



April 5, 2022

WHAT YOU NEED TO KNOW ABOUT

Budget Policy and the Midterms

PRO POINTS

- **Fiscal 2023 begins at the start of October, just over a month before voters will head to the polls on Nov. 8 to determine the new makeup of Congress in the midterm elections.**
- **Republicans are confident they will flip enough** Democrat-held seats to take back control of at least one chamber. So it behooves GOP leaders to hold off on finalizing a fiscal 2023 funding deal until after Election Day.
- **That political reality almost guarantees Congress** will resort to a stopgap spending patch to continue current funding levels beyond the Oct. 1 start of the fiscal year.
- **But that doesn't necessarily mean it will be a** lazy summer for appropriators. Top lawmakers in both parties say they're interested in holding markups and floor votes on the 12 individual spending bills.

HOW WE GOT HERE

Congress finally passed a catch-all spending package in March to fund the government for the current fiscal year. That fiscal 2022 package boosted non-defense funding to \$730 billion, an almost 7 percent increase. The measure also hiked national defense funding by \$782 billion, a 6 percent bump.

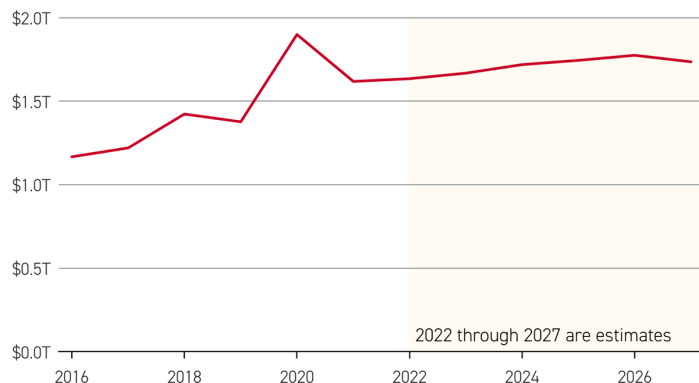
Because that legislation was signed into law five and a half months after the fiscal year began, the tardiness once again delayed funding work to come.

Less than two weeks after President Joe Biden signed the fiscal 2022 package into law, he sent Congress his new budget request. That fresh fiscal 2023 wish list marks the second-latest budget a president has ever submitted outside of a transition year.

In the president's new budget, the Biden administration didn't have time to do the extensive funding comparisons that are typical, since the request followed so closely on the heels of enactment of the fiscal 2022 funding package. So the updated totals Biden requested for many departments and agencies were not compared apples-to-apples with current funding levels, making it difficult for Congress to size up the president's request.

OMB projects slow rise in budget authority

Discretionary budget authority, trillions of dollars



Source: OMB, President's Budget, Historical Table 5.4
Taylor Miller Thomas / POLITICO



WHAT'S NEXT

Spending leaders in both chambers have already started holding hearings to press Biden administration officials on their funding needs for the upcoming fiscal year. Health and Human Services Secretary Xavier Becerra testified before House appropriators just three days after Biden submitted his budget request. And top Pentagon health officials spoke to Senate appropriators about defense health programs.

Sen. Susan Collins (R-Maine) said in March that she had already talked to House Majority Leader Steny Hoyer about getting appropriations back on track for fiscal 2023. "A goal we have in common is to try to move appropriations bills earlier and not have one huge omnibus," said Collins, who is expected to be the top Republican appropriator in the Senate after Sen. Richard Shelby (R-Ala.) retires this year.

Hoyer has also said he has chatted with other congressional leaders and White House officials about the need to agree on "a 302(a) figure" — the two funding totals that set ceilings for defense and non-defense spending. Striking a bipartisan deal on those numbers is seen as a crucial step toward a final cross-party compromise to fund the federal government for fiscal 2023.

POWER PLAYERS

- **Sen. Patrick Leahy (D-Vt.), Senate Appropriations chair:** The retiring senator will lead fiscal 2023 funding work in the Senate for the rest of the year. His longtime friendship with his GOP counterpart, ranking Republican Sen. Richard Shelby, has helped ease difficult spending negotiations for years.
- **Sen. Richard Shelby (R-Ala.), Senate Appropriations ranking member:** Like Leahy, the Alabama Republican is also retiring. But he's still interested in sparring over fiscal 2023 funding. Shelby said Biden's new budget is "a fiscal blueprint that overspends on wasteful domestic programs and fails to adequately provide for our nation's defense."
- **Sen. Patty Murray (D-Wash.):** The Washington Democrat is expected to lead the Senate Appropriations Committee for her party once Leahy leaves Congress. She currently heads the subcommittee that controls the vast majority of non-defense funding, the Labor-HHS-Education panel, and also chairs the Senate HELP Committee.
- **Sen. Susan Collins (R-Maine):** Collins is expected to become the Senate's top Republican appropriator following Shelby's retirement. She is currently ranking Republican on the Transportation-HUD spending panel and has led other major committees, including the Homeland Security and Governmental Affairs panel during the creation of the Department of Homeland Security.
- **Rep. Rosa DeLauro (D-Conn.), House Appropriations chair:** DeLauro chairs the House Appropriations Committee, as well as the Labor-HHS-Education spending panel. She won the gavel in late 2020, locking in more support from her peers than Reps. Debbie Wasserman Schultz (D-Fla.) and Marcy Kaptur (D-Ohio).
- **Rep. Kay Granger (R-Texas), House Appropriations ranking member:** Granger clinched support in late 2018 to head the House spending panel for her party, beating out three other GOP appropriators. She became the first Republican woman to lead the spending committee.