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CBPP STATEMENT

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Budget Deal Averts Troubling Threats, Allows More Adequate Funding for Key Priorities

Statement by Robert Greenstein, President

The budget deal that congressional leaders and the White House reached today is an important step, as it eliminates the threats both of an unprecedented U.S. government default on its debt obligations and of deep, damaging budget cuts that would have been triggered under the Budget Control Act. Today's agreement provides a path for Congress and the Administration to complete their work on the annual appropriations bills this year without the disruptive brinksmanship and uncertainty that have become all too common.

The agreement provides significant resources for non-defense discretionary programs; it boosts funding for those programs by \$56.5 billion over the next two years above the 2019 level to help address various needs that have built up following years of squeezing this part of the budget. It also raises defense funding relative to its 2019 level, by \$10 billion less than the non-defense increase. Overall non-defense appropriations would still be near a historic low when measured as a percentage of the economy (with data back to 1976). But they would be funded far more adequately than under either the sequestration cuts that will be triggered in the absence of a deal or the earlier White House proposal to freeze overall non-defense appropriations in 2020 at the 2019 level. A funding freeze would have necessitated *cuts* in many domestic programs in order to free up funds to support the decennial census and to meet new requirements for more funding for veterans' health care as a result of enactment last year of the bipartisan Mission Act.

Moreover, the levels that the deal provides for non-defense appropriations will enable lawmakers not only to provide the necessary funds for the census and the Mission Act, but also to increase support for key underfunded priorities such as child care, low-income housing, environmental protection, and IRS enforcement, to name a few. The House-passed appropriations bills reflect these priorities, and as Congress continues work on the appropriations bills, it should be guided by the choices the House bills make, even though the levels of the increased investments may need to be moderated in some areas.

The deal reportedly includes \$77 billion in savings in mandatory programs and user fees as offsets. Not surprisingly, it doesn't include revenue offsets. The unwillingness of the White House and GOP congressional leaders to consider narrowing or closing a single tax loophole is problematic. It hinders meaningful discussion about how to address the nation's long-term fiscal challenges.

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