



September 23, 2021

Why four budget issues are causing so many problems on Capitol Hill

As the end of the fiscal year nears, a host of deadlines are staring down lawmakers on Capitol Hill with no easy answers on how to meet them. Despite controlling both chambers of Congress, Democratic leaders are finding themselves needing to rely on both Republicans and the left wing of their own party.

In anticipation of a Monday vote on the Senate-approved bipartisan infrastructure package, for example, House leaders are whipping support for the bill. It's meeting headwinds from progressive Democrats upset because the bill has been decoupled from a social- and climate-friendly reconciliation package — which will need modification to clear hurdles in the Senate. Meanwhile, the House has passed a continuing resolution to keep the federal government running when a new fiscal year begins next week. The bill includes extra money for hurricane disaster relief and for Afghan refugees. But tied to that legislation is a measure to suspend the nation's debt limit, which could steer the bill into a filibuster by Senate Republicans, even though the bulk of disaster relief would be devoted to red states along the Gulf Coast. Without Republican support for a debt limit increase, Democrats would be forced to scramble for a way to do it unilaterally.

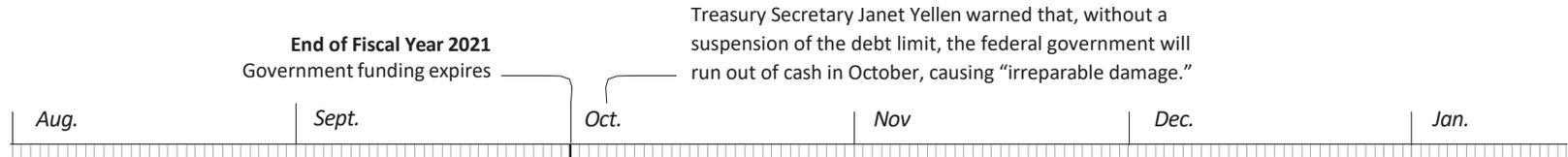
	House	Senate	The sticking points
Infrastructure spending	✓	✓	Though the bill has bipartisan support, House progressives are threatening not to support it unless the more expansive reconciliation spending bill passes first.
Budget resolution and reconciliation bill	BUDGET RESOLUTION ✓ SPENDING ✓	BUDGET RESOLUTION ✓ SPENDING ✓	Moderate Senate Democrats have said they would not support the plan in its current form, which calls for \$3.5 trillion of new spending.
Stopgap spending (through continuing resolution)	✓	✓	The House-passed continuing resolution also includes a provision to suspend the debt limit, which most Senate Republicans oppose.
Debt limit increase	✓	✓	Senate Republicans have threatened to filibuster a suspension of the debt limit.

Sources: POLITICO staff reports; Congressional Research Service; Treasury Department; Congressional Budget Office

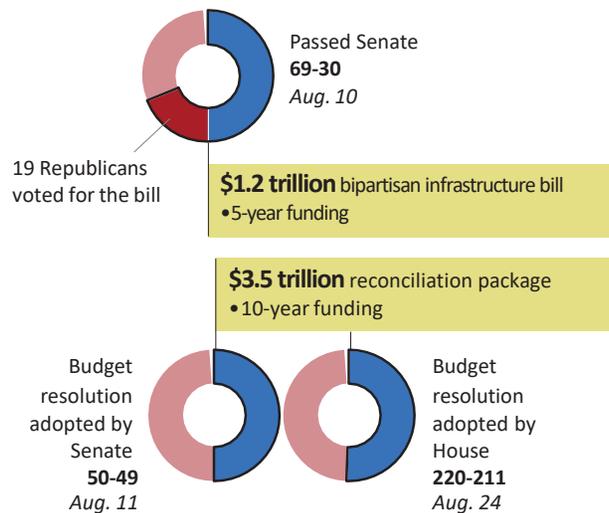


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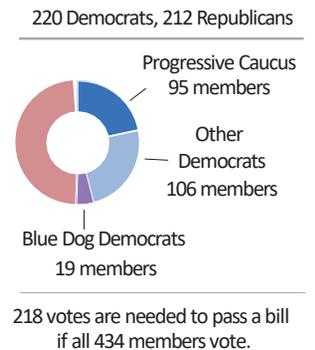
IN THE HOUSE



As of Sept. 23
More than half the members of the Progressive Caucus might vote down the infrastructure bill unless the reconciliation package passes first, caucus Chair Rep. Pramila Jayapal (D-Wash.) has said. Centrist Blue Dog Democrats have voiced support for the infrastructure bill without insisting it be linked to the reconciliation package. House Speaker Nancy Pelosi has promised centrist Democrats a Sept. 27 vote on the measure, but Republican leaders are whipping against the bill.

SEPT. 27 VOTE

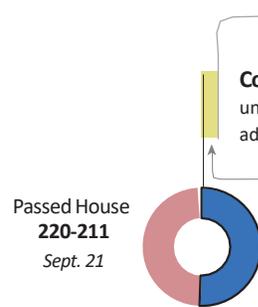
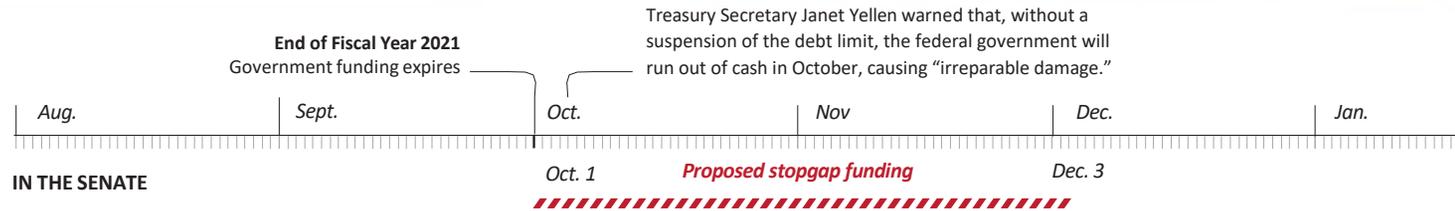
If the spending bill is passed by the House, the "Build Back Better Act" would advance to the Senate, where moderate Democrats would insist on reducing the package. Pelosi has cautioned House members that the bill needs changes to resolve some issues, and the price tag might need to be downsized because of Senate concerns.





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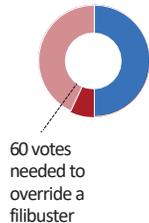


Immediately after House passage, Republican leaders in the Senate submitted an alternative continuing resolution, which included money for disaster relief and Afghan refugees, but no waiver for the debt limit.

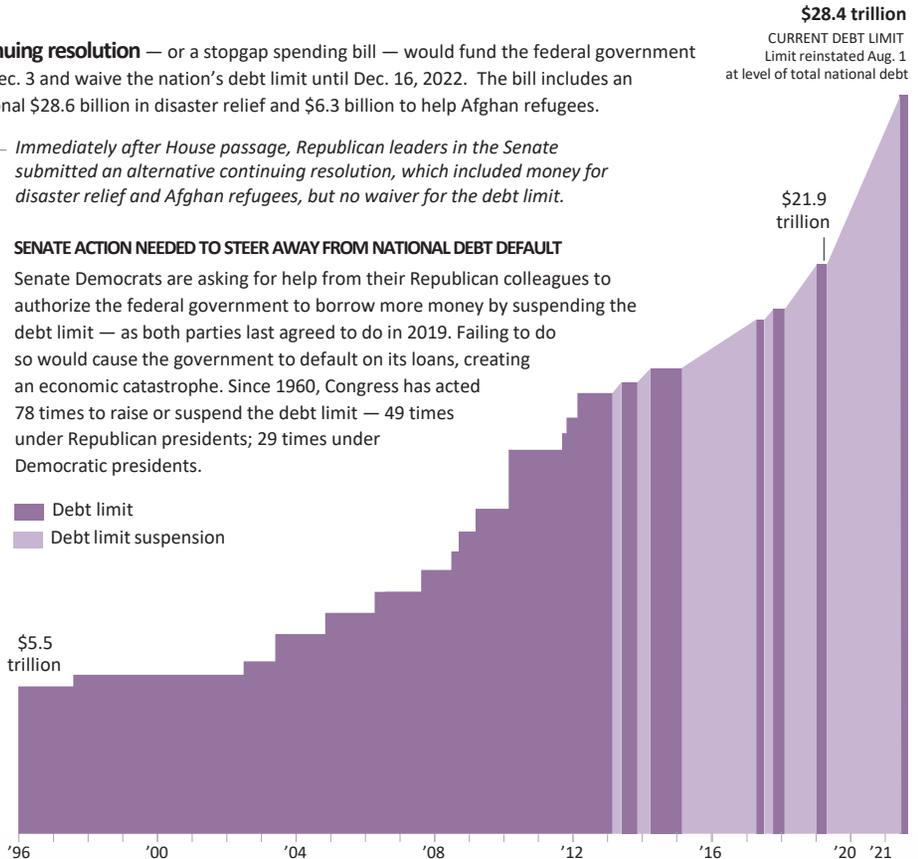
SENATE ACTION NEEDED TO STEER AWAY FROM NATIONAL DEBT DEFAULT

Senate Democrats are asking for help from their Republican colleagues to authorize the federal government to borrow more money by suspending the debt limit — as both parties last agreed to do in 2019. Failing to do so would cause the government to default on its loans, creating an economic catastrophe. Since 1960, Congress has acted 78 times to raise or suspend the debt limit — 49 times under Republican presidents; 29 times under Democratic presidents.

As many as seven Republican senators have said they would, or might, vote for a suspension of the debt limit — three votes short of clearing a Republican filibuster.



Debt limit (dark purple)
Debt limit suspension (light purple)



Sources: POLITICO staff reports; Congressional Research Service; Treasury Department; Congressional Budget Office