpatient visits in New Jersey, leaving them unable to get appointments for care like wellness visits, mental health services, and substance disorder treatment.
- **Worsen Social Security and Medicare Assistance Wait Times for 1.8 million New Jersey Seniors.** Under the House Republicans' Default on America Act, people applying for disability benefits would have to wait at least two months longer for a decision. With fewer staff available, **1.8 million** seniors and people with disabilities in New Jersey would be forced to endure longer wait times when they call for assistance for both Social Security and Medicare.
- **Jeopardize Food Assistance for 11,000 Older Adults in New Jersey.** House Republicans are [threatening](#) food assistance for up to **11,000** older adults in New Jersey with the Default on America Act's harsh new eligibility restrictions in the Supplemental Nutrition Assistance Program (SNAP).

Jeopardize Health Coverage and Access to Care

- **Jeopardize Health Coverage and Access to Care for 701,000 New Jerseyans.** The Default on America Act would put health insurance coverage—and health—at risk for **701,000 New Jerseyans**. Only one state has ever fully implemented similar policies, and nearly 1 in 4 adults subject to the policy lost their health coverage—including working people and people with serious health conditions—with no evidence of increased employment.
- **Deny 1,300 New Jerseyans Access to Treatment for Opioid Use Disorder.** The Default on America Act would deny access to opioid use disorder treatment for more than **1,300** people in New Jersey through the State Opioid Response grant program—denying them a potentially life-saving path to recovery.

Hurt Children and Students and Undermine Education and Job Training

- **Gut Funding for Low-Income Students.** The Default on America Act would cut approximately **\$99 million** in funding for schools serving low-income children—

equivalent to removing nearly **1,600** teachers and specialized instructional support personnel from classrooms, impacting an estimated **550,000** students.

- **Cut Support for Students with Disabilities.** Under the Default on America Act, as many as **238,000** children in New Jersey with disabilities would face reduced supports—a cut in IDEA funding equivalent to removing approximately **1400** teachers and related services providers from the classroom.
- **Slash Mental Health Support for Students.** The Default on America Act would limit educators’ abilities to address student mental health issues, including through suicide and drug use prevention, by cutting funding dedicated to creating healthy learning environments in New Jersey schools by about **\$5.7 million**.
- **Eliminate Student Debt Relief.** The Default on America Act would eliminate President Biden’s one-time student debt relief plan, denying much needed emergency student loan relief of up to \$20,000 from **493,000** approved applicants across New Jersey recovering from the effects of the pandemic. It would also block the creation of new, more affordable student loan repayment plans, such as the President’s proposal to cut undergraduate loans payments in half.
- **Make College More Expensive for 150,100 New Jerseyans.** The Default on America Act would reduce the maximum award for Pell Grants by nearly \$1,000, likely eliminating it altogether for **2,100** students in New Jersey, while making it harder for the remaining **148,000** recipients to attend and afford college.
- **Deny 19,600 New Jerseyans Access to Workforce Development Services.** The Default on America Act would result in **19,600** fewer New Jerseyans receiving job training and employment services provided through the Department of Labor’s workforce development funding. These harmful cuts would deprive businesses of the skilled workforce they need to thrive, and would cut off worker pathways to good jobs.

This analysis assumes an across-the-board reduction of roughly 22% compared to currently enacted FY 2023 levels for non-defense discretionary accounts. That aligns with Congressional Republicans’ Default on America Act, which would return discretionary spending to FY 2022 levels on an ongoing basis while exempting defense spending. The total federal dollars cut in each state represents a 22% reduction across federal discretionary grant programs using FY23 state allocations for the 29 largest federal grants adjusted for remaining grants as though they were evenly distributed.

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