



June 10, 2021

WHAT YOU NEED TO KNOW ABOUT Biden's Budget Release

PRO POINTS

- **President Joe Biden sent his first full budget request to Congress on May 28, weeks later than any other first-term president.**
- **The request details the president's \$2.3 trillion infrastructure plan, his \$1.8 trillion families proposal and \$1.5 trillion in discretionary spending to fund the federal government for the upcoming fiscal year, which begins Oct. 1.**
- **Unlike the far slimmer budget Biden unveiled in April, the full request offers thousands of pages of details on the president's funding wishes for every federal agency and the programs they run.**

HOW WE GOT HERE

On Capitol Hill, lawmakers like to joke that “the president proposes, Congress disposes.” But that political cliché holds up. Even though Biden’s own party has majority control in both the House and Senate, lawmakers will only use his spending wish list as a guidepost in deciding how to fund the federal government.

Biden’s vision of a less than 2 percent boost in military spending has already drawn the ire of lawmakers from both sides of the political spectrum. Defense hawks say the president’s Pentagon funding proposal is insufficient to keep the U.S. protected and competitive on the battlefield. Progressive Democrats complain that any defense spending increase is too much.

Biden's funding wish list

PROPOSED DOLLARS

Government funding top-lines:

National defense programs	\$753B
Non-defense programs	\$769B

Major policy proposals:

American Families Plan	\$1.8T
Biden's infrastructure plan	\$2.3T

While the president had already detailed his major policy ambitions — like the infrastructure proposal and his families plan — his budget request elaborates on how the Biden administration proposes to fund those efforts. Biden calls for paying for those plans within 15 years, through tax increases, rather than the traditional 10-year budget window.

In the face of criticism from Republicans who say Biden is driving up the national debt too quickly and running the economy too hot, the White House lays out a plan for cutting the deficit over a decade. Biden administration officials say the president’s budget vision would ensure “durable” growth by paying for immediate spending through tax hikes on corporations and the highest-earning Americans.

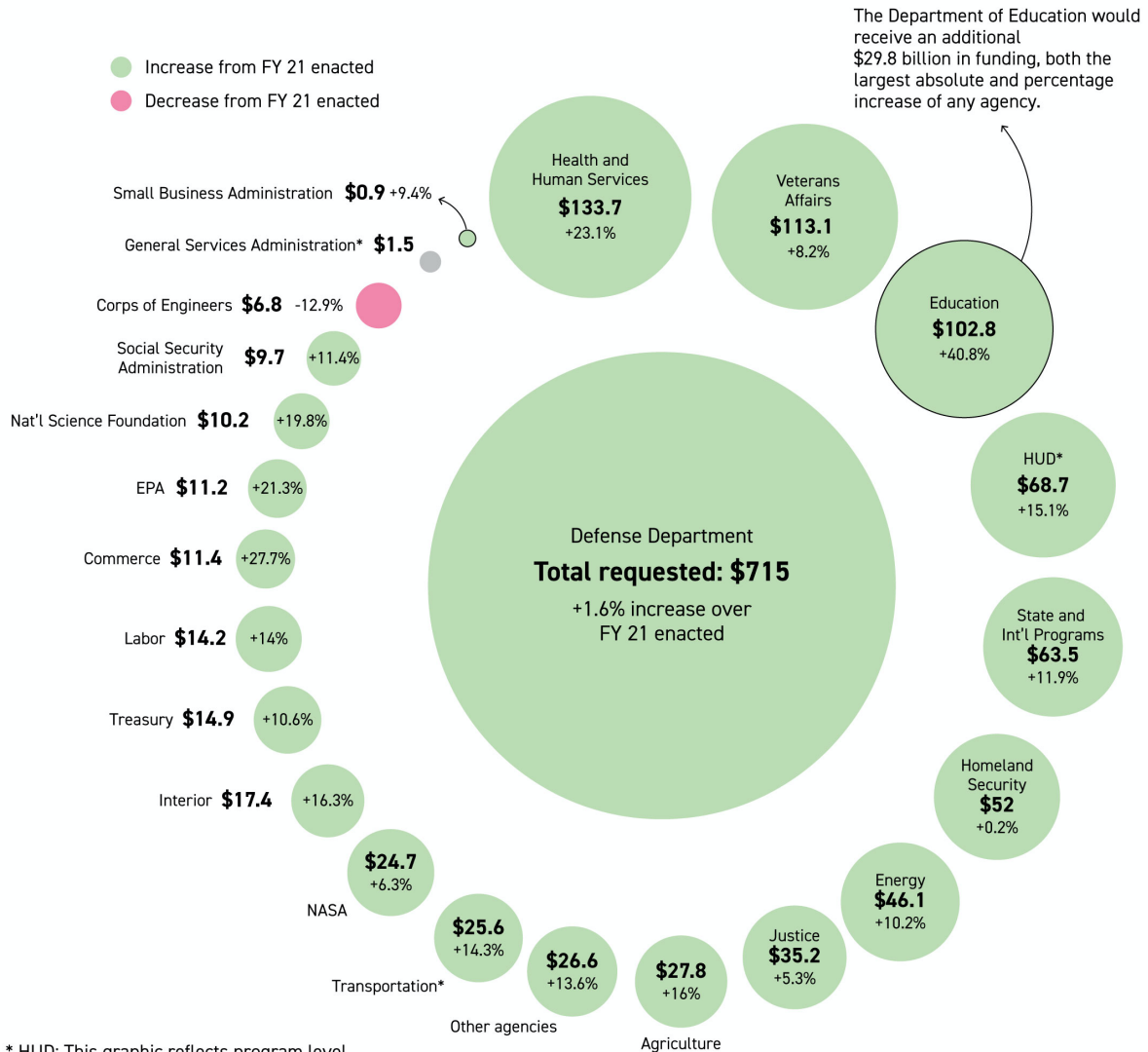


WHAT'S NEXT

Government funding will run out at midnight on Sept. 30. So House spending leaders plan to move their 12 annual funding bills through committee in June, followed by floor passage in July. As usual, the Senate is moving more slowly.

Biden is requesting funding increases for most departments, agencies

BASE DISCRETIONARY FUNDING, NET BUDGET AUTHORITY, BILLIONS OF DOLLARS



* HUD: This graphic reflects program level funding. Transportation: Reflects funding for DOT Discretionary Programs. GSA: Percentage change not included because the agency was allocated a negative budget for fiscal 2021.

Source: White House, President's Budget Request for Fiscal 2022, discretionary funding, POLITICO Pro reports



Lawmakers from both sides of the aisle are already expecting Congress will punt on its funding duties when the September deadline arrives, since Democrats remain more focused on Biden's policy proposals, like the infrastructure plan. To buy more time beyond the Oct. 1 start of the new fiscal year, lawmakers are expected to pass a stopgap spending bill that drags out current funding levels — likely until sometime in December.

POWER PLAYERS

- **Shalanda Young, acting White House budget director:** It's Young's job to defend Biden's funding request to Congress. "Put together, this budget is an agenda for robust, durable economic growth and broadly shared prosperity," she said. "It will deliver a strong economy now and for decades into the future."
- **Cecilia Rouse, chair of the White House Council of Economic Advisers:** Rouse goes to bat for the president's economic vision. "The policies proposed are premised on the idea that — to move forward as a country — we need to invest in innovation, and the public sector is critical to building a robust and inclusive economy," she said.
- **Rep. Rosa DeLauro (D-Conn.), chair of the House Appropriations Committee:** For House Democrats, DeLauro will be the chief deal-maker in negotiations for funding the government in fiscal 2022. Applauding Biden, the chair said the president's budget request calls for "long overdue" funding increases for the departments of Health and Human Services and Education, as well as the EPA.
- **Sen. Patrick Leahy (D-Vt.), chair of the Senate Appropriations Committee:** In the Senate, Leahy is in charge of federal funding. "Congress holds the power of the purse," the chair noted when Biden unveiled his budget, vowing to "carefully scrutinize" the request.