



# COMMITTEE ON THE BUDGET

Chairman John Yarmuth

February 4, 2019

## Hearing: Investing in America’s Economic and National Security

### Reducing fiscal deficits at the expense of investments will hurt American families

In the coming weeks, the Committee on Appropriations will begin considering legislation reflecting 2020 discretionary priorities. On February 7<sup>th</sup>, the House Budget Committee will hear testimony from four expert witnesses on the imperative need to raise the discretionary budget caps for 2020. Without action, programs funded through annual appropriations will face immediate cuts totaling \$126 billion in 2020 even before accounting for inflation. Congress originally imposed these austere discretionary caps as part of a deeply flawed deficit reduction plan. It is increasingly

clear, however, that attempting to reduce budget deficits by cutting investments in our safety and future prosperity will leave the American

people worse off, not better. Just as investments in defense discretionary programs provide for our military security, our investments in non-defense discretionary (NDD) programs also provide for our economic and national security.

#### What's at stake?

Year	Defense	% Change	NDD	% Change	Total	% Change
2019	647	--	597	--	1,244	--
2020	576	-10.9%	542	-9.2%	1,118	-10.1%
<b>Total decrease in \$billions from 2019 caps</b>						
	<b>-71</b>		<b>-55</b>		<b>-126</b>	

Note: 2019 amounts reflect the caps agreed to in the 2018 Bipartisan Budget Act. Totals may not add due to rounding.

**These budget caps were never supposed to take effect** — The Budget Control Act (BCA) of 2011 established discretionary funding caps designed to be so austere they would force agreement on a comprehensive alternative deficit reduction plan. When Congress failed to reach that agreement, these draconian caps became reality – and we have been dealing with the consequences ever since. While Congress has generally raised the caps for two years at a time, delays in reaching these agreements have caused great disruption to the appropriations process. Instead of repeating this chaos, Congress should address the final two years governed by the BCA in a timely way. The most recent cap agreement, the 2018 Bipartisan Budget Act, provided two years of austerity relief from the BCA. That relief ends with fiscal year 2019. Without a new bipartisan agreement, the BCA’s destructively low caps will kick in, requiring spending cuts of more than 10 percent for 2020.

**With bipartisan support, Congressional Republicans raised the caps in 2015 and 2018** — Under their control of both the House and Senate, Congressional Republicans passed the Bipartisan Budget Acts of 2015 and 2018, respectively. These bills maintained the “parity principle”–

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equivalent treatment for defense and non-defense programs – that has been integral to every budget agreement beginning with the BCA. House Democrats will not pit defense and non-defense spending against one another, as both are critical to our common security and prosperity.

**The President’s shutdown demonstrated that NDD investments *are* security investments** — Prior to the shutdown, Congress had completed its work to fund nearly 75 percent of government activities, including the military. While only 25 percent remained unfunded, the President’s shutdown demonstrated that NDD investments *are* security investments:

- the Food and Drug Administration suspended most food safety inspections, leaving Americans at risk of foodborne illnesses;
- employee shortages at the Transportation Security Administration (TSA) compromised the safety of more than two million daily passengers and led to significant delays;
- tragically, seven people died in our unstaffed national parks, which were irresponsibly left open to the public; and
- the Federal Bureau of Investigations (FBI) furloughed more than 5,000 employees, slowing down forensic and other investigative work.

The Congressional Budget Office estimates that the President’s shutdown resulted in a permanent loss of approximately \$3 billion from the American economy. Moreover, the President’s shutdown highlighted the essential services that government employees provide to the American people, services that were severely compromised due to this lapse in funding.

**Expert witnesses to address critical investments in defense and non-defense discretionary programs** — Discretionary funding provides resources for hundreds of programs that affect Americans every day – ranging from support for the military and veterans, to programs that support schools and teachers, and to public health funding to stop the spread of infectious disease. The Budget Committee expects to learn more at this upcoming hearing about investments in these areas and the catastrophic effects to our economic and national security if Congress fails to raise the caps. Witnesses scheduled to testify include:

- **Sarah Abernathy (Deputy Executive Director, Committee for Education Funding)**
- **Steven Kosiak (Adjunct Senior Fellow, Center for a New American Security)**
- **Dr. Umair A. Shah, MPH (Executive Director, Harris County Public Health; Immediate Past President, National Association of County and City Health Officials (NACCHO))**
- **Gordon Gray (Director of Fiscal Policy, American Action Forum)**

Members of Congress of both parties have the responsibility to invest in both defense and non-defense priorities, boost economic development, and guarantee that every American family has the chance to build a better future – and that starts with raising discretionary spending caps.