



# COMMITTEE ON THE BUDGET

Chairman John Yarmuth

April 2, 2019

## The Investing for the People Act Moves our Country Forward

House Budget Committee Chairman John Yarmuth introduced legislation today that aims to bring sanity back to the budget process. The Investing for the People Act of 2019 creates stable funding levels over the next two years, allowing us to invest in both defense and non-defense priorities, boost economic development, and provide American families the opportunity to build a better future. By passing this bill now, Congress can fulfill its responsibilities and deliver a government that works better for the American people.

### Enables Critical Investments in America's Future

The bill raises the arbitrary and irresponsible caps on discretionary spending imposed by a previous Congress in the Budget Control Act of 2011 (BCA), securing the funds the country needs to make critical investments in families, the economy, and the national defense. Absent a bipartisan agreement, current law requires that total discretionary spending be slashed by more than 10 percent in 2020 – seriously endangering our economic and national security.

To avoid these draconian cuts, the bill lifts the caps for defense and non-defense discretionary (NDD) spending to more realistic levels for 2020 and 2021, the final two years of the BCA. It adheres to the principle of parity – applying the same dollar increase to the defense and non-defense caps – because pitting defense and non-defense against each other is not in our national interests. Specifically, the bill:

- Sets the NDD cap for 2020 at \$631 billion – a 5.7 percent increase over the 2019 cap – and \$646 billion in 2021.
- Sets the defense cap for 2020 at \$664 billion – a 2.6 percent increase over the 2019 cap – and \$680 billion in 2021.
- Allows for up to \$8 billion per year for non-defense Overseas Contingency Operations (OCO) activities that do not count against the cap, while preventing abuse of the OCO designation by limiting defense OCO for 2020 and 2021 to no more than this year's level of \$69 billion.
- Provides upward adjustments to the NDD caps for two particularly important activities: carrying out the 2020 Census and supporting IRS tax enforcement activities.

These new spending levels will allow us to adequately fund a broad array of programs that underpin our prosperity and safety, including those that ensure clean drinking water, invest in scientific research, expand the supply of affordable housing, modernize our infrastructure, and provide vital support to veterans.

*This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.*

| <b>Discretionary Caps and OCO under the Investing for the People Act of 2019</b>   |       |             |             |             |
|--|-------|-------------|-------------|-------------|
| Billions of dollars  |       |             |             |             |
|  |       | <b>2019</b> | <b>2020</b> | <b>2021</b> |
| Defense:   |       |             |             |             |
|  | Base  | 647         | 664         | 680         |
|  | OCO   | <u>69</u>   | <u>69</u>   | <u>69</u>   |
|  | Total | 716         | 733         | 749         |
| NDD:   |       |             |             |             |
|  | Base  | 597         | 631         | 646         |
|  | OCO   | <u>8</u>    | <u>8</u>    | <u>8</u>    |
|  | Total | 605         | 639         | 654         |
| Note: 2019 column reflects enacted levels excluding non-OCO cap adjustments. Totals may not add due to rounding. NDD would also increase for other allowable cap adjustments in 2020 and 2021. |       |             |             |             |

President Trump’s 2020 budget request, unfortunately, does the opposite. It reduces NDD spending to the destructively low cap set by the BCA while increasing defense spending through a dishonest budget gimmick to get around the cap. In doing so, the budget severely shortchanges national and economic security investments and threatens the nation’s standing as an economic powerhouse and world leader. Where the President’s budget is a recipe for American decline, the Investing for the People Act provides the resources necessary to move the country forward.

### **Restores Order to the Budget Process**

The bill provides stability and predictability to federal funding and ensures a timely and orderly appropriations process. As we have learned too many times in the past, governance by continuing resolution inhibits military readiness, hinders efficient agency planning, and undermines investment by local government and the private sector. We also know that temporary mechanisms stoke persistent threats of government shutdown, putting undue burdens on families, businesses, and the economy. In fact, the most recent shutdown – the longest in the nation’s history – cost the American people more than \$3 billion. By returning us to regular order, the bill helps ensure that we avoid repeating this pattern.

We cannot afford to wait. The Appropriations Committee is already determining needs and priorities for all discretionary programs for 2020. The sooner we can have a bipartisan agreement in place on the spending caps, the sooner the Appropriations Committee can have clarity on “top-line” spending levels within which to craft their must-pass legislation. Delaying this inevitable and necessary decision will only create chaos in the appropriations process at the final hour. Instead, Congress should ensure that the appropriators can begin consideration of their bills within a new, realistic budgetary framework today.

## **A Budget with Teeth**

Congress owes the American people a government – and a budget – that works. The Investing for the People Act addresses the BCA directly. Rather than waste time on symbolic gestures, this bill provides realistic funding levels, gets us past the final two years of the BCA, and allows Congress to get back to work to address the country’s needs.

The bill also makes clear where our values lie. Raising the spending caps to protect programs and fund investments that are vital to America’s economic and national security is a reflection of our values. So is ensuring that government functions reliably and with accountability. In contrast to the unacceptable choices we currently face – draconian budget cuts that were never intended to take effect, or a prolonged period of uncertainty, inefficiency, and unrelenting threats of shutdown – the Investing for the People Act offers a responsible alternative: government that works better for the American people, today and tomorrow.